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LISTING PROSPECTUS

NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES

Derichebourg S.A.

€300,000,000

2.250% Senior Notes due 2028

Derichebourg S.A., a *société anonyme* organized under the laws of France, having its registered office at 119, avenue du Général Michel Bizot, 75012 Paris, France (the "**Issuer**"), is offering (the "**Offering**") €300.0 million aggregate principal amount of its 2.250% senior notes due 2028 (the "**Notes**") as part of the financing of the proposed acquisition (the "**Acquisition**") by Derichebourg Environnement (as defined herein), a wholly-owned direct subsidiary of the Issuer, of the entire issued share capital of Groupe Ecore Holding S.A.S. ("**GEH**"), the holding company of the Ecore group ("**Ecore**"). The Issuer will indirectly own, as of the date on which the Acquisition is consummated (the "**Acquisition Completion Date**"), 100% of the issued share capital of GEH.

The Notes were issued pursuant to an indenture (the "**Indenture**") dated as of June 24, 2021 (the "**Issue Date**") among, *inter alios*, the Issuer and Citibank, N.A., London Branch as trustee (the "**Trustee**"). The Notes will mature on July 15, 2028. The Issuer will pay interest on the Notes semi-annually in arrear on January 15 and July 15 each year, commencing on January 15, 2022.

Concurrently with the closing of the Offering, and pending the consummation of the Acquisition and the satisfaction of certain other conditions, the Initial Purchasers (as defined herein) will deposit an amount equal to the gross proceeds from the Offering into a segregated escrow account (the "**Escrow Account**"), held in the name of the Issuer, but controlled by the Escrow Agent (as defined herein). The release of escrowed proceeds will be subject to the satisfaction of certain conditions, including the consummation of the Acquisition promptly following the release of the escrowed proceeds from the Escrow Account. If the Acquisition is not consummated on or prior to April 30, 2022 or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be equal to 100% of the issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of special mandatory redemption. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.*"

The Issuer may redeem some or all of the Notes by paying 100% of the principal amount of the Notes plus a "make-whole" premium. In addition, up to 40% of the aggregate principal amount of the Notes may be redeemed with the net proceeds of certain equity offerings at the redemption price set forth in this listing prospectus (the "**Listing Prospectus**").

Upon the occurrence of certain change of control events, each holder of the Notes may require the Issuer to repurchase all or a portion of its respective Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes, as applicable.

The Notes will be the Issuer's senior unsecured obligations and will rank *pari passu* in right of payment with all other existing and future senior indebtedness of the Issuer that is not expressly subordinated in right of payment to the Notes. The Notes will be senior in right of payment to all existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes. The Notes will not be guaranteed as of the Issue Date.

There is currently no public market for the Notes. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit them to trading on the Euro MTF Market. This Listing Prospectus constitutes a prospectus for purposes of Part IV of the Luxembourg law on Prospectuses for securities dated July 16, 2019.

Investing in the Notes involves risks that are described under the caption "*Risk Factors*" beginning on page 36 of this Listing Prospectus.

Issue price for the Notes: 100% plus accrued interest, if any, from the Issue Date

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or any other jurisdiction. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold within the United States only to "qualified institutional buyers" ("**QIBs**") in accordance with Rule 144A under the Securities Act ("**Rule 144A**") and outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act ("**Regulation S**"). You are hereby notified that the sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See "*Notice to Investors*" for additional information about eligible offerees and transfer restrictions.

The Notes are in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes were represented on issue by one or more Global Notes, which were delivered through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**") on June 24, 2021.

Global Coordinator and Sole Physical Bookrunner

BNP PARIBAS

Joint Lead Managers

CIC Market Solutions **Société Générale**

Co-Manager

Crédit Agricole CIB

The date of this Listing Prospectus is August 13, 2021

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You should rely only on the information contained in this Listing Prospectus. None of the Issuer or any of the Initial Purchasers has authorized anyone to provide you with information that is different from the information contained herein. If given, any such information should not be relied upon.

Neither the Issuer nor any of the Initial Purchasers is making an offer of the Notes in any jurisdiction where the Offering is not permitted.

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IMPORTANT INFORMATION

The Issuer is a limited liability company (*société anonyme*) organized under the laws of France and is registered with the *Registre du commerce et des sociétés* of Paris (France) under number 352 980 601. The Issuer's registered office is located at 119, avenue du Général Michel Bizot, 75012 Paris (France).

The Issuer's internet address is www.derichebourg.com. Information posted on the Issuer's website and those of its affiliates and subsidiaries is not incorporated herein and does not constitute a part of this Listing Prospectus. For the purposes of making an investment decision regarding the Notes, you should not rely on the Issuer's websites.

Unless the context otherwise requires, references in this Listing Prospectus to "we," "our," "us" and the "Group" refer collectively to the Issuer and its direct and indirect subsidiaries. Certain definitions and technical terms used in this Listing Prospectus are defined in the section entitled "*Certain Definitions.*"

We are relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under "*Notice to Investors*" in this Listing Prospectus. You should understand that you may be required to bear the financial risks of your investment for an indefinite period of time.

This Listing Prospectus is based on information provided by us and by other sources that we believe are reliable. We cannot assure you that information included herein is accurate or complete. No representation or warranty, expressed or implied, is made by the Initial Purchasers, the Trustee, the Paying Agent, the Transfer Agent, or the Registrar as to the accuracy or completeness of any information set forth in this Listing Prospectus, and nothing contained in this Listing Prospectus is or shall be relied upon as a promise or representation, whether as to the past or the future. This Listing Prospectus summarizes certain documents and other information and we refer you to them for a more complete understanding of the discussions in this Listing Prospectus. We will make copies of certain documents available to you upon request. In making an investment decision, you must rely on your own examination of our Group, the terms of the Offering and the Notes, including the merits and risks involved.

We are not making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this Listing Prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Notes.

We reserve the right to withdraw this offering of the Notes at any time, and we and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of Notes sought by such purchaser. The Initial Purchasers and certain related entities may acquire for their own account a portion of the Notes. See "*Plan of Distribution*."

You must comply with all applicable laws and regulations in force in any applicable jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the Notes under the laws and regulations in force in the jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the Initial Purchasers will have any responsibility therefor.

This Listing Prospectus is not an offer to sell, or a solicitation of an offer to buy, any Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Neither the U.S. Securities and Exchange Commission (the "**SEC**"), or any state securities commission, nor any other regulatory authority has approved or disapproved these securities nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Listing Prospectus. Any representation to the contrary is a criminal offence.

The Issuer accepts responsibility for the information contained in this Listing Prospectus. To the best of our knowledge and having taken all reasonable care, the information contained in this Listing Prospectus is in accordance with the facts and does not omit anything likely to affect the import of this Listing Prospectus.

The Notes will be available initially only in book-entry form. We expect that the Notes sold pursuant to this Listing Prospectus will be issued in the form of a global note, which will be deposited with, or on behalf of a common depositary for Euroclear and Clearstream and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Beneficial interests in the global note will be shown on, and transfers of beneficial interests in the global note will be effected only through, records maintained by Euroclear and Clearstream and their direct and indirect participants, as applicable. After the initial issuance of the global note,

Notes in certificated form will be issued in exchange for the global note only as set forth in the Indenture. See "*Book-Entry, Delivery and Form*."

We have accurately reproduced the information and data from third-party sources under the heading "*Book-Entry, Delivery and Form*" and, as far as we are aware and able to ascertain third-party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. While we accept such responsibility for accurately summarizing such information, we accept no further responsibility in respect of such information. The information set out in relation to sections of this Listing Prospectus describing clearing and settlement arrangements, including the section entitled "*Book-Entry, Delivery and Form*," is subject to change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. Prospective purchasers should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. See "*Notice to Investors*."

In connection with the Offering, any Initial Purchasers established in the European Economic Area or in the United Kingdom are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, BNP PARIBAS (THE "**STABILIZING MANAGER**") OR ONE OR MORE OF ITS AFFILIATES (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT THE NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES DURING THE STABILIZATION PERIOD AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT MUST END NO LATER THAN 30 CALENDAR DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE ISSUE, OR NO LATER THAN 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES, WHICHEVER IS THE EARLIER. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSON ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS AND WILL BE UNDERTAKEN AT THE OFFICES OF THE STABILIZING MANAGER (OR PERSONS ACTING ON THEIR BEHALF) AND ON THE EURO MTF OR OVER THE COUNTER MARKET.

NOTICE TO U.S. INVESTORS

The offering is being made in the United States in reliance upon an exemption from registration under the Securities Act for an offer and sale of the Notes that does not involve a public offering.

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Listing Prospectus under "*Notice to Investors*."

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THE NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. SEE "*PLAN OF DISTRIBUTION*" AND "*NOTICE TO INVESTORS*." INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF ANY SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A UNDER THE SECURITIES ACT.

The Notes described in this Listing Prospectus have not been registered with, recommended by or approved by the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of this Listing Prospectus. Any representation to the contrary is a criminal offense.

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS LISTING PROSPECTUS, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.

NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

This Listing Prospectus has been prepared on the basis that any offer of the Notes in any member state of the European Economic Area ("**EEA**") will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended or superseded, the "**Prospectus Regulation**") from the requirement to publish a prospectus for offers of the Notes. The Listing Prospectus is not a prospectus for the purposes of the Prospectus Regulation.

The Notes are not intended to be offered or sold to and should not be offered or sold to any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; (iii) not a qualified investor as defined in the Prospectus Regulation. No key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

NOTICE TO INVESTORS IN FRANCE

This Listing Prospectus has not been prepared in the context of a public offering (other than to qualified investors in France) within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*). Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France (other than to qualified investors) and neither this Listing Prospectus nor any other offering material may be distributed or caused to be distributed and will not be distributed or caused to be distributed to the public in France (other than to qualified investors only). Such offers, sales and distributions will only be made in France to qualified investors (*investisseurs qualifiés*) as defined in point (e) of Article 2 of the Prospectus Regulation and/or to a limited circle of investors (*cercle restreint d'investisseurs*) each acting for their own accounts, as defined in and in accordance with Articles L. 411-1, L. 411-2 and D. 411-2 to D. 411-4 of the French Monetary and Financial Code. Prospective investors are informed that: (i) neither this Listing Prospectus, nor any other materials relating to the Notes, has been and will be submitted for clearance to, approval by, or registration with, the *Autorité des marchés financiers*; (ii) in compliance with Articles L. 411-2, D. 411-2, D. 411-2-1, D. 411- 4, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code, any qualified investors subscribing for the Notes should be acting for their own account; and (iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-2 of the French Monetary and Financial Code.

THIS LISTING PROSPECTUS CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

NOTICE TO UNITED KINGDOM INVESTORS

This document has not been approved by an authorized person in the United Kingdom and is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations etc**.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to and will be engaged in only with Relevant Persons.

THE NOTES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS LISTING PROSPECTUS, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY NOTES TO THE PUBLIC.

This Listing Prospectus has been prepared on the basis that any offer of the Notes in the United Kingdom ("**UK**") will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") and the Financial Services and Markets Act 2000 from the requirement to publish a prospectus for offers of the Notes. The Listing Prospectus is not a prospectus for the purposes of the UK Prospectus Regulation.

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

Any distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") (for the purposes of this paragraph, a "**distributor**") subsequently offering, selling or recommending the Notes is responsible for undertaking its own target market assessment in respect of the Notes and determining the appropriate distribution channels. Neither the Issuer nor any of the Initial Purchasers make any representations or warranties as to a distributor's compliance with the UK MiFIR Product Governance Rules.

THIS LISTING PROSPECTUS CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

FORWARD-LOOKING STATEMENTS

Certain statements in this Listing Prospectus are not historical facts and are forward-looking. Forward-looking statements appear in various locations, including, without limitation, in the sections entitled "*Summary*," "*Risk Factors*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Industry*" and "*Business*." We may from time to time make written or oral forward-looking statements in reports to shareholders and in other communications. In addition, this Listing Prospectus includes forward-looking information that has been extracted from third-party sources. Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future operating revenues or performance, capital expenditures, return on capital invested, operating margin, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy, and the trends we anticipate in the industries and the political and legal environments in which we operate and other information that is not historical information.

Words such as "believe," "anticipate," "estimate," "target," "potential," "expect," "intend," "predict," "project," "could," "should," "may," "will," "plan," "aim," "seek" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements.

The forward-looking statements contained in this Listing Prospectus are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors, some of which are discussed below. In addition, management's assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in this Listing Prospectus are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or that the forward-looking events and circumstances will occur.

Forward-looking statements were not prepared with a view toward compliance with published guidelines of the Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants for preparation or presentation of prospective financial information.

Forward-looking statements included in this document have been prepared by, and are the responsibility of, the Issuer's management. BM&A, Denjean & Associés Audit and Ernst & Young Audit have not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the accompanying forward-looking statement and, accordingly, BM&A, Denjean & Associés Audit and Ernst & Young Audit do not express an opinion or any other form of assurance with respect thereto. The statutory auditors' reports included in this document relates to the Issuer's previously issued consolidated financial statements. It does not extend to forward-looking statements and should not be read to do so.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, many of which are beyond our control. These risks, uncertainties and other factors include, among other things, those listed in the section entitled "*Risk Factors*," as well as those included elsewhere in this Listing Prospectus. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include:

- the cyclical nature of our businesses and unfavorable economic and market conditions;
- unfavorable political and economic conditions in global markets, including the impact of financial sanctions and tariffs, customs barriers, quotas, regulatory export bans and other trade actions and import restrictions;
- severe disruptions in the global economy due to the COVID-19 pandemic or other future pandemics;
- the increasingly demanding level of laws and regulations, especially with regard to the environment and in relation to labor and employment;
- our competitive environment;
- operational risks, including labor disputes, and exposure of our employees and others in our operations to health and safety risks;
- security breaches damaging our internal operations, information technology systems or reputation and expose us to litigation risk;
- the high level of capital expenditures of our Environmental Services business;
- risks related to legal, administrative and arbitration proceedings;

- risks related to actions of our employees;
- risks related to increases in insurance costs;
- risks related to climate change;
- risks related to liabilities in connection with environmental matters;
- changes to schemes designed to promote recycling of certain products;
- conflicts between the interests of our principal shareholders and those of the holders of the Notes;
- risks related to the loss of members of our senior management team and other key personnel;
- currency exchange rate risks;
- risks related to the limited number of customers;
- risks related to our ability to obtain and/or renew permits required to operate or expand the capacity of our collection, transformation, recovery and recycling sites;
- risks related to customer service and quality of service delivery;
- risks associated with any acquisitions of businesses or divestments of business units;
- risks related to any failure to meet applicable cleanliness, safety or security standards, and experience adverse publicity relating to any actual or alleged failure to meet such standards;
- damage to our reputation and our brand;
- changes to accounting standards;
- risks related to the Acquisition;
- risks related to our leverage and debt servicing obligations;
- restrictive debt covenants that may limit our ability to finance our future operations and capital needs to pursue business opportunities and activities;
- risks related to our inability to incur significantly more debt in the future, including secured debt;
- risks related to the debt under certain of our indebtedness, which bears interest at a floating rate;
- credit risks;
- risks related to taxation and changes to applicable tax regimes;
- risks related to French tax legislation that may restrict the deductibility, for French tax purposes, of all or a portion of the interest on our indebtedness incurred in France;
- risks related to claims of the secured creditors of the Issuer that will have priority with respect to their collateral over the claims of unsecured creditors, such as the holders of the Notes, to the extent of the value of the assets securing such indebtedness;
- risks related to French insolvency laws, that may not be as favorable to you as the insolvency laws of the United States or other countries;
- risks related to our ability to obtain the funds required to repurchase the Notes upon a change of control;
- risks related to the European financial transaction tax, if adopted;
- risks related to the transfers of the Notes, which will be subject to certain restrictions; and
- other risks and uncertainties described in this Listing Prospectus.

This list of factors above and the other factors discussed in the section entitled "*Risk Factors*" are not exhaustive. Other sections of this Listing Prospectus describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industry in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause

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actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this Listing Prospectus. Accordingly, we do not intend, and do not undertake any obligation, to update any forward-looking statements set forth in this Listing Prospectus. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Listing Prospectus. As a result, you should not place undue reliance on such forward-looking statements.

CERTAIN DEFINITIONS

Unless indicated otherwise in this Listing Prospectus or the context requires otherwise:

"**Acquisition**"	refers to the proposed acquisition by Derichebourg Environnement of 100% of the share capital of GEH, as further described in "*Summary—The Transactions*" and "*Business—The Acquisition*."
"**Acquisition Completion Date**"	refers to the date on which the Acquisition will be consummated.
"**CAGR**"	refers to compound annual growth rate.
"**Clearstream**"	refers to Clearstream Banking S.A.
"**Combined Group**"	refers to the Group and Ecore, together;
"**COVID-19**"	refers to the disease caused by the novel SARS-CoV-2 coronavirus.
"**Derichebourg Factoring Facility**"	refers to the factoring facility made available to certain members of the Group by Crédit Agricole Leasing & Factoring pursuant to a master agreement dated July 31, 2019, as amended from time to time, and receivables purchase agreements entered into by certain members of the Group and Crédit Agricole Leasing & Factoring.
"**Derichebourg Environnement**"	refers to Derichebourg Environnement, a French *société par actions simplifiée* having its registered office located at 119, avenue du Général Michel Bizot 75012 Paris, France and registered with the Paris Trade and Companies Registry under number 491 974 861 RCS Paris.
"**Ecore Factoring Facility**"	refers to the factoring facility made available to GDE and other members of the Ecore Group pursuant to a master agreement dated March 28, 2017, as amended from time to time, between Factofrance and GDE, and receivables purchase agreements entered into by certain members of the Ecore Group and Factofrance.
"**Ecore**" or "**Ecore Group**"	refers to GEH and its consolidated subsidiaries, taken together.
"**Ecore RCF**"	refers to the revolving credit facility provided to GEH under the revolving credit facility agreement dated November 19, 2018, by and among GEH as the original borrower and parent and Barclays Bank PLC as lender and arranger.
"**Ecore Senior Secured Notes**"	refers to the senior secured floating rate notes due 2023 issued by Groupe Ecore Holding S.A.S. on November 19, 2018 for an aggregate principal amount of €255.0 million.
"**EIB Loan**"	refers to the loan made available to the Issuer pursuant to the EIB Loan Agreement.
"**EIB Loan Agreement**"	refers to the loan agreement dated July 19, 2019, as amended from time to time, between the Issuer and the European Investment Bank.
"**Escrow Account**"	refers to the escrow account, which will be held in the name of the Issuer but controlled by the Escrow Agent, into which the Initial Purchasers will deposit the gross proceeds of the Offering on the Issue Date pursuant to the Escrow Agreement.
"**Escrow Agent**"	refers to Citibank, N.A., London Branch.
"**Escrow Agreement**"	refers to the escrow agreement to be dated the Issue Date, among the Issuer, the Trustee and the Escrow Agent.
"**Escrow Charge**"	refers to the first-priority security interest over the Issuer's interest in the Escrow Account, for the benefit of the holders of the Notes.

"**Escrow Longstop Date**"	refers to April 30, 2022.
"**Escrow Release Date**"	refers to the date on which the Escrowed Proceeds will be released from the Escrow Account to the Issuer in accordance with the terms of the Escrow Agreement.
"**Escrowed Proceeds**"	refers to the initial funds deposited into the Escrow Account, as applicable, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Agent or the Escrow Account, as applicable (less any property and/or funds paid in accordance with the Escrow Agreement).
"**EU**"	refers to the European Union.
"**EU Insolvency Regulation**"	refers to EU Council Regulation No. 2015/848 of May 20, 2015 on insolvency proceedings (recast), as amended from time to time.
"**Euroclear**"	refers to Euroclear Bank SA/NV.
"**GDE**"	refers to Guy Dauphin Environnement S.A., a French *société anonyme a directoire et conseil de surveillance* having its registered office at La Guerre, 14540 Castine-en-Plaine, France and registered with the Caen Trade and Companies Registry under number 653 820 530 RCS Caen.
"**GDE PGE**"	refers collectively to the state-guaranteed loans provided to GDE pursuant to agreements between GDE and Banque Populaire du Grand Ouest, Caisse d'Épargne et de prévoyance Normandie, Banque CIC Nord Ouest, Banque Européenne du Crédit Mutuel and Société Générale, respectively, in July 2020.
"**GEH**"	refers to Groupe Ecore Holding S.A.S., a simplified public limited liability company (*société par actions simplifiée*) organized under the laws of the Grand Duchy of Luxembourg, with its registered office located at 21, rue de Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B228344.
"GEH Audited Consolidated Financial Statements"	refers to GEH's audited consolidated financial statements as of and for the years ended September 30, 2020 and 2019.
"GEH Consolidated Interim Financial Statements"	refers to GEH's unaudited consolidated interim financial statements for the six months ended March 31, 2021.
"**Group**," "**we,**" "**us,**" or "**our**"	when referring to any period prior to the Acquisition Completion Date, refers to the Issuer and its consolidated subsidiaries (without giving effect to the Acquisition) and, when referring to any period on or after the Acquisition Completion Date, the Issuer and its subsidiaries (after giving effect to the Acquisition), unless otherwise indicated.
"Group Audited Consolidated Financial Statements"	refers to the Group's audited consolidated financial statements for the years ended September 31, 2020, 2019 and 2018.
"Group Interim Consolidated Financial Statements"	refers to the Group's unaudited consolidated interim financial statements for the six months ended March 31, 2021.
"**IFRS**"	refers to the International Financial Reporting Standards, as adopted by the European Union.

"**Indenture**"	refers to the indenture governing the Notes.
"**Initial Purchasers**"	refers to BNP Paribas, Crédit Industriel et Commercial S.A., Société Générale and Crédit Agricole Corporate and Investment Bank.
"**Issue Date**"	refers to the date of issuance of the Notes.
"**Issuer**"	refers to Derichebourg S.A.
"**Listing Prospectus**"	refers to this listing prospectus.
"**Member State**"	refers to a member state of the European Economic Area.
"**MiFID II**"	refers to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
"**Notes**"	refers to the €300,000,000 2.250% senior notes due 2028 offered hereby.
"**Offering**"	refers to the offering of the Notes.
"**Offering Memorandum**"	refers to the offering memorandum related to the Offering dated June 10, 2021.
"**Paying Agent**"	refers to Citibank, N.A., London Branch.
"**Purchase Agreement**"	refers to the purchase agreement dated June 10, 2021 entered into between the Issuer and the Initial Purchasers.
"**QIBs**"	refers to qualified institutional buyers.
"**Registrar**"	refers to Citibank, N.A., London Branch.
"**Securities Act**"	refers to the United States Securities Act of 1933, as amended.
"**Special Mandatory Redemption**"	refers to the redemption of the Notes that the Issuer is required to carry out if the Acquisition is not consummated on or prior to the Escrow Longstop Date or upon the occurrence of certain other events, as described under "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*."
"**Syndicated Credit Facilities**"	refers to the Syndicated Term Loan Facility and the Syndicated Revolving Credit Facility, taken together.
"**Syndicated Credit Facility Agreement**"	refers to the syndicated credit facility agreement dated March 19, 2020, as amended from time to time, between, *inter alios*, the Issuer and Banque Européenne du Crédit Mutuel as Agent.
"**Syndicated Revolving Credit Facility**"	refers to the €100 million revolving credit facility made available under the Syndicated Credit Facility Agreement.
"**Syndicated Term Loan Facility**"	refers to the term loan facility made available under the Syndicated Credit Facility Agreement.
"**Transactions**"	refers to the Acquisition, the Offering and the repayment of certain indebtedness of Ecore, as further described under "*Summary—The Transactions*."
"**Transfer Agent**"	refers to Citibank, N.A., London Branch.
"**Trustee**"	refers to Citibank, N.A., London Branch.

"**UK**"	refers to the United Kingdom.
"**€**," "**EUR**" or "**euro**"	refers to the currency of the member states of the EU participating in the European Monetary Union.
"**$**," "**USD**" or "**U.S. dollar**"	refers to the currency of the United States.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information Included in this Listing Prospectus

Group Historical Financial Information

The Issuer's financial year commences on October 1, and ends on September 30 of each following year. Unless otherwise indicated, all historical financial information included in this Listing Prospectus is that of the Issuer and its consolidated subsidiaries, including the Issuer (the "**Group**").

This Listing Prospectus contains English-language translations of the Group's audited consolidated financial statements as of and for the years ended September 30, 2020, 2019 and 2018 (the "**Group Audited Consolidated Financial Statements**") and of the Group's unaudited consolidated interim financial statements for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020 and the notes thereon (the "**Group Interim Consolidated Financial Statements**").

The Group Audited Consolidated Financial Statements have been audited by BM&A, Denjean & Associés Audit and Ernst & Young Audit, independent statutory auditors, as set forth in their audit reports, a free English translation of which is included therein. The Group Audited Consolidated Financial Statements discussed in this Listing Prospectus have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as published by the International Accounting Standards Board ("**IASB**") and as adopted by the European Union ("**EU**"), as applicable at such dates. The Group Interim Consolidated Financial Statements have been subject to a limited review by BM&A, Denjean & Associés Audit and Ernst & Young Audit, as stated in their report thereon, a free English translation of which is included therein. The Group Interim Consolidated Financial Statements have been prepared in accordance with IAS 34, the international accounting standard relating to the establishment of interim financial statements, as adopted by the European Union and in force on March 31, 2021.

Financial information for the twelve months ended March 31, 2021 has been calculated by adding together the unaudited consolidated interim financial information for the six months ended March 31, 2020 to the audited consolidated financial information for the year ended September 30, 2020 extracted from the Group Audited Consolidated Financial Statements as of and for the year ended September 30, 2020, and subtracting the unaudited consolidated interim financial information for the six months ended March 31, 2020. The unaudited financial information of the Issuer for the twelve months ended March 31, 2021 has been prepared solely for the purposes of this Listing Prospectus, is not necessarily indicative of our results of operations for the full year ended September 30, 2021 or for any future period, is not prepared in the ordinary course of business of the Issuer, and has not been prepared in accordance with the requirements of Regulation S-X under the Securities Act, the Prospectus Regulation or any generally accepted accounting standards.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. Please refer to note 2 "Accounting policies, rules and methods" to the Group Interim Consolidated Financial Statements. It also requires management to exercise its judgement in the process of applying our accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in the notes to the financial statements included elsewhere in this Listing Prospectus.

Adoption of Certain Accounting Standards and Comparability of the Group Financial Information Presented in this Listing Prospectus

During the periods under review in this Listing Prospectus, we have adopted certain accounting standards that may have an impact on the comparability of the financial information presented herein. For a further description of these accounting standards and the impact of their adoption on our financial statements, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Comparability of Results of Operations—Changes in Accounting Policies*" and the notes to the Group Audited Consolidated Financial Statements and Group Interim Consolidated Financial Statements included in this Listing Prospectus.

Ecore Historical Financial Information

With respect to Ecore, this Listing Prospectus includes:

- GEH's audited consolidated financial statements as of and for the years ended September 30, 2020 and 2019 (the "**GEH Audited Consolidated Financial Statements**"); and

- GEH's unaudited consolidated interim financial statements for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020 and the notes thereon (the "**GEH Consolidated Interim Financial Statements**").

The GEH Audited Consolidated Financial Statements have been audited by BDO Paris Audit & Advisory, independent statutory auditors, as set forth in their audit reports, a free English translation of which is included therein. The GEH Audited Consolidated Financial Statements discussed in this Listing Prospectus have been prepared in accordance with IFRS as published by the IASB and as adopted by the EU, as applicable at such dates. The GEH Consolidated Interim Financial Statements have been subject to a limited review by BDO Paris Audit & Advisory, as stated in their report thereon, a free English translation of which is included therein. The GEH Consolidated Interim Financial Statements have been prepared in accordance with IAS 34, the international accounting standard relating to the establishment of interim financial statements, as adopted by the European Union and in force on March 31, 2021.

Pro Forma Financial Information

We also present in this listing prospectus certain unaudited *pro forma* consolidated financial information, including:

- the unaudited *pro forma* consolidated income statement of the Combined Group for the year ended September 30, 2020 (the "**2020 Full-Year Unaudited *Pro Forma* Consolidated Income Statement**");
- the unaudited *pro forma* consolidated income statement of the Combined Group for the six months ended March 31, 2021 (the "**2021 Unaudited *Pro Forma* Interim Consolidated Income Statement**");
- the unaudited *pro forma* consolidated balance sheet of the Combined Group as of March 31, 2021 (the "**2021 Unaudited *Pro Forma* Consolidated Balance Sheet**," and together with the 2020 Full-Year Unaudited *Pro Forma* Consolidated Income Statement and the 2021 Unaudited *Pro Forma* Interim Consolidated Income Statement, the "**Unaudited *Pro forma* Financial Information**").

The Unaudited *Pro Forma* Financial Information gives effect to the Transactions, as if the Transactions had been completed on October 1, 2019. The Unaudited *Pro Forma* Financial Information has been derived from the Group historical financial information and GEH's historical financial information, with certain *pro forma* adjustments made to give effect to the Transactions. For a detailed description of the basis of presentation with respect to the Unaudited *Pro Forma* Financial Information, see "*Unaudited Pro Forma Consolidated Financial Information*."

Non-IFRS Financial Measures

In addition to the results reported under IFRS, we use certain non-IFRS financial measures to monitor and measure the performance of our business and operations and the profitability of our segments. In particular, we use Recurring operating profit (loss) and Recurring EBITDA. Recurring operating profit (loss) and Recurring EBITDA are not recognized measurements of financial performance or liquidity under IFRS and should not be viewed as substitutes for any IFRS measures. We present non-IFRS financial measures in this Listing Prospectus because we believe that they are important supplemental measures of the core operating performance of the Group and its segments. However, they have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, the Group's financial statements. Other companies may calculate Recurring operating profit (loss) and Recurring EBITDA and similar measures differently. For a reconciliation of such non-IFRS financial measures to IFRS measures, see "*Summary Group Consolidated Financial and Other Information—Other Group Financial Information*."

INDUSTRY AND MARKET DATA

In this Listing Prospectus, we refer to information regarding our business and the industry in which we operate and compete. We obtained this information from various third-party sources and our own internal estimates. In certain cases, we have made statements on the basis of information obtained from third-party sources that we believe are reliable. We have not independently verified these industry publications, surveys and forecasts and cannot guarantee their accuracy or completeness.

In addition, in many cases, we have made statements in this Listing Prospectus regarding our industry and our position in the industry based on our experience and own evaluation of general market conditions. However, our internal surveys and estimates have not been verified by independent experts or other independent sources. Furthermore, we cannot guarantee that a third party using different methods to assemble, analyze or compute market data would obtain or generate the same results. We cannot assure prospective investors that any of these

assumptions are accurate or correctly reflect our position in the industry, and none of our internal surveys or information has been verified by any independent sources. We caution prospective investors not to place undue reliance on such statements.

ROUNDING

Certain figures included in this Listing Prospectus, including financial data presented in millions or thousands, certain operating data, percentages and other data, have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Percentages and amounts reflecting changes over time periods relating to financial and other information set out in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Description of Ecore— Financial Condition and Results of Operations*" are calculated using the numerical information in the Selected Historical Financial Information or the tabular presentation of other information (subject to rounding) set out in this Listing Prospectus, as applicable, and not using the numerical information in the narrative description thereof.

CURRENCY

In this Listing Prospectus, references to "€," "EUR" or "euro" are to the currency of the member states of the EU participating in the European Monetary Union and references to "$," "USD" or "U.S. dollar" are to the currency of the United States.

OTHER INFORMATION IN THIS LISTING PROSPECTUS

Certain information provided in this Listing Prospectus has been sourced from third parties. We confirm that such third-party information has been accurately reproduced and that, so far as we are aware and are able to ascertain from information published by such third parties, no facts have been omitted which would render the third-party information reproduced herein inaccurate or misleading.

The information set out in relation to sections of this Listing Prospectus describing clearing and settlement arrangements, including the section entitled "*Book-Entry, Delivery and Form*," is subject to any change or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information. In addition, this Listing Prospectus contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Upon request, the Issuer will provide you with copies of the Indenture, the form of the Notes and any supplement thereto.

The contents of any website, including the Group's, or any hyperlinks accessible from those websites, do not form part of this Listing Prospectus and investors should not rely on them.

TRADEMARKS AND TRADE NAMES

We have proprietary and/or license rights to certain trademarks or trade names that we use in conjunction with the operation of our businesses. We do not intend our use or display of other companies' trademarks or trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this Listing Prospectus belongs to its respective holder. Solely for convenience, the trademarks, trade names and copyrights referred to in this Listing Prospectus may be listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks, trade names and copyrights.

AVAILABLE INFORMATION

Each purchaser of the Notes from the Initial Purchasers will be furnished with a copy of this Listing Prospectus and, to the extent provided to the Initial Purchasers by the Issuer for such purpose, any related amendments or supplements to this Listing Prospectus. Each person receiving this Listing Prospectus and any related amendments or supplements to the Listing Prospectus acknowledges that:

- such person has been afforded an opportunity to request from the Issuer and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- except as provided above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by the Issuer or the Initial Purchasers.

This Listing Prospectus contains summaries, believed to be accurate in all material respects, of certain terms of certain agreements, but reference is made to the actual agreements for complete information with respect thereto, and all such summaries are qualified in their entirety by this reference. Requests for such information should be directed to the Issuer at 119, avenue du Général Michel Bizot, 75012 Paris, France. Information contained on the Issuer's website is not incorporated by reference into this Listing Prospectus and is not part of this Listing Prospectus.

SUMMARY

The following summary contains basic information about the Group and this offering and highlights information appearing elsewhere in this Listing Prospectus. This summary is not complete and does not contain all of the information that you should consider before investing in the Notes. For a more complete understanding of the Group and the offering of the Notes, investors are encouraged to carefully read this entire Listing Prospectus, including "Forward-Looking Statements," "Risk Factors" and "Description of the Notes" included elsewhere in this Listing Prospectus, as well as the other information included in this Listing Prospectus.

Overview

We are a leading global operator of environmental and outsourced services to businesses and local authorities, serving our customers for more than 70 years while protecting their environment. We are both an international operator and a local actor providing our customers with global solutions in ten countries as of March 31, 2021. We generated €2.8 billion of revenue and €262.1 million of Recurring EBITDA for the twelve months ended March 31, 2021.

We provide an extensive range of products and services to private businesses and the public sector through two business divisions: Environmental Services and Multiservices.

Our Environmental Services business division is engaged in two primary activities: recycling and public sector services. Our recycling business recycles ferrous metals (metals containing iron for use in the steel industry) and non-ferrous metals (primarily aluminum and copper), and provides related services to private sector and public clients, including the treatment of waste from electrical and electronic equipment ("**WEEE**"), the management and distribution of end-of-life vehicles ("**ELVs**"), the treatment of by-products from steel mills and other industries, and the collection of common industrial waste. Our public sector services business provides a range of services to towns and municipalities in metropolitan France, Canada and Réunion Island, comprising the collection and handling of household waste, the cleaning of public spaces, dump management and sorting centers management. As of March 31, 2021, our Environmental Services business division had operations in more than 200 sites in nine countries. For the twelve months ended March 31, 2021, our Environmental Services business division generated €1,990.1 million in revenue and €224.7 million in Recurring EBITDA.

Our Multiservices business division includes several activities that address our public and private sector clients' desire to outsource labor-intensive functions and activities in order to focus on their core businesses. We provide a host of solutions to our clients, addressing needs in the tertiary sector, urban areas, industry and human resources and temporary services. As of March 31, 2021, our Multiservices business had operations in six countries. For the twelve months ended March 31, 2021, our Multiservices business generated €821.0 million in revenue and €45.7 million in Recurring EBITDA.

Over the years, our group has grown both organically and through acquisitions. Most recently, on December 30, 2020, we entered into exclusive negotiations for the acquisition of Ecore, a group specialized in metal recycling spanning the value chain from the collection of waste to the sale of recycled materials. On March 1, 2021, we announced the signature by Derichebourg Environnement of an agreement to acquire GEH, the holding company of Ecore. Ecore holds the second largest market share of the French metal recycling market for the valorization of metal waste based on revenue and is present in six countries in Europe. After giving effect to the Acquisition, we would have generated *pro forma* revenue of €3,879.7 million and Adjusted *pro forma* Recurring EBITDA of €362.0 million for the twelve months ended March 31, 2021. For more information on the Acquisition, see "*—The Acquisition*."

Our Strengths

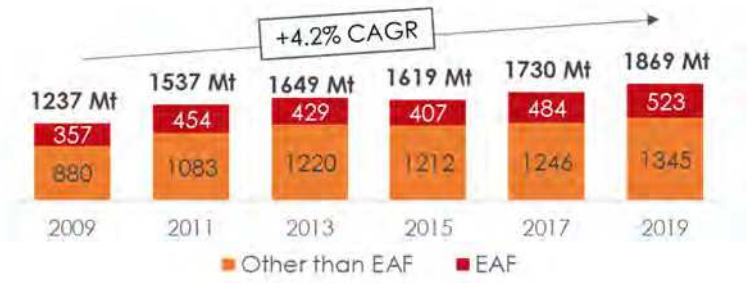
We benefit from a dynamic metal recycling market driven by strong structural and regulatory trends

We believe that our Environmental Services business benefits from favorable drivers underlying not only growing production for steel, but also increased demand for service providers such as us that are able to meet increasingly stringent regulatory requirements for metals recycling.

Steel production has steadily grown over the last 25 years, and is expected to continue to grow in connection with growth in the global economy generally. Steel is produced from one of two different types of feedstock – a combination of mined iron ore and coke, or ferrous scrap metal that has been recycled either by third-party metal recyclers or, to a lesser extent, internally by steel mills themselves. Basic oxygen furnaces ("**BOF**") are the traditional technology for steel production using iron ore and coke as inputs continue to represent the preferred technology for high-quality steel. However, electric arc furnaces ("**EAF**"), are a modern technology that uses ferrous scrap as its primary feedstock and a furnace with graphite electrodes to produce steel while producing

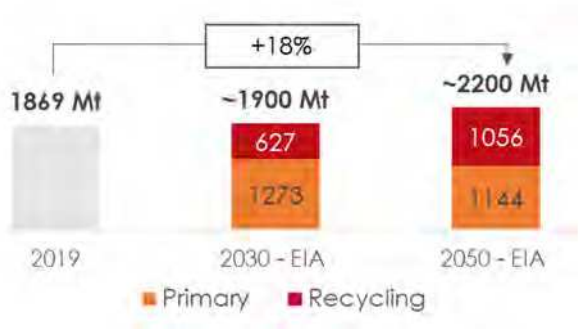
carbon dioxide ("**CO_2**") emissions that are up to 75% lower than traditional steel production methods. As a result of this improved environmental impact and relatively high efficiency and flexibility, the share of steel produced using EAFs has been steadily increasing over recent years.

The chart below shows the historical growth in steel production from 2009 to 2019 in millions of tons, along with the relative share of EAF in such production.



Source: Worldsteel Association

Steel output is projected to continue growing into the next several decades, with recycled steel expected to comprise an increasing share of such output. The chart below shows projected growth in steel production from primary and recycled sources from 2019 to 2050 in millions of tons.



Source: IEA (international Energy Agency) 2°C scenario

Similarly, EAF-produced steel has represented and is expected to continue representing an increasing share of global production versus traditional methods, as shown in the chart below tracking the relative shares of EAF and BOF production from 2015 to 2035.



Source: Accenture – 2017 forecast.

We believe that concerns about climate change, and the resulting regulatory response globally and particularly in our markets, has had and will continue to have a favorable structural effect on the market for metal recycling. These include:

- Greenhouse gas emissions: We believe that increasingly stringent greenhouse gas emissions controls have and will continue to have a structural impact on demand for recycled metal. The Paris climate conference of 2015 (COP21) resulted in the adoption of the Paris Agreement, the first-ever universal, legally-binding global climate change agreement, in December 2015. Pursuant to the Paris Agreement, 190 countries and international organizations undertook a pledge to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. To this end, the EU has set a target of reducing greenhouse gas emissions by at least 40% by 2030 compared to 1990. In 2020, the European Commission proposed raising this target to 55% as part of the European Green Deal. Further to the Paris Agreement, the EU aims to achieve carbon neutrality by 2050. These imperatives have already resulted and are expected to continue to result in the use of fewer fossil fuels in the metals industry, and the increased use of steel production processes that are less polluting, such as EAF and direct reduced iron processes.

- ELV Directive: Directive 2000/53/EC of the European Parliament and of the Council of September 18, 2000 on end-of-life vehicles (as amended, the "**ELV Directive**"), sets forth targets for the treatment of ELVs and their components in order to prevent and limit waste from ELVs and their components and improve the environmental performance of all economic operators involved in the life-cycle of vehicles. The European Commission is currently undertaking a review of the ELV Directive and expects to present a proposal for the review of the ELV Directive in 2022. We believe that this will result in further limits on the number of cars that are exempt from recycling in the EU and will put further pressure on recyclers to meet ever more stringing recycling objectives, creating further demand for service providers such as us who have expertise in the recycling of ELVs.

- Basel Convention: The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (the "**Basel Convention**"), which entered into force in 1992, was promulgated in part to address the export of toxic waste from the developed world to developing nations as a result of political and economic factors. The constraints imposed by the Basel Convention have incentivized actors to convert waste into products that can be lawfully exported, such as recycled high grade ferrous scrap and other metals, yielding demand for recyclers such as us.

- French *éco-organismes*: Producer responsibility organizations known as *éco-organismes* have developed in France in response to EU requirements for producers and distributors to take responsibility for the treatment of the products they produce and distribute once they have reached the end of their useful lives. These organizations are private companies owned by such producers and distributors and must have the technical and financial means to handle end-of-life products. French regulations have progressively expanded the industries subject to extended producer responsibility, including recently to ELVs as from 2022, which will further create demand for solution providers such as us that can treat ELVs.

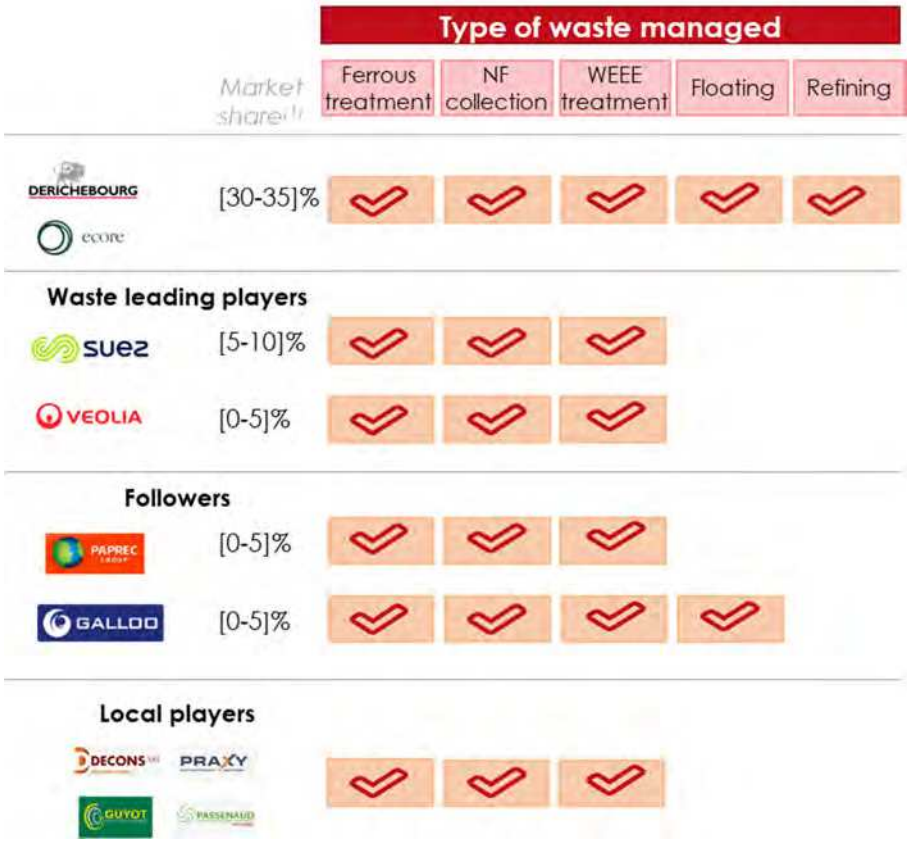
- TGAP: The French general tax on polluting activities (*taxe générale sur les activités polluantes*, or "**TGAP**") has resulted in increasing costs for waste disposal and as a result has led to a decrease in landfill capacity in France, creating further demand for recyclers capable of reducing waste to be sent to landfills.

For a further description of the regulatory environment to which our business is subject, see "*Regulation*."

Undisputed leader in metal recycling France benefiting from a unique network serving a diversified client base with long-term relationships

We hold leading market positions in metal recycling in each of the countries in which we operate. We believe we are the fourth-largest European recycler in terms of revenue, behind EMR, TSR, and Chi-Ho Environmental Group (Scholz). We further believe we are the leading metal recycler in France based on revenue from the valorization of metal waste. We also believe we have the leading market share for metal recycling among independent players (i.e., recyclers not affiliated with a producer) in Spain, a leading position among independent players in the U.S. markets of Texas and Oklahoma, and a leading position among independent players in Mexico City, where the market is fragmented. We also have the number four position in Belgium. We believe that, following the Acquisition, we will have the largest market share for metal recycling in France thanks to Ecore's already strong number two position, with an estimated combined share of the metal waste valorization market of between 30% and 35%, and will offer the largest scope of waste management offerings.

The chart below illustrates the competitive landscape in France for metal recycling, with the estimated market shares based on revenue of key players and the scope of our and their respective offerings.

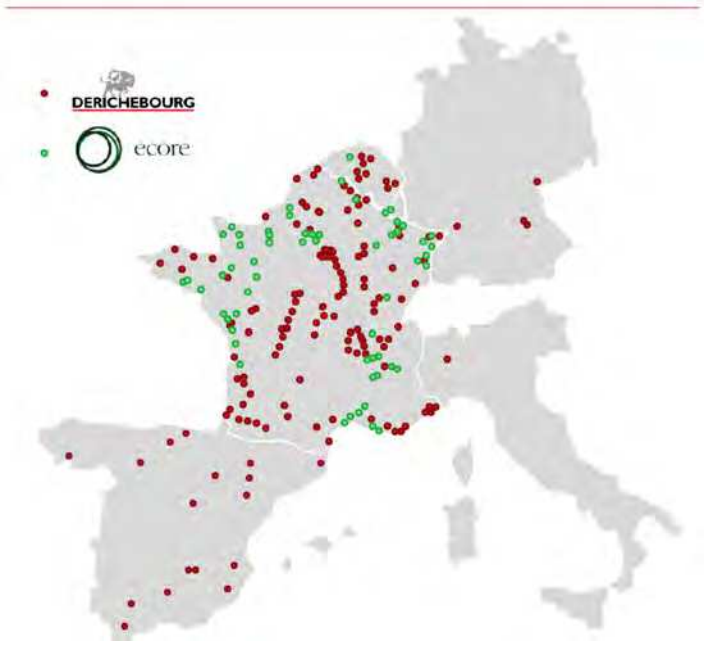


Notes: (1) Market shares of revenue from valorization of metal waste based on third-party analysis.

We believe that one of the many reasons our Environmental Services business has enjoyed continued success is our dense local presence. In France, we have established a "star" network, in which we have waste collection centers tasked with receiving waste from our clients located in a 20- to 30-kilometer range from our waste processing plants. In this way, we can minimize transportation costs while maintaining proximity to our clients' sites. We believe that our network's density has also allowed us to collect sufficient volumes to be able to profitably serve niche recycling markets that are relatively less volatile than other recycling markets and marked by a less crowded competitive landscape.

We have been able to develop a dense network in France with a strong presence in other European countries, thanks in part to our experience successfully identifying acquisition targets and integrating their businesses. For example, we acquired approximately 40 locations in France through our acquisitions of Valerio, Galloo IdF, SLG and Bartin in 2015 and 2016. In 2019, we acquired Lyrsa, a significant recycler with 17 locations in Spain and one site in Portugal. We believe that the Acquisition will serve to further densify our network in France and provide us with access to strategic deep sea ports in France and Belgium providing access to key international markets

such as China and Turkey. We also expect that a presence at these locations will allow us to benefit from a scale effect from optimized ship loading rates. The map below shows our expected combined sites in Western Europe:



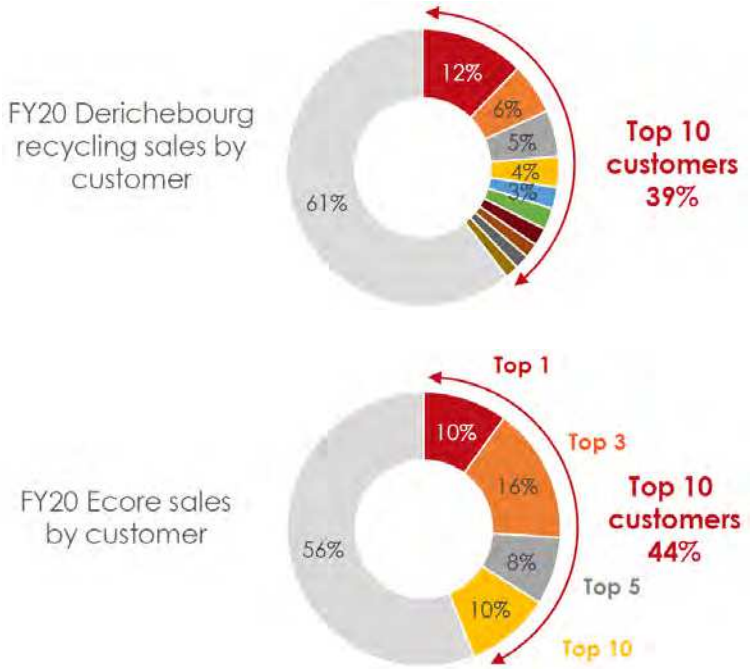
We believe that our dense network has helped us to build long-lasting relationships with our recycling clients, who view us as a reliable, key partner in the recycling value chain. Although our business model is based on short-term contracts with specific industrial sites that purchase the recycled metal we sell, we renew these relationships regularly. We have maintained high levels of customer loyalty with these sites, with relationships of over 50 years with six out of our ten largest recycling clients for the year ended September 30, 2020, including our four largest recycling clients. We have maintained relationships of over 20 years with three of our ten largest recycling clients for the year ended September 30, 2020.

The table below shows our top recycling clients, as well as the percentage of our recycling revenue each represented for the year ended September 30, 2020.

#1	12%	IVA	Ferrous scrap	50+
#2	6%	ArcelorMittal	Ferrous scrap	50+
#3	5%	Aurubis	Copper	50+
#4	4%		Inox waste	50+
#5	2%	ecosystem EcoLogic	WEEE	15 (since creation in 2006)
#6	2%		Ferrous scrap	20+
#7	2%	CELSA GROUP	Ferrous scrap	50+
#8	2%		Ferrous scrap	20+
#9	2%	FERALPI GROUP	Ferrous scrap	50+
#10	1%		Alu. ingots	20+

Derichebourg and Ecore benefit from diversified, similar metal recycling client bases. Each of Derichebourg's top nine clients have a relationship with Ecore. For the year ended September 30, 2020, our top ten recycling clients represented 39% of our recycling sales, whereas Ecore's top ten recycling clients represented 44% of its recycling

sales. The charts below show the percentage of Derichebourg and Ecore's recycling sales generated by their respective ten-largest clients for the year ended September 30, 2020.



Leading positions in niche recycling markets driving superior profitability

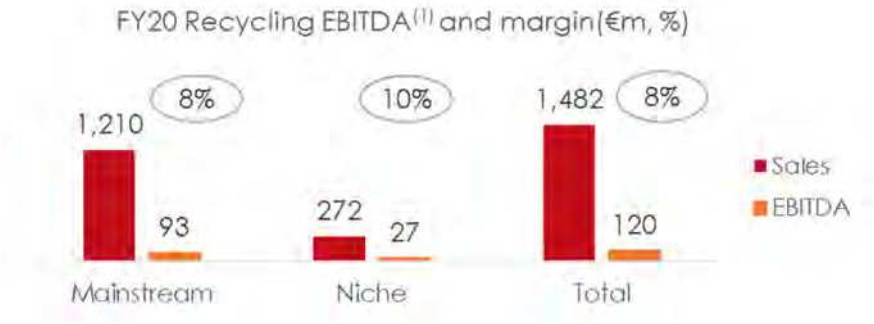
We have distinguished ourselves from our peers through our ability to stake out leading positions in niche markets of the recycling industry, including the development of specialized processing lines in:

- non-ferrous metals floating to sort light metals (such as magnesium and aluminum) from heavier ones (such as brass, zinc, copper and stainless steel);
- aluminum refining and aluminum profile shredding for the delivery of aluminum to extruders;
- treatment of lead ingots;
- blending of stainless steel waste;
- chopping copper cables,
- treating WEEE; and
- sorting catalytic converters.

We believe that our network's density has allowed us to collect sufficient volumes of these materials to be able to profitably serve such niche recycling markets. The vertical integration made possible by our vast network allows us to cost-effectively install secondary processing lines, which are supplied with flows from various sites, without the need for significant external purchases.

We believe this is beneficial for a number of reasons. First, certain of these activities, such as the treatment of WEEE in particular, are services-oriented rather than product-oriented, and are consequently relatively less volatile than other sectors of the recycling market tied to commodities. In addition, we are able to hedge our exposure to price volatility with respect to nickel and, partially, to copper. Second, these niche activities have tended to be more profitable, in part due to the relatively less competitive market.

Our mainstream recycling sales and Recurring EBITDA compared with our niche recycling sales and Recurring EBITDA for the year ended September 30, 2020 are illustrated below.



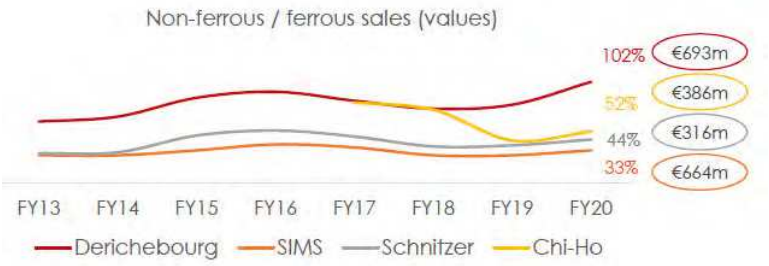
Note: (1) FY20 Recurring EBITDA post IFRS 16.
Niche business definition encompasses heavy media plants (floating of non-ferrous metals), refining of aluminum and lead ingots, blending of stainless steel waste, copper cable chopper, aluminum profile shredding, WEEE treatment, catalytic converters sorting.

We have generated a significant share of our recycling Recurring EBITDA from these niche activities, which has grown in recent years, as illustrated below (expressed in millions of euros and as a percentage of recycling Recurring EBITDA).



(1) FY20 Recurring EBITDA post IFRS 16.

Moreover, we have consistently had the highest weight in non-ferrous metals sales versus ferrous metal sales in our recycling business as compared to our peers, as illustrated by the graph below.



While providing us with a further diversified revenue source, non-ferrous metals recycling also generates attractive margins.

State of the art and well-invested recycling business asset base

Our success, particularly that of our recycling business, depends on our having access to state-of-the-art industrial tools capable of handling our clients' needs. We believe that we benefit from a well-invested asset base providing us with a significant competitive advantage. This includes 28 shredders, 67 shears, 650 cranes, a fleet of 440 trucks, and approximately 4.7 million square meters of real property. As of September 30, 2020, these assets had a gross value of €1,410 million and a net book value of €476 million. Over the past five years, we have invested €384 million in capital expenditure in our recycling business, with higher investment levels from 2018-2020 as part of a modernization initiative as well as a result of a relocation of certain of our yards in the Paris area. On average we have reinvested 47% of our Recurring EBITDA into our business over the past 15 years. We believe that the investments we have made in our asset base will allow us to keep strict control over our capital expenditure in the years to come.

We believe that Ecore similarly has a solid asset base that will be a useful complement to ours. This includes six shredders, 46 shears, 267 cranes, a fleet of 252 trucks and approximately 2.4 million square meters of real property. Over the past five years, Ecore has invested €123 million in capital expenditure in its recycling business. As of September 30, 2020, these assets had a gross value of €772 million and a net book value of €248 million.

Multiservices and waste collection provide diversification and stability

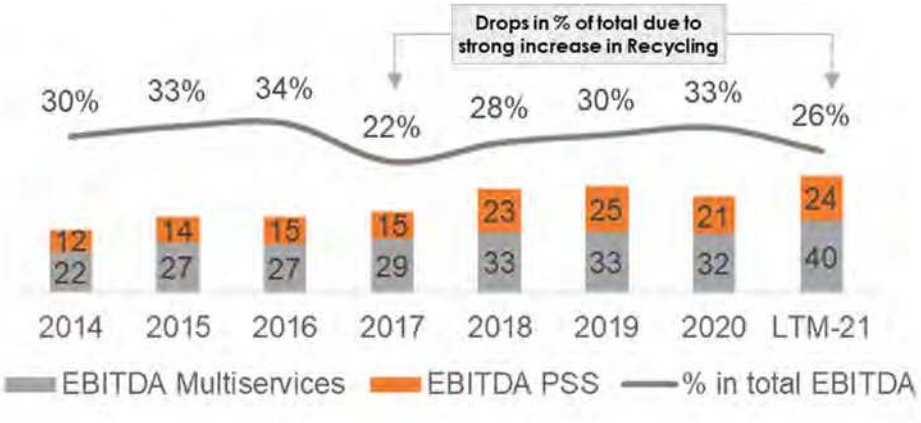
We derive a significant portion of our revenue and an increasing share of our Recurring EBITDA through our non-recycling businesses, which include the various businesses we operate under our Multiservices business division and the public sector services business of our Environmental Services business division.

Our Multiservices business division dates to 2006, when our majority shareholder and Chief Executive Officer decided to further diversify our business activities. This diversification has allowed us to maintain stable revenue streams from a broad range of clients.

As part of the diversification of our business in the mid-2000s, including as a result of the merger of CFF with Penauille Polyservices Group, we have developed a broad range of outsourcing solutions for clients subject to different economic cycles in the tertiary sector, industry, urban areas and HR and interim staffing. This business benefits from a diverse, blue-chip client base, including Airbus (14.2% of our Multiservices sales for the year ended September 30, 2020), La Poste (3.7%), ExterionMedia (2.9%), Casino Group (2.6%), Sanofi (2.4%), Sonae (1.3%), Carrefour (1.2%), Orange (1.2%) and CHEP (1.0%).

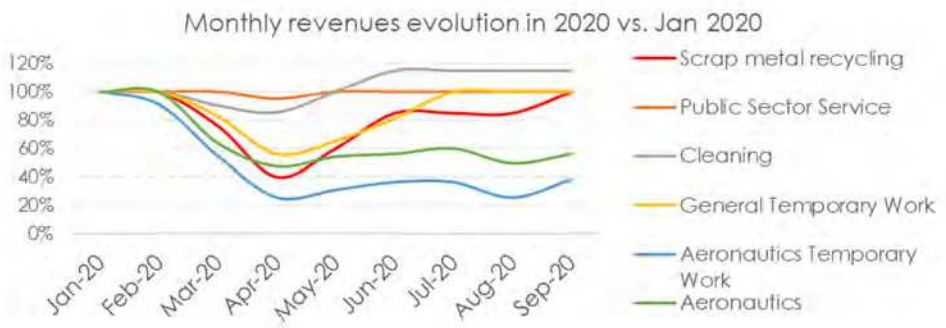
The public sector services we offer as a part of our Environmental Services business division include waste collection in towns and cities, cleaning of public spaces, dump management and sorting center management. Despite economic conditions due to the pandemic, this business delivered strong performance, with an increase of €7.1 million of Recurring EBITDA in France during the year ended September 30, 2020 over the previous year, on a like-for-like basis, excluding changes in consolidation scope. We believe our selective approach to the market, combined with an efficient operational organization has helped further to enhance the profitability of this business.

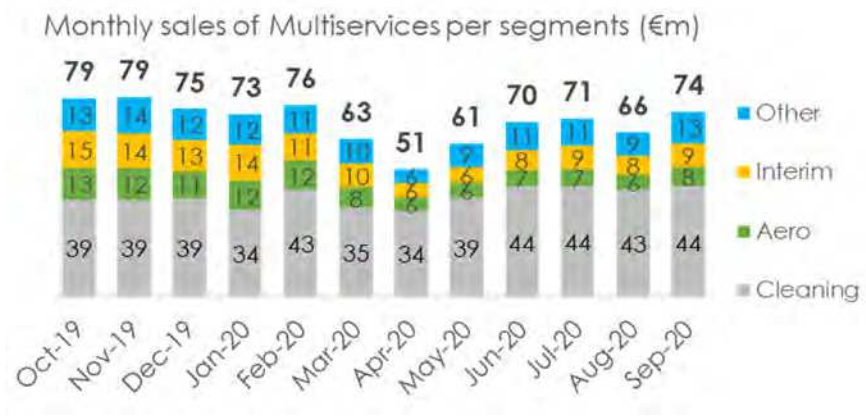
Our non-recycling businesses have generally represented an increasing share of our Recurring EBITDA since 2014, as illustrated in the chart below (on a pre-IFRS 16 basis, expressed in millions of euros).



The benefits of our diversification strategy were clearly evidenced in 2020, when our waste collection business and the cleaning services we provide through our Multiservices business division were considered as essential services. Demand for these services remained strong and provided us with steady revenue streams, helping to partially offset the slowdown experienced by our businesses resulting from reduced demand due to the COVID-19 pandemic and related lockdown measures. This is illustrated in the charts below showing the evolution of our

monthly revenue from January 2020 to September 2020 for each of our principal businesses, as well as monthly sales of our Multiservices business division per activity from October 2019 through September 2020.





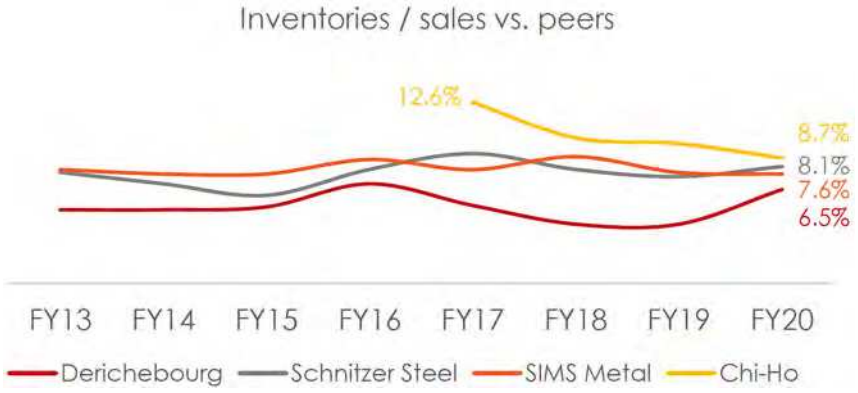
Experienced management and strong support from family shareholder

We benefit from an experienced management team that, under the stewardship of the Derichebourg family, has implemented a management style focused on a long-term strategy while demonstrating its ability to grow our business through acquisitions.

The Chairman of our Board of Directors and Chief Executive Officer, Daniel Derichebourg, became a director of our predecessor, Compagnie Française des Ferrailles ("**CFF**"), in 1994. He has held his current positions with our group since 2006. Our Deputy Chief Executive Officer, Abderrahmane El Aoufir, began his career in 1984 in the financial department of CFF and has held various positions within our group before being appointed to his current position in late 2013, overseeing our recycling subsidiaries' operating activities. Boris Derichebourg, the director of our Multiservices business division, joined our group in 2004 and has held his current position since 2006. Thomas Derichebourg, the director of our public sector services business, has held this position since 2009, developing our activity internationally, particularly in Canada. Our Chief Financial Officer, Pierre Candelier, joined our group in 2007 after 12 years at Ernst & Young, and has held his current position since 2014.

Our management team has favored a long-term management style when taking strategic decisions. An example of this has been the choice to maintain low levels of inventories in our recycling business (equivalent to 15 days of activity for ferrous metal scrap and 15 to 25 days for non-ferrous metal scrap), reducing our exposure to

macroeconomic shocks and volatility in the commodities market. Our relatively low levels of inventories as compared to our recycling peers is illustrated in the chart below.



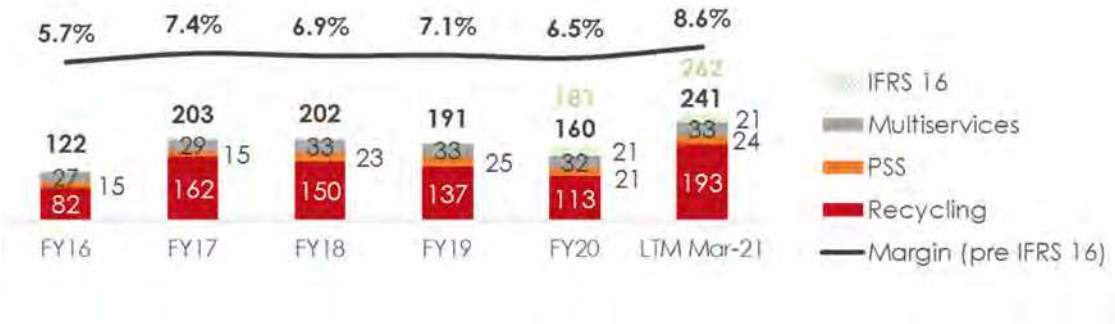
Our inventory management policy, together with the short-term nature of our recycling contracts, helps to protect our recycling margins through stable sale and purchase price differences.

We also believe that the stability brought by this management style has given us the financial strength to seek to be a consolidator in the metal recycling market. Thanks to the experience of our management team, we have been able to selectively carry out a number of acquisitions, identifying opportunistic targets for acquisition at reasonable multiples at strategic points in the cycle. We have successfully carried out a number of acquisitions since 2015, integrating acquired companies into our group while realizing synergies and cost savings plans. For example, within one year after our acquisition of Bartin Recycling, a former subsidiary of Veolia, in 2016, we were able to implement considerable head office cost savings plans, allowing Bartin's EBIT to increase to from a negative EBIT of €7 million to a positive EBIT of €9 million. We have also been able to significantly improve the EBITDA of Lyrsa, the Spanish leader in scrap metal recycling, which we acquired in December 2019. By simplifying Lyrsa's corporate structure, realizing commercial synergies in Lyrsa's non-ferrous metal and battery recycling business, reducing inventories by approximately €20 million within five months following the acquisition and implementing cost savings plans, we were able to increase Lyrsa's EBITDA from approximately €15 million in 2019 to approximately €22 million in 2020. We are continuing to implement further integration initiatives with respect to Lyrsa, and we believe that we will be able to translate these efforts to our integration of Ecore following the Acquisition.

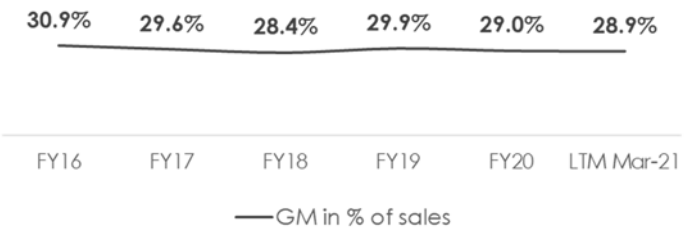
Resilient and best-in-class financial performance

Our diversified business model, the long-term approach employed by our management team and our prudent financial policies have helped us deliver consistently strong financial performance, including during the COVID-19 pandemic.

The chart below illustrates our recycling, public sector services and Multiservices Recurring EBITDA on a pre-IFRS 16 basis, in millions of euros, together with our Recurring EBITDA margin for the periods shown.

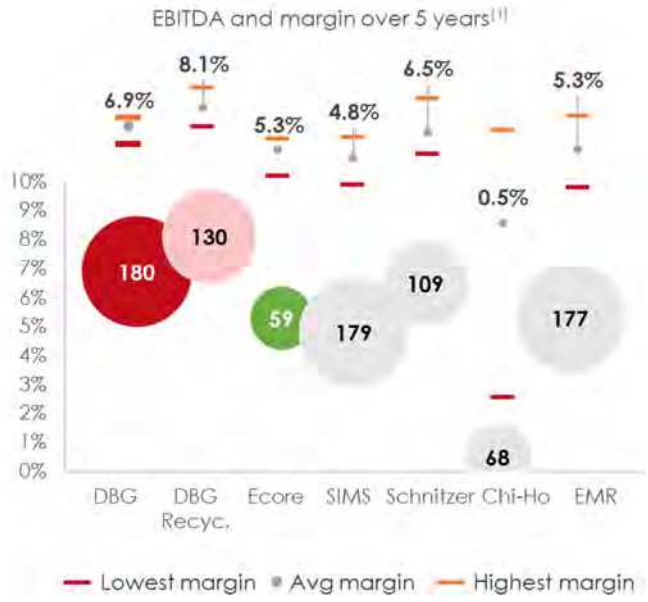


Despite fluctuations in commodity prices over recent years, we have been able to generate consistently strong gross margins. The chart below shows the evolution of our gross margin for the periods shown.



Note: (1) Gross margin defined as Recycling gross profit (revenue –cost of raw materials) + public sector services revenue + margin on labor and director costs for Multiservices.

This has led to relatively high and stable Recurring EBITDA and return on capital employed (which we define as EBIT after tax divided by the sum of equity, net debt and provisions) over recent years, when comparing our group to pure players in the recycling industry, as illustrated below.



Note: (1): Except for EMR over 4 years.



Note: (1) Except for EMR over 4 years.

Our resilient Recurring EBITDA, together with our prudent debt policy, has allowed us to maintain a low net leverage ratio, which has only increased in recent years in connection with our acquisition of Lyrsa. The change in our historical net leverage from September 30, 2016 until March 31, 2021 is illustrated below.



Note: (1) On a pre-IFRS 16 basis

On *pro forma* basis after giving effect to the Transactions, our net debt to Adjusted *pro forma* Recurring EBITDA ratio would be 2.16x.

Both we and Ecore have both performed well during the six months ended March 31, 2021, benefiting from our strong positions during the rebound in activity as the economic impact of the COVID-19 pandemic begins to ease. Our revenue and Recurring EBITDA for the six months ended March 31, 2021 increased by 26.7% and 88.8%, respectively, compared with the six months ended March 31, 2020, and Ecore's revenue and EBITDA for the six months ended March 31, 2021 increased by 39.7% and 98.4%, respectively, compared with the six months ended March 31, 2020.

Our Strategy

We intend to continue to serve people while protecting their environment, responding to the needs of the clients of each of our complementary business divisions while promoting ESG objectives and pursuing a conservative financial strategy.

Strengthen our Environmental Services leadership position

We intend to bolster our position as a European leader in recycling through both organic and external growth. We aim to achieve this objective through:

- *Densifying our leading network through new site openings or external growth*: We believe that one of the many reasons our Environmental Services business has enjoyed continued success is our dense local presence. This dense network keeps us in close proximity to our clients while helping us limit transportation costs to a minimum. We intend therefore to continue seeking out opportunities both in France and elsewhere to reinforce and build out our market position, be it through organic expansion of our network or through strategic external growth opportunities such as the Acquisition, taking advantage of what we believe to be our ideal positioning as a potential market consolidator;
- *Consolidating our position as a major supplier to the steel and metal industries* by delivering consistently high quality products in line with customer specifications and expanding our customer base, especially for ferrous scrap metal by seeking further opportunities to export our goods;
- *Implementing state-of-the-art technologies* by seeking further environmentally friendly technologies and means of transportation, reduce the share of residue headed to landfill and maintaining our well-invested asset base;
- *Developing the skills and expertise of our employees* to continue to benefit from a focused and dedicated management team with considerable knowledge of our industry and to prepare for the future through the recruitment of young engineers;
- *Pursuing growth in strategic specialized activities* through continuing to develop niche businesses where there are fewer players, with the aim of being able to generate 20%-25% of our recycling revenue from these activities;
- *Enhancing our information technology* in order to continue providing our clients with top service while ever more closely monitoring our internal performance, thorough seeking ways to update our IT while leaving intact the key characteristics that make it one of the most relevant tools in the market (allowing us to track inventories and margins in real time at all our locations).

Profitably respond to clients' outsourcing needs in light of new trends and challenges

The markets addressed by our Multiservices business division have undergone profound changes, to which we aim to address by focusing and developing those businesses in which we have achieved critical mass in selected geographies. In doing so, we aim to reach Multiservices revenue of approximately €1 billion before the end of 2023, while achieving an EBITDA ratio close to peer average.

We seek to offer innovative, high added-value, end-user targeted service solutions built to meet and maintain customer satisfaction levels profitably. This includes:

- *Offering new services*

  Innovation is a differentiating factor that our Multiservices business division integrates into the development of new service offerings for buildings and occupants. Our Digital, Innovation and CSR Departments support operational activities to identify and assist with the development and deployment of these new services, whose aim is to empower building occupants. These offerings encourage greater energy efficiency and aim to contribute to the performance of our customers in these areas.

- *Providing integrated service offerings to our facilities management clients*

  Faced with the growing demand for multiple services by companies and local authorities, our facilities management business has responded by offering clients a single integrated contract, in which it entrusts the management and performance of each of the expected services to its own teams. In this way, we seek to guarantee the excellence of services and a level of quality that corresponds to the specific challenges of each of our customers.

- *Modernization of our human resources strategy* to respond to technological and societal changes, support our employees and attract and retain talent.

- *Further development of our French network for cleaning and temporary staffing*

  In cleaning, our Multiservices business division's greatest contributor to revenue, we have an established structure within France, giving us a coherent territorial network. We seek to increase our market share both organically and through targeted acquisitions to better amortize our structural costs in this business. Similarly, for our temporary staffing business, in which we compete with very large competitors, we believe that densifying our network and will help to maximize business opportunities.

Promote ESG matters

Environmental, social and governance ("**ESG**") concerns and issues are central to our business strategy. We have established our Concretely Responsible 2018-2022 program, a roadmap to define priority actions as well as performance indicators and associated goals. This program includes four strategic axes with nine main ambitions:

- *Embracing our role as a committed employer* through (i) the protection of the health and safety of our employees, (ii) the promotion of job creation and development of employees' skills and careers and (iii) helping to build an integrated society;

- *Reducing our environmental footprint* through, among other things, (i) seeking to improve the environmental impact of our facilities; (ii) advancing initiatives to achieve carbon neutrality; and (iii) seeking to improve the environmental impact of the various services that we offer;

- *Consolidating trust-based relationships with our partners* by monitoring and controlling corporate social responsibility risks throughout our value chain and providing sustainable services; and

- *Remaining a major player in the circular economy*, in particular through the improvement of recovery of waste that is treated at our facilities.

For a further description of our ESG policies and objectives, see "*Business—ESG Initiatives*."

Maintain a prudent financial policy

We aim to pursue our operational strategies while maintaining the prudent financial policy that has allowed us to deliver strong, resilient financial performance and excel when compared to our peers. We intend to maintain low inventories to reduce our exposure to economic cycles and the volatility of our results. Moreover, in keeping with past practice, we intend to pay conservative multiples for acquisitions. In addition, we intend to deleverage after the Acquisition, as we have done with prior acquisitions, while maintaining our policy of paying a yearly dividend of approximately 30% of the prior year's net income.

Recent Developments

Outlook

The discussion set forth below includes forward-looking statements that have been prepared by, and are the responsibility of, management. These statements are based on management's current beliefs, expectations, assumptions and business plan and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from the trends and objectives described. These forward-looking statements and objectives, which are the result of the Group's strategic decisions, do not constitute forecasts or estimates of the Group's profits. No assurance can be given that the objectives described below will be achieved. These forward-looking statements involve assessments about matters that are inherently uncertain and actual results may differ for a variety of reasons, including those described in "Forward-Looking Statements" and "Risk Factors."

We expect the favorable conditions for the recycling business that prevailed during the six months ended March 31, 2021 to continue during the six months ended September 30, 2021, with a high price environment for raw materials. Demand for steel is strong in China. On May 1, 2021, China abolished import duties on steel and ferrous metals.

We plan to continue our investment policy and we plan to launch at the end of the current fiscal year or the beginning of the next fiscal year an increase our WEEE processing capacity in France and an increase our lead ingot production capacity.

We also expect to experience growth in our services activities (both public sector services and Multiservices) revenue.

The Transactions

On March 1, 2021, we announced the signature by Derichebourg Environnement of an agreement to acquire 100% of the capital of GEH, the holding company of Ecore, a group specialized in metal recycling spanning the value chain from the collection of waste to the sale of recycled materials (the "**Acquisition**"). For a discussion of Ecore's business and historical financial performance, see "*Description of Ecore*."

The consummation of the Acquisition is subject to approval from competition authorities. Although we expect that the Acquisition will be consummated between September and December 2021, there can be no guarantee that the Acquisition will be consummated on the terms that we expect, or at all. See "*Risk Factors—Risks Related to the Acquisition*."

The Issuer is issuing the Notes in anticipation of the Acquisition occurring on the Acquisition Completion Date. Concurrently with the closing of the Offering, and pending the consummation of the Acquisition and the satisfaction of certain other conditions, the Initial Purchasers will deposit an amount equal to the gross proceeds from the Offering into the Escrow Account. The release of the escrowed proceeds will be subject to the satisfaction of certain conditions, including the consummation of the Acquisition promptly following the release of the escrowed proceeds from the Escrow Account. If the Acquisition is not consummated on or prior to April 30, 2022 or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be equal to 100% of the issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of special mandatory redemption. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.*"

Sources and Uses

The gross proceeds of the Offering are expected to be €300,000,000.

Upon release from the Escrow Account, the gross proceeds of the Offering, together with cash on hand, will be used to (i) pay the purchase price of the Acquisition, (ii) redeem the Ecore Senior Secured Notes in full and repay outstanding amounts under the Ecore RCF and (iii) to pay costs, fees and expenses in connection with the Transactions, including the fees and expenses to be incurred in connection with the Offering.

The estimated sources and uses of cash related to the Transactions are shown in the table below. Actual amounts may vary from estimated amounts depending on several factors, including the gross proceeds of the Offering, the Acquisition Completion Date and the fees and expenses incurred in connection with the Transactions. This table should be read in conjunction with "*Capitalization*."

Sources	**Amount**	**Uses**	**Amount**
	(€ in millions)		
Notes offered hereby [(1)]	300	Acquisition purchase price and redemption of Ecore debt [(3)]	519
Cash on balance sheet [(2)]	225	Fees and expenses [(4)]	6
Total Sources	**525**	**Total Uses**	**525**

(1) Represents the gross proceeds from the Notes.

(2) Of which approximately €40 million is expected to consist of cash of Ecore acquired at the time of the Acquisition and used to repay drawings under the Ecore RCF. As of the date of the Offering Memorandum, no amounts were drawn on the Ecore RCF.

(3) Represents payment of the purchase price for the outstanding share capital of GEH, the redemption in full of the Ecore Senior Secured Notes and the repayment in full of amounts outstanding under and cancellation of the Ecore RCF on or about the Acquisition Completion Date.

(4) Estimated fees and expenses related to the Transactions.

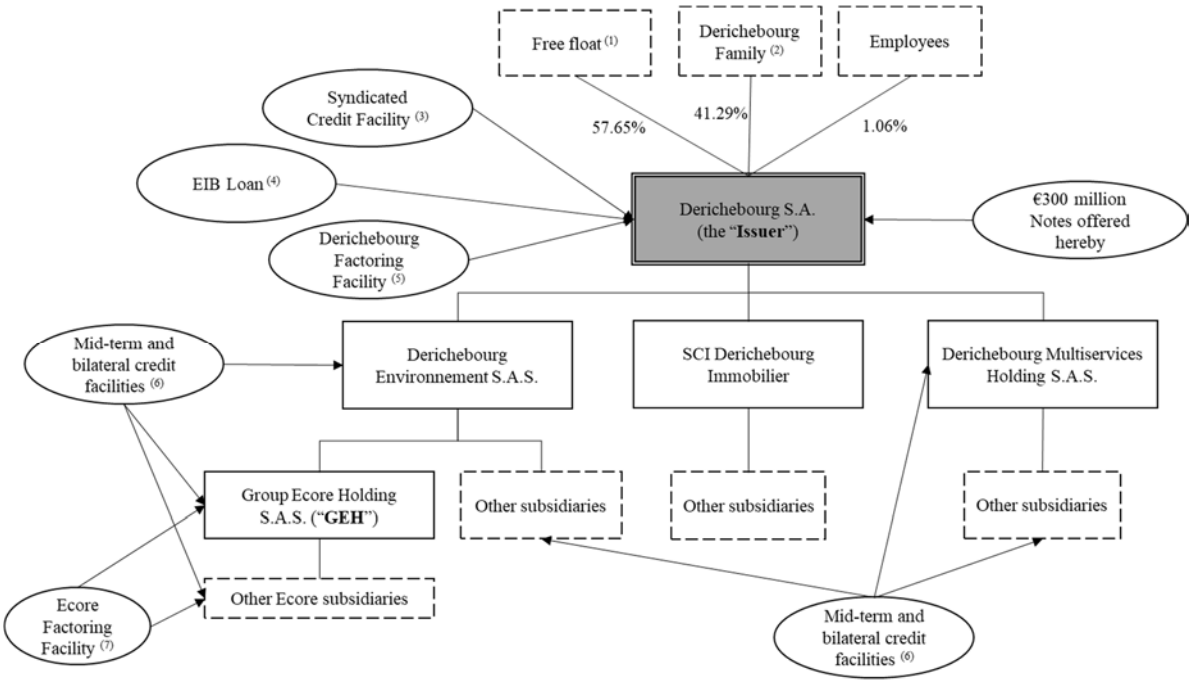
The Issuer

The Issuer is a French publicly listed limited liability company with a board of directors (*société anonyme à conseil d'administration*) organized under the laws of France, whose shares are traded on Euronext Paris (ISIN code: FR0000053381). The Issuer is registered with the *Registre du commerce et des sociétés* of Paris (France) under number 352 980 601. As of March 31, 2021, the Issuer's issued share capital amounted to €39,849,372.25 represented by 159,397,489 ordinary shares fully subscribed and paid-up of €0.25 nominal value each. The Issuer's registered office is located at 119, avenue du Général Michel Bizot, 75012 Paris (France) and its phone number is + 33 (0)1 44 75 40 40.

The Issuer is directly controlled by CFER and Financière DBG, the Issuer's direct parent companies, representing 41.29% of the Issuer's share capital and 57.83% of the Issuer's voting rights as of September 30, 2020. CFER is directly controlled by Financière DBG, which is indirectly controlled by the Derichebourg family through DBG Finances. See "*Principal Shareholders and Related Party Transactions*."

SUMMARY CORPORATE AND FINANCING STRUCTURE

The diagram below provides a simplified overview of our corporate and financing structure on a consolidated basis on a pro forma basis as adjusted for the Transactions. The diagram does not include all entities in our Group, nor does it show all the debt obligations thereof. Within the diagram below, legal entities are shown in boxes and financing instruments are shown in ovals. Unless otherwise indicated in the chart and in the footnotes below, legal entities are wholly owned. For more information on the material financing arrangements identified in the diagram, see "Use of Proceeds," "Capitalization," "Risk Factors," "Description of Ecore," "Description of Certain Other Indebtedness" and "Description of the Notes."



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(1) The Issuer is a French publicly listed limited liability company with a board of directors (*société anonyme à conseil d'administration*) organized under the laws of France, whose shares are traded on Euronext Paris (ISIN code: FR0000053381).

(2) The Issuer is directly controlled by CFER and Financière DBG, the Issuer's direct parent companies, representing 41.29% of the Issuer's share capital and 57.83% of the Issuer's voting rights as of September 30, 2020. CFER is directly controlled by Financière DBG, which is indirectly controlled by the Derichebourg family through DBG Finances. See "*Principal Shareholders and Related Party Transactions*."

(3) On March 19, 2020, the Issuer entered into a syndicated credit facility agreement with, *inter alios*, Banque Européenne du Crédit Mutuel as agent (the "**Syndicated Credit Facility Agreement**"), providing for a term loan of €240.0 million (the "**Syndicated Term Loan Facility**") and a €100.0 million revolving credit facility (the "**Syndicated Revolving Credit Facility**" and together with the Syndicated Term Loan Facility, the "**Syndicated Credit Facilities**"). The Syndicated Credit Facilities are unguaranteed and unsecured. As of March 31, 2021, €210.0 million was outstanding under the Syndicated Term Loan Facility and no amounts had been drawn on the Syndicated Revolving Credit Facility. We do not intend to draw on the Syndicated Revolving Credit Facility in connection with the Transactions. For a further description of the Syndicated Credit Facility Agreement, see "*Description of Certain Other Indebtedness—Syndicated Credit Facility Agreement*."

(4) On July 19, 2019, the Issuer entered into an agreement with the European Investment Bank (the "**EIB Loan Agreement**") providing for a term loan of €130.0 million (the "**EIB Loan**"). As of March 31, 2021, €130.0 million was outstanding under the EIB Loan. For a further description of the EIB Loan Agreement, see "*Description of Certain Other Indebtedness—EIB Loan Agreement*."

(5) We are party to a factoring facility made available to certain members of the Group by Crédit Agricole Leasing & Factoring pursuant to a master agreement dated July 31, 2019, as amended from time to time, and receivables purchase agreements entered into by certain members of the Group and Crédit Agricole Leasing & Factoring (the "**Derichebourg Factoring Facility**"). The maximum amount of receivables that may be purchased under the Derichebourg Factoring Facility is €300.0 million. As of March 31, 2021, €248.8 million of factored receivables were considered as off-balance sheet liabilities as they were subject to non-recourse factoring. As of March 31, 2021, we recorded an on-balance sheet

factoring liability of €46.7 million. For a further description of the Derichebourg Factoring Facility, see "*Description of Certain Other Indebtedness—Derichebourg Factoring Facility*."

(6) We and Ecore are party to a number of bilateral credit lines, including the GDE PGE. As of March 31, 2021, on a *pro forma* basis after giving effect to the Transactions, €123.8 million was outstanding under these lines. For a description of the GDE PGE, see "*Description of Ecore—Certain Financing Arrangements of Ecore—GDE PGE*."

(7) Ecore is party to a factoring facility made available to certain members of the Ecore Group pursuant to a master agreement dated March 28, 2017, as amended from time to time, between Factofrance and GDE, as well as several receivables purchase agreements entered into by certain members of the Ecore Group and Factofrance (the "**Ecore Factoring Facility**"). The maximum amount of receivables that may be purchased under the Ecore Factoring Facility is €118 million. As of March 31, 2021, €82.7 million of Ecore's receivables were subject to non-recourse factoring under the Ecore Factoring Facility. For a further description of the Ecore Factoring Facility, see "*Description of Ecore—Certain Financing Arrangements of Ecore—Ecore Factoring Facility*."

THE OFFERING

The overview below describes the principal terms of the Notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section entitled "*Description of the Notes*" of this Listing Prospectus contains a more detailed description of the terms and conditions of the Notes, including definitions of certain terms used in this overview.

Issuer ..... Derichebourg S.A., a French limited liability company (*société anonyme*).

Notes Offered ..... €300,000,000 aggregate principal amount of 2.250% notes due 2028 (the "**Notes**").

Issue Date ..... June 24, 2021.

Issue Price ..... The Notes will be issued at 100% of the principal amount, plus accrued interest, if any, from the Issue Date.

Maturity Date ..... July 15, 2028.

Interest Rate ..... The Notes will bear interest at 2.250% *per annum* on the basis of a 360-day year consisting of twelve 30-day months.

Interest Payment Dates ..... Semi-annually in arrear on January 15 and July 15 each year, and for the first time on January 15, 2022. Interest will accrue from the Issue Date.

Denomination of the Notes ..... Each Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof.

Ranking of the Notes ..... The Notes will:

- be general unsecured senior obligations of the Issuer on the Escrow Release Date;
- rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not contractually subordinated in right of payment to the Notes;
- rank senior in right of payment to any existing and future indebtedness of the Issuer that is contractually subordinated in right of payment to the Notes; and
- be unguaranteed on the Issue Date and will be structurally subordinated to all indebtedness of the Issuer's subsidiaries.

Security ..... On the Issue Date until the Escrow Release Date, the Notes will only be secured by a first-ranking pledge over the Escrow Account in favor of the Trustee on behalf of the holders of the Notes.

Escrow of Proceeds; Special Mandatory Redemption ..... If the Acquisition is not consummated on or prior to April 30, 2022, or upon the occurrence of certain other events, the Notes will be subject to a Special Mandatory Redemption at a price equal to 100% of the aggregate issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, from, and including the Issue Date to, but excluding, the date of the Special Mandatory Redemption. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.*"

Optional Redemption ..... At any time prior to July 15, 2024, we may redeem up to 40% of the aggregate principal amount of the Notes using the net cash proceeds of certain equity offerings, at the redemption price of 102.250% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the redemption date,

provided that at least 60% of the original aggregate principal amount of the Notes remains outstanding after the redemption. See "*Description of the Notes—Optional Redemption*."

At any time prior to July 15, 2024, we may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus, in each case, accrued and unpaid interest and additional amounts, if any, to, but excluding, the applicable redemption date plus the applicable "make whole" premium. See "*Description of the Notes—Optional Redemption*."

At any time on or after July 15, 2024, we may redeem some or all of the Notes at the redemption prices set forth in "*Description of the Notes—Optional Redemption*."

Optional Tax Redemption ..... If certain changes or amendments in the tax laws of any Relevant Taxing Jurisdiction (as defined in the "*Description of the Notes*") become effective on or after the date of the Indenture and, as a result, the Issuer (or any guarantor) is or would on the next payment date be required to pay any additional amounts (as described below and as defined in the "*Description of the Notes*"), the Issuer may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption and all additional amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on an interest payment date that is prior to the redemption date and additional amounts, if any, in respect thereof). See "*Description of the Notes—Redemption Upon Changes in Withholding Taxes.*"

Change of Control ..... Upon the occurrence of certain events constituting a "change of control" (as defined for purposes of the Notes), holders of the Notes will have the right to require the Issuer to repurchase all or part of the Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the Notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the purchase date. See "*Description of the Notes—Certain Covenants—Change of Control*."

Additional Amounts ..... Any payments made by or on behalf of the Issuer under or with respect to the Notes will be made without withholding or deduction for or on account of Taxes (as defined in the "*Description of the Notes*") imposed or levied by any Relevant Taxing Jurisdiction (as defined in the "*Description of the Notes*"), unless required by law. If withholding or deduction for such Taxes is required to be made with respect to a payment under or with respect to the Notes, subject to certain exceptions, the Issuer will pay such additional amounts as may be necessary so that the net amount received in respect of such payments by each holder of the Notes after such withholding or deduction is not less than the amount that would have been received in respect of such payments in the absence of such withholding or deduction. See "*Description of the Notes—Additional Amounts*."

Certain Covenants ..... The Indenture governing the Notes will contain covenants that will, among other things, limit our ability and the ability of our Restricted Subsidiaries (as defined therein) to, among other things:

- incur additional debt;
- create liens;

- pay dividends, redeem capital stock or make certain other restricted payments or investments;
- enter into agreements that restrict dividends from restricted subsidiaries;
- sell assets, including capital stock of restricted subsidiaries;
- engage in transactions with affiliates; and
- effect a consolidation or merger.

These covenants are subject to a number of important qualifications and exceptions and certain of them will be suspended if and when, and for so long as, the Notes are rated investment grade. For more details see "*Description of the Notes—Certain Covenants*."

Events of Default ..... For a discussion of certain events of default that will permit acceleration of the principal of the Notes plus accrued and unpaid interest, see "*Description of the Notes*."

Transfer Restrictions ..... The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or any other jurisdiction and the Notes may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Issuer has not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer). See "*Notice to Investors*" and "*Plan of Distribution.*"

Listing ..... Application has been made for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Euro MTF Market thereof.

The Notes will be new securities for which there is currently no market. Accordingly, the Issuer cannot assure you that a liquid market for the Notes will develop or be maintained. See "*Risk Factors—Risks Related to the Notes—There is no existing trading market for the Notes and we cannot assure you that an active trading market will develop, which could adversely impact your ability to sell the Notes.*"

Use of Proceeds ..... The gross proceeds of the Offering are expected to be €300,000,000.

Pending the consummation of the Acquisition, an amount equal to the gross proceeds of the Offering will be deposited into the Escrow Account, which will be held in the name of the Issuer, but controlled by the Escrow Agent, and pledged in favor of the Trustee on behalf of and for the benefit of the holders of the Notes. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.*"

Upon release from the Escrow Account, the gross proceeds of the Offering will be used, together with cash on hand, to (i) pay the purchase price of the Acquisition, (ii) repay and redeem in full all outstanding amounts under the Ecore Senior Secured Notes and the Ecore RCF and (iii) to pay costs, fees and expenses in connection with the Offering, including the fees and expenses to be incurred in connection with the Transactions. See "*Use of Proceeds*."

Governing Law of the Notes and the Indenture	New York.
Governing Law of the Escrow Agreement and the Escrow Account Charge	England and Wales.
Trustee, Paying Agent, Transfer Agent, Registrar and Escrow Agent	Citibank, N.A., London Branch.
Risk Factors	Investing in the Notes involves a high degree of risk. See "*Risk Factors*" for a description of certain of the risks you should carefully consider before making a decision whether to invest in the Notes.

SUMMARY GROUP CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The tables below set forth summary consolidated financial information for the Issuer as of and for the three financial years ended September 30, 2020, 2019 and 2018, and unaudited summary interim consolidated financial information as of and for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020.

The summary consolidated financial data as of and for the three financial years ended September 30, 2020, 2019 and 2018 have been derived from the Issuer's English translation of the Group Audited Consolidated Financial Statements included elsewhere in this Listing Prospectus. The Group Audited Consolidated Financial Statements have been audited by BM&A, Denjean & Associés Audit and Ernst & Young Audit, independent statutory auditors, as set forth in their audit reports, a free English translation of which is included therein. The Group Audited Consolidated Financial Statements discussed in this Listing Prospectus have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as published by the International Accounting Standards Board ("**IASB**") and as adopted by the European Union ("**EU**"), as applicable at such dates.

The unaudited interim financial information as of and for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020, have been derived from the Issuer's English translation of the Group Interim Consolidated Financial Statements included elsewhere in this Listing Prospectus. The Group Interim Consolidated Financial Statements have been subject to a limited review by BM&A, Denjean & Associés Audit and Ernst & Young Audit, as stated in their limited review report thereon, a free English translation of which is included therein. The Group Interim Consolidated Financial Statements have been prepared in accordance with IAS 34, the international accounting standard relating to the establishment of interim financial statements, as adopted by the European Union and in force on March 31, 2021.

The summary financial information presented below also presents unaudited consolidated financial information of the Issuer for the twelve months ended March 31, 2021, which was calculated by adding together the unaudited consolidated interim financial information for the six months ended March 31, 2021 to the audited consolidated financial information for the year ended September 30, 2020 extracted from the Group Audited Consolidated Financial Statements as of and for the year ended September 30, 2020, and subtracting the unaudited consolidated interim financial information for the six months ended March 31, 2020.

This section includes certain financial measures that are not required by or presented in accordance with IFRS because we believe they provide investors with useful additional information to measure our performance, liquidity or capital expenditures. These non-IFRS financial measures have important limitations as analytical tools. We believe that these non-IFRS measures are a useful indicator of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. You should exercise caution in comparing the non-IFRS measures as reported by us to non-IFRS measures of other companies. Non-IFRS measures have limitations as an analytical tool, and you should not consider them in isolation. See "*Presentation of Financial and Other Information—Non-IFRS Financial Measures.*"

During the periods under review in this Listing Prospectus, we have adopted certain accounting standards that may have an impact on the comparability of the financial information presented herein. This includes the adoption of IFRS 16—Leases. As a result, our consolidated financial statements included elsewhere in this Listing Prospectus may not be directly comparable between periods. See "*Presentation of Financial and Other Information*."

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, our financial statements and the accompanying notes included elsewhere in this Listing Prospectus, and should also be read together with the information set forth in "*Summary*," "*Presentation of Financial and Other Information*," "*Business*," "*Use of Proceeds*," "*Capitalization*," "*Selected Historical Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Summary Group Consolidated Income Statement Information

	For the year ended September 30,			For the six months ended March 31,		For the twelve months ended March 31,
	2018	2019	2020	2020	2021	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post-IFRS 16)*	*(Post-IFRS 16)*	*(Post-IFRS 16)*	*(Post- IFRS 16)*
		(audited)			*(unaudited)*	
			(€ in millions)			
Revenue	2,919.7	2,705.0	2,464.1	1,302.3	1,649.9	2,811.7
Other revenues from operations	4.6	3.2	1.5	2.0	2.8	2.4
Cost of raw materials	(1,437.7)	(1,210.7)	(1,085.7)	(580.1)	(828.5)	(1,334.1)
External charges	(395.7)	(398.3)	(328.7)	(175.7)	(192.5)	(345.6)
Personnel expenses	(835.3)	(856.0)	(812.9)	(427.9)	(431.6)	(816.6)
Taxes and duties	(54.8)	(51.1)	(50.0)	(28.1)	(28.8)	(50.6)
Depreciation	(84.1)	(88.5)	(118.9)	(58.2)	(60.4)	(121.1)
Change in provisions	(10.7)	(6.5)	(11.0)	(2.0)	(7.2)	(16.3)
Changes in inventory: work-in-progress and finished products	2.2	(2.0)	1.1	0.8	0.6	0.8
Other operating expenses	(12.7)	(17.6)	(12.5)	(5.8)	(5.5)	(12.2)
Other operating income	22.7	25.7	15.4	6.0	13.5	22.9
Recurring operating profit (loss)	**118.3**	**103.1**	**62.4**	**33.4**	**112.3**	**141.3**
Other non-recurring expenses	(13.8)	(5.0)	(10.9)	(0.6)	(0.6)	(11.0)
Other non-recurring income	—	0.1	3.7	3.7	3.8	3.8
Gain/loss on disposal of consolidated companies	(8.2)	(0.8)	1.0	5.3	—	(4.4)
Operating profit (loss)	**96.3**	**97.5**	**56.2**	**41.9**	**115.5**	**129.8**
Net financial expenses	(11.7)	(9.7)	(12.3)	(5.7)	(7.2)	(13.8)
Foreign exchange and other gains and losses	(1.2)	(0.7)	(2.3)	(0.3)	0.6	(1.4)
Profit (loss) before taxes	**83.4**	**87.0**	**41.5**	**35.9**	**108.9**	**114.6**
Income taxes	(16.3)	(30.5)	(19.5)	(13.1)	(33.4)	(39.9)
Group share of income from associates and joint ventures	2.1	2.4	0.4	0.2	(0.8)	(0.7)
Net profit (loss)	**69.2**	**58.9**	**22.4**	**23.1**	**74.7**	**74.0**
Income net of tax from discontinued activities	3.4	—	—	—	—	—
Consolidated net profit (loss)	**72.6**	**58.9**	**22.4**	**23.1**	**74.7**	**74.0**
Attributable:						
- to shareholders	71.1	55.6	21.3	22.4	73.6	72.5
- to non-controlling interests	1.5	3.3	1.1	0.7	1.1	1.5

Summary Group Consolidated Balance Sheet Information

	As of September 30,			As of March 31,
	2018	2019	2020	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*
	(audited)			*(unaudited)*
	(€ in millions)			
Assets				
Goodwill	217.9	227.7	261.1	261.1
Intangible assets	6.2	8.0	7.5	6.7
Property, plant and equipment	480.9	539.2	497.7	496.9
Right of use	—	—	190.2	202.8
Financial assets	10.5	8.8	10.0	10.3
Investments in associates and joint ventures	17.1	18.5	12.6	11.8
Deferred tax	22.0	26.5	31.1	32.4
Total non-current assets	**754.6**	**828.5**	**1,010.1**	**1,022.0**
Inventories	76.7	67.8	105.3	136.7
Trade receivables	286.6	284.1	309.9	399.6
Tax receivables	11.4	3.8	4.1	4.6
Other assets	82.7	62.5	68.3	90.4
Financial assets	13.8	20.2	15.4	20.0
Cash and cash equivalents	145.6	284.6	361.9	403.7
Financial instruments	—	—	—	1.4
Total current assets	**616.9**	**723.0**	**865.0**	**1,056.4**
Total non-current assets and groups of assets held for sale	**41.4**	**5.8**	**—**	**—**
Total assets	**1,412.9**	**1,557.4**	**1,875.1**	**2,078.3**

	As of September 30,			As of March 31,
	2018	2019	2020	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*
Liabilities and equity	*(audited)*			*(unaudited)*
	(€ in millions)			
Share capital	41.0	39.9	39.9	39.9
Share premiums	16.5	0.8	0.8	0.8
Reserves	379.3	427.0	459.6	482.1
Net income for the year	71.1	55.6	21.3	73.6
Group shareholders' equity	**507.9**	**523.1**	**521.6**	**596.3**
Non-controlling interests	3.8	2.9	2.6	3.4
Total shareholders' equity	**511.7**	**526.0**	**524.2**	**599.7**
Financial borrowings and debts	156.2	324.8	572.2	541.5
Provision for pensions and similar benefits	42.6	49.6	50.8	52.0
Other provisions	25.3	23.7	33.4	32.8
Deferred taxes	17.5	17.1	23.2	22.6
Other liabilities	1.7	3.2	3.2	4.5
Total non-current liabilities	**243.4**	**418.4**	**682.6**	**653.4**
Financial borrowings and debts	84.5	84.8	130.9	182.9
Provision	4.8	2.6	4.6	2.6
Trade payables	281.2	257.1	254.5	346.0
Tax payables	3.3	7.7	4.7	27.1
Other liabilities	255.0	252.7	271.2	264.8
Financial instruments	1.1	2.7	2.3	1.9
Total current liabilities	**629.9**	**607.6**	**668.2**	**825.3**
Total liabilities related to a group of assets held for sale	**27.9**	**5.4**	**-**	**-**
Total liabilities	**1,412.9**	**1,557.4**	**1,875.1**	**2,078.3**

Summary Group Cash Flow Information

	For the year ended September 30,			For the six months ended March 31,	
	2018	2019	2020	2020	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post-IFRS 16)*	*(Post- IFRS 16)*	*(Post-IFRS 16)*
	(audited)			*(unaudited)*	
	(€ in millions)				
Net cash flow from operating activities	170.2	165.1	176.4	49.3	110.3
Net cash flow from investment activities	(87.8)	(76.4)	(220.3)	(195.1)	(40.6)
Net cash flow from finance activities	(91.1)	57.1	121.6	137.0	(45.0)
Impact of foreign exchange rate fluctuations	0.4	1.6	(2.1)	(0.4)	0.2
Change in cash and cash equivalents	(8.3)	147.4	75.6	(9.2)	25.0
Cash and cash equivalents at beginning of the period	141.8	131.6	277.8	277.8	353.5
Cash and cash equivalents at close of the period	131.6	277.8	353.5	268.7	378.4

Other Group Financial Information

	For the year ended September 30,			For the six months ended March 31,		For the twelve months ended March 31,
	2018	2019	2020	2020	2021	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post-IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*
	(audited)			*(unaudited)*		
	(€ in millions)					
Recurring operating profit [(1)]	118.3	103.1	62.4	33.4	112.3	141.3
Of which						
Environmental Services	*102.9*	*88.2*	*52.5*	*26.6*	*107.1*	*133.0*
Multiservices	*22.1*	*21.3*	*18.1*	*9.7*	*11.6*	*20.0*
Holding	*(6.7)*	*(6.4)*	*(8.2)*	*(3.0)*	*(6.3)*	*(11.6)*
Recurring EBITDA [(1)]	202.1	191.2	180.9	91.5	172.6	262.1
Of which						
Environmental Services	*173.1*	*162.1*	*142.2*	*70.7*	*153.3*	*224.7*
Multiservices	*33.2*	*33.0*	*44.0*	*22.3*	*24.0*	*45.7*
Holding	*(4.2)*	*(3.9)*	*(5.3)*	*(1.5)*	*(4.6)*	*(8.3)*

(1) We define recurring operating profit (loss) as operating profit (loss), plus non-recurring income and expenses and gain/loss on disposal of consolidated companies. We define EBITDA as recurring operating profit (loss), plus depreciation and amortization on property, plant and equipment, intangible assets and rights of use, net of reversals. Below is a reconciliation calculation from operating profit (loss) to recurring operating profit (loss) and recurring EBITDA:

	For the year ended September 30,			For the six months ended March 31,		For the twelve months ended March 31,
	2018	2019	2020	2020	2021	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post-IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*	*(Post-IFRS 16)*
	(audited)			*(unaudited)*		
	(€ in millions)					
Operating profit	96.3	97.5	56.2	41.9	115.5	129.8
Other non-recurring expenses	(13.8)	(5.0)	(10.9)	(0.6)	(0.6)	(11.0)
Other non-recurring income	—	0.1	3.7	3.7	3.8	3.8
Gain/loss on disposal of consolidated companies	(8.2)	(0.8)	1.0	5.3	—	(4.4)
Recurring operating profit	**118.3**	**103.1**	**62.4**	**33.4**	**112.3**	**141.3**
Depreciation and amortization	84.1	88.5	118.9	58.2	60.4	121.1
Others	(0.3)	(0.4)	(0.4)	(0.1)	(0.1)	(0.3)
Recurring EBITDA	**202.1**	**191.2**	**180.9**	**91.5**	**172.6**	**262.1**

Business Division Financial Information

	For the year ended September 30,			For the six months ended March 31,		For the twelve months ended March 31,
	2018	2019	2020	2020	2021	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post-IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*
		(audited)			*(unaudited)*	
	(€ in millions)					
Environmental Services revenue	2,116.4	1,846.7	1,627.4	857.6	1,220.3	1,990.1
Of which						
Recycling	*1,881.3*	*1,643.1*	*1,481.9*	*785.9*	*1,147.6*	*1,843.6*
Public Sector Services	*235.1*	*203.6*	*145.5*	*71.7*	*72.7*	*146.5*
Environmental Services Recurring operating profit [(1)]	102.9	88.2	52.5	26.6	107.1	133.0
Of which						
Recycling	*99.7*	*78.7*	*44.7*	*22.4*	*100.2*	*122.5*
Public Sector Services	*3.2*	*9.5*	*7.7*	*4.2*	*6.9*	*10.5*
Environmental Services Recurring EBITDA [(1)]	173.1	162.1	142.2	70.7	153.3	224.7
Of which						
Recycling	*149.8*	*136.9*	*120.1*	*59.3*	*138.9*	*199.8*
Public Sector Services	*23.3*	*25.2*	*22.1*	*11.5*	*14.3*	*25.0*
Multiservices revenue	802.5	857.6	836.2	444.4	429.2	821.1
Of which						
Tertiary sector	*467.5*	*509.8*	*559.8*	*273.2*	*312.2*	*598.8*
Industry	*146.8*	*143.3*	*105.4*	*67.2*	*40.8*	*79.0*
Human resources and temporary sourcing	*144.4*	*152.7*	*124.0*	*77.4*	*52.9*	*99.5*
Urban area	*43.8*	*51.8*	*47.0*	*26.5*	*23.4*	*43.8*
Multiservices Recurring operating profit [(2)]	22.1	21.3	18.1	9.7	11.6	20.0
Of which						
Tertiary sector	*13.6*	*11.4*	*17.9*	*7.0*	*11.0*	*21.9*
Industry	*4.2*	*6.0*	*0.1*	*1.8*	*0.5*	*(1.3)*
Human resources and temporary sourcing	*4.6*	*5.1*	*(0.1)*	*1.3*	*(0.5)*	*(1.9)*
Urban area	*(0.3)*	*(1.2)*	*0.2*	*(0.5)*	*0.6*	*1.3*
Multiservices Recurring EBITDA [(2)]	33.2	33.0	44.0	22.3	24.0	45.7
Of which						
Tertiary sector	*21.1*	*19.6*	*36.6*	*16.3*	*20.4*	*40.7*
Industry	*5.7*	*7.7*	*3.2*	*3.1*	*1.6*	*1.7*
Human resources and temporary sourcing	*5.8*	*5.7*	*1.3*	*2.0*	*0.2*	*(0.5)*
Urban area	*0.6*	*—*	*2.8*	*0.8*	*1.8*	*3.8*

(1) Below is a reconciliation calculation from recurring operating profit to Recurring EBITDA for our Environmental Services business division:

	For the year ended September 30,			For the six months ended March 31,		For the twelve months ended March 31,
	2018	2019	2020	2020	2021	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post-IFRS 16)*	*(Post-IFRS 16)*	*(Post-IFRS 16)*	*(Post- IFRS 16)*
		(audited)			*(unaudited)*	
	(€ in millions)					
Environmental Services Recurring operating profit	102.9	88.2	52.5	26.6	107.1	133.0
Of which						
Recycling	*99.7*	*78.7*	*44.7*	*22.4*	*100.2*	*122.5*

	For the year ended September 30,			For the six months ended March 31,		For the twelve months ended March 31,
	2018	2019	2020	2020	2021	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post-IFRS 16)*	*(Post-IFRS 16)*	*(Post-IFRS 16)*	*(Post- IFRS 16)*
		(audited)			*(unaudited)*	
				(€ in millions)		
Public Sector Services	*3.2*	*9.5*	*7.7*	*4.2*	*6.9*	*10.5*
Depreciation and amortization	70.5	74.3	90.0	44.2	46.2	92.0
Of which						
Recycling	*50.3*	*58.3*	*75.6*	*36.9*	*38.9*	*77.6*
Public Sector Services	*20.2*	*16.0*	*14.4*	*7.3*	*7.4*	*14.5*
Others	(0.3)	(0.4)	(0.4)	(0.1)	(0.1)	(0.3)
Of which						
Recycling	*(0.1)*	*(0.1)*	*(0.3)*	*(0.1)*	*(0.1)*	*(0.3)*
Public Sector Services	*(0.1)*	*(0.2)*	—	—	—	—
Environmental Services Recurring EBITDA	**173.1**	**162.1**	**142.2**	**70.7**	**153.3**	**224.7**
Of which						
Recycling	***149.8***	***136.9***	***120.1***	***59.3***	***138.9***	***199.8***
Public Sector Services	***23.3***	***25.2***	***22.1***	***11.5***	***14.3***	***25.0***

(2) Below is a reconciliation calculation from recurring operating profit to Recurring EBITDA for our Multiservices business division:

	For the year ended September 30,			For the six months ended March 31,		For the twelve months ended March 31,
	2018	2019	2020	2020	2021	2021
	(Pre-IFRS 16)	*(Pre-IFRS 16)*	*(Post-IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*
		(audited)			*(unaudited)*	
				(€ in millions)		
Multiservices Recurring operating profit	22.1	21.3	18.1	9.7	11.6	20.0
Of which						
Tertiary sector	*13.6*	*11.4*	*17.9*	*7.0*	*11.0*	*21.9*
Industry	*4.2*	*6.0*	*0.1*	*1.8*	*0.5*	*(1.3)*
Human resources and temporary sourcing	*4.6*	*5.1*	*(0.1)*	*1.3*	*(0.5)*	*(1.9)*
Urban area	*(0.3)*	*(1.2)*	*0.2*	*(0.5)*	*0.6*	*1.3*
Depreciation and amortization	11.1	11.7	25.9	12.6	12.4	25.8
Of which						
Tertiary sector	*7.5*	*8.2*	*18.7*	*9.3*	*9.4*	*18.8*
Industry	*1.6*	*1.7*	*3.1*	*1.2*	*1.1*	*3.0*
Human resources and temporary sourcing	*1.1*	*0.6*	*1.5*	*0.7*	*0.7*	*1.4*
Urban area	*0.9*	*1.2*	*2.6*	*1.3*	*1.2*	*2.5*
Others	—	—	(0.1)	—	—	(0.1)
Of which						
Tertiary sector	—	—	—	—	—	—
Industry	—	—	*(0.1)*	—	—	*(0.1)*
Human resources and temporary sourcing	—	—	—	—	—	—
Urban area	—	—	—	—	—	—
Multiservices Recurring EBITDA	**33.2**	**33.0**	**44.0**	**22.3**	**24.0**	**45.7**
Of which						
Tertiary sector	***21.1***	***19.6***	***36.6***	***16.3***	***20.4***	***40.7***
Industry	***5.7***	***7.7***	***3.2***	***3.1***	***1.6***	***1.7***
Human resources and temporary sourcing	***5.8***	***5.7***	***1.3***	***2.0***	***0.2***	***(0.5)***
Urban area	***0.6***	***—***	***2.8***	***0.8***	***1.8***	***3.8***

Recycling Volumes

	For the year ended September 30,			For the six months ended March 31,	
	2018	**2019**	**2020**	**2020**	**2021**
			(thousands of tons)		
Ferrous metals	3,746.0	3,445.8	3,159.2	1,654.8	1,998.3
Non-ferrous metals	540.7	535.1	552.3	297.7	322.1
Total	**4,286.6**	**3,980.9**	**3,711.5**	**1,952.5**	**2,320.4**

SUMMARY ECORE CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The tables below set forth summary consolidated financial data for Ecore as of and for the financial years ended September 30, 2020 and 2019, and unaudited summary interim consolidated financial information as of and for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020.

The summary consolidated financial data as of and for the financial years ended September 30, 2020 and 2019 have been derived from the English translation of the GEH Audited Consolidated Financial Statements included elsewhere in this Listing Prospectus. The GEH Audited Consolidated Financial Statements have been audited by BDO Paris Audit & Advisory, independent statutory auditor, as set forth in their audit reports, a free English translation of which is included therein. The GEH Audited Consolidated Financial Statements discussed in this Listing Prospectus have been prepared in accordance with IFRS as published by the IASB and as adopted by the EU, as applicable at such dates.

The unaudited interim financial information as of and for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020, have been derived from the English translation of the GEH Interim Consolidated Financial Statements included elsewhere in this Listing Prospectus. The GEH Interim Consolidated Financial Statements have been subject to a limited review by BDO Paris Audit & Advisory, as stated in their limited review report thereon, a free English translation of which is included therein. The GEH Interim Consolidated Financial Statements have been prepared in accordance with IAS 34, the international accounting standard relating to the establishment of interim financial statements, as adopted by the European Union and in force on March 31, 2021.

The summary financial information presented below also presents unaudited consolidated financial information of GEH for the twelve months ended March 31, 2021, which was calculated by adding together the unaudited consolidated interim financial information for the six months ended March 31, 2021 to the audited consolidated financial information for the year ended September 30, 2020 extracted from the GEH Audited Consolidated Financial Statements as of and for the year ended September 30, 2020, and subtracting the unaudited consolidated interim financial information for the six months ended March 31, 2020.

This section includes certain financial measures that are not required by or presented in accordance with IFRS because Ecore believes they provide investors with useful additional information to measure Ecore's performance, liquidity or capital expenditures. These non-IFRS financial measures have important limitations as analytical tools. Ecore believes that these non-IFRS measures are a useful indicator of Ecore's ability to incur and service Ecore's indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. You should exercise caution in comparing the non-IFRS measures as reported by us to non-IFRS measures of other companies. Non-IFRS measures have limitations as an analytical tool, and you should not consider them in isolation. See "*Presentation of Financial and Other Information—Non-IFRS Financial Measures.*"

During the periods under review in this Listing Prospectus, Ecore has adopted certain accounting standards that may have an impact on the comparability of the financial information presented herein. This includes the adoption of IFRS 16—Leases. As a result, its consolidated financial statements included elsewhere in this Listing Prospectus may not be directly comparable between periods. See "*Presentation of Financial and Other Information*."

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, GEH's financial statements and the accompanying notes included elsewhere in this Listing Prospectus, and should also be read together with the information set forth in "*Description of Ecore*," "*Use of Proceeds*," and "*Capitalization*."

Summary GEH Consolidated Income Statement Information

	For the year ended September 30,		For the six months ended March 31,		For the twelve months ended March 31,
	2019	2020	2020	2021	2021
	(Post-IFRS 16)	*Post- IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*	*(Post- IFRS 16)*
	(audited)			*(unaudited)*	
			(€ in millions)		
Revenue	**1,159.7**	**880.5**	**471.1**	**658.0**	**1,067.4**
Cost of raw materials	(825.5)	(595.3)	(321.4)	(467.7)	(741.6)
Freight expenses	(118.1)	(96.6)	(52.6)	(62.5)	(106.6)
Cost of sales	(943.5)	(691.9)	(373.9)	(530.3)	(848.3)
External charges	(78.1)	(60.4)	(33.2)	(36.6)	(63.9)
Employee benefits expenses	(72.8)	(68.9)	(36.4)	(37.9)	(70.4)
Other operating income and expenses	(2.3)	(6.7)	(2.3)	(3.0)	(7.4)
EBITDA	**63.0**	**52.7**	**25.3**	**50.2**	**77.5**
Depreciation / amortization	(43.0)	(42.2)	(19.7)	(20.3)	(42.8)
Impairment	—	—	—	—	—
Other non-recurring incomes and expenses	(8.2)	12.3	—	—	12.3
Operating income (loss)	**11.8**	**22.8**	**5.7**	**29.9**	**47.0**
Interest expense	(18.9)	(22.6)	(11.3)	(11.4)	(22.6)
Interest income	0.1	—	—	—	—
Cost of net debt	(18.9)	(22.6)	(11.3)	(11.4)	(22.6)
Other financial income and expenses	(2.4)	(0.7)	(1.1)	(1.5)	(1.1)
Share of profit associates and joint-ventures	0.2	0.2	0.1	—	0.1
Profit (loss) before tax from continuing operations	**(9.3)**	**(0.3)**	**(6.7)**	**17.0**	**23.8**
Income tax expenses	(16.8)	10.2	(1.7)	(3.5)	8.5
Profit (loss) for the year	**(26.2)**	**9.9**	**(8.3)**	**13.6**	**31.8**

Summary GEH Consolidated Balance Sheet Information

	As of September 30,		As of March 31,
	2019	2020	2021
	(Post-IFRS 16)	*Post- IFRS 16)*	*(Post- IFRS 16)*
	(audited)		*(unaudited)*
		(€ in millions)	
Assets			
Goodwill	109.1	110.1	110.0
Intangible assets	4.6	1.6	1.3
Right of use on other intangible assets	—	3.7	3.6
Property, plant and equipment	190.4	184.0	182.7
Right of use on other tangible assets	31.6	63.7	61.9
Shares in associates and joint-ventures	2.2	2.1	2.1
Deferred tax	24.3	38.4	38.7
Other non-current financial assets	14.6	14.7	13.0
Total non-current assets	**376.9**	**418.3**	**413.2**
Inventories	52.9	54.9	74.1
Account receivables	50.1	49.9	80.9
Tax receivables	4.8	2.7	1.1
Other current assets	9.5	6.6	9.9
Cash and cash equivalents	57.7	126.0	157.4
Assets held for sale	0.9	0.8	0.8
Total current assets	**175.9**	**241.0**	**324.2**
Total assets	**552.8**	**659.3**	**737.4**

	As of September 30,		As of March 31,
	2019	2020	2021
	(Post-IFRS 16)	*Post- IFRS 16)*	*(Post- IFRS 16)*
	(audited)		*(unaudited)*
	(€ in millions)		
Liabilities and equity			
Total equity	**73.7**	**80.8**	**94.2**
Redeemable preference shares – long-term portion	2.0	2.0	2.0
Provisions – long-term portion	10.6	7.5	9.0
Long-term portion of long-term debt	244.6	266.9	267.7
Rental debt - long-term portion	25.5	61.6	59.6
Deferred tax liabilities	2.7	2.2	2.7
Other long-term debt	0.5	0.5	0.4
Total non-current liabilities	**285.9**	**340.8**	**341.4**
Provisions – short-term portion	6.0	4.2	3.3
Current portion of long-term debt	—	40.0	40.3
Rental debt - short-term portion	8.4	14.7	14.8
Account payables	172.7	171.8	233.1
Tax payable	1.8	2.3	2.6
Other current liabilities Short-term debt	2.7	2.3	3.7
Short-term debt	1.7	2.4	4.0
Total current liabilities	**193.3**	**237.7**	**301.7**
Total equity and liabilities	**552.8**	**659.3**	**737.4**

Summary GEH Cash Flow Information

	For the year ended September 30,		For the six months ended March 31,	
	2019	2020	2020	2021
	(Post-IFRS 16)	*Post- IFRS 16)*	*(Post- IFRS 16)*	*(Post-IFRS 16)*
	(audited)		*(unaudited)*	
	(€ in millions)			
Operating activities Profit / (loss) after tax	**(26.2)**	**9.9**	**(8.3)**	**13.6**
Depreciation and impairment	42.6	42.2	19.7	20.3
Cost of net debt	18.9	22.6	11.3	11.4
Increase (Decrease) in provisions	3.6	(4.8)	(3.4)	0.5
Other non-cash (income) expenses	0.7	(1.7)	(0.8)	0.7
Net change in working capital [(a)]	62.8	0.5	1.0	11.0
Income tax (paid) received	(5.0)	(0.3)	0.8	(3.0)
Income tax (current and deferred)	16.8	(10.2)	1.7	3.5
Total net cash flow from operating activities.	**114.2**	**58.2**	**21.9**	**57.8**
Total net cash flow used in investing activities	**(15.1)**	**(16.6)**	**(8.1)**	**(10.1)**
Total net cash flow received from (used in) financing activities	**(116.3)**	**26.1**	**29.6**	**(17.9)**
Cash and cash equivalents at the beginning of period	73.2	56.0	56.0	123.7
Cash and cash equivalents at the end of period	56.0	123.7	99.4	153.4
Total net increase/(decrease) in cash and cash equivalents	**(17.2)**	**67.7**	**43.4**	**29.7**

[(a)] Computation based on (decrease)/increase in inventories, receivables and payables as disclosed in the consolidated statement of cash flows.

Business Line Revenue of GEH

The table below sets out GEH's revenue by business line for the periods indicated:

	For the year ended September 30,		For the six months ended March 31,	
	2019	2020	2020	2021
	(Post-IFRS 16)	*Post- IFRS 16)*	*(Post- IFRS 16)*	*(Post-IFRS 16)*
	(audited)		*(unaudited)*	
	(€ in millions)			
Ferrous metals	684.4	511.3	271.4	402.5
Non-ferrous metals	329.9	263.2	142.9	182.3
Batteries	47.4	34.5	19.3	23.8
Other	97.9	71.5	37.5	49.3
Total revenue	**1,159.7**	**880.5**	**471.1**	**658.0**

Recycling Volumes

	For the year ended September 30,			For the six months ended March 31,	
	2018	2019	2020	2020	2021
	(thousands of tons)				
Ferrous metals	3,048	2,663	2,238	1,169	1,391
Non-ferrous metals	213	211	179	94	107
Batteries	48	46	37	19	25
Other	433	448	354	190	189
Total	**3,743**	**3,368**	**2,808**	**1,473**	**1,713**

SUMMARY *PRO FORMA* UNAUDITED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The unaudited *pro forma* consolidated financial information presented below gives *pro forma* effect to the Transactions as if they had occurred on March 31, 2021 for *pro forma* balance sheet data and October 1, 2019 for *pro forma* income statement data.

The unaudited *pro forma* financial information is presented for information purposes only, and does not necessarily reflect the earnings or losses that the consolidated company would have achieved had the business combination been completed on October 1, 2019, nor does it reflect the balance sheet that the Issuer would have presented had the business combination been completed on March 31, 2021. It should not be interpreted as an indication of the Combined Group's future results. The *pro forma* adjustments reflected in the financial information presented below are based on currently available information, and on assumptions and estimates considered reasonable by the Issuer.

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, our financial statements and GEH's financial statements and the accompanying notes included elsewhere in this Listing Prospectus, and should also be read together with the information set forth in "*Summary*," "*Presentation of Financial and Other Information*," "*Use of Proceeds*," "*Capitalization*," "*Unaudited Pro Forma Consolidated Financial Information*."

Unaudited *pro forma* consolidated income statement

(€ in millions)	For the year ended Sept. 30, 2020	For the six months ended March 31, 2021	For the twelve months ended March 31, 2021
Revenue	3,345.2	2,308.3	3,879.7
Other revenues from operations	1.5	2.8	2.4
Cost of raw materials	(1,681.1)	(1,296.3)	(2,075.8)
External charges	(490.0)	(290.5)	(515.0)
Personnel expenses	(882.0)	(469.6)	(887.2)
Taxes and duties	(56.6)	(28.8)	(50.6)
Depreciation	(161.1)	(80.6)	(163.9)
Change in provisions	(11.0)	(9.3)	(16.3)
Changes in inventory: work-in-progress and finished products	1.1	0.6	0.8
Other operating expenses	(12.5)	(9.7)	(19.6)
Other operating income	15.4	16.8	22.9
Recurring operating profit (loss)	**68.9**	**143.6**	**177.4**
Recurring EBITDA	***229.7***	***224.1***	***341.0***
Other non-recurring expenses	(10.9)	(0.6)	(11.0)
Other non-recurring income	16.1	3.8	16.1
Gain/loss on disposal of consolidated companies	(0.2)	—	(4.4)
Operating profit (loss)	**73.9**	**146.8**	**178.2**
Net financial expenses	(42.4)	(15.2)	(29.7)
Foreign exchange and other gains and losses	(3.0)	(0.9)	(2.5)
Profit (loss) before taxes	**28.4**	**130.6**	**146.0**
Income taxes	(9.3)	(36.9)	(31.4)
Group share of income from associates and joint ventures	0.3	(0.9)	(0.7)
Net profit (loss)	**19.5**	**92.9**	**113.8**
Income net of tax from discontinued activities	—	—	—
Consolidated net profit (loss)	**19.5**	**92.9**	**113.8**

Unaudited *pro forma* consolidated balance sheet

(€ in millions)	As of March 31, 2021
Goodwill	510.7
Intangible assets	7.9

(€ in millions)	As of March 31, 2021
Right of use intangible assets	3.6
Property, plant and equipment	679.6
Right of use tangible assets	264.7
Financial assets	23.9
Investments in associates and joint ventures	11.6
Deferred tax	71.0
Other assets	—
Total non-current assets	**1,573.0**
Inventories	210.9
Trade receivables	480.7
Tax receivables	5.7
Other assets	100.3
Financial assets	20.0
Cash and cash equivalents	336.2
Financial instruments	1.4
Total current assets	**1,155.1**
Total non-current assets and groups of assets held for sale	0.8
Total assets	**2,728.9**
Share capital	39.9
Share premiums	0.8
Reserves	467.8
Net income for the year	86.7
Group shareholders' equity	**595.1**
Non-controlling interests	7.4
Total shareholders' equity	**602.4**
Financial borrowings and debts	875.5
Redeemable preference shares – long-term portion	—
Provision for pensions and similar benefits	52.0
Other provisions	41.8
Deferred taxes	25.3
Other liabilities	4.9
Total non-current liabilities	**999.5**
Financial borrowings and debts	242.0
Redeemable preference shares – short-term portion	—
Provisions	5.8
Trade payables	579.1
Tax payables	29.7
Other liabilities	268.5
Financial instruments	1.9
Total current liabilities	**1,127.0**
Total liabilities related to a group of assets held for sale	**—**
Total liabilities	**2,728.9**

Other *Pro Forma* Financial Information

	As of and for the twelve months ended March 31, 2021
	(€ in millions except ratios)
Pro forma gross debt [(1)]	1,117.5
Pro forma cash and cash equivalents [(2)]	336.2
Pro forma net debt [(3)]	781.3
Pro forma interest expense [(4)]	27.2
Pro forma Recurring EBITDA	341.0
Adjusted *pro forma* Recurring EBITDA [(5)]	362.0

	As of and for the twelve months ended March 31, 2021
	(€ in millions except ratios)
Ratio of adjusted *pro forma* Recurring EBITDA to *pro forma* interest expense [4][5]	13.29x
Ratio of *pro forma* net debt to adjusted *pro forma* Recurring EBITDA [3][5]	2.16x

(1) Represents total outstanding financial borrowings and debts of the Combined Group on a *pro forma* basis after giving effect to the Transactions. For more information, see "*Use of Proceeds*," "*Capitalization*" and "*Unaudited Pro Forma Consolidated Financial Information*."

(2) Represents cash and cash equivalents of the Combined Group on a *pro forma* basis after giving effect to the Transactions. For more information, see "*Use of Proceeds*," "*Capitalization*" and "*Unaudited Pro Forma Consolidated Financial Information*."

(3) Represents *pro forma* gross debt, less *pro forma* cash and cash equivalents.

(4) *Pro forma* interest expense is calculated as if the Transactions had occurred on April 1, 2020, assuming that the Syndicated Revolving Credit Facility was undrawn during the entire period and assuming a constant EURIBOR rate for the twelve-month period ended March 31, 2021 based on a three-month EURIBOR of 0%. *Pro forma* interest expense is presented for illustrative purposes only and does not purport to represent what our interest payments would have actually been had the Transactions occurred on the date assumed, nor does it purport to project our interest payments for any future period or our financial condition at any future date.

(5) Adjusted *pro forma* Recurring EBITDA represents *pro forma* Recurring EBITDA for the twelve months ended March 31, 2021, adjusted to reflect the full-year effect of anticipated synergies from the Acquisition in an aggregate amount of €21.0 million expected to be realized within one year from the consummation of the Acquisition, consisting of: (a) reductions in management and holding company-related costs and expenses from the anticipated departure of the members of the management team put into place by the current shareholders of Ecore (€5.0 million), (b) savings in electricity costs from the entry into a load shedding contract (*contrat d'effacement*) (€1.0 million), (c) savings generated by grouped purchases of fuel and oxygen (€2.0 million), (d) reduction in insurance costs through expanded self-insurance and the creation of a captive insurance company (€1.5 million), (e) lower equipment rental costs from shared equipment across the Combined Group (€0.5 million) and (f) reduced transportation costs resulting from our densified network and access to ports (€11.0 million). We cannot assure you that we will be able to realize the totality of these synergies or cost savings, and the costs we incur in trying to realize these synergies may be substantially higher than our current estimates and may outweigh the benefits. See "*Risk Factors—Risks Related to the Acquisition—We may fail to achieve the synergies we are targeting from the Acquisition.*"

RISK FACTORS

An investment in the Notes involves a high degree of risk and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the risks described below and other information in this Listing Prospectus and their personal circumstances. The occurrence of any of the following events could have an adverse effect, which could be material, on our business, prospects, results of operations and financial condition and impair our ability to fulfil our obligations in respect of the Notes, potentially causing a loss of all or part of the investment made when purchasing the Notes.

The risk factors described below are not an exhaustive list or explanation of all relevant risks and should be used as guidance only. The order in which the risk factors are presented does not necessarily reflect the likelihood of their occurrence or the magnitude or significance of the individual risk factor. Furthermore, the risks and uncertainties described herein may not be the only ones that we face. Additional risks and uncertainties that are not currently known to us, or that we currently deem immaterial, may individually or cumulatively also have a material adverse effect on our business, prospects, results of operations or financial condition.

This Listing Prospectus contains "forward-looking" statements that are based on assumptions and estimates, and subject to risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below and elsewhere in this Listing Prospectus. See "Forward-Looking Statements."

Risks Related to Our Industry, Business and Operations

Our Environmental Services and Multiservices business divisions address markets that are cyclical and sensitive to general economic conditions.

We provide services to businesses and local governments worldwide through our Environmental Services and Multiservices business divisions. Demand for most of our Environmental Services products is cyclical in nature and sensitive to general economic conditions. The cyclical nature of our operations tends to reflect and be amplified by changes in economic conditions, both European and internationally. Deterioration in macroeconomic conditions, particularly in France and Spain, in which we generated 70% and 16%, respectively, of our revenue for the twelve months ended March 31, 2021, can weaken the primary drivers of our customers' businesses, which in turn impacts demand for our services. For example, our Environmental Services business can be impacted by overall reduced economic activity, which tends to lower waste volumes and negatively impact demand for raw materials from recycling, including ferrous and non-ferrous metals. In addition, private consumption and therefore recycling can be significantly reduced in a recessionary environment. Our Multiservices business can also be impacted by poor macroeconomic conditions, which can cause our customers to seek to downsize their businesses, delay their outsourcing projects, or otherwise reduce their demand for our services, in particular those services that customers perceive as discretionary (including, for example, with respect to hours, types of services, or scope of services). Periods of recession or deflation may also have an adverse impact on prices and payment terms, including in respect of services that customers may perceive as non-discretionary. In addition, at times of economic uncertainty, our public sector customers may face extensive budgetary or political pressures. As a result, economic downturns or a prolonged period of slow growth in any of the markets that we address or in which we operate could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our Environmental Services business is also subject to changes in purchase prices for scrap metal and selling prices for recycled scrap metal, which, in turn, are subject to market drivers that are beyond our control. For the twelve months ended March 31, 2021, 62% of Derichebourg's revenue and 93% of Ecore's revenue was attributable to the sale of secondary raw materials from recycling, the prices of which may experience substantial variations in response to the prices of certain commodities such as ferrous and non-ferrous metals as well as other raw materials. Although we have managed to adjust purchase prices for metal waste in the past, selling prices for recycled scrap metals may decrease at a faster rate than our purchase prices, which can reduce our operating margins. Although we engage in hedging with respect to the price of certain of certain metals that we deal with, we sell the majority of our raw materials from recycling pursuant to spot contracts rather than long-term contracts and we may not be able to reduce our metal purchase prices to fully offset a sharp reduction in recycled scrap metal sales prices due to competition and other market factors, which may adversely impact our business, results of operations, financial condition and cash flows. While we implement a policy of low inventories and high unit margins (i.e., the difference between the selling price, the buying price per ton, transportation costs and other direct costs), monitor our fixed costs and diversify our customer base, that contribute together to a better resilience if general economic conditions deteriorate, our business model structurally involves high fixed costs related to our network of collection, treatment, recovering and recycling sites, and associated equipment and personnel.

In addition, our business is also exposed to fluctuations in costs related to fuel, electricity and other commodities. Prices for fuel, electricity and other commodities are unpredictable and fluctuate significantly based on events beyond our control, including geopolitical developments, supply and demand, adverse weather and regional production patterns. There can be no assurance that we will be successful in passing on cost increases to customers without losses in revenue or profit margin. Accordingly, a significant change in commodity prices may adversely impact our business, results of operations, financial condition and cash flows.

Changing political and economic conditions in global markets, including the impact of financial sanctions and tariffs, customs barriers, quotas, regulatory export bans and other trade actions and import restrictions may adversely impact the prices and/or the volumes of recycled materials that we process.

We are a leading global provider of environmental and outsourced services to businesses and local authorities. Following the Acquisition, we will operate in 14 countries. As a result, we are directly exposed to changing conditions in countries where we operate our businesses and we are subject to the risks implied by doing business internationally.

We derive a part of our revenues from sales of ferrous and non-ferrous metals to customers located outside of the European Union, mainly in the United States, China, Turkey, the Middle East and other Asian countries. Moreover, the price of the products we sell is more broadly influenced by market conditions in countries outside of the European Union, especially in China and Turkey. As a result, our business and prospects are impacted by sales of secondary raw materials from recycling to foreign end-users located outside of the European Union, such as Turkey for ferrous scrap metals, China for non-ferrous metals and the United States for both ferrous and non-ferrous metals.

Trade in secondary raw materials is directly impacted by the imposition of tariffs, quotas or embargoes, export controls, trade barriers and trade disputes and regulations related to customs and export/import matters. For example, the United States and China have in recent years engaged in trade policies that have resulted in tension in the metals markets, including the imposition of tariffs on steel products (such as high tariffs on steel imports from Turkey imposed in the United States since 2018) and aluminum products (such as the 10% tariff on raw aluminum products exported from Canada imposed by the United States in 2020). The imposition or implementation of such restrictive measures can lead to the segmentation of international trade and have a negative impact upon the prices and/or volumes of recycled materials processed by us. Such trade actions could also result in a decrease in international metal demand beyond that already experienced and further negatively impact demand for our services, which would adversely impact our business, results of operations and cash flows. Given the uncertainty regarding the scope and duration of these restrictive measures or trade actions, the impact on our operations remains uncertain but may lead to increase the price of the materials that we export to our international customers located outside of the European Union. In addition, such changes in regulation may result in further investments, for example in ferrous and non-ferrous processing equipment, where economically justified, which may result in incurring additional costs in order to comply with new regulations or requirements, or seek alternative markets for the impacted products, which may result in lower sales prices or higher costs and may adversely impact our business, results of operations, financial condition and cash flows.

In addition, as a result of governmental regulations and growing environmental awareness, certain of our waste producing suppliers have undertaken actions to reduce their waste. For example, some of our suppliers have begun to set up environmental policies to reuse certain of their products and reduce waste generally. Waste reduction programs may reduce the volume of waste available for recycling in some areas where we operate, including the volume of ferrous and non-ferrous metals. Though governmental authorities increasingly favor recycling over alternative waste disposal methods, we can provide no assurance that waste volumes will be available in sufficient quantities to keep our waste processing and recycling sites operating at sufficient capacity to maintain margins. Such changes in patterns regarding the disposal of waste could adversely affect our results of operations by reducing the volume of waste available for recycling, including the volume of ferrous and non-ferrous metals, and thus reducing our revenue. Any significant change in regulation or patterns regarding disposal of waste, including the volume of ferrous and non-ferrous metals, could have a material adverse effect on our revenue by reducing the level of demand for our services and may adversely impact our business, results of operations, financial condition and cash flows.

The COVID-19 pandemic has caused severe disruptions in the global economy, and this or other future pandemics could impact our business, results of operations, financial conditions and cash flows.

Public health crises, epidemics or pandemics could materially and adversely affect our business. In late 2019, a novel strain of coronavirus, SARS-CoV-2, was reported in China. On March 11, 2020, the World Health Organization designated the outbreak the disease caused by the virus ("**COVID-19**") as a pandemic. To combat the COVID-19 pandemic, governments around the world, including in most countries where we operate our

activities, imposed restrictive measures, including travel restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces. Such measures have had a material adverse impact on the global economy. The economic effects of the COVID-19 pandemic will likely continue to be felt in the coming years. In addition, political repercussions of responses to the COVID-19 outbreak by European Union institutions as well as by other countries in the European Union could have complex and hard-to-predict consequences for the future, including a destabilization of the European Union or its institutions or a slow-down or reversal of European integration, already impacted by the exit of the United Kingdom from the European Union effective January 1, 2021. It is unclear whether measures taken by European Union institutions, the French government and other governments of the countries in which we operate to contain the COVID-19 pandemic are adequate and effective to achieve containment.

The COVID-19 pandemic has had a significant impact on our operations. These included, among other things, the temporary closure of several scrap metal-consuming plants and a scarcity of scrap metal supply in France and Spain, a drop in significant reduction in demand for certain of our Multiservices service offering, as well as increased costs related to the investment in protective and other safety equipment for our employees, the transition to a remote work environment in the general operation of our headquarters and making certain other operational changes to the ways in which we work, seek out new business opportunities and manage our businesses generally. We experienced significant disruptions in business activity in both our Environmental Services and Multiservices business, although this varied based on the different markets and industries our services address. Although we were able to take advantage of various country-specific furlough schemes, identify and implement savings and postpone investments, and have subsequently implemented a special crisis management system in response to the COVID-19 pandemic, we cannot assure you that we will not suffer any further material adverse effects from the COVID-19 pandemic.

Furthermore, although we provide services that are considered essential to the economy and that are subject to less severe limitations, including those under our contracts with public authorities, the effects of the COVID-19 pandemic may limit the ability of our customers to pay on time for work performed under our existing contracts or they may reduce additional work that is optional under the relevant contract. We expect that the economic dislocations of the COVID-19 pandemic may cause certain customers to curtail their outsourcing to us, be less likely to renew contracts as they expire, terminate their existing contracts or postpone or ultimately cancel future planned orders and contracts, seek discounts or longer payment terms or any combination of the foregoing. Additionally, while we expect that the COVID-19 pandemic will lead to many customers developing a renewed focus on the cleaning and sanitization of their premises in order to protect their employees, the need to reinforce cleaning with new protocols and equipment may strain our logistics and operational resources. Finally, customers may delay making payments contractually owed to us, resulting in an increase in bad debts and cancellations, as well as in a reduction or delay in revenue collection, which could impact our liquidity, cash flow, profitability, and attrition rate negatively. Both domestic and international travel may be further restricted to certain areas which may limit our ability to acquire new customers and enter new markets, to exercise our internal control functions over all of our operations and to provide services in the areas in which our customers are currently located or otherwise conduct our operations as we would do under normal circumstances.

While we continue to monitor our operations in the context of all government recommendations and have adopted several operational measures in respect thereto, including limiting employee travel, cancellation of physical participation in meetings, events and conferences and we may take further actions as required by government authorities or that we determine are in the best interests of our employees, customers, partners and suppliers, there is no certainty that all such measures will be sufficient to mitigate the risks related to the continuing spread of the disease and that we will not be subject to third-party claims arising from actual or alleged failures to implement any such measures adequately, or at all, thus resulting in a potential increase in legal, advisory and other costs in relation thereto.

To the extent the COVID-19 pandemic adversely affects our business, results of operation, financial condition, cash flows and prospects, as well as our ability to perform our obligations under the Notes, it may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—The COVID-19 Pandemic*."

Our businesses and operations are subject to an increasingly demanding level of laws and regulations, especially with regard to the environment and in relation to labor and employment.

Due to the nature of our businesses and the global reach of our operations, we are subject to an increasingly stringent legal and regulatory framework, including a variety of laws and regulations governing areas such as labor, employment, pensions, immigration, health and safety, tax (including social security, salary taxes and transfer pricing policies), corporate governance, business practices, competition, as well as environmental laws and regulations that impose various conditions and limitations on the collection, sorting, processing, recovering

and recycling of, among other things, industrial by-products, hazardous and solid waste materials, air emissions and soil contamination. In particular, environmental laws and regulations have changed rapidly in recent years, and it is possible that we will be subject to even more stringent environmental standards in the future. See "*Regulation*." We commit a significant amount of our management's time and resources to comply with increasingly complex and restrictive regulations. We incur and expect to continue to incur substantial costs and expenditures in order to comply with environmental laws and regulations.

The regulatory framework governing our operations imposes significant compliance burdens on us and requires us to obtain permits and operational and environmental authorizations. In addition, the adoption of climate change legislation or regulations could increase our costs to operate. For example, we export most of the tonnages of ferrous or non-ferrous metals we process. Although the majority of volumes exported do not require complicated formal procedures, some exports have to comply with specific formalities, such as notifications. While we strive to ensure that such formalities are scrupulously respected (*i.e.*, documents accompanying exported goods are subject to particular care and are prepared by people specializing in this area), the export of goods that do not comply with such specifications could occur, especially in the context of a changing regulatory environment. The failure to comply with the required procedures could lead to goods being returned and/or fines being applied and could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, we may incur significant costs and expenditures with respect to our waste sorting, processing, recovering and recycling sites to comply with our obligations under various environmental, health and safety laws and regulations, as well as in sanitary risk management, in particular with respect to water emissions, drinking water quality, waste processing, soil and ground water contamination and gas emissions. For example, our Environmental Services business is subject to the French "polluter-pays" tax (*Taxe Générale sur les Activités Polluantes* or the "**TGAP**"). Along with stringent regulatory requirements, which means that landfill sites must comply with a number of specific standards and incineration plants are usually subject to rules that limit the emission of pollutants, the TGAP has made landfilling and incineration increasingly less attractive for waste producers. This tax is collected whenever shredding residues are sent to landfill sites (*i.e.*, waste that cannot be recycled and that must be disposed of by landfilling or incineration are subject to the TGAP). If the tax were to be increased significantly, the opportunities for landfill will be reduced. While we anticipate being able to deduct the TGAP increase from our purchase prices, we cannot assure potential investors that any future increases in the TGAP will not negatively impact our business, results of operations, financial condition and cash flows.

The implementation of the Industrial Emissions Directive (known as the "**IED Directive**") has an impact on our business. The directive aims to reduce and prevent the pollution of air, water and soil, as well as the amount of waste resulting from industrial and agricultural facilities. These facilities are subject to authorization depending on their potential pollution rates. Particularly, the IED Directive encourages and promotes the use of best available practices to reduce emissions from shredders to air and discharges into water. Although we have invested in technologically-advanced detection equipment and machineries (including driven induction, infrared detection, x-rays, optical sorting, etc.) in order to reduce the proportion of residue consigned to landfill facilities and to comply with such recommendations, we cannot assure you that these investments will be sufficient for us to be fully compliant with the IED Directive. In addition, we are the final operator of our sites and as such, we are responsible for the remediation, rehabilitation, restoration and clean-up of such sites if our activities on such sites were to cease for any reason. See "*—We may face liabilities in connection with environmental matters*."

Our businesses, in particular our Multiservices business, are labor intensive in nature. As of and for the twelve months ended March 31, 2021, our Multiservices businesses had 36,400 employees in six countries and personnel costs represented 71% of our Multiservices business division revenue. As a result, we are subject to various employment laws, regulations and collective bargaining agreements. We believe that we are currently in compliance with all applicable laws and regulations governing the protection of human health including laws and regulations concerning employee health and safety. While we believe to be fully compliant with such regulations, any unintended non-compliance with employment laws or regulations, any failure to comply with the laws or regulations or any change in such laws and regulations in France and countries where we operate our activities may result in fines, penalties or other means of suspension or termination of our right to provide certain services in the relevant jurisdiction, which could in turn have significant financial consequences our business, results of operations, financial condition and cash flows.

Our labor-intensive businesses and the complex nature of employment management, such as the calculation of hours or the reductions in contributions, can lead to significant contribution adjustments. As we are aware of the increasing complexity of the social management, we take additional measures to enhance compliance such as bringing together payroll functions in shared service centers. However, despite the implementation of new measures, we can give no assurance that we will continue to be in material compliance with all applicable laws and regulations. Any future violation of such laws and regulations could require us to pay fines and damages, result in the closure of sites, damage our reputation or impede our ability to continue to conduct our business.

Finally, we have in the past and may in the future face increases in the statutory minimum wage in any country or industry in which we operate. Such an increase would have a direct impact on our personnel costs. An increase in our personnel costs or an inability to increase our prices in line with an increase in our personnel costs that are the result of unfavorable changes in labor and employment laws and regulations or in the terms of collective bargaining agreements applicable to our businesses may have a material adverse effect on our business, results of operations, financial condition and cash flows.

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

We face intense competition from a variety of competitors in both of our Environmental Services and Multiservices businesses. The French recycling industry is mostly composed of local and regional businesses. We estimate that we are the largest metal recycler in France measured by market share for ferrous metals and one of the leaders in metal recycling in France measured by market share for non-ferrous metals. We cannot predict how our competitors will respond to changing market conditions. For example, if metal recycling services become less profitable due to increasingly stringent regulations, our largest competitors may seek to expand their recycling operations, pursue merger or acquisition opportunities or seek changes to regulations. Furthermore, players from outside France or the European Union could enter the markets in which we operate, which would increase the level of competition. New entrants into our markets could have greater financial resources or access to capital and/or may seek to gain increased market presence through aggressive underpricing strategies. Where competitors seek to gain or retain market share through strong discounting or similar business practices, we may be required to lower our rates to avoid the loss of related business, thereby adversely affecting our operating results. In addition, if we are unable to anticipate and respond as effectively as our competitors to changing business conditions, including new technologies and business models, we could lose market share to our competitors. We may also suffer from the rise of alternative means of waste management, including the development of new technologies applicable to ferrous and non-ferrous metals. If any of these alternatives become more cost effective or more easily accessible, our market may decrease, which may have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our Multiservices business division, including our waste collection and urban cleaning businesses, is highly competitive. Our competitors include large multinational companies, such as Onet, Samsic, Elior, ISS and Atalian. These competitors may have greater resources than us, a broader presence in the market, or a wider geographical scope and therefore a higher capacity to compete for tenders across multiple countries. With respect to less technically complex services with low barriers to entry, such as traditional cleaning services, we also face competition from smaller competitors operating at local levels, many of whom have a strong local market presence and local customer relationships. In addition to competition from other providers of outsourced building services, we also face competition from in-house providers. In addition, the outsourced cleaning services market remains highly fragmented despite some degree of consolidation. Over time, our competitors, whether global, national, regional or local, could consolidate their businesses, and the diversified service offerings or increased synergies of these consolidated businesses could increase competition in the cleaning and security sectors. These or other changes to the competitive landscape of our industry could result in a loss of market share, decreased revenue or a decline in profitability, and could thus have a material adverse effect on our business, results of operations, financial condition and cash flows.

Furthermore, because of this intense competition, we must make constant efforts to remain competitive and convince potential customers of the quality and cost value of our service offerings. We compete with other industry participants on a variety of factors, including the depth and breadth of our services, our technical expertise and price. Pricing is an important factor for securing renewal of contracts, particularly multi-year contracts. Our customers and potential customers are increasingly focused on their costs for maintenance and operation of their facilities. As a result, we may be forced to decrease prices for our services due or to be performed. Services such as our cleaning services have been particularly exposed to price pressure in recent years. We also need to continue to develop new services or enter new geographic markets in order to maintain or increase our competitive position or achieve our strategic goals. If our existing or potential customers do not perceive the quality and cost value of our services, if there is not sufficient demand for our existing and new services or if we are unable to compensate for these price decreases by attracting new business, our business, results of operations, financial condition and cash flows could be materially adversely affected.

Our business is exposed to operational risks, including labor disputes, and our employees and others in our operations are exposed to health and safety risks.

Our activities, particularly those of our Environmental Services business, involve many operational risks, including transportation accidents, the risk of the breakdown or failure of expensive and sophisticated equipment and

processes, the risk of substandard performance by our personnel and catastrophic events such as fires, explosions, severe weather, floods, terrorism, crime, power losses, unexpected geological or other physical conditions or other catastrophes. The occurrence of any of these events could disrupt or severely curtail our operations. These events could also result in a reduction in efficiency for our operations, lost revenue during the period of disruption and/or costly remediation which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, because of the industrial activities conducted at our sites, there exists the risk of injury or death to our employees and others on our operations, notwithstanding the safety precautions we take. In the event of an industrial accident, we may be faced with an interruption in service and claims for damages, which could be costly and time-consuming to defend. Should we be found to be negligent, the cover provided through insurance prove to be insufficient or the specific risk found to be not covered by insurance, the corresponding shortfall in or lack of insurance could mean that we are liable for the injury suffered. If any or all of the risks described above arise, this could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We are also subject to the risk of labor disputes, which may disrupt our operations. Labor laws applicable to our business, particularly in France, are relatively rigorous, and provide for strong protection of employees' interests. In addition, some of our employees are members of unions or, based on applicable regulations, are represented by work councils or other bodies. In many cases, we must inform, consult with and request the consent or opinion of union representatives or work councils in managing, developing or restructuring certain aspects of our business. Even where consultative procedures are not mandatory, important strategic business decisions could be negatively received by some employees and employees' representative bodies, which could lead to labor actions that could disrupt our business. Although we believe that our relations with our employees are good, our operations may nevertheless be materially affected by strikes, work stoppages, work slowdowns or other labor-related developments in the future, which could disrupt our operations and adversely affect our business, financial condition and results of operations. Many of our suppliers and customers also have unionized work forces. Strikes, work-stoppages or work-slowdowns experienced by these suppliers or customers could have a material adverse effect on our business, financial condition and results of operations. Our employees, particularly in France, benefit from collective bargaining agreements, and we may not be able to periodically renegotiate collective agreements on acceptable terms. The settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements may adversely affect our labor costs, productivity and flexibility.

We rely on computer systems to run our business and security breaches could disrupt or damage our internal operations, information technology systems or reputation and expose us to litigation risk.

We rely on the timely implementation and uninterrupted performance of our numerous information technology systems, hardware, network, websites, ordering platforms, call centers, applications and other information technology platforms, infrastructures and systems, including those which may be provided by third parties or which may be hosted online or in the "cloud" for the functioning of our operations, including our day-to-day financial and operational monitoring, inventory level management, customer relationship management and management system to coordinate waste services, trace waste through our business, process transactions, summarize and report results of operations and comply with regulatory, legal or tax requirements. The administration and monitoring of our business, and the monitoring of our operational and financial performance, depends upon accurate, timely information and numerical data from key software applications to monitor day-to-day business and assist decision-making processes. As a result, we are increasingly dependent upon the use of these systems.

We seek to protect our information technology platforms, infrastructures and systems, including confidential technical information and know-how, by implementing a reliable information technology organization based on duplicating machine rooms, tested failover plans and a regular backup of data. We also implement business recovery, data and system back-up plans that will enable us to continue our operating activities for several hours in the absence of our information technology capabilities. However, despite the implementation of measures to prevent security breaches and cyber incidents, we still face the risk of undue disclosure to third parties and loss of confidential or proprietary data due to circumstances beyond our control. A major breach of cyber/data security measures that impairs our information technology platforms, infrastructures and systems could disrupt normal business operations and affect our ability to control our sites, our services and prevent us to access customer information and communicate with third parties. Any major breach of our information technology platforms, infrastructures and systems, resulting from computer viruses, hackers or other causes, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our Environmental Services business requires a high level of capital expenditures.

Our Environmental Services business and operations are capital-intensive. In the course of our business, we must use a substantial portion of our cash flows from operating activities toward capital expenditures, in order to acquire and maintain collection, treatment, processing, recovering and recycling machineries and equipment, including vehicles, which reduces our flexibility to use such cash flows for other purposes, such as reducing our indebtedness. In addition, we may be required to increase our capital expenditures if we make acquisitions or further expand our operations or as a result of factors beyond our control, such as changes in governmental requirements. Although we are generally able to reduce and postpone capital expenditures if required, the amount that we spend on capital expenditures may exceed current expectations, which may require us to obtain additional funding for our operations or impair our ability to grow our business.

In addition, our Environmental Services business and operations are subject to technological changes, ongoing innovation and evolving industrial standards which require investments in research and development processes. We believe that our innovations, technology, industrial know-how and the industrial design of our waste collection, sorting, treatment, processing, recovering and recycling lines are key differentiating factors in a competitive marketplace, and consequently we devote a significant amount of our resources to developing and adopting best practices related to the implementation of industrial processes relevant to the services we provide as well as associated research and development. We have developed innovative processing, recovering and recycling methods and solutions, such as shredding techniques for ferrous metals, non-ferrous metals and end-of-life vehicles, as well as treatment, processing, recovering and recycling methods and solutions for waste electrical and electronic equipment. In addition, we benefit from proprietary information technology systems. We are increasingly focusing on new technologies that either provide alternatives to traditional recycling and/or improve the value extraction process. However, such research and investment activities may not yield tangible benefits to our business. If we are unable to successfully implement the new technologies that we develop or apply technologies that we purchase and/or license, we may not be able to recover the costs spent on their development or acquisition. In addition, if we fail to innovate or if a competitor develops or obtains exclusive rights to a breakthrough technology that provides a benefit over our waste services, this could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, certain by-products of our business cannot be recycled and must be landfilled. We have strived to decrease the amount of residues produced in our facilities and reduce the proportion of residues consigned to landfill facilities. However, an increase in the cost of disposing of waste in landfills could, therefore, negatively impact our margins. In addition, if any laws or regulations are passed that increase the cost of landfilling, there may be a corresponding increase in costs to the businesses that rely on them. Such increases in costs could have a material adverse effect on our business, results of operations, financial condition and cash flows.

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

From time to time, in the normal course of business, we are involved in labor, tax, environmental and commercial legal, administrative and arbitration proceedings, the outcomes of which are difficult to predict. We are currently subject to a number of ongoing legal proceedings. See "*Business—Litigation and Regulatory Proceedings*."

In addition, because of the labor-intensive nature of our businesses, we are involved and are likely to be involved in a large number of proceedings with employees, typically in respect of severance payments in connection with dismissals and claims of recharacterization of a fixed-term employment contract (*contrat à durée déterminée*) into an indefinite-term employment contract (*contrat à durée indéterminée*) or of a part-time employment contract into a full-time employment contract, as well as proceedings related to the application of relevant national collective bargaining agreements concerning the automatic transfer of employees. Furthermore, in France, our operations may be the subject of inspection or audit at any time by the French social security authorities (including the *Unions de Recouvrement des Cotisations de Sécurité Sociale et d'Allocations Familiales* (URSSAF)) or the work inspector (*inspection du travail*), as a result of which we may be subject to fines, penalties, and other liabilities and negative consequences. We cannot predict with certainty the ultimate outcome of such proceedings, inspections or audits, or the cost of defending against any resulting claims or reassessments, nor can we predict the impact of future developments arising from such proceedings, inspections and audits, including any civil litigation proceedings and criminal procedures, any of which may have a material adverse effect on our business, results of operations, financial condition and cash flows. Although individually these proceedings do not typically involve substantial amounts, in the aggregate, such proceedings or any increase in the number of such proceedings may have a significant adverse impact. As of March 31, 2021, we have recorded a provision of €5.0 million in connection with employment litigation.

As a general matter, our involvement in legal, administrative and arbitration proceedings may require significant effort, be costly and time-consuming, may divert the attention of our management and resources from our business to address any such proceeding. We may be unsuccessful in defending ourselves against any such claims and, in the event of a negative outcome of any material legal, administrative or arbitration proceeding, whether based on a judgment or a settlement agreement, we could be obligated to make substantial payments, which could have a material adverse effect our business, results of operations, financial condition and cash flows. In addition, the costs related to legal, administrative or arbitration proceedings may be significant. Even if a claim is resolved against us, or if there is a positive outcome in such proceedings, we may still have to bear part or all of our advisory and legal defense costs and other costs to the extent they are not reimbursable by other litigants, insurance or otherwise, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, potential claims before the administrative courts may result in the suspension or annulment of certain authorizations required to operate our businesses. As a consequence, the operation of affected waste management sites may be terminated or suspended until a new authorization is obtained or until such proceeding is resolved.

We may incur liabilities for the actions of our employees.

The employees of our Multiservices business deliver services at locations owned or operated by certain of our customers. As a result, we may be subject to claims in connection with damage to property, business interruptions, the unauthorized use of the customer's property, an unauthorized entry or a breach of security protocols, negligence or willful misconduct (including corruption, fraud, bribery and tortious interference with contractual relationships) or other tortious acts by our employees or people who have gained unauthorized access to premises through us. Although we are covered by insurance policies that we believe are in line with industry standards, such claims may nevertheless be substantial and may result in adverse publicity for our Group. Accordingly, these claims could have a material adverse effect on our business, results of operations, financial condition and cash flows available to service our indebtedness.

For example, Derichebourg Aeronautics Services is involved in the aircraft assembly and quality inspection of a large number of aircrafts. Although the implementation of Derichebourg Aeronautics Services' quality policy is monitored by our customers on a regular basis, we may be subject to claims in connection with any air accident involving an aircraft on which Derichebourg Aeronautics Services has worked. Such claims could expose us to the payment of substantial and even disproportionate amounts and, therefore, have a material adverse effect on our business and financial condition.

In addition, as a leading global operator of environmental and outsourced services to businesses and local authorities, we take part in competitive bidding and tender processes, which involve risks associated with fraud, bribery and corruption. The procurement process also involves risks associated with fraudulent activity, including unauthorized divergence of our raw materials from recycling inventory. Although we maintain internal monitoring systems and have implemented several initiatives and training to raise awareness about such risks, such as limiting the number of persons authorized to work on payment flows, we may be unable to detect or prevent every instance of fraud, bribery and corruption involving our employees or agents in the future (including employees or agents of companies that we acquire).

Therefore, we may be subject to civil, administrative and criminal penalties, and to reputational damage as a result of such occurrences. Convictions with regards to certain crimes, including fraud, bribery and corruption, environmental violations and workplace safety violations may render us ineligible to maintain our existing contracts and/or to participate in future public tenders. As a result, the involvement or association of our employees or agents in fraud, bribery or corruption, or other relevant violations or allegations or rumors relating thereto, could adversely impact our reputation and brand image, and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Increases in insurance costs and the amount that we self-insure for various risks could reduce our operating margins and reported earnings.

Our operations are subject to risks normally inherent to the Environmental Services and outsourced services industries, including potential liability which could result from, among other circumstances, personal injury, environmental claims or property damage.

Derichebourg's insurance policy is based on "master" insurance policies that are translated into local policies in accordance with the regulations and risks identified locally. Derichebourg also relies on more than ten insurance programs including the following main policies: general public liability insurance, specific public liability insurance for pollution risks, airport public liability insurance, accident insurance, vehicle fleet insurance, transport insurance and directors' liability insurance. For certain aspects of Derichebourg's business, mainly in the recycling

and waste management sectors, Derichebourg relies on a self-insurance scheme because it has become increasingly difficult to procure insurance to cover certain aspects of our business activities. See "*Business—Insurance*."

In addition, while we seek to maintain appropriate levels of insurance, not all claims are insurable and we may experience major incidents of a nature that are not covered by insurance. For example, some actions filed against us may include claims for punitive damages, which are generally excluded from coverage under all of our liability insurance policies. As a result, punitive damage awards could have an adverse effect on our results of operations, financial condition and cash flows.

For some risks, we may not obtain insurance if we believe the cost of available insurance is excessive relative to the risk presented. As a result of market conditions, premiums and deductibles for insurance policies can increase substantially, and in some instances, certain insurance policies may no longer be available, may be available but not economically viable or may be available only for reduced amounts of coverage. Furthermore, our insurance premiums may increase over time in response to any negative development in our claims history or due to material price increases in the insurance market in general. As a result, we may not be able to maintain our current insurance coverage or do so at a reasonable cost. Significant increases in insurance premiums could have an adverse effect on our results of operations, financial condition and cash flows.

The amounts that we self-insure could cause significant volatility in our results of operations based on the occurrence and claim costs of incidents, accidents, injuries and adverse judgments. Derichebourg's insurance accruals are based on estimates and are developed by Derichebourg's management with assistance from our third-party. To the extent these estimates are inaccurate, we may recognize substantial additional expenses in future periods that could have an adverse effect on our results of operations, financial condition and cash flows.

Climate change may adversely impact our facilities and our ongoing operations.

The potential physical impacts of climate change on our operations are highly uncertain and depend upon geographic and environmental factors, such as rising sea levels at our deep-water port facilities, changing storm patterns and intensities, and changing temperature levels. Since some of our facilities are located near ports, rising sea levels may disrupt our ability to receive scrap metal, process the scrap metal through our tools and ship products to our customers. Periods of extended adverse weather conditions may also inhibit the supply of scrap metal to our collection, treatment, recovery and recycling facilities, which could have an adverse effect on our operations or cause us to fail to meet our sales commitments. In addition to sea level rise, temperature increase associated with climate change is expected to result in more severe droughts, floods, and other extreme weather events, which could interfere with our collection, sorting, processing, recovery and recycling activities, delay our operations, increase management costs and/or reduce the volume of waste generated by our customers. Certain of our operations may also be temporarily suspended as a result of particularly harsh weather conditions. Severe weather conditions or long periods of inclement weather, related or unrelated to climate change, can negatively affect the costs of our collection, sorting, processing, recovery and recycling activities and operations, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

We may face liabilities in connection with environmental matters.

As of March 31, 2021, Derichebourg operated 200 collection, transformation, recovery and recycling sites and Ecore operated 82 collection, transformation, recovery and recycling sites. We may be liable for any remediation costs or natural resources damages attributable to a release or threatened release of hazardous substances that occurs at our current or former facilities or at third-party facilities to which we send waste, including damage to neighboring landowners or residents. We may also be liable for environmental contamination caused by pollutants or hazardous substances whose transportation, treatment or disposal we or companies we acquired, arranged or conducted. Those costs or actions could be significant to us and impact our results of operations, cash flows and available capital. In addition, as the final operator at all of our operating sites, we are responsible for the remediation, rehabilitation, restoration, decontamination and clean-up of such sites to standard negotiated and agreed with local and regional authorities in accordance with applicable law. We endeavor to limit the potential consequences of our activities on the environment, in particular through the presence of concrete slabs, but we do not have detailed knowledge of the history of all of the sites we operate. We intend to continue to carry out our operations at the vast majority of the sites where we currently operate our activities. In connection with the few sites where we plan to cease our activities, we recorded provisions when a remediation plan is established in accordance with the future use of the site. As of March 31, 2021, the provisions for environmental matters amounted to €8.5 million for Derichebourg.

There can be no assurance that the cost of such remediation or that our share of the cost or liability will not exceed our estimates or will not be significant to us and impact our results of operations, financial condition and cash flows. In addition, we may not able to determine with sufficient certainty whether we will continue to carry out

our activities on a site and, where applicable, the amount of the total decontamination costs that we would be liable to incur. For example, pursuant to an agreement entered into in 2012 between AFM Recyclage, one of our subsidiaries, and a public-private partnership representing the local authority, we agreed to release a piece of land on which we operated our activities and to transfer such land to the public-private partnership. Pursuant to this agreement, decontamination of such site was limited to decontamination for industrial, non-sensitive use, on the basis of preliminary studies showing a low decontamination cost. According to subsequent in-depth surveys and analysis related to the remediation and decontamination of such site, such remediation and decontamination appeared to be higher than previously expected and we are not able to determine whether we will continue to carry out our activities on this site or pay for the remediation and rehabilitation of such site. While we believe we have sufficient environmental insurance coverage for our operations, such coverage may not cover all of the potential liabilities to which we may be subject and we may not be able to obtain insurance coverage in the future at reasonable expense or at all.

Furthermore, it is possible that government officials responsible for enforcing environmental laws may believe an issue is more serious than we expect, or that we will fail to identify or fully appreciate an existing liability before we become legally responsible for addressing it. Some of the legal sanctions to which we could become subject could cause the suspension or revocation of a required permit, prevent us from, or delay us in, obtaining or renewing permits to operate or expand our facilities, limit or increase the costs of our disposal options, particularly for remediated soils, or harm our reputation.

Our business could be adversely affected by changes to schemes designed to promote recycling of certain products.

In France, certain organizations that carry out general interest activities (*mission d'intérêt général*) collect taxes paid by consumers on certain products, such as electronics and plastics. These organizations then pay out such funds to recycling companies, such as the Group, depending on the volumes of such products that such recycling companies service and process. In certain sectors with comparatively few producers, such organizations have managed to obtain control over an appreciable portion of certain waste streams. We cannot assure you that such organizations will not seek to assert ownership of the relevant waste streams and therefore obtain any returns that are currently captured by the Group from the sale of the applicable raw materials from recycling. This development could adversely affect our business, financial condition and results of operations.

The interests of our principal shareholders may be inconsistent with the interest of the holders of the Notes.

Our principal shareholders are our Chief Executive Officer and Chairman of the Board of Directors, Daniel Derichebourg, and his family, which indirectly owned, through three intermediate holding companies (CFER, Financière DBG and DBG Finances), 41.29% of the share capital and 57.83% of the voting rights as of March 31, 2021. See "*Principal Shareholders and Related Party Transactions*." The Derichebourg family has effective control over us, enabling them to decide on issues requiring the approval of the majority of shareholders, such as distribution of dividends, the election of directors, and likely also decide changes in the Issuer's share capital and modifications to the Issuer's by-laws. Our principal shareholders could also have an interest in pursuing acquisitions, divestitures, financing or other transactions that in their judgment could enhance their investment, although such transactions might involve risks to the holders of the Notes.

If we lose the services of members of our senior management team and other key personnel, our business and operating results may be harmed.

The success of our operations depends on the skills, knowledge, experience, efforts and policies of our management and the continued active participation of our senior management personnel, including Daniel Derichebourg, our Chief Executive Officer, Chairman of the Board of Directors and controlling shareholder, and Abderrahmane El Aoufir, our Deputy Chief Executive Officer. The loss of the services of all or some of these executives could harm our operations and impair our efforts to expand our business. If one or more of our key managers leaves Derichebourg, we will have to find a replacement with the qualifications necessary to execute our strategy. Because competition for such skilled employees is intense, and the process of finding qualified individuals can be lengthy and expensive, we believe that the loss of the services of key managers and personnel could have a material adverse effect on our business and results of operations. We cannot assure you that we will be able to retain such personnel.

We are exposed to currency exchange rate risks.

Our functional currency is the euro. However, we have operations and sales in a number of jurisdictions in which we generate revenues in currencies other than the euro and in the future, we may operate in additional jurisdictions with currencies other than the euro. For the twelve months ended March 31, 2021, 10% and 43% of Derichebourg's

revenues and Ecore's revenues (as of September 30, 2020), were denominated in currencies other than the euro, principally the U.S. dollar. We also incur expenses and liabilities in these currencies. Sales of our products and services priced in currencies other than the euro are translated into euro at the applicable exchange rate for inclusion in our consolidated financial statements We aim to minimize the effect of foreign exchange fluctuations by entering into foreign exchange hedging transactions and adjusting our purchasing prices according to currency changes, to the extent commercially practicable. Accordingly, exchange rate movements, particularly between the euro and the U.S. dollar, could have a material adverse effect on our business, assets, financial condition and results of operations.

Derichebourg is reliant on a limited number of customers and failure to retain these customers could adversely affect our business.

While Derichebourg has implemented a customer diversification policy, a substantial portion of Derichebourg's revenue is derived from its largest customers, making our business dependent on them. For the twelve months ended March 31, 2021, the largest customer and five largest customers of Derichebourg's Environmental Services business represented approximately 11% and 21% of Derichebourg's Environmental Services business revenue, respectively. For the twelve months ended March 31, 2021, the largest customer and five largest customers of Derichebourg's Multiservices business represented approximately 7% and 14% of its Multiservices services business revenue, respectively. In addition, approximately 26% of our metal recycling volumes during the twelve month period ended March 31, 2021 were sold to our largest metal recycling client.

We endeavor to maintain good communication and relationships with our major customers to assess their level of satisfaction on a regular basis. However, we cannot guarantee that we will be able to maintain such relationships at all times with our largest existing or future customers. There are a number of factors, including, but not limited to, pricing and market demand for our products and services that could result in the loss of customers, and these may not be predictable. If we had to find alternate customers, there can be no assurance that we could obtain the same pricing terms for our products and services or maintain the same costs of servicing our existing customers. In addition, some of our customers may develop waste recycling capabilities or in-house building and/or cleaning solutions, and if our customers were to develop these capabilities, we could lose all or part of their business. The loss of or a reduction in the business we transact with any of our largest customers, and our inability to find alternate customers with adequate pricing terms, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We may be unable to obtain and/or renew permits required to operate or expand the capacity of our collection, transformation, recovery and recycling sites.

Our collection, transformation, recovery and recycling sites require a variety of permits related to environmental and zoning laws, which we may not be able to renew for existing sites or obtain for new sites or existing sites currently offering fewer services.

This permit application process can be lengthy. For example, in France, it can require up to four years from the submission of the application to the receipt of the final authorization to operate the relevant site, as decisions may be subject to review, legal opposition, challenge or delay. In addition, upon completion of an acquisition consisting of existing waste processing, waste sorting or recycling sites, we may discover that a permit has expired or been revoked, requiring us to reapply. Delays and/or an inability to obtain or renew the relevant permit for any of our collection, transformation, recovery and recycling sites could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our success depends in part on our ability to provide responsive customer service and quality of service delivery.

As a global operator of environmental and outsourced services to businesses and local authorities, our success, whether it may be maintaining long-term customer relationships, winning contracts with existing customers or beginning new customer relationships, depends in part on our ability to provide responsive customer service and quality of service delivery. In addition, the business associated with long-term relationships is generally more profitable than that associated with short-term relationships because we generally incur start-up costs under new contracts. Once these costs are expensed or fully depreciated over the appropriate periods, the underlying contracts become more profitable. Our loss of long-term customers could have an adverse impact on our profitability even if we generate equivalent revenue from new customers. We cannot assure you that we will be successful in our customer care and quality of service delivery, and if either deteriorates, our business, results of operations, financial condition and cash flows may be adversely affected.

We face risks associated with any acquisitions of businesses or divestments of business units that we may undertake as part of our strategy.

We have conducted a number of acquisitions in the past and may in the future engage in further acquisitions as a part of our growth strategy. Our inability to complete acquisitions or integrate acquired companies successfully may render us less competitive. Acquisitions may strain our management and financial resources. The risks associated with acquisitions that could have a material adverse effect on our business, results of operations, financial condition and cash flows include the following:

- we may not find suitable acquisition targets;
- we may not plan or manage a particular acquisition effectively;
- the financing of any such acquisition may be unavailable on satisfactory terms or at all;
- we may face increased competition for acquisitions as markets in which we operate undergo continuing consolidation;
- we may not be able to retain key personnel who have built strong relationships, notably with local authorities and municipalities;
- we may not be able to retain contracts of acquired businesses (as a result of "change of control" provisions in such contracts);
- we may encounter unanticipated events, circumstances or legal or environmental liabilities related to the acquired businesses for which we may be responsible as the successor owner, controlling entity or operator in spite of any investigation we make prior to the acquisition and for which we have no or insufficient protection;
- labor laws may require us to retain more employees than would otherwise be optimal from entities we acquire;
- future acquisitions could result in the incurrence of additional debt and related interest expense or contingent liabilities and amortization expenses related to intangible assets, which could have a material adverse effect on our business, financial condition and results of operations;
- future acquisitions may be subject to antitrust or competition approval of the transaction, which may cause significant delays to the completion of any such acquisition or may prevent it from being consummated at all;
- an acquisition may not achieve anticipated synergies or other expected benefits;
- we may be required to write-down inventory;
- we may incur substantial costs, delays or other operational or financial problems in integrating acquired businesses, such as costs and issues relating to monitoring, hiring and training of new personnel, the implementation of governance and compliance systems and procedures, the integration of information technology platforms, infrastructures and systems and accounting and internal control systems or problems coordinating supply chain arrangements;
- we may incur substantial costs in relation to environmental remediation, rehabilitation, restoration, decontamination and clean-up, even if this contamination was caused by a previous occupier or a third party and not by us;
- we may incur costs associated with developing appropriate risk management and internal control structures for acquisitions in a new market, or understanding and complying with a new regulatory scheme;
- increased investments may be needed in order to understand new markets and follow trends in these markets in order to effectively compete;
- we may have a reduced ability to predict our performance in the event we have less experience in the market of the acquired business than in the markets in which we previously operated;
- we may face potential economic or political instability depending on the countries in which we acquire a business or a company;
- we may encounter adverse tax consequences, lengthy delays in payment of bills or exposure to risk of exchange rates depending on the countries in which we acquire a business or a company; and

- acquisitions may divert management's attention from the operation of existing businesses.

In addition, from time to time, we may choose to enter into joint ventures, business combinations or other types of investments, which could involve the same or similar risks and uncertainties as are involved in acquisitions. Such arrangements may involve a lesser degree of control over business operations, and may present greater financial, legal, operational and/or compliance risks. Under certain circumstances, such arrangements may, involve risks not present where a third party is not involved, including the possibility that our partners or co-investors might become bankrupt, fail to fund their required capital contributions, perform their obligations inadequately or not at all, or that make us liable to our co-investors' creditors in respect of, or even above our partner's share of joint venture liabilities. Co-investors may have economic or other business interests or goals that are inconsistent or in conflict with our business interests or goals, and may be in a position to block action with respect to our common investments or take actions contrary to our policies, objectives or interests.

Disputes between us and co-investors may result in litigation or arbitration proceedings that may divert our officers and directors from focusing their time and effort on our business and result in the loss of business opportunities and growth. Furthermore, actions by our co-investors, which we may be unaware of, or unable to control, such as political affiliations, illegal or corrupt practices and other activities, may bring reputational damage to us or result in adverse consequences to our common investments, including incurring costs, damages, fines or penalties, delays, reputational losses or the loss of key customer relationships, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We may also face risks in relation to any divestments we may undertake. Divestments could result in losses and write-downs of goodwill and other intangible assets. We may encounter unanticipated events, costs or delays and retain or incur contract or legal liabilities related to the divested business with respect to employees, customers, suppliers, subcontractors, public authorities or other parties. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

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

Our businesses are associated with public health and safety, particularly certain of our activities, such as our cleaning services, public sector services (notably household waste collection) and services in connection with electrical engineering and aircraft assembly and quality inspection. As a result, we may be subject to substantial liability if we fail to meet applicable safety, security or cleanliness standards and that failure causes harm to individuals, products or entities. In addition, we could be held responsible for any breaches of security by our employees at sensitive customer sites, such as aeronautical facilities and electrical power stations. Furthermore, our reputations could be harmed by any actual or alleged failure to meet appropriate cleanliness or safety standards. Any publicity relating to incidents of this kind could have a material adverse effect on our reputations and, therefore, our businesses, results of operations, financial condition and cash flows.

Damage to our reputation and our brand could adversely affect our business.

We believe that Derichebourg and Ecore have developed a reputation and brand images for high-quality services, reliability and sourcing expertise and social and environmental responsibility. We believe our brands reflect such characteristics and qualities. The Derichebourg and Ecore brand names, trademarks and logos, as well as their respective reputation are valuable and powerful sales and marketing tools. We intend to continue to allocate adequate resources to promoting and protecting them. Adverse publicity, whether justified or not, relating to our operations, employees or agents, as well as involuntary representation of our brand on social media or other media, whether initiated by our employees, former employees, customers, suppliers and/or third parties, could harm our reputation, impair the image of our brand and reduce its value.

The availability of information on social media platforms and devices is virtually immediate as is its impact. Social media platforms and devices immediately publish the content their subscribers and participants post, often without filters or checks on accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is significant. Information concerning or affecting us may be posted on such platforms and devices at any time, including by our employees, former employees, customers and/or suppliers. Such information posted may be inaccurate and adverse to us, and it may harm our business. The harm may be immediate without affording us an opportunity for redress or correction. Such platforms could be used also for the dissemination of trade secret information or compromise of other valuable company assets, any of which could harm our business. In addition, negative commentary regarding our businesses or operation may negatively impact our reputation, the perception of our brand and the quality and of our service offerings.

As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees, former employees, customers and/or suppliers to abide by applicable laws and regulations in the use of these platforms and devices could adversely impact our business or subject us to reputational damage, fines or other penalties. Any of these risks could have a material adverse effect on our business, results of operations, financial condition or prospects.

Damage to our reputation and could reduce demand for our services. This reduction in demand, together with the dedication of time and expense necessary to defend our reputation, could have an adverse effect on our business and results of operations, as well as require additional resources to rebuild our reputation and restore the value of our brand.

Changes to accounting standards may affect our reporting and the comparability of our financial results.

Our consolidated financial statements are prepared and presented in accordance with International Financial Reporting Standards (IFRS). Any changes to these standards could have a material effect on the presentation of our results and financial position. Certain IFRS provisions have recently been revised by the IASB.

As an example, IFRS 16 became effective for annual periods beginning on or after January 1, 2019, replacing the dual lease accounting model approach of IAS 17, which treated finance leases and operating leases separately. Under IFRS 16, lessees are required to recognize all leases with terms of more than one year in a manner similar to that previously applied for finance leases, including recognizing an asset and a liability for the rights and obligations created by a lease. We have applied IFRS 16 as of October 1, 2019. The impact of the application of IFRS 16 for the Group is detailed in notes 1.2.3 and 2.1.1 of the Group's consolidated financial statements for the year ended September 30, 2020. See "*Presentation of Financial and Other Information*."

The IASB could in the future adopt other changes or supplements to IFRS, which we would be required to adopt, and which could have a material effect on the presentation of our results and our financial position.

Risks Related to the Acquisition

The Acquisition is subject to certain conditions, uncertainties and risks and, if it is not consummated, the Issuer may redeem the Notes at 100% of the issue price, plus accrued and unpaid interest.

The Acquisition is subject to certain conditions, including, among others, customary antitrust approvals. As of the date of the Offering Memorandum, the pre-notification file related to the Acquisition is currently under review by the competent competition authorities. If, in the course of their review of the Acquisition, a competent competition authority considers that the Acquisition would significantly impede competition, such authority may propose remedies to eliminate the completion concerns. Such remedies may include divestitures or commitments relating to the future behavior of the Combined Group. We may not be able to agree on any proposed remedies, and as a result, may not be able to consummate the Acquisition. If we are able to agree on a proposed remedy, its implementation may have a material effect on our business, results of operations, financial condition or prospects.

Pending the consummation of the Acquisition, the Initial Purchasers will deposit the gross proceeds from the offering of the Notes into the Escrow Account in the name of the Issuer on the Issue Date. The release of the Escrowed Property is subject to the satisfaction of certain conditions and regulatory approval. If these conditions are not satisfied by the Escrow Longstop Date, and the parties do not or cannot waive the relevant conditions pursuant to the Acquisition Agreement, then the Acquisition will not be consummated. If the conditions to the release of the Escrowed Property, as more fully described under "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*," have not been satisfied on or prior to the Escrow Longstop Date or upon the occurrence of certain other events, the Notes will be subject to a Special Mandatory Redemption as described in "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*" and you may not obtain the return you expect to receive on the Notes.

The Escrowed Property will be limited initially to the gross proceeds of the offering of the Notes and a portion of the Escrowed Property may be used to fund any interest payments that become due on the Notes prior to the Escrow Longstop Date. Consequently, the Escrowed Property may not be sufficient to pay the Special Mandatory Redemption Price, which is equal to 100% of the aggregate issue price of the Notes, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the Special Mandatory Redemption Date. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption.*" There can be no assurance that the Issuer will have access to the funds necessary to allow it to pay the full amount of the required redemption price in the event of a Special Mandatory Redemption.

Your decision to invest in the Notes is made at the time of purchase. Changes in the business, results of operations, financial condition and cash flows of the Issuer or the Target, or in the terms of the Acquisition Agreement,

between the Issue Date and the Escrow Release Date, may have an impact on our creditworthiness, and you will not be able to rescind your decision to invest in the Notes as a result thereof.

The Issuer does not currently control Ecore and will not control Ecore until completion of the Acquisition.

The Issuer will not obtain control of Ecore until the completion of the Acquisition. We cannot assure you that Ecore's management will operate the business during the interim period in the same way that the Issuer would and we cannot assure you that, following the Acquisition Completion Date, the Issuer will operate the business in the same way that Ecore's management has operated the business in the past. The information contained in this Listing Prospectus about Ecore has been provided to the Issuer by Ecore's management, and the Issuer has relied on such information supplied to it in its preparation of this Listing Prospectus.

Furthermore, the Acquisition has required, and will likely continue to require, substantial time and focus from our management, which could adversely affect its ability to operate the business. Likewise, other employees may be uncomfortable with the Acquisition or feel otherwise affected by it, which could have an impact on work quality and retention. The integration process could distract our management or disrupt our ongoing business, which could in turn adversely affect our ability to maintain relationships with customers, suppliers and employees or to achieve the anticipated benefits of the Acquisition, or could otherwise adversely affect our business, results of operations, financial condition and cash flows.

Certain of Ecore's contracts contain change of control provisions, which may allow their counterparties to terminate the contract under circumstances such as the Acquisition.

Certain of Ecore's contracts contain "change of control" provisions that require them to notify the counterparty of a potential change of control at Ecore level or contain language that could be interpreted as allowing, subject to certain conditions, the counterparty to terminate the contract. We have performed a risk analysis of the change of control provisions in those contracts as well as Ecore's relationships with the various counterparties. However, we may have failed to identify and may fail to send notices of the Acquisition to all of Ecore's counterparties who they are contractually required to notify of the Acquisition, and we may fail to seek formal consent from every counterparty that might have a termination or other right under a change of control provision. Since the Acquisition was announced, Ecore has not received any formal notice or inquiry from any counterparty regarding a termination or other right arising from a change of control. Nevertheless, there can be no assurance that counterparties will not seek to exercise termination or other relevant rights in the future. If a substantial number of these contracts were terminated or materially altered as a result of the Acquisition, we may be forced to enter into new contracts. We may be unable to renegotiate contracts or enter into new contracts on terms acceptable to us or comparable to the terms in place prior to the Acquisition. Any of these events could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The Acquisition may fail to achieve the expected benefits or generate higher than expected integration costs.

The success of the Acquisition will depend on our ability to effectively integrate Ecore and its subsidiaries into our business and information technology systems, to maintain Ecore's growth and operational performance and to effectively partner together. Among other things, the success of the integration will depend on our ability to retain Ecore's operating teams and their client bases and to effectively capitalize on their expertise in order to deliver the expected benefits of the combined business, in particular in terms of operations and sales. In addition, the Acquisition may generate higher than expected integration costs as a result of unforeseen contingent risks or latent liabilities or as a result of delays, or other financial and operational difficulties. Any difficulties encountered in the integration of Ecore could result in higher implementation costs and/or lower benefits or revenue than anticipated, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We may fail to achieve the synergies we are targeting from the Acquisition.

We aim to achieve synergies through the Acquisition. Given the geographic overlap between Derichebourg Environnement and Ecore, we believe we may achieve cost synergies by improving our purchasing power on certain expenses such as gas, insurance, optimizing our network and hence reducing transportation costs, consolidating headquarter functions and streamlining operations and management. The estimated synergies from the Acquisition are subject to a number of assumptions about the timing, execution and costs associated with realizing the synergies. Such assumptions are inherently uncertain and are subject to a wide variety of significant business, economic and competition risks and uncertainties. There can be no assurance that such assumptions will turn out to be correct.

As a result, the total amount of synergies that we will actually realize and/or the timing of any such realization may differ significantly (and may be significantly lower) from those that we are currently targeting. In addition, the assumptions made in the business plans of Ecore may be incorrect, in particular with respect to synergies and performance. Finally, we may incur significant costs in realizing the integration of Ecore and in achieving the estimated synergies, and the integration costs may be higher than expected. If one or more of our underlying assumptions regarding these initiatives proves to have been incorrect, these efforts could lead us to incur substantially higher costs than planned and we may not be able to realize fully, or realize at all, such synergies and cost savings in the anticipated timeframe. In addition, cost efficiencies may not be able to be sustained due to our inability to integrate Ecore, unforeseen legal, regulatory, contractual, labor or other issues or other cost variables. As a result, investors are cautioned not to place undue reliance on the synergies adjustments included in the calculation of Adjusted *Pro forma* Recurring EBITDA included elsewhere in this Listing Prospectus. We cannot assure you that we will be able to realize the totality of these synergies or cost savings, and the costs we incur in trying to realize these synergies may be substantially higher than our current estimates and may outweigh the benefits. Failure to achieve the expected synergies may result in a lower return on investment for the Acquisition, and could have a material adverse effect on our business and results of operations.

Our opportunity to conduct due diligence with respect to Ecore has been limited and we may discover that Ecore has liabilities that could impact our business and financial condition.

In order to determine our estimate of the value of Ecore (and thus the price that we offered to pay to acquire Ecore), we conducted limited due diligence investigations. No assurance can be given that our investigations identified all material regulatory, contractual or other issues or liabilities related to Ecore, or that factors outside the control of Ecore and outside our control will not later arise. If we failed to identify material issues, we may be forced to write down or write off assets, restructure our operations or incur impairment or other charges that could result in reporting losses. Any unidentified or unanticipated liabilities, individually or in the aggregate, could hinder the integration of Ecore into Derichebourg and have a material adverse effect on our business, financial condition and results of operations.

As a result of the Acquisition, we expect to record a significant amount of goodwill, which could thereafter be subject to the risk of impairments in the event of adverse changes to the underlying assumptions as to the results and cash flows generated by us.

We expect to record substantial amounts of goodwill in connection with the Acquisition. These amounts will be recorded based on the excess of the amounts paid to acquire Ecore based on the fair value of its net assets at the Acquisition Date. For the purposes of the Unaudited *Pro forma* Consolidated Financial Information, a preliminary amount of €249.5 million of goodwill was recorded with respect to the Acquisition. This amount is preliminary and the definitive amount of goodwill to be recorded will be determined based on the determination of the fair value of the applicable assets on the Acquisition Date. The amount of goodwill may be significantly different from the preliminary amount. See "*Unaudited Pro Forma Consolidated Financial Information*."

Following the recording of the definitive amounts of goodwill, we may subsequently experience unforeseen issues with Ecore's business, which may adversely affect the anticipated returns or value of the intangible assets and trigger an evaluation of the recoverability of the recorded goodwill and intangible assets for Ecore. In accordance with IFRS, goodwill is tested for impairment annually, or when changes in the circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts units are determined on the basis of value in use calculations, which depend on certain key assumptions. If management's projections change, the estimate of the recoverable amount of goodwill could fall significantly and result in impairment. While impairment does not affect reported cash flows, the decrease of the estimated recoverable amount and the related non-cash charge in the income statement could have a material adverse effect on our results of operations, net equity or financial condition.

The pro forma financial information may not be representative of Ecore's future performance as part of our Group.

The Unaudited *Pro forma* Consolidated Financial Information included herein was derived from Derichebourg's and Ecore's respective consolidated financial statements as of and for the year ended September 30, 2020 and the six months ended March 31, 2021.

In preparing the *pro forma* financial information included in this Listing Prospectus, we have made adjustments to historical financial information based upon currently available information and upon assumptions that our management believes are reasonable in order to reflect, on a *pro forma* basis, the impact of the Acquisition. The *pro forma* financial information was also prepared based on the assumption that this offering would include €300

million aggregate principal amount of senior notes. The estimates and assumptions used in the calculation of the *pro forma* financial information in this Listing Prospectus may be materially different from our actual experience.

Accordingly, the *pro forma* financial information included in this Listing Prospectus is illustrative only and does not purport to indicate the results that would have actually been achieved had the above transactions been completed on the assumed date or for the periods presented, or which may be realized in the future, nor does the *pro forma* financial information give effect to any events other than those discussed in the Unaudited *Pro forma* Consolidated Financial Information and related notes. See "*Unaudited Pro Forma Consolidated Financial Information*."

Risks Related to Our Financial Position

Our leverage and debt servicing obligations could materially adversely affect our business, prospects, results of operations and financial condition.

We have a significant amount of indebtedness and substantial debt service obligations. As of March 31, 2021, on an a *pro forma* basis after giving effect to the Transactions, our consolidated net debt would have amounted to €781.3 million, resulting in an as adjusted net debt to Adjusted *pro forma* Recurring EBITDA ratio of 2.16x.

Our substantial indebtedness could have important consequences. It will, among other things:

- require us to dedicate a substantial portion of our operating cash flows to making periodic principal and interest payments on our indebtedness, thereby limiting our ability to make acquisitions and take advantage of significant business opportunities, thus placing us at a competitive disadvantage compared to our competitors that have less debt;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness;
- increase our vulnerability to, and reduce our flexibility to respond to, downturns in our business or general adverse economic and industry conditions;
- limit our ability to borrow additional funds or to sell or transfer assets in order to refinance existing indebtedness or fund future working capital, capital expenditures, any future acquisitions, research, development and technology process costs, and other general business requirements;
- limit our flexibility in planning for, or reacting to, changes in our business, the competitive environment and the industry in which we operate;
- subject us to a greater risk of non-compliance with financial and other restrictive covenants in our debt facilities;
- placing us at a competitive disadvantage compared to our competitors that are not as leveraged; and
- restrict our ability to pursue strategic acquisitions and exploit certain business opportunities.

In addition, our ability to meet our obligations, pay interest on our borrowings or refinance or repay our borrowings under the terms and conditions provided for therein will depend on our future operating performance and may be affected by several factors (including economic conditions, debt market conditions and regulatory developments), some of which are independent of our operations.

In the event of insufficient liquidity to service our debt, we may be forced to reduce or defer acquisitions or investments, sell assets, refinance our debt or seek additional financing. We may not be able to refinance our debt or obtain additional financing on satisfactory terms. The occurrence of any of these risks could have a material adverse effect on our business, operating results and financial condition.

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

Among other things, the Indenture will limit our ability to:

- incur or guarantee additional indebtedness;
- pay dividends, redeem capital stock and make certain investments;
- make certain other restricted payments;
- create or permit to exist certain liens;

- impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to the Issuer;
- transfer or sell assets;
- consolidate, merge or sell all or substantially all of our assets; and
- enter into certain transactions with affiliates.

In addition, certain of our existing senior credit facilities and other financing agreements contain restrictive covenants limiting our ability to incur additional indebtedness or, as the case may be, certain subsidiaries' ability to incur or guarantee additional indebtedness or issue preferred shares, create or permit to exist liens or other encumbrances on its assets, issue or sell capital securities of subsidiaries and dispose of assets, or merge or consolidate with another company. See "*Description of Certain Other Indebtedness*."

Complying with the restrictions contained in some of these covenants requires us to maintain specific financial ratios and to meet specific financial criteria. Events beyond our control may affect our ability to comply with these provisions and to meet these ratios and criteria. All of these limitations are subject to significant exceptions and qualifications. See "*Description of the Notes—Certain Covenants*" and "*Description of Certain Other Indebtedness*." These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest.

If we fail to comply with any of these covenants, we will be in default under the Indenture and/or the relevant debt instruments, as the case may be, and the Trustee, the holders of the Notes or the applicable creditors could declare the principal and accrued interest on the Notes or the applicable amounts due and payable, after any applicable cure period. In addition, any such default could lead to an event of default and acceleration under our other debt instruments that contain cross-default or cross-acceleration provisions, including the Indenture. These restrictions could materially adversely affect our ability to finance future operations or capital needs or engage in other business activities that may be in our best interest. See "*Description of the Notes—Certain Covenants*" and "*Description of Certain Other Indebtedness*."

Finally, adverse conditions in the credit and financial markets could prevent us from obtaining financing or credit at favorable terms in order to fulfill our financing needs (including the need to refinance or repay our debt obligations, including the Notes). If funding is not available when needed, or is available only on unfavorable terms, we may not be able to execute on certain aspects of our business plans, which could materially adversely affect our business, financial condition and results of operations.

We and our subsidiaries may be able to incur significantly more debt in the future, including secured debt, which could exacerbate the risks to our financial condition described herein.

We and our subsidiaries may be able to incur significant additional indebtedness (secured and unsecured) in the future, provided that such indebtedness is permitted to be incurred under the Indenture. In connection with our financial strategy, we continually evaluate different financing alternatives, and we may decide to enter into new credit facilities, access the debt capital markets or incur other indebtedness from time to time. Although the Indenture contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial.

Indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the Notes, the holders of that indebtedness will be entitled to share ratably in any proceeds distributed in connection with our insolvency, liquidation, reorganization, dissolution or other winding-up. This may have the effect of reducing the amount of proceeds paid to holders of the Notes.

Moreover, the interest rate with respect to any such additional debt will be set at the time of the pricing or incurrence of such debt and may be less than or greater than the interest rate applicable to the Notes and our other existing debt, including, in the case of a refinancing, the debt that is being refinanced, which would have a corresponding effect on our net financial result on an as adjusted basis. In addition, the maturity date of any such additional debt will be set at the time of pricing or incurrence of such debt and may be earlier or later than the maturity date of the Notes and our other existing debt. The other terms of such additional debt would be as agreed with the relevant lenders or holders thereof and could be more or less favorable than the terms of the Notes or our other existing indebtedness. There can be no assurance that we will elect to raise any such additional debt or that any effort to raise such debt will be successful, and there can be no assurance as to the timing of such offering or incurrence, the amount or terms of any such additional debt. If we incur new debt in addition to our current debt and the Notes, the related risks that we now face, even in a refinancing transaction, as described above and elsewhere in this "*Risk Factors*" section, could intensify.

The debt under certain of our indebtedness bears interest at a floating rate that could rise significantly, increasing our interest cost and debt and reducing our cash flow.

Borrowings under certain of our indebtedness bear interest at floating rates of interest per annum equal to EURIBOR, plus an agreed margin. EURIBOR could rise significantly in the future. Although we may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurances that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. To the extent interest rates were to rise significantly, our interest expense associated with the credit agreements subject to such floating rates of interest would correspondingly increase, thus reducing cash flow.

Following allegations of manipulation of LIBOR, a measure of interbank lending rates, regulators and law enforcement agencies from a number of governments and the European Union are conducting investigations into whether the banks that contribute data in connection with the calculation of daily EURIBOR or the LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR. As a result, EURIBOR, LIBOR and other interest rates are indices which are deemed to be "benchmarks" are the subject of recent and ongoing national, international and other regulatory guidance and proposals for reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") which was published in the Official Journal of the EU on June 29, 2016, and applies since January 1, 2018. Some of these reforms are already effective while others are still to be implemented. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things (i) require benchmark administrators to be authorized or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognized or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorized or registered (or, if non-EU based, not deemed equivalent or recognized or endorsed).

These reforms, including the Benchmarks Regulation, may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any of our debt linked to such a "benchmark." The Benchmarks Regulation could have a material impact on any of our debt linked to such a "benchmark" in particular, if the methodology or other terms of the EURIBOR benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the EURIBOR benchmark. In addition, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks," could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark," including EURIBOR, and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks" such as EURIBOR: (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark."

The potential elimination of any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR or similar benchmarks are determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark. Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or similar benchmarks, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

We are subject to credit risks.

We are exposed to various credit risks and other financial risks that may have a negative impact on our operating results. Due to the nature of our operations, we are creditors to numerous counterparties, including our customers, investments in joint ventures, which subjects us to credit risk associated with those counterparties. These contractual arrangements, deposits or other financial instruments expose us to credit risk on the amounts due from such counterparties. Our exposure to credit risk could materially affect our financial condition and results of operations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

We may face risks related to taxation and changes to applicable tax regimes.

We are subject to complex and evolving tax legislation in the countries in which we operate. Changes in tax laws or regulations or in their interpretation could adversely affect our tax position, such as our effective tax rate or tax payments.

In particular, European and French tax laws and regulations are extremely complex and are subject to varying interpretations. For example, the current implementation into French tax law of the Organization for Economic Cooperation and Development's (the "**OECD**") principles related to base erosions and profit shifting ("**BEPS**") included in the final reports released by the OECD as well as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on June 7, 2017, may increase the administrative efforts within our business and impact existing structures.

Furthermore, the European Union continues to harmonize the tax legislation of the Member States. In this respect, the Council of the European Union (the "**Council of the European Union**") adopted a directive "laying down rules against tax avoidance practices that directly affect the functioning of the internal market" on July 12, 2016 (Council Directive 2016/1164) (the "**ATAD**"). The ATAD was later amended on May 29, 2017, by the Council Directive (EU) 2017/952 (the "**ATAD II**"), which, *inter alia*, extends the scope of the ATAD to hybrid mismatches involving third countries and provides that its provisions shall apply (subject to certain exceptions), as from January 1, 2020. The ATAD provides, in particular, for a general interest limitation rule pursuant to which the tax deduction of net financial expenses is limited to 30% of the taxpayer's earnings before interest, tax, depreciation and amortization (EBITDA) or to a maximum amount of €3 million, whichever is higher (subject to several exceptions). Such new rules apply since January 1, 2019, following their transposition into French tax law by Article 34 of the French Finance Law for 2019 (Law 2018-1317 of December 28, 2018) (the "**French Finance Law for 2019**"). The French Finance Law for 2020 (Law 2019-1479 of December 28, 2019) (the "**French Finance Law for 2020**") also introduced under French tax law the provisions of the ATAD II and thus repealed the existing French anti-hybrid rules, as set forth in Article 212-I-b of the French *code général des impôts* (the "**French Tax Code**"). See "*—French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest on our indebtedness incurred in France, thus reducing the cash flow available to service our indebtedness"* for more details on this rule.

In addition, Article 108 of the French Finance Law for 2019 introduced under French tax law, the anti-abuse provision provided for by the ATAD with respect to French corporate income tax, which aims to address abusive tax practices that are not dealt with by specifically targeted provisions. Pursuant to this provision, the French tax authorities may ignore an arrangement, or a series of arrangements, which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the applicable tax law, are not genuinely taking into account all relevant facts and circumstances.

The European Commission also published a corporate reform package proposal on October 25, 2016, including three new proposals that aim at (i) relaunching the Common Consolidated Corporate Tax Base ("**CCCTB**") which is a single set of rules to compute companies' taxable profits in the EU, (ii) avoiding loopholes associated with profit-shifting for tax between EU countries and non-EU countries, and (iii) providing new dispute resolution rules to relieve problems with double taxation for businesses. The directive proposal on the CCCTB requires unanimity in the Council of the European Union for its adoption following consultation of the European Parliament (special legislative procedure), which gave its favorable vote on March 15, 2018. It is expected to be implemented in two steps, with the common base being implemented as a first step and consolidation being put in place swiftly afterwards. In this respect, in the European Commission's 2020 work program, it was stated that the CCCTB should receive priority attention in 2020. However, as of today, it appears that no further progress has been made on this program. Furthermore, new rules on tax dispute resolution already apply since January 1, 2019, following the transposition of Council Directive 2017/1852 of October 10, 2017 into French tax law as part of the French Finance Law for 2019. These new regulations could impact our tax position in the future.

We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our products or services to track and collect such taxes, which could increase our costs of operations and have a negative effect on our business, results of operations and financial condition.

French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest on our indebtedness incurred in France, thus reducing the cash flow available to service our indebtedness.

The French Finance Law for 2019 included specific provisions which have implemented into French tax legislation the provisions of the ATAD regarding in particular interest deductibility limitations in respect of fiscal years opened as from January 1, 2019.

In relation to such implementation, (i) (x) the provisions of Article 212 *bis* and 223 B *bis* of the FTC (i.e., the former 25% general limitation of deductibility of financial expenses ("*rabot fiscal*")) and (y) Article 209-IX of the

FTC (the "*Amendement Carrez*" limitation) have been repealed and (ii) the provisions of Article 212-II of the FTC (i.e., existing thin-capitalization rules) have been amended, as developed in more detail below.

The other rules limiting interest deductibility generally remain unchanged, in particular the rules relating to the maximum deductible tax rate for interest paid to direct minority shareholders or to related parties in the sense of Article 39.12 of the FTC (Articles 39-1-3 and 212-I-(a) of the FTC).

Under Article 39-1-3° of the French Tax Code, interest paid by an entity to its direct shareholders who are not related parties within the meaning of Article 39.12 of the French Tax Code are tax deductible only up to the amount of interest computed on the basis of the rate referred to in Article 39-1-3° of the French Tax Code (i.e., the annual average of the average effective floating rates on bank loans to companies with an initial maturity exceeding two years). Under Article 212 I-(a) of the French Tax Code, interest incurred on loans granted by related parties within the meaning of Article 39.12 of the French Tax Code is deductible up to the amount of interest computed on the basis of the rate referred to in Article 39-1-3° of the French Tax Code or, if higher, up to the amount of interest computed on the basis of the rate that the borrowing entity could have obtained from independent financial credit institutions in similar circumstances.

Pursuant to Article 212 *bis* of the French Tax Code, the deductibility of net financial expenses incurred by an entity in respect of a given fiscal year is limited to the higher of (i) €3 million and (ii) 30% of its adjusted EBITDA in the same fiscal year (corresponding to its taxable income before offset of carry forward tax losses and without taking into consideration net financial expenses and, to some extent, depreciation, provisions and capital gains/losses) generated by such entity (the "**30% Limitation**"). Such limitation applies to both related-party and third-party financings regardless of the purpose of these financings, subject to certain limited exceptions.

Furthermore, for entities being part of a group that files eligible consolidated financial statements, a safeguard clause has been implemented in order to partially exempt companies that are able to demonstrate that the ratio of their equity over their total assets is equal to or higher than the same ratio computed at the level of the accounting consolidated group to which they belong. In this specific case, net financial expenses exceeding the 30% Limitation are deductible up to 75% of their amount.

French thin-capitalization rules apply in respect of loans granted by related parties. Where the amount of the related party debt of a company exceeds a ratio equal to 1.5 time the company's equity, the deduction of net financial expenses borne by such entity is deductible for a portion of their amount up to the higher of (i) 30% of its adjusted EBITDA or (ii) €3 million, multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by non-related parties (directly or indirectly) within the meaning of Article 39.12 of the French Tax Code increased by 1.5 time the company's equity (assessed either at the beginning or at the closing date of the fiscal year) by (B) the average amount of all sums borrowed by or made available to the company during said year. The balance of net financial expenses is deductible for a portion of their amount up to the higher of (i) 10% of its adjusted EBITDA or (ii) €1 million multiplied by a ratio equal to (A) the average amount of sums borrowed from or made available by related parties (directly or indirectly) within the meaning of Article 39.12 of the French Tax Code exceeding 1.5 time the company's own funds (assessed either at the beginning or on the closing date of the fiscal year) by (B) the average amount of all sums borrowed by or made available to the company during said fiscal year. However, the interest deductibility limitation provided for by these amended thin-capitalization rules does not apply if the borrowing company demonstrates that the overall debt-to-equity ratio of the group, as determined under accounting consolidation rules, to which it belongs is higher than or equal to its own debt-to-equity ratio.

Financial expenses that are disallowed pursuant to the 30% Limitation can be carried forward indefinitely and deducted in the future under the same conditions. On the other hand, the portion of financial expenses which tax deduction is disallowed as a result of the application of the €1 million threshold or 10% limitation is only eligible for carry-forward for one-third of its amount. The unused interest deduction capacity of a current fiscal year may also be used over the five following fiscal years, but only against financial expenses incurred in respect of those fiscal years, it being noted that this measure is not available to thinly capitalized entities.

Specific rules apply to companies that belong to French tax consolidated groups, i.e., mainly (i) the 30% Limitation is computed on the basis of the consolidated adjusted EBITDA generated by such companies and (ii) the 1.5 debt-to-own funds ratio is analyzed (x) on a consolidated basis pursuant to French accounting rules applying for purposes of establishing consolidated financial statements and (y) in respect of loans granted by related parties within the meaning of Article 39.12 of the French Tax Code which do not belong to the same tax consolidated group.

These thin-capitalization rules could apply at the level of the Issuer (in respect of any loans contracted by the Issuer from any related party) and at level of the Issuer's French subsidiaries that do not belong to the same French tax consolidated group as the Issuer with respect to any amount of the proceeds of the Notes used by the Issuer to

grant intragroup loans to such subsidiaries as well as, more generally, in respect of any loans contracted by the Issuer's French subsidiaries from any related party.

Finally, the French Finance Law for 2020 includes specific provisions which implement into French tax legislation the provisions of the ATAD II in relation to hybrid mismatches with third countries, which is applicable as from January 1, 2020, except for certain of its provisions which will be applicable as from January 1, 2022.

In relation to such implementation, the provisions of Article 212-1-(b) of the French Tax Code (i.e., the former French anti-hybrid provisions) have been repealed.

Articles 205 B *et seq.* of the French Tax Code implementing ATAD II provide limitations on interest deductions in the event of (i) a deduction of a payment at the level of a paying entity without a corresponding inclusion of such payment in the taxable income of the receiving entity (referred to as a "**deduction without inclusion**") or (ii) a deduction of the same payment, operational expenses or losses in the taxable income of both the paying and receiving entity (referred to as a "**double deduction**"). Such limitations only apply to payments taking place between "associated enterprises," except for the so-called "structured arrangements" (i.e., an arrangement pricing the relevant mismatch, or an arrangement designed to produce the mismatch, subject to certain conditions). If the hybrid mismatch results in a deduction without inclusion, the deduction from taxable income will generally be denied to the French paying entity. Alternatively, the payment to a French receiving entity will be included in its taxable income if deduction is not denied in the jurisdiction of the paying entity. If the hybrid mismatch results in a double deduction, the deduction will either be denied at the level of the receiving entity or at the level of the paying entity.

In respect of fiscal years opened as from January 1, 2022, these provisions also cover reverse hybrid entities, referring to situations where an entity is deemed to be tax transparent by the Member State in which it is incorporated or established and the jurisdiction or jurisdictions in which its "associated enterprises" (i.e., entities holding directly or indirectly in aggregate an interest in 50% or more of its voting rights, capital interests or rights to share profit) are established, qualify the entity as non-transparent. Where such an hybrid entity is incorporated or established in France, its income is, as the case may be, either subject to French corporate income tax at its own level or taxable pursuant to Article 8 of the French Tax Code at the level of its partners or shareholders, to the extent that it is not taxed in another State.

The abovementioned tax rules may limit our ability to deduct interest accrued on our indebtedness incurred in France and, as a consequence, may increase our tax burden, which could adversely affect our business, financial condition and results of operations, and reduce the cash flow available to service our indebtedness.

Risks Related to the Notes

The Issuer is a holding company dependent upon cash flow from subsidiaries to meet its obligations on the Notes.

The Issuer is a holding company with no independent business operations or significant assets other than investments in our subsidiaries, and we depend upon the receipt of sufficient funds from our subsidiaries to meet our obligations. We expect our operating subsidiaries to provide us with funds to meet our obligations in respect of the Notes through a combination of dividends and cash pooling arrangements.

If our subsidiaries do not distribute cash sufficient to make scheduled payments on the Notes, we will not have any other source of funds that will allow us to make payments to the holders of the Notes. In addition, various agreements governing our debt may restrict and, in some cases may actually prohibit, the ability of these subsidiaries to move cash within their restricted group. Applicable tax laws may also subject such payments to further taxation and applicable corporate law may limit the amounts that some of our subsidiaries will be permitted to pay as dividends or distributions on their equity interests, or even prohibit such payments. In particular, our subsidiaries' ability to pay dividends to us may be limited to the amount of distributable reserves available to them. None of our subsidiaries will guarantee the Notes on the Issue Date or on the Acquisition Completion Date, and therefore will have no obligation to make payments with respect to the Notes.

The Notes are structurally subordinated to the indebtedness and other obligations of our subsidiaries.

The Notes will not be guaranteed on the Issue Date. Other subsidiaries of the Issuer may guarantee the Notes in the future, but until then, any claim by us or any of our creditors, including the holders of the Notes, against any of the Issuer's subsidiaries will be structurally subordinated to all of the claims of creditors of such subsidiaries. The Indenture does not limit the transfer of assets to, or the making of investments in, any of our Restricted Subsidiaries (as defined therein), including our subsidiaries that do not provide guarantees for the Notes. For the six months ended March 31, 2021, the Issuer did not generate significant revenue or Recurring EBITDA. As of

March 31, 2021, on a *pro forma* basis giving effect to the Transactions, our direct and indirect subsidiaries would have had gross debt outstanding in the amount of €395 million. In the event of insolvency, liquidation or other reorganization of any of these subsidiaries, creditors of these subsidiaries will generally be entitled to payment in full from their respective assets before the Issuer is entitled to receive any distribution from such assets as equity holders. Except to the extent that the Issuer may itself be a creditor with recognized claims against a subsidiary, claims of creditors of such subsidiary will have priority with respect to the assets and earnings of that subsidiary over the claims of the Issuer as an equity holder, although there is no assurance that the claims of the Issuer as a creditor against a subsidiary may not be reduced, limited or extinguished as a result of applicable insolvency rules (such as the doctrine of equitable subordination or the rules regarding the potential avoidance of transactions concluded with related persons within a certain hardening period). Our subsidiaries are also subject to liabilities to other creditors as a result of obligations incurred in the ordinary course of business, which liabilities are also effectively senior to the Notes.

Claims of the secured creditors of the Issuer will have priority with respect to their collateral over the claims of unsecured creditors, such as the holders of the Notes, to the extent of the value of the assets securing such indebtedness.

From the Escrow Release Date, the Notes will not be secured by any of the Issuer's assets. As a result, claims of the secured creditors of the Issuer will have priority with respect to the assets securing their indebtedness over the claims of holders of the Notes. As such, the Notes will be effectively subordinated to any existing and future secured indebtedness and other secured obligations of the Issuer, to the extent of the value of the assets securing such indebtedness or other obligations (except to the extent such assets in the future also secure the Notes on an equal and ratable basis or priority basis). In the event of any foreclosure, dissolution, winding up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of the Issuer at a time when it has secured obligations, holders of secured indebtedness will have priority claims to the assets of the Issuer that constitute their collateral (other than to the extent such assets in the future also secure the Notes on an equal and ratable basis). The holders of the Notes will participate ratably with all holders of the unsecured indebtedness of the Issuer, and potentially with all its other general creditors, based upon the amounts owed to each holder or creditor, in the remaining assets of the Issuer. The claims of holders of the Notes and other unsecured creditors will also depend on whether there is any value left in the bankruptcy estate besides any secured assets. If any of the secured indebtedness of the Issuer becomes due or the creditors thereunder proceed against the operating assets that secure such indebtedness, our assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the Notes. As a result, holders of Notes may receive less, ratably, than holders of secured indebtedness of the Issuer.

French insolvency laws may not be as favorable to you as the insolvency laws of the United States or other countries.

As a *société anonyme* incorporated in France, French insolvency laws apply to the Issuer. Under French insolvency law, in the case of the opening in France of a preservation procedure (*procédure de sauvegarde, procédure de sauvegarde accélérée* or *procédure de sauvegarde financière accélérée*), a judicial reorganization procedure (*procédure de redressement judiciaire*) or a judicial liquidation (*liquidation judiciaire*) of the Issuer, all creditors of the Issuer (including prospective purchasers of the Notes (any such purchasers, "**Noteholders**") through the Representative of the *Masse*) must file their proof of claims with the creditors' representative or liquidator, as the case may be, within two months (or within four months in the case of creditors domiciled outside metropolitan France) of the publication of the opening of the procedure against the Issuer in the BODACC (*Bulletin officiel des annonces civiles et commerciales*).

Under French insolvency law holders of debt securities issued by a French company (like the Issuer) are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests in case of the opening in France of an accelerated preservation (*procédure de sauvegarde accélérée*) or an accelerated financial preservation (*procédure de sauvegarde financière accélérée*) or a preservation (*procédure de sauvegarde*) or a judicial reorganization procedure (*procédure de redressement judiciaire*) of the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer regardless of their governing law. The Assembly deliberates on the proposed preservation plan (*projet de plan de sauvegarde*), the proposed accelerated preservation plan (*projet de plan de sauvegarde accélérée*), accelerated financial preservation plan (*projet de plan de sauvegarde financière accélérée*) or judicial reorganization plan (*projet de plan de redressement*) applicable to the Issuer and may notably agree to:

- increase the liabilities (charges) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in the form of debt securities;

- establish an unequal treatment between holders of debt securities (including the Noteholders) if the differences in situation so justify; and/or
- decide to convert debt securities into securities that give or may give the right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the amount of debt securities held by the holders who voted during such Assembly, notwithstanding any clause to the contrary and the law governing the issuance agreement). No quorum is required for the Assembly to be validly held.

The procedures, as described above or as they may be amended, could have an adverse impact on holders of the Notes seeking repayment in the event that the Issuer or its subsidiaries were to be subject to French insolvency proceedings.

The insolvency procedure in France is regulated by the provisions of the French *Code de commerce* as amended by ordinance n°2014-326 dated March 12, 2014, as amended, and these provisions govern the common rights, interests and representation of the Noteholders in this context. As a result, Noteholders should be aware that they will generally have limited ability to influence the outcome of an accelerated preservation (*procédure de sauvegarde accélérée*), an accelerated financial preservation (*procédure de sauvegarde financière accélérée*), a preservation (*procédure de sauvegarde*) or a judicial reorganization procedure (*procédure de redressement judiciaire*) of the Issuer in France, especially given the current capital structure of the Issuer.

It should be noted that a new European directive entitled "Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132" has been adopted by the EU on June 20, 2019. Once transposed into French law (which is scheduled to happen by July 17, 2021 at the latest), such directive should have a material impact on French insolvency law, especially with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this directive, "affected parties" (e.g., creditors, including the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that are sufficiently similar to justify considering the members of the class a homogenous group with commonality of interest. As a minimum, secured and unsecured claims shall be treated in separate classes for the purpose of adopting a restructuring plan. A restructuring plan shall be deemed to be adopted by affected parties, provided that a majority in the amount of their claims or interests is obtained in each and every class (the required majorities shall be laid down by Member States at not higher than 75% of the amount of claims or interests in each class, it being noted that Member States may require that in addition a majority in number of affected parties be obtained in each class). If the restructuring plan is not approved by each and every class of affected parties, the plan may however be confirmed by a judicial or administrative authority by applying a cross-class cram-down, provided notably that:

- the plan has been notified to all known creditors likely to be affected by it;
- the plan complies with the best interest of creditors test (i.e., no dissenting creditor would be worse off under the restructuring plan than they would be in the event of liquidation, whether piecemeal or sale as a going concern);
- any new financing is necessary to implement the restructuring plan and does not unfairly prejudice the interest of creditors;
- the plan has been approved by a majority of the voting classes of affected parties, provided that at least one of those classes is a secured creditors class or is senior to the ordinary unsecured creditors class; or, failing that, by at least one of the voting classes of affected parties or where so provided under national law, impaired parties, other than an equity-holders class or any other class which, upon a valuation of the debtor as a going-concern, would not receive any payment or keep any interest, or, where so provided under national law, which could be reasonably presumed not to receive any payment or keep any interest, if the normal ranking of liquidation priorities were applied under national law;
- the plan complies with the relative priority rule (i.e., dissenting voting classes of affected creditors are treated at least as favorably as any other class of the same rank and more favorably than any junior class). By way of derogation, Member States may instead provide that the plan shall comply with the absolute priority rule (i.e., a dissenting voting class of creditors must be satisfied in full before a more junior class may receive any distribution or keep any interest under the restructuring plan); and

- no class of affected parties can, under the restructuring, plan receive or keep more than the full amount of its claims or interests.

Therefore, when such directive is transposed into French law, it cannot be excluded that the Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes issued by the Issuer. Any decisions taken by the Assembly or a class of creditor, as the case may be, could substantially impact the Noteholders and even cause them to lose all or part of their investment, should they not be able to recover amounts due to them from the Issuer.

The market value of the Notes could decrease if our creditworthiness worsens and the value of the Notes may be affected by fluctuations in interest rates.

The market value of the Notes will suffer if the market perceives us to be less likely to fully perform all obligations under the Notes when they fall due. This could occur, for example, because of the materialization of any of the risks listed in this "*Risk Factors*" section. Even if our ability to fully perform all obligations under the Notes when they fall due has not actually decreased, market participants could nevertheless have a different perception. In addition, market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as us could adversely change, causing the market value of the Notes to fall. If any of these events occurs, third parties would only be willing to purchase Notes for a lower price than before the materialization of these risks. Under these circumstances, the market value of the Notes could decrease.

There is no existing trading market for the Notes and we cannot assure you that an active trading market will develop, which could adversely impact your ability to sell the Notes.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as general economic conditions, the financial condition, the creditworthiness of the Issuer and/or our Group, the outstanding amount of the Notes, any redemption features of the Notes and the level, direction and volatility of interest rates generally. Such factors could also substantially affect the market value of the Notes.

Investors may not be able to sell their Notes in the secondary market, in which case the market or trading price and liquidity may be adversely affected. Investors may not be able to sell their Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Hence, investors may receive a lower yield than anticipated at the time of the issue.

Historically, markets for non-investment grade debt, such as the Notes, have been subject to disruptions that have caused substantial volatility in the prices of such debt. Any market for the Notes may be subject to similar disruptions. Any such disruptions may affect the liquidity and trading of the Notes independent of our financial performance and prospects and may have an adverse effect on the holders of the Notes. In addition, the Indenture will allow us to issue additional notes in the future, which could adversely impact your ability to sell your Notes.

We may not be able to obtain the funds required to repurchase the Notes upon a change of control.

The Notes contain provisions relating to certain events constituting a "change of control" in relation to the Issuer. Upon the occurrence of a change of control, the Issuer is required to make an offer to purchase all outstanding Notes at a price equal to 101% of their principal amount plus accrued and unpaid interest and additional amounts, if any. If a change of control were to occur, we can provide no assurance that we will have sufficient funds to pay the purchase price of the outstanding Notes and any other indebtedness with similar provisions.

In addition, our other indebtedness may contain restrictions or repayment requirements with respect to certain events or transactions that could constitute a change of control under the terms of the Indenture. The inability to purchase the Notes upon the occurrence of a change of control would constitute an event of default under the terms and conditions governing the Notes, which would trigger a cross-default under the Notes and *vice versa*. See "*Description of the Notes—Certain Covenants—Change of Control*."

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring or other similar refinancings involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indenture. Except as described under "*Description of the Notes—Certain Covenants— Change of Control*," the Indenture

will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, recapitalization or similar refinancing.

The definition of "change of control" in the Indenture will include a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular refinancing would involve a disposition of "all or substantially all" of the Issuer's assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

Transactions in the Notes could be subject to the European financial transaction tax, if adopted.

On February 14, 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (together, except for Estonia, the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The mechanism by which the tax would apply and be collected is not yet known, but if the proposed directive or any similar tax is adopted, transactions in the Notes would be subject to higher costs and the liquidity of the market for the Notes may be diminished.

At the ECOFIN meeting of June 14, 2019, a state of play of the work on the FTT was presented on the basis of a note prepared by Germany on June 7, 2019 indicating a consensus among the Participating Member States to continue negotiations on the basis of a joint French-German proposal based on the French financial transactions tax model which in principle would only concern shares of listed companies whose head office is in a Member State of the European Union. However, such proposal is still subject to change until a final approval.

The FTT proposal remains subject to negotiation between the Participating Member States, the scope of such tax being therefore uncertain. The timing of its implementation remains also unclear. Additional EU Member States may decide to participate and Participating Member States may decide to withdraw. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Enforcing your rights as a holder of the Notes may prove difficult.

The Issuer is organized under the laws of France. In addition, the Notes and the Indenture will be governed by the laws of the State of New York. Furthermore, all of the directors and executive officers of the Issuer live outside the United States. Substantially all of the assets of the Issuer, and substantially all of the assets of its directors and executive officers, are located outside of the United States. As a result, it may not be possible for you to serve process on such persons in the United States or to enforce judgments obtained in U.S. courts against them based on the civil liability provisions of the securities laws of the United States. In addition, the United States is not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters with France. There is, therefore, doubt as to the enforceability of civil liabilities based upon U.S. federal securities laws in an action to enforce a U.S. judgment in France. In addition, the enforcement in France of any judgment obtained in a U.S. court based on civil liabilities, whether or not predicated solely upon U.S. federal securities laws, will be subject to certain conditions. There is also doubt that a court in France would have the requisite power or authority to grant remedies sought in an original action brought in France on the basis of U.S. federal securities laws violations. See "*Service of Process and Enforcement of Judgments*."

In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in France, the United States, the jurisdiction of incorporation of a guarantor (if any) or in more than one such jurisdiction. Any multi-jurisdictional proceeding is likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes will be subject to such bankruptcy, insolvency and administrative laws, and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of France may be materially different from, or be in conflict with those of the United States and other jurisdictions with which you may be familiar, including in the areas of the rights of creditors, the priority of governmental and other creditors, the ability to obtain post-petition interest and the duration of the proceedings. The application of these laws, or any conflict among them,

could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Notes in the relevant jurisdictions or limit any amounts that you may receive.

Transfers of the Notes will be subject to certain restrictions.

The Issuer has not agreed to register and does not intend to register the Notes under the Securities Act or any securities laws of any state or any other jurisdiction of the United States. The holders of the Notes may not offer to sell the Notes, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or any other jurisdiction of the United States. The Issuer has not undertaken to register the Notes or to affect any exchange offer for the Notes in the future. Furthermore, the Issuer has not registered and does not intend to register the Notes under any other country's securities laws. Prospective investors in the Notes should read the discussion in the section entitled "*Notice to Investors*" for further information about these transfer restrictions. It is the obligation of the investors in the Notes to ensure that their subscription for or subsequent offers, sales or transfers of the Notes comply with any applicable securities laws.

The Notes will initially be held in book-entry form and therefore you must rely on the procedures of Euroclear and Clearstream to exercise any rights and remedies.

Unless and until any Notes in Definitive Registered Form (as defined in "*Book-Entry, Delivery and Form*") are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of Notes. The common depositary (or its nominee) for the accounts of Euroclear and Clearstream will be the registered holder of the Global Notes (as such terms are defined in "*Book-Entry, Delivery and Form*"). After payment to the common depositary, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder under the Indenture. See "*Book-Entry, Delivery and Form*."

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any request actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream. We cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of rights under the Notes. See "*Book-Entry, Delivery and Form*."

Investors may face foreign exchange risks by investing in the Notes denominated in foreign currencies.

The Notes will be denominated and payable in euro. An investment in Notes denominated in a currency other than the currency by reference to which you measure the return on your investments will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of euro relative to other relevant currencies because of economic, political or other factors over which we have no control. Depreciation of euro against the currency in which you measure your investment could cause a decrease in the effective yield in such currency compared to the stated euro-denominated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure the return on your investments. There may be tax consequences for prospective investors as a result of any foreign exchange gains or losses for any investment in the Notes. See "*Certain Tax Considerations*."

The Notes may be redeemed by the Issuer prior to maturity.

In the event that certain changes or amendments in the tax laws of any Relevant Taxing Jurisdiction (as defined in the *"Description of the Notes*") become effective on or after the date of the Indenture and, as a result, the Issuer (or any guarantor) is or would on the next payment date be required to pay any additional amounts (as defined in the *"Description of the Notes*"), the Issuer may redeem all of the outstanding Notes in accordance with the Indenture.

In addition, the Indenture will provide the option for the Issuer to redeem all or any of the outstanding Notes. During the period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not

rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

Furthermore, the Issuer may be unable to redeem the Notes at their maturity date. The Issuer could also be compelled to redeem the Notes early if an event of default or a Change of Control (as defined in the "*Description of the Notes*") were to occur. If the holders of the Notes, upon an event of default or a Change of Control, were to require the Issuer to redeem their Notes, the Issuer cannot guarantee that it will be able to pay the whole amount required. The Issuer's capacity to redeem the Notes will in particular depend on its financial situation at the time of the redemption and may be limited by any applicable legislation, by the conditions of its indebtedness and also by any new financings in place at that date and which shall replace, add or modify the existing or future debt of the Issuer. Furthermore, the Issuer's failure to redeem the Notes may result in an event of default pursuant to the terms and conditions of other loans or debt instruments.

In the event the Issuer redeems the Notes, an investor generally may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, in case of partial redemption of Notes by the Issuer or the holders of the Notes, any trading market in respect of those Notes that have not been so redeemed may become illiquid.

All of the above may reduce the profits potential investors in the Notes may have expected in investing in the Notes and could negatively impact the holders of the Notes.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The rating assigned to the Notes by the rating agency is based on the Issuer's financial situation, but takes into account other relevant structural features of the transaction, including, *inter alia*, the terms of the Notes, and reflects only the views of the rating agency. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this paragraph, and other factors that may affect the value of the Notes. A credit rating and/or a corporate rating are not a recommendation to buy, sell or hold securities. The rating addresses the likelihood of full and timely payment to the holders of the Notes of all payments of interest on each interest payment date and repayment of principal on the final payment date. There is no assurance that any such rating will continue for any period of time or that it will not be reviewed, revised, suspended or withdrawn entirely by the rating agency as a result of changes in or unavailability of information or if, in the rating agency's judgment, circumstances so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes. Many of the covenants in the Indenture will be suspended if the Notes are rated investment grade.

Many of the covenants contained in the Indenture will be suspended if the Notes are rated investment grade by at least two of Standard & Poor's Ratings Service, Moody's Investors Services and Fitch Ratings Inc., provided at such time no default under the Indenture has occurred and is continuing. These covenants will be suspended for the duration of the period during which the Notes maintain an investment grade rating and include covenants that restrict, among other things, our ability to pay dividends, to incur debt and to enter into certain other transactions. There can be no assurance that the Notes will ever be rated investment grade, or that if they are rated investment grade, the Notes will maintain such ratings. Suspension of these covenants, however, would allow us to engage in certain transactions that would not be permitted while these covenants were in force, and such transactions will not result in a breach of the Indenture if the Notes fail to maintain an investment grade rating. See "*Description of the Notes—Suspension of Covenants on Achievement of Investment Grade Status.*"

The Notes may not be a suitable investment for all investors seeking exposure to green assets.

The Notes may not be a suitable investment for all investors seeking exposure to sustainable assets, including "green" or "social" notes. Although we intend to apply the proceeds of the Notes as described under "*Use of Proceeds*" and we believe that the anticipated use of proceeds meets the criteria for an Eligible Green Project under our Green Bond Framework, the use of proceeds of the Notes could fail to satisfy, in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect impact of any projects or uses that are the subject of or related to any Eligible Green Project.

Furthermore, it should be noted that the definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes, a "green," "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green," "social" or "sustainable" or such other equivalent label are currently under development. Accordingly, Eligible Green Projects could fail to meet any or all investor expectations regarding such "green," "social" or "sustainable" or other equivalently-labelled performance objectives. On December 18, 2019, the Council and the European Parliament reached a political agreement on a regulation to establish a framework to facilitate sustainable development. On June 18, 2020, Regulation (EU) No. 2020/852 on the establishment of a framework to facilitate sustainable investment was adopted by the Council and the European Parliament (the "**Taxonomy Regulation**"). The Taxonomy Regulation establishes a single EU-wide classification system, or "taxonomy," which provides companies and investors with a common language for determining which economic activities can be considered environmentally sustainable. In April 2021, the Commission published the first delegated act with the technical screening criteria on climate change adaptation and mitigation. The delegated act will be formally adopted at the end of May 2021 once translations are available in all EU languages. It will then be subject to a four-month objection period (which can be extended by an additional two months) by the European Parliament and the Council. For the four other environmental objectives (i.e., the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems), the taxonomy is expected to be established by the end of 2021 and to apply by the end of 2022. The Commission is further expected to adopt a delegated act by June 2021 specifying the information companies subject to the non-financial reporting directive will have to disclose on how, and to what extent, their activities align with those considered environmentally sustainable in the taxonomy.

In connection with the Offering, Institutional Shareholder Services has issued a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability criteria (the "**ISS Opinion**"). The ISS Opinion or any other opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of the Notes and in particular with any Eligible Green Projects may not be suitable or reliable to fulfil any green and sustainable and/or other criteria. Such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Notes may not be relevant for all investors. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

The ISS Opinion is not incorporated into and does not form a part of this Listing Prospectus. Neither we nor the Initial Purchasers make any representation as to the suitability of the ISS Opinion or the Notes to fulfill such environmental and sustainability criteria. The ISS Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. The ISS Opinion is not a recommendation to buy, sell or hold securities and is only current as of the date that the ISS Opinion was initially issued.

A withdrawal of the ISS Opinion would not be an event of default under the Indenture and may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets. In addition, any failure to furnish the reports envisaged by the Green Bond Framework will not constitute an event of default under the Indenture.

USE OF PROCEEDS

The gross proceeds of the Offering are expected to be €300,000,000.

Pending the consummation of the Acquisition, an amount equal to the gross proceeds of the Offering will be deposited into the Escrow Account, which will be held in the name of the Issuer, but controlled by the Escrow Agent, and pledged in favor of the Trustee on behalf of and for the benefit of the holders of the Notes. See "*Description of the Notes—Escrow of Proceeds; Special Mandatory Redemption*."

Upon release from the Escrow Account, the gross proceeds of the Offering, together with cash on hand, will be used to (i) pay the purchase price of the Acquisition, (ii) redeem the Ecore Senior Secured Notes in full and repay outstanding amounts under the Ecore RCF and (iii) to pay costs, fees and expenses in connection with the Transactions, including the fees and expenses to be incurred in connection with the Offering.

The estimated sources and uses of cash related to the Transactions are shown in the table below. Actual amounts may vary from estimated amounts depending on several factors, including the gross proceeds of the Offering, the Acquisition Completion Date and the fees and expenses incurred in connection with the Transactions. This table should be read in conjunction with "*Capitalization*."

Sources	**Amount**	**Uses**	**Amount**
	(€ in millions)		
Notes offered hereby [(1)]	300	Acquisition purchase price and redemption of Ecore debt [(3)]	519
Cash on balance sheet [(2)]	225	Fees and expenses [(4)]	6
Total Sources	**525**	**Total Uses**	**525**

(1) Represents the gross proceeds from the Notes.

(2) Of which approximately €40 million is expected to consist of cash of Ecore acquired at the time of the Acquisition and used to repay drawings under the Ecore RCF. As of the date of the Offering Memorandum, no amounts were drawn on the Ecore RCF.

(3) Represents payment of the purchase price for the outstanding share capital of GEH, the redemption in full of the Ecore Senior Secured Notes and the repayment in full of amounts outstanding under and cancellation of the Ecore RCF on or about the Acquisition Completion Date.

(4) Estimated fees and expenses related to the Transactions.

Second-Party Opinion; certain environmental and sustainability criteria

In connection with the Offering, Institutional Shareholder Services has issued a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability criteria. In connection with the Offering, the Issuer has established a green bond framework (the "**Green Bond Framework**") aligned with the Green Bond Principles 2018 (the "**GBPs**") as set out by the International Capital Markets Association.

The Green Bond Framework establishes eligibility criteria for the use of the proceeds from the issuance of green bonds, including the Notes, to finance investments in eco-efficient and/or circular economy-adapted products ("**Eligible Green Projects**"). Eligible Green Projects include investments in or expenditures for the acquisition, construction, refurbishment or maintenance of facilities or assets related to:

- material recovery from non-hazardous waste: mainly ferrous and non-ferrous metals, of which more than 50% (in terms of weight) is processed and suitable for substitution of virgin materials in production processes;
- separate collection and transportation of non-hazardous waste in source segregation fractions, enabling net greenhouse gas emission reductions through reuse and high-quality recycling of waste;
- manufacture of secondary aluminum, producing significantly lower emissions than primary production; or
- recycling of end-of-life batteries.

Eligible Green Projects may include capital expenditures, operating expenditures related to improvement and extension of Eligible Green Projects, as well as acquisitions of "pure player" companies specialized in any of the above categories, meaning that at least 90% of the acquired company's revenue is derived from activities falling

in any of the above categories. Ecore is considered to be such a pure player and the use of proceeds from the Offering to fund the Acquisition is aligned with the Green Bond Framework.

We have established a dedicated internal Green Bond Committee to identify and select Eligible Green Projects. The committee is formed of representatives from our finance, sustainability, investor relations and executive management teams. The Green Bond Committee will be responsible for:

- reviewing, selecting and validating Eligible Green Projects under the Green Bond Framework;
- verifying and providing annual reporting on the allocation and impact of the net proceeds raised through green bonds (including the Notes); and
- monitoring the ongoing evolution of the GBPs, particularly in relation to disclosure and reporting, to ensure our activities are in line with best market practices.

The Green Bond Committee will meet on an annual basis, or more frequently as required, to review proposed allocations and ensure that these are in alignment with the Green Bond Framework.

The net proceeds of green bonds issued under the Green Bond Framework, including the Notes, will be overseen by our finance team.

Until the net proceeds are earmarked in full to Eligible Green Projects, and later, in case of any material change in the list of Eligible Green Projects earmarked, we intend to publish annual (i) an allocation report and (ii) an impact report, with the latter subject to the availability of suitable information and data. These reports will be publicly available on our website.

With the aim of providing disclosure on the allocation of net proceeds, the allocation report will include:

- the total amount of proceeds allocated to Eligible Green Projects, per category;
- the proportion of the proceeds allocated to the refinancing of existing Eligible Green Projects; and
- the balance of unallocated proceeds invested in cash or cash equivalents.

An external auditor will be appointed to provide limited assurance on the allocation report.

The impact report will provide information on the associated environmental impact metrics and outcomes of the green bond expenditures, subject to the availability of suitable information and data.

CAPITALIZATION

The following table sets forth the cash and the consolidated capitalization of the Issuer as of March 31, 2021 on an actual basis and on a *pro forma* as adjusted basis after giving effect to the Transactions, as if they had occurred on March 31, 2021.

The financial information in the actual column has been derived from the unaudited interim condensed consolidated financial statements of the Issuer as of and for the six months ended March 31, 2021, which are included elsewhere in this Listing Prospectus.

The table below should be read in conjunction with "*Unaudited Pro Forma Consolidated Financial Information*," "*Summary—The Transactions*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Description of Certain Other Indebtedness*," "*Description of the Notes*" and the financial statements and the related notes included elsewhere in this Listing Prospectus.

	As of March 31, 2021	
	Issuer Historical	**Issuer *Pro Forma***
	Unaudited	
	(€ in millions)	
Cash and cash equivalents [(1)]	**403.7**	**336.2**
Notes offered hereby [(2)]	—	300.0
Syndicated Term Loan [(3)]	210.0	210.0
Syndicated Revolving Credit Facility [(4)]	—	—
EIB Loan [(5)]	130.0	130.0
Bilateral medium / long-term loans [(6)]	103.8	123.8
Leases [(7)]	204.7	279.1
Factoring [(8)]	46.7	46.7
Other debt [(9)]	29.1	34.0
Amortized portion of debt issuance costs [(10)]	—	(6.0)
Total financial debt	**724.3**	**1,117.5**
Total equity	**599.7**	**602.4**
Total capitalization [(11)]	**1,324.0**	**1,719.9**

(1) Represents cash and cash equivalents as of March 31, 2021 on an actual and *pro forma* basis. *Pro forma* cash equivalents gives effect to the use of €225 million of the Group's and Ecore's cash on hand in connection with the Transactions. Cash and cash equivalents of Ecore amounted to €157.4 million as of March 31, 2021. See "*Use of Proceeds*."

(2) Represents the principal amount of the Notes being offered in the Offering.

(3) Represents the outstanding principal amount of drawings under the Syndicated Term Loan. For a description of our Syndicated Credit Facility Agreement, see "*Description of Certain Other Indebtedness*."

(4) The Syndicated Revolving Credit Facility provided for under the Syndicated Credit Facility Agreement provides for borrowings of up to €100 million. As of March 31, 2021, no amounts were drawn under the Syndicated Revolving Credit Facility. We do not expect to draw on the Syndicated Revolving Credit Facility in connection with the Transactions. For a description of our Syndicated Credit Facility Agreement, see "*Description of Certain Other Indebtedness*."

(5) Represents the outstanding principal amount under the EIB Loan. For a description of the EIB Loan Agreement, see "*Description of Certain Other Indebtedness*."

(6) Includes amortized portion of debt issuance costs related to our existing bilateral medium and long-term loans. We and Ecore are party to a number of bilateral credit agreements providing medium and long-term borrowings, including the GDE PGE. For a description of the GDE PGE, see "*Description of Ecore—Certain Financing Arrangements of Ecore*."

(7) Represents liabilities associated with finance leases (€146.0 million on an actual basis as of March 31, 2021 and €180.3 million on a *pro forma* basis as of March 31, 2021) and liabilities associated with operating leases pursuant to IFRS 16 treatment of leases (€58.7 million on an actual basis as of March 31, 2021 and €98.8 million on a *pro forma* basis as of March 31, 2021).

(8) Represents the portion of our factoring arrangements that are recognized as liabilities on our balance sheet. As of March 31, 2021, €260.2 million of our receivables and €82.7 million of Ecore's receivables were subject to non-recourse factoring.

(9) Consists primarily of overdraft facilities.

(10) Represents amortized portion of debt issuance costs related to the Notes.

(11) Total capitalization represents total financial debt plus total equity.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA OF DERICHEBOURG

The tables below set forth selected consolidated financial information for the Issuer as of and for the three financial years ended September 30, 2020, 2019 and 2018, and unaudited selected interim consolidated financial information as of and for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020.

The selected consolidated financial data as of and for the three financial years ended September 30, 2020, 2019 and 2018 have been derived from the Issuer's English translation of the Group Audited Consolidated Financial Statements included elsewhere in this Listing Prospectus. The Group Audited Consolidated Financial Statements have been audited by BM&A, Denjean & Associés Audit and Ernst & Young Audit, independent statutory auditors, as set forth in their audit reports, a free English translation of which is included therein. The Group Audited Consolidated Financial Statements discussed in this Listing Prospectus have been prepared in accordance with IFRS as published by the IASB and as adopted by the EU, as applicable at such dates.

The unaudited interim financial information as of and for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020, have been derived from the Issuer's English translation of the Group Interim Consolidated Financial Statements included elsewhere in this Listing Prospectus. The Group Interim Consolidated Financial Statements have been subject to a limited review by BM&A, Denjean & Associés Audit and Ernst & Young Audit, as stated in their limited review report thereon, a free English translation of which is included therein. The Group Interim Consolidated Financial Statements have been prepared in accordance with IAS 34, the international accounting standard relating to the establishment of interim financial statements, as adopted by the European Union and in force on March 31, 2021.

The selected financial information presented below also presents unaudited consolidated financial information of the Issuer for the twelve months ended March 31, 2021, which was calculated by adding together the unaudited consolidated interim financial information for the six months ended March 31, 2021 to the audited consolidated financial information for the year ended September 30, 2020 extracted from the Group Audited Consolidated Financial Statements as of and for the year ended September 30, 2020, and subtracting the unaudited consolidated interim financial information for the six months ended March 31, 2020.

During the periods under review in this Listing Prospectus, we have adopted certain accounting standards that may have an impact on the comparability of the financial information presented herein. This includes the adoption of IFRS 16—Leases. As a result, our consolidated financial statements included elsewhere in this Listing Prospectus may not be directly comparable between periods. See "*Presentation of Financial and Other Information*."

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, our financial statements and the accompanying notes included elsewhere in this Listing Prospectus, and should also be read together with the information set forth in "*Summary*," "*Presentation of Financial and Other Information*," "*Business*," "*Use of Proceeds*," "*Capitalization*," and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Selected Group Consolidated Income Statement Information

	For the year ended September 30,			For the six months ended March 31,		For the twelve months ended March 31,
	2018	2019	2020	2020	2021	2021
		(audited)			*(unaudited)*	
			(€ in millions)			
Revenue	2,919.7	2,705.0	2,464.1	1,302.3	1,649.9	2,811.7
Other revenues from operations	4.6	3.2	1.5	2.0	2.8	2.4
Cost of raw materials	(1,437.7)	(1,210.7)	(1,085.7)	(580.1)	(828.5)	(1,334.1)
External charges	(395.7)	(398.3)	(328.7)	(175.7)	(192.5)	(345.6)
Personnel expenses	(835.3)	(856.0)	(812.9)	(427.9)	(431.6)	(816.6)
Taxes and duties	(54.8)	(51.1)	(50.0)	(28.1)	(28.8)	(50.6)
Depreciation	(84.1)	(88.5)	(118.9)	(58.2)	(60.4)	(121.1)
Change in provisions	(10.7)	(6.5)	(11.0)	(2.0)	(7.2)	(16.3)
Changes in inventory: work-in-progress and finished products	2.2	(2.0)	1.1	0.8	0.6	0.8
Other operating expenses	(12.7)	(17.6)	(12.5)	(5.8)	(5.5)	(12.2)
Other operating income	22.7	25.7	15.4	6.0	13.5	22.9
Recurring operating profit (loss)	**118.3**	**103.1**	**62.4**	**33.4**	**112.3**	**141.3**
Other non-recurring expenses	(13.8)	(5.0)	(10.9)	(0.6)	(0.6)	(11.0)
Other non-recurring income	—	0.1	3.7	3.7	3.8	3.8
Gain/loss on disposal of consolidated companies	(8.2)	(0.8)	1.0	5.3	—	(4.4)
Operating profit (loss)	**96.3**	**97.5**	**56.2**	**41.9**	**115.5**	**129.8**
Net financial expenses	(11.7)	(9.7)	(12.3)	(5.7)	(7.2)	(13.8)
Foreign exchange and other gains and losses	(1.2)	(0.7)	(2.3)	(0.3)	0.6	(1.4)
Profit (loss) before taxes	**83.4**	**87.0**	**41.5**	**35.9**	**108.9**	**114.6**
Income taxes	(16.3)	(30.5)	(19.5)	(13.1)	(33.4)	(39.9)
Group share of income from associates and joint ventures	2.1	2.4	0.4	0.2	(0.8)	(0.7)
Net profit (loss)	**69.2**	**58.9**	**22.4**	**23.1**	**74.7**	**74.0**
Income net of tax from discontinued activities	3.4	—	—	—	—	—
Consolidated net profit (loss)	**72.6**	**58.9**	**22.4**	**23.1**	**74.7**	**74.0**
Attributable:						
- to shareholders	71.1	55.6	21.3	22.4	73.6	72.5
- to non-controlling interests	1.5	3.3	1.1	0.7	1.1	1.5

Selected Group Consolidated Balance Sheet Information

	As of September 30,			As of March 31,
	2018	2019	2020	2021
		(audited)		*(unaudited)*
		(€ in millions)		
Assets				
Goodwill	217.9	227.7	261.1	261.1
Intangible assets	6.2	8.0	7.5	6.7
Property, plant and equipment	480.9	539.2	497.7	496.9
Right of use	—	—	190.2	202.8
Financial assets	10.5	8.8	10.0	10.3
Investments in associates and joint ventures	17.1	18.5	12.6	11.8
Deferred tax	22.0	26.5	31.1	32.4
Total non-current assets	**754.6**	**828.5**	**1,010.1**	**1,022.0**
Inventories	76.7	67.8	105.3	136.7
Trade receivables	286.6	284.1	309.9	399.6
Tax receivables	11.4	3.8	4.1	4.6
Other assets	82.7	62.5	68.3	90.4
Financial assets	13.8	20.2	15.4	20.0
Cash and cash equivalents	145.6	284.6	361.9	403.7
Financial instruments	—	—	—	1.4
Total current assets	**616.9**	**723.0**	**865.0**	**1,056.4**
Total non-current assets and groups of assets held for sale	**41.4**	**5.8**	**—**	**—**
Total assets	**1,412.9**	**1,557.4**	**1,875.1**	**2,078.3**

	As of September 30,			As of March 31,
	2018	2019	2020	2021
Liabilities and equity		*(audited)*		*(unaudited)*
		(€ in millions)		
Share capital	41.0	39.9	39.9	39.9
Share premiums	16.5	0.8	0.8	0.8
Reserves	379.3	427.0	459.6	482.1
Net income for the year	71.1	55.6	21.3	73.6
Group shareholders' equity	**507.9**	**523.1**	**521.6**	**596.3**
Non-controlling interests	3.8	2.9	2.6	3.4
Total shareholders' equity	**511.7**	**526.0**	**524.2**	**599.7**
Financial borrowings and debts	156.2	324.8	572.2	541.5
Provision for pensions and similar benefits	42.6	49.6	50.8	52.0
Other provisions	25.3	23.7	33.4	32.8
Deferred taxes	17.5	17.1	23.2	22.6
Other liabilities	1.7	3.2	3.2	4.5
Total non-current liabilities	**243.4**	**418.4**	**682.6**	**653.4**
Financial borrowings and debts	84.5	84.8	130.9	182.9
Provision	4.8	2.6	4.6	2.6
Trade payables	281.2	257.1	254.5	346.0
Tax payables	3.3	7.7	4.7	27.1
Other liabilities	255.0	252.7	271.2	264.8
Financial instruments	1.1	2.7	2.3	1.9
Total current liabilities	**629.9**	**607.6**	**668.2**	**825.3**
Total liabilities related to a group of assets held for sale	**27.9**	**5.4**	**-**	**-**
Total liabilities	**1,412.9**	**1,557.4**	**1,875.1**	**2,078.3**

Selected Group Cash Flow Information

	For the year ended September 30,			For the six months ended March 31,	
	2018	2019	2020	2020	2021
		(audited)		*(unaudited)*	
			(€ in millions)		
Net cash flow from operating activities	170.2	165.1	176.4	49.3	110.3
Net cash flow from investment activities	(87.8)	(76.4)	(220.3)	(195.1)	(40.6)
Net cash flow from finance activities	(91.1)	57.1	121.6	137.0	(45.0)
Impact of foreign exchange rate fluctuations	0.4	1.6	(2.1)	(0.4)	0.2
Change in cash and cash equivalents	(8.3)	147.4	75.6	(9.2)	25.0
Cash and cash equivalents at beginning of the period	141.8	131.6	277.8	277.8	353.5
Cash and cash equivalents at close of the period	131.6	277.8	353.5	268.7	378.4

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA OF ECORE

The tables below set forth selected consolidated financial data for Ecore as of and for the three financial years ended September 30, 2020, 2019 and 2018, and unaudited selected interim consolidated financial information as of and for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020.

The selected consolidated financial data as of and for the financial years ended September 30, 2020 and 2019 have been derived from Ecore's English translation of the GEH Audited Consolidated Financial Statements included elsewhere in this Listing Prospectus. The GEH Audited Consolidated Financial Statements have been audited by BDO Paris Audit & Advisory, independent statutory auditor, as set forth in their audit reports, a free English translation of which is included therein. The GEH Audited Consolidated Financial Statements discussed in this Listing Prospectus have been prepared in accordance with IFRS as published by the IASB and as adopted by the EU, as applicable at such dates.

The unaudited interim financial information as of and for the six months ended March 31, 2021, including comparative figures for the six months ended March 31, 2020, have been derived from the English translation of the GEH Interim Consolidated Financial Statements included elsewhere in this Listing Prospectus. The GEH Interim Consolidated Financial Statements have been subject to a limited review by BDO Paris Audit & Advisory, as stated in their limited review report thereon, a free English translation of which is included therein. The GEH Interim Consolidated Financial Statements have been prepared in accordance with IAS 34, the international accounting standard relating to the establishment of interim financial statements, as adopted by the European Union and in force on March 31, 2021.

The selected financial information presented below also presents unaudited consolidated financial information of GEH for the twelve months ended March 31, 2021, which was calculated by adding together the unaudited consolidated interim financial information for the six months ended March 31, 2021 to the audited consolidated financial information for the year ended September 30, 2020 extracted from the GEH Audited Consolidated Financial Statements as of and for the year ended September 30, 2020, and subtracting the unaudited consolidated interim financial information for the six months ended March 31, 2020.

This section includes certain financial measures that are not required by or presented in accordance with IFRS because Ecore believes they provide investors with useful additional information to measure Ecore's performance, liquidity or capital expenditures. These non-IFRS financial measures have important limitations as analytical tools. Ecore believes that these non-IFRS measures are a useful indicator of Ecore's ability to incur and service Ecore's indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. You should exercise caution in comparing the non-IFRS measures as reported by us to non-IFRS measures of other companies. Non-IFRS measures have limitations as an analytical tool, and you should not consider them in isolation. See "*Presentation of Financial and Other Information—Non-IFRS Financial Measures.*"

During the periods under review in this Listing Prospectus, Ecore has adopted certain accounting standards that may have an impact on the comparability of the financial information presented herein. This includes the adoption of IFRS 16—Leases. As a result, its consolidated financial statements included elsewhere in this Listing Prospectus may not be directly comparable between periods. See "*Presentation of Financial and Other Information*."

The following tables should be read in conjunction with, and are qualified in their entirety by reference to, GEH's financial statements and the accompanying notes included elsewhere in this Listing Prospectus, and should also be read together with the information set forth in "*Description of Ecore*," "*Use of Proceeds*," and "*Capitalization*."

Selected GEH Consolidated Income Statement Information

	For the year ended September 30,		For the six months ended March 31,		For the twelve months ended March 31,
	2019	2020	2020	2021	2021
	(Post-IFRS 16)	*(Post-IFRS 16)*	*(Post-IFRS 16)*	*(Post-IFRS 16)*	*(Post-IFRS 16)*
	(audited)			*(unaudited)*	
			(€ in millions)		
Revenue	**1,159.7**	**880.5**	**471.1**	**658.0**	**1,067.4**
Cost of raw materials	(825.5)	(595.3)	(321.4)	(467.7)	(741.6)
Freight expenses	(118.1)	(96.6)	(52.6)	(62.5)	(106.6)
Cost of sales	(943.5)	(691.9)	(373.9)	(530.3)	(848.3)
External charges	(78.1)	(60.4)	(33.2)	(36.6)	(63.9)
Employee benefits expenses	(72.8)	(68.9)	(36.4)	(37.9)	(70.4)
Other operating income and expenses	(2.3)	(6.7)	(2.3)	(3.0)	(7.4)
EBITDA	**63.0**	**52.7**	**25.3**	**50.2**	**77.5**
Depreciation / amortization	(43.0)	(42.2)	(19.7)	(20.3)	(42.8)
Impairment	—	—	—	—	—
Other non-recurring incomes and expenses	(8.2)	12.3	—	—	12.3
Operating income (loss)	**11.8**	**22.8**	**5.7**	**29.9**	**47.0**
Interest expense	(18.9)	(22.6)	(11.3)	(11.4)	(22.6)
Interest income	0.1	—	—	—	—
Cost of net debt	(18.9)	(22.6)	(11.3)	(11.4)	(22.6)
Other financial income and expenses	(2.4)	(0.7)	(1.1)	(1.5)	(1.1)
Share of profit associates and joint-ventures	0.2	0.2	0.1	—	0.1
Profit (loss) before tax from continuing operations	**(9.3)**	**(0.3)**	**(6.7)**	**17.0**	**23.8**
Income tax expenses	(16.8)	10.2	(1.7)	(3.5)	8.5
Profit (loss) for the year	**(26.2)**	**9.9**	**(8.3)**	**13.6**	**31.8**

Selected GEH Consolidated Balance Sheet Information

	As of September 30,		As of March 31,
	2019	2020	2021
	(Post-IFRS 16)	*(Post-IFRS 16)*	*(Post-IFRS 16)*
	(audited)		*(unaudited)*
		(€ in millions)	
Assets			
Goodwill	109.1	110.1	110.0
Intangible assets	4.6	1.6	1.3
Right of use on other intangible assets	—	3.7	3.6
Property, plant and equipment	190.4	184.0	182.7
Right of use on other tangible assets	31.6	63.7	61.9
Shares in associates and joint-ventures	2.2	2.1	2.1
Deferred tax	24.3	38.4	38.7
Other non-current financial assets	14.6	14.7	13.0
Total non-current assets	**376.9**	**418.3**	**413.2**
Inventories	52.9	54.9	74.1
Account receivables	50.1	49.9	80.9
Tax receivables	4.8	2.7	1.1
Other current assets	9.5	6.6	9.9
Cash and cash equivalents	57.7	126.0	157.4
Assets held for sale	0.9	0.8	0.8
Total current assets	**175.9**	**241.0**	**324.2**
Total assets	**552.8**	**659.3**	**737.4**

	As of September 30,		As of March 31,
	2019	2020	2021
	(Post-IFRS 16)	*(Post-IFRS 16)*	*(Post-IFRS 16)*
	(audited)		*(unaudited)*
	(€ in millions)		
Liabilities and equity			
Total equity	**73.7**	**80.8**	**94.2**
Redeemable preference shares – long-term portion	2.0	2.0	2.0
Provisions – long-term portion	10.6	7.5	9.0
Long-term portion of long-term debt	244.6	266.9	267.7
Rental debt - long-term portion	25.5	61.6	59.6
Deferred tax liabilities	2.7	2.2	2.7
Other long-term debt	0.5	0.5	0.4
Total non-current liabilities	**285.9**	**340.8**	**341.4**
Provisions – short-term portion	6.0	4.2	3.3
Current portion of long-term debt	—	40.0	40.3
Rental debt - short-term portion	8.4	14.7	14.8
Account payables	172.7	171.8	233.1
Tax payable	1.8	2.3	2.6
Other current liabilities Short-term debt	2.7	2.3	3.7
Short-term debt	1.7	2.4	4.0
Total current liabilities	**193.3**	**237.7**	**301.7**
Total equity and liabilities	**552.8**	**659.3**	**737.4**

Selected GEH Cash Flow Information

	For the year ended September 30,		For the six months ended March 31,	
	2019	2020	2020	2021
	(Post-IFRS 16)	*(Post-IFRS 16)*	*(Post-IFRS 16)*	*(Post-IFRS 16)*
	(audited)		*(unaudited)*	
	(€ in millions)			
Operating activities Profit / (loss) after tax	**(26.2)**	**9.9**	**(8.3)**	**13.6**
Depreciation and impairment	42.6	42.2	19.7	20.3
Cost of net debt	18.9	22.6	11.3	11.4
Increase (Decrease) in provisions	3.6	(4.8)	(3.4)	0.5
Other non-cash (income) expenses	0.7	(1.7)	(0.8)	0.7
Net change in working capital [(a)]	62.8	0.5	1.0	11.0
Income tax (paid) received	(5.0)	(0.3)	0.8	(3.0)
Income tax (current and deferred)	16.8	(10.2)	1.7	3.5
Total net cash flow from operating activities.	**114.2**	**58.2**	**21.9**	**57.8**
Total net cash flow used in investing activities	**(15.1)**	**(16.6)**	**(8.1)**	**(10.1)**
Total net cash flow received from (used in) financing activities	**(116.3)**	**26.1**	**29.6**	**(17.9)**
Cash and cash equivalents at the beginning of period	73.2	56.0	56.0	123.7
Cash and cash equivalents at the end of period	56.0	123.7	99.4	153.4
Total net increase/(decrease) in cash and cash equivalents	**(17.2)**	**67.7**	**43.4**	**29.7**

[(a)] Computation based on (decrease)/increase in inventories, receivables and payables as disclosed in the consolidated statement of cash flows.

UNAUDITED *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION

The unaudited *pro forma* consolidated financial information presented herein was prepared pursuant to Commission delegated regulation (EU) 2019/980 on prospectuses, ESMA guidelines on prospectuses dated July 2020, and AMF position-recommendation 2021-02.

It includes the unaudited *pro forma* consolidated income statements for the year ended September 30, 2020, the half year ended March 31, 2021, an unaudited *pro forma* consolidated balance sheet at March 31, 2021 as well as a note describing the assumptions applied. The *pro forma* financial information has been prepared based on the assumptions described below, and should be read in conjunction with the following documents:

- the Derichebourg group audited consolidated financial statements for the year ended September 30, 2020, prepared in compliance with IFRS;
- the Derichebourg group unaudited condensed consolidated financial statements for the six months ended March 31, 2021, prepared in compliance with IFRS and which were the subject of a limited review by the Statutory Auditors;
- the Groupe Ecore Holding S.A.S. audited consolidated financial statements for the year ended September 30, 2020, prepared in compliance with IFRS; and
- the Groupe Ecore Holding S.A.S. unaudited condensed consolidated financial statements for the six months ended March 31, 2021, prepared in compliance with IFRS and which were the subject of a limited review by the Groupe Ecore Holding S.A.S. Statutory Auditors.

The unaudited *pro forma* consolidated financial information is presented in millions of euros, and reflects the acquisition (agreement signed on February 26, 2021) and financing of Groupe Ecore Holding S.A.S. as if the operation had been completed on March 31, 2021 for the *pro forma* consolidated balance sheet, on October 1, 2019 for the *pro forma* consolidated income statement for the year ended September 30, 2020.

All *pro forma* adjustments directly attributable to the business combination are based on factual elements, the financial impact of which can be reliably estimated. The *pro forma* financial information does not reflect any restructuring nor integration costs likely to result from the business combination. Nor does it reflect any potential savings that may be made through the elimination of certain expenses or as a result of operational or tax synergies. There has been no exercise to harmonize the accounting rules and methods. Therefore, the potential differences in accounting policies between Groupe Ecore Holding S.A.S. and Derichebourg group have not been adjusted in the *pro forma* accounts. Furthermore, the *pro forma* financial information does not include any gains or losses on any asset disposals that may be requested by the European Commission, the European competition authority, as a condition for the approval of the business combination.

The unaudited *pro forma* financial information is presented for information purposes only, and does not necessarily reflect the earnings or losses that the consolidated company would have achieved had the business combination been completed on October 1, 2019, nor does it reflect the balance sheet that the company would have presented had the business combination been completed on March 31, 2021. It should not be interpreted as an indication of the consolidated company's future results. The *pro forma* adjustments detailed below are based on currently available information, and on assumptions and estimates considered reasonable by Derichebourg.

These adjustments are directly attributable to the business combination and are based on factual elements:

- Provisional goodwill: Goodwill has been calculated as of March 31, 2021, without a preliminary assessment of the fair value of the assets acquired and liabilities assumed from Groupe Ecore Holding S.A.S.

  By definition, this goodwill is not the goodwill that will be presented in the next post-transaction financial statements.

- Cost of financing the acquisition: the issuance costs of the debt instrument have been recognized as a reduction of financial debt in the *pro forma* consolidated balance sheet as of March 31, 2021. Net financial expenses have been adjusted in the unaudited *pro forma* financial information to reflect the impact of the financing structure used to make the acquisition, by applying the amortized cost method, as if it had taken place on October 1, 2019 in the income statement for the year ended September 30, 2020.

- Acquisition-related costs: the estimated acquisition costs have been recognized in the *pro forma* income statement for the year ended September 30, 2020, as if the acquisition had occurred on October 1, 2019.

- Repayment of Groupe Ecore Holding S.A.S. financial liabilities as if it had taken place on March 31, 2021 in the *pro forma* consolidated balance sheet, and on October 1, 2019 in the *pro forma* consolidated income statement for the year ended September 30, 2020.
- The acquisition of Groupe Ecore Holding S.A.S. resulted in the takeover of Alsafer and Rohr Environnement, jointly owned by Derichebourg group and Groupe Ecore Holding S.A.S.

Groupe Ecore Holding S.A.S. is referred to as "**GEH**" in the various tables and paragraphs below.

Unaudited *pro forma* financial information for the year ended September 30, 2020

Unaudited pro forma consolidated income statement for the year ended September 30, 2020

(€ in millions)	**Sept. 30, 2020 Group Published**	**Sept. 30, 2020 GEH Published**	**GEH Acquisition and debt repayment (Note 1.1)**	**New debt issuance (Note 1.2)**	**Change in scope (Note 1.3)**	**Sept. 30, 2020 Group *pro forma***
Revenue	2,464.1	880.5			0.6	3,345.2
Other revenues from operations	1.5				0.0	1.5
Cost of raw materials	(1,085.7)	(595.3)			(0.1)	(1,681.1)
External charges	(328.7)	(157.1)	(4.0)		(0.1)	(490.0)
Personnel expenses	(812.9)	(68.9)			(0.2)	(882.0)
Taxes and duties	(50.0)	(6.7)			(0.0)	(56.6)
Depreciation	(118.9)	(42.2)			(0.0)	(161.1)
Change in provisions	(11.0)					(11.0)
Changes in inventory: work-in-progress and finished products.	1.1					1.1
Other operating expenses	(12.5)					(12.5)
Other operating income	15.4				0.0	15.4
Recurring operating profit (loss)	**62.4**	**10.4**	**(4.0)**		**0.1**	**68.9**
Recurring EBITDA	***180.9***	***52.7***	***(4.0)***		***0.1***	***229.7***
Other non-recurring expenses	(10.9)					(10.9)
Other non-recurring income	3.7	12.3				16.1
Gain/loss on disposal of consolidated companies	1.0				(1.2)	(0.2)
Operating profit (loss)	**56.2**	**22.8**	**(4.0)**		**(1.1)**	**73.9**
Net financial expenses	(12.3)	(22.6)	2.4	(10.1)	0.2	(42.4)
Foreign exchange and other gains and losses	(2.3)	(0.7)				(3.0)
Profit (loss) before taxes	**41.5**	**(0.5)**	**(1.6)**	**(10.1)**	**(0.9)**	**28.4**
Income taxes	(19.5)	10.2			(0.0)	(9.3)
Group share of income from associates and joint ventures	0.4	0.2			(0.2)	0.3
Net profit (loss)	**22.4**	**9.9**	**(1.6)**	**(10.1)**	**(1.1)**	**19.5**
Income net of tax from discontinued activities	—					
Consolidated net profit (loss)	**22.4**	**9.9**	**(1.6)**	**(10.1)**	**(1.1)**	**19.5**
Attributable:						
- to shareholders	21.3	9.5	(1.6)	(10.1)	(1.1)	18.0
- to non-controlling interests	1.1	0.4				1.5
Earnings per share: earnings attributable to Issuer shareholders *(in euros/share)*						
- basic	0.13					0.11
- diluted	0.13					0.11
Earnings per share: attributable to shareholders after net income from discontinued or held-for-sale operations *(in euros/share)*						
- basic	0.13					0.11
- diluted	0.13					0.11

Unaudited *pro forma* financial information for the six months ended March 31, 2021

Unaudited pro forma consolidated balance sheet as of March 31, 2021

(€ in millions)	March 31, 2021 Group Published	March 31, 2021 GEH Published	GEH Acquisition and debt repayment (Note 2.1)	New debt issuance (Note 2.2)	Change in scope (Note 2.3)	March 31, 2021 Group *pro forma*
Goodwill	261.1	110.0	139.5			510.7
Intangible assets	6.7	1.3				7.9
Right of use intangible assets		3.6				3.6
Property, plant and equipment	496.9	182.7				679.6
Right of use tangible assets	202.8	61.9				264.7
Financial assets	10.3	13.0				23.9
Investments in associates and joint ventures	11.8	2.1				11.6
Deferred tax	32.4	38.7				71.0
Other assets	—	—				—
Total non-current assets	**1,022.0**	**413.2**	**139.5**			**1,573.0**
Inventories	136.7	74.1				210.9
Trade receivables	399.6	80.9				480.7
Tax receivables	4.6	1.1				5.7
Other assets	90.4	9.9				100.3
Financial assets	20.0					20.0
Cash and cash equivalents	403.7	157.4	(519.1)	294.0		336.2
Financial instruments	1.4					1.4
Total current assets	**1,056.4**	**323.3**	**(379.6)**	**294.0**		**1,155.1**
Total non-current assets and groups of assets held for sale	**—**	0.8				0.8
Total assets	**2,078.3**	**737.4**	**(379.6)**	**294.0**		**2,728.9**
Share capital	39.9	0.4	(0.4)			39.9
Share premiums	0.8	257.4	(257.4)			0.8
Reserves	482.1	(182.4)	169.3		(1.2)	467.8
Net income for the year	73.6	13.1				86.7
Group shareholders' equity	**596.3**	**88.5**	**(88.5)**		**(1.2)**	**595.1**
Non-controlling interests	3.4	5.8	(1.8)			7.4
Total shareholders' equity	**599.7**	**94.2**	**(90.3)**		**(1.2)**	**602.4**
Financial borrowings and debts	541.5	327.3	(287.3)	294.0		875.5
Redeemable preference shares – long-term portion	—	2.1	(2.1)			—
Provision for pensions and similar benefits	52.0	—				52.0
Other provisions	32.8	9.0				41.8
Deferred taxes	22.6	2.7				25.3
Other liabilities	4.5	0.4				4.9
Total non-current liabilities	**653.4**	**341.4**	**(289.3)**	**294.0**		**999.5**
Financial borrowings and debts	182.9	59.2				242.0
Redeemable preference shares – short-term portion	—	—				—
Provisions	2.6	3.3				5.8
Trade payables	346.0	233.1				579.1
Tax payables	27.1	2.6				29.7
Other liabilities	264.8	3.7				268.5
Financial instruments	1.9	—				1.9
Total current liabilities	**825.3**	**301.7**				**1,127.0**
Total liabilities related to a group of assets held for sale	**—**	**—**				**—**
Total liabilities	**2,078.3**	**737.4**	**(379.6)**	**294.0**	**(1.1)**	**2,728.9**

Unaudited pro forma consolidated income statement for the six months ended March 31, 2021

(€ in millions)	March 31, 2021 Group Published	March 31, 2021 GEH Published	GEH Acquisition and debt repayment (Note 2.1)	New debt issuance (Note 2.2)	Change in scope (Note 2.3)	March 31, 2021 Group *pro forma*
Revenue	1,649.9	658.0			0.3	2,308.3
Other revenues from operations	2.8				0.0	2.8
Cost of raw materials	(828.5)	(467.7)			(0.0)	(1,296.3)

(€ in millions)	March 31, 2021 Group Published	March 31, 2021 GEH Published	GEH Acquisition and debt repayment (Note 2.1)	New debt issuance (Note 2.2)	Change in scope (Note 2.3)	March 31, 2021 Group *pro forma*
External charges	(192.5)	(99.1)	1.2		(0.1)	(290.5)
Personnel expenses	(431.6)	(37.9)			(0.1)	(469.6)
Taxes and duties	(28.8)				(0.0)	(28.8)
Depreciation	(60.4)	(20.3)			(0.0)	(80.6)
Change in provisions	(7.2)					(7.2)
Changes in inventory: work-in-progress and finished products.	0.6					0.6
Other operating expenses	(8.5)	(3.0)				(8.5)
Other operating income	13.5				0.0	13.5
Recurring operating profit (loss)	**112.3**	**29.9**	**1.2**		**0.1**	**143.6**
Recurring EBITDA	***172.6***	***50.2***	***1.2***		***0.1***	***224.1***
Other non-recurring expenses	(0.6)					(0.6)
Other non-recurring income	3.8					3.8
Gain/loss on disposal of consolidated companies						
Operating profit (loss)	**115.5**	**29.9**	**1.2**		**0.1**	**146.8**
Net financial expenses	(7.2)	(11.4)	8.4	(5.1)		(15.2)
Foreign exchange and other gains and losses	0.6	(1.5)				(0.9)
Profit (loss) before taxes	**108.9**	**17.0**	**9.6**	**(5.1)**	**0.1**	**130.6**
Income taxes	(33.4)	(3.5)			(0.0)	(36.9)
Group share of income from associates and joint ventures	(0.8)	(0.0)			(0.0)	(0.9)
Net profit (loss)	**74.7**	**13.6**	**9.6**	**(5.1)**	**0.0**	**92.9**
Income net of tax from discontinued activities						
Consolidated net profit (loss)	**74.7**	**13.6**	**9.6**	**(5.1)**	**0.0**	**92.9**
Attributable:						
- to shareholders	73.6	13.1	9.6	(5.1)		91.3
- to non-controlling interests	1.1	0.4			0.0	1.6
Earnings per share: earnings attributable to Issuer shareholders *(in euros/share)*						
- basic	0.46					0.57
- diluted	0.46					0.57
Earnings per share: attributable to shareholders after net income from discontinued or held-for-sale operations *(in euros/share)*						
- basic	0.46					0.57
- diluted	0.46					0.57

Notes relating to the unaudited *pro forma* consolidated financial information

1. Pro forma adjustments for the year ended September 30, 2020

Certain adjustments were made in order to reflect the recognition of the acquisition in the unaudited *pro forma* consolidated financial information. No tax effect has been recognized for these adjustments. These adjustments are detailed below. Following the acquisition, final and comprehensive valuations will be carried out to determine the fair value of GEH's identifiable assets and liabilities. These valuations may differ from those carried out prior to the acquisition and presented in the unaudited *pro forma* consolidated financial information.

1.1 GEH Acquisition and repayment of GEH historical debt

Adjustments made in relation with the repayment of GEH historical debt, made of €260.1 million long term bonds, after taking into account €5.1 million optional early redemption costs, and of €40 million revolving credit facility are the following:

- Recognition as financial interest expense amounting to €(5.1) million of the difference between the nominal value of the long term bond (100%) and its optional early redemption value (102%, with the assumption that the repayment takes place before November 15th, 2021).
- Cancellation of the net financial expense linked to GEH financing structure estimated to €16.4 million for the year ended September 30, 2020.

- Recognition in net financial expense of the difference between the amortized cost and the nominal value of the GEH long term bond, for €(8.9) million.\

Estimated acquisition related expenses amounting to €4 million have been recognized as external charges in the *pro forma* consolidated income statement.

1.2 New Derichebourg financing structure

The financing structure for the simulated acquisition of GEH on October 1, 2019 consisted of a €300 million bond issue by Derichebourg, recognized in the *pro forma* consolidated balance sheet at amortized cost in the amount of €294 million.

Future interest expense from the long-term bond issue in euros is approximate and provisional, and will be subject to changes in interest rates between the date the half-year report is published and the date the transaction is completed. A provisional €(10.1) million financial expense was recognized in the *pro forma* income statement, after the impact of an estimated amortized cost of €(0.5) million.

1.3 Change in scope

The purchase of GEH by Derichebourg will result in the takeover of Alsafer and Rohr Environnement, jointly owned by Derichebourg group and GEH. A provisional loss of €1.2 million has been recorded for the disposal of consolidated companies previously accounted for under the equity method, due to the change in consolidation method.

The full consolidation of Alsafer contributed €0.6 million and €0.1 million to *pro forma* consolidated Group revenue and operating income, respectively. As Rohr Environnement's contribution is fully consolidated in the GEH financial statements, no adjustment has been done to the profit and loss account.

2. Pro forma adjustments for the six months ended March 31, 2021

2.1 GEH Acquisition and repayment of GEH historical debt

The goodwill arising on the acquisition was preliminary determined at €249.5 million in the unaudited *pro forma* consolidated financial information.

GEH historical debt was derecognized, with the assumption of an early repayment on March 31, 2021. As a consequence, financial debts and borrowings have been diminished by €287.3 million, of which €247.3 million of amortized cost of long term bonds and € 40 million of revolving credit facility.

After taking into account optional early redemption costs amounting to €5.1 million, the amount to be paid would be €300.1 million, of which €260.1 million for the bonds and €40 million for the revolving credit facility.

Estimated net finance expense linked to GEH financing structure has been neutralized (€8.4 million) in the *pro forma* income statement for the period ending March 31, 2021.

Acquisition-related expenses were preliminarily estimated at €4 million in the *pro forma* consolidated income statement as of September 30, 2020. For this reason, €1.2 million acquisition related costs during the half year ended March 31, 2021 and accounted for among external charges have been reversed for the purpose of the *pro forma* financial information as of the same date.

2.2 New Derichebourg financing structure

The financing structure for the simulated acquisition of GEH on March 31, 2021 consisted of a €300 million bond issue by Derichebourg, recognized in the *pro forma* balance sheet at amortized cost in the amount of €294 million.

Future interest expense from the long-term bond issue in euros is approximate and provisional, and will be subject to changes in interest rates between the date the half-year report is published and the date the transaction is completed. A provisional €5.1 million financial expense was recognized in *pro forma* income statement, after the impact of an estimated amortized cost of €(0.2) million.

2.3 Change in scope

The purchase of GEH by Derichebourg group will result in the takeover of Alsafer and Rohr Environnement, jointly owned by Derichebourg group and GEH. Acquired non-controlling interests in GEH decreased by €1.8 million due to the takeover of Rohr Environnement, corresponding to Derichebourg group's share in the company's shareholders' equity.

The full consolidation of Alsafer contributed €0.3 million and €0.1 to *pro forma* consolidated Group revenue and operating income, respectively. As Rohr Environnement is fully consolidated in the GEH financial statements, no adjustment has been made to the profit and loss account.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). This discussion includes forward-looking statements that, although based on assumptions we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied herein. See "Forward-Looking Statements" and "Risk Factors" for a discussion of the risks, uncertainties and assumptions associated with these statements.

Overview

We are a leading global operator of environmental and outsourced services to businesses and local authorities, serving our customers for more than 70 years while protecting their environment. We are both an international operator and a local actor providing our customers with global solutions in ten countries as of March 31, 2021. We generated €2.8 billion of revenue and €262.1 million of Recurring EBITDA for the twelve months ended March 31, 2021.

We provide an extensive range of products and services to private businesses and the public sector through two business divisions: Environmental Services and Multiservices.

Our Environmental Services business division is engaged in two primary activities: recycling and public sector services. Our recycling business recycles ferrous metals (metals containing iron for use in the steel industry) and non-ferrous metals (primarily aluminum and copper), and provides related services to private sector and public clients, including the treatment of WEEE, the management and distribution of ELVs, the treatment of by-products from steel mills and other industries, and the collection of common industrial waste. Our public sector services business provides a range of services to towns and municipalities in metropolitan France, Canada and Réunion Island, comprising the collection and handling of household waste, the cleaning of public spaces, dump management and sorting centers management. As of March 31, 2021, our Environmental Services business division had operations in more than 200 sites in nine countries. For the twelve months ended March 31, 2021, our Environmental Services business division generated €1,990.1 million in revenue and €224.7 million in Recurring EBITDA.

Our Multiservices business division includes several activities that address our public and private sector clients' desire to outsource labor-intensive functions and activities in order to focus on their core businesses. We provide a host of solutions to our clients, addressing needs in the tertiary sector, urban areas, industry and human resources and temporary services. As of March 31, 2021, our Multiservices business had operations in six countries. For the twelve months ended March 31, 2021, our Multiservices business generated €821.0 million in revenue and €45.7 million in Recurring EBITDA.

Over the years, our group has grown both organically and through acquisitions. Most recently, on December 30, 2020, we entered into exclusive negotiations for the acquisition of Ecore, a group specialized in metal recycling spanning the value chain from the collection of waste to the sale of recycled materials. On March 1, 2021, we announced the signature by Derichebourg Environnement of an agreement to acquire GEH, the holding company of Ecore. Ecore holds the second largest market share of the French metal recycling market for the valorization of metal waste based on revenue and is present in six countries in Europe. After giving effect to the Acquisition, we would have generated *pro forma* revenue of €3,879.7 million and Adjusted *pro forma* Recurring EBITDA of €362.0 million for the twelve months ended March 31, 2021. For more information on the Acquisition, see "*Business—The Acquisition*."

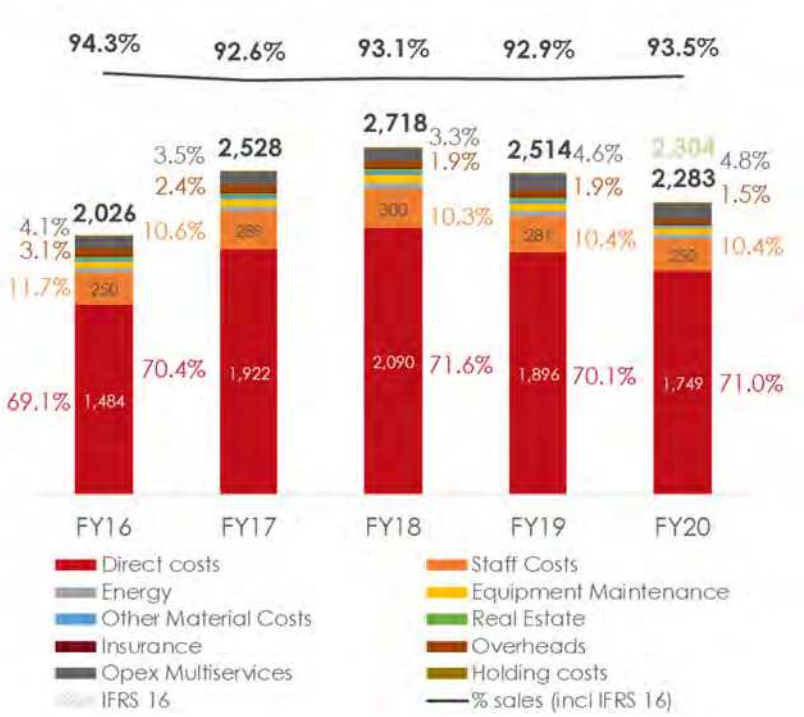
Key Factors Affecting Results of Operations

Our results of operations have been, and may continue to be, affected by the key factors set forth below, as well as other factors, many of which are beyond our control.

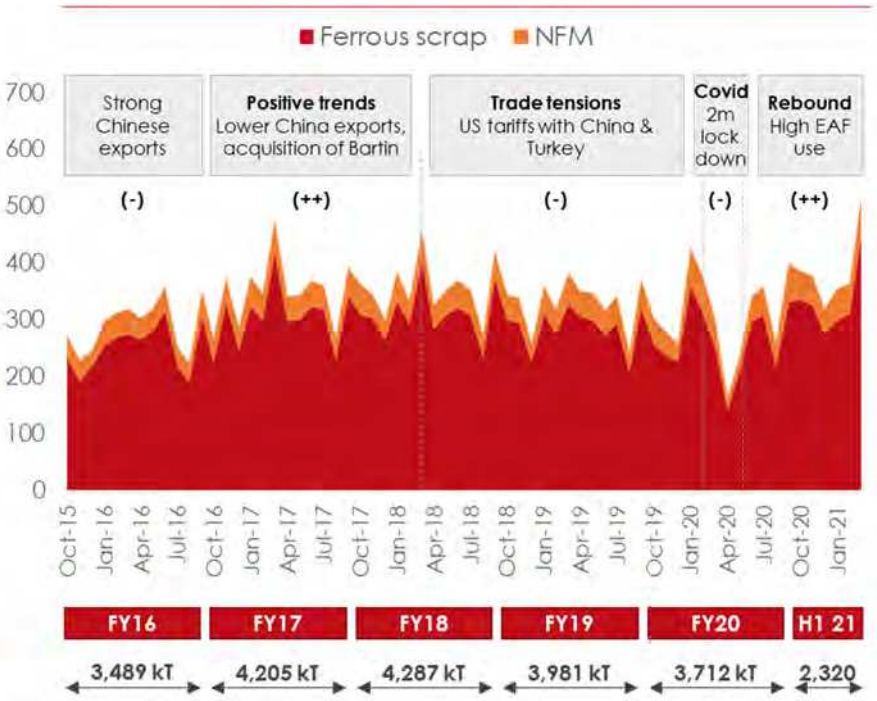
Volumes of Recycled Waste

The results of operations of our Environmental Services business, and more particularly, that of our recycling business, are affected by the volume and types of waste that we collect and process. Waste volumes affect our logistics costs and our utilization rates. Given the largely fixed cost nature of our Environmental Services business and the high processing capacity of our waste processing and recycling sites, higher volumes generally allow us to keep our sites at optimal utilization rates, thereby utilizing our machinery and personnel more efficiently without incurring any significant additional costs. Our logistics costs, however, do increase with larger volumes, depending in part on the type of waste, as certain categories of waste have larger volumes per ton (for example, construction

waste) and therefore slightly higher transportation costs. The chart below breaks down our operating costs by nature, as well as the percentage such costs represented of revenue, for the periods shown.



We recycle primarily metals, including both ferrous and nonferrous materials. Volumes of metals serviced in our business fluctuate due to a number of reasons, including general economic conditions, regulatory changes and market trends. Volumes of both ferrous scrap and non-ferrous metals have increased over recent months, driven primarily by positive economic trends. The chart below shows the evolution of kilotons of metal scrap that we have processed from October 2015 until March 2021.



We limit our exposure to fluctuations in price for the materials we recycle (both on the supply side and the sale side) by only entering into short-term spot agreements for the sale of processed metals, which we match with the purchase of waste for processing. In this way we are able to protect our unit margins in our recycling business (which we define as the difference between the selling price, the buying price per ton, transportation costs and

other direct costs). The chart below illustrates our unit margins, expressed in euros per ton, for ferrous metals and non-ferrous metals recycling for the periods shown.



General Economic Conditions and International Trade

The results of operations of both of our business divisions are subject to change based on general economic conditions, and, more specifically for our Environmental Services business division, factors impacting international trade.

Demand for most of our Environmental Services products is cyclical in nature and sensitive to general economic conditions. The cyclical nature of our operations tends to reflect and be amplified by changes in economic conditions, both European and internationally. We are particularly sensitive to macroeconomic conditions in France and Spain, in which we generated 70% and 16%, respectively, of our revenue for the twelve months ended March 31, 2021, which impact the primary drivers of our customers' businesses, in turn impacting demand for our services. For example, our Environmental Services business can be impacted by overall reduced economic activity, which tends to lower waste volumes and negatively impact demand for raw materials from recycling, including ferrous and non-ferrous metals. In addition, private consumption and therefore recycling can be significantly reduced in a recessionary environment.

We derive a part of our revenues from sales of ferrous and non-ferrous metals to customers located outside of the European Union, mainly in the United States, China, Turkey, the Middle East and other Asian countries. Moreover, the price of the products we sell is more broadly influenced by market conditions in countries outside of the European Union, especially in China and Turkey. As a result, our business and prospects are impacted by sales of secondary raw materials from recycling to foreign end-users located outside of the European Union, such as Turkey for ferrous scrap metals, China for non-ferrous metals and the United States for both ferrous and non-ferrous metals. Trade in secondary raw materials is directly impacted by the imposition of tariffs, quotas or embargoes, export controls, trade barriers and trade disputes and regulations related to customs and export/import matters. For example, the United States and China have in recent years engaged in trade policies that have resulted in tension in the metals markets, including the imposition of tariffs on steel products (such as high tariffs on steel imports from Turkey imposed in the United States since 2018) and aluminum products (such as the 10% tariff on raw aluminum products exported from Canada imposed by the United States in 2020). The imposition or implementation of such restrictive measures can lead to the segmentation of international trade and have a negative impact upon the prices and/or volumes of recycled materials processed by us. Such trade actions could also result in a decrease in international metal demand beyond that already experienced and further negatively impact demand for our services. We believe that we are positioned to benefit from a number of positive dynamics affecting international trade. On May 1, 2021, China abolished its import duties on steel and ferrous metals, which we expect to have a positive effect on demand for imported steel and ferrous metals in China, which we expect to have a generally positive effect on prices for steel and ferrous metals worldwide. Additionally, since the fall of 2020, Turkish economic activity has increased significantly, driving demand for ferrous metals such as those we recycle. Generally, the improvement of macroeconomic conditions following the crisis resulting from the COVID-19 pandemic stands to boost demand for our products and services.

Our Multiservices business can also be impacted by poor macroeconomic conditions, which can cause our customers to seek to downsize their businesses, delay their outsourcing projects, or otherwise reduce their demand for our services, in particular those services that customers perceive as discretionary (including, for example, with respect to hours, types of services, or scope of services). Periods of recession or deflation may also have an adverse impact on prices and payment terms, including in respect of services that customers may perceive as non-discretionary. In addition, at times of economic uncertainty, our public sector customers may face extensive budgetary or political pressures. As a result, economic downturns or a prolonged period of slow growth in any of the markets that we address or in which we operate could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Despite challenging economic conditions as a result of the COVID-19 pandemic, we have been able to demonstrate resilience due to our diversified range of businesses. For example, our waste collection business and the cleaning services we provide through our Multiservices business division were considered as essential services, demand for which remained strong and provided steady revenue streams while our other businesses experienced a slowdown due to reduced demand as a result of the pandemic and related lockdown measures.

Regulatory Framework

Both of our business divisions are impacted by the regulatory framework to which we are subject.

Our Environmental Services business division has been affected and is expected to continue to be affected by environmental laws and regulations in most of the jurisdictions in which we operate. Our Environmental Services results of operations are substantially dependent on the availability of metal waste, which is the output of a number of industries, including the automotive, construction, industrial, appliance, machinery, equipment and transportation industries. Environmental laws and regulations governing the disposal, treatment and recycling of metal, particularly in the European Union, have affected in the past and are expected to continue to affect these industries, including by prioritizing recycling over disposal. As relevant laws and regulations continue to impose stricter requirements regarding the environmentally safe disposal, treatment and recycling of metal, we expect demand for our services to increase. In addition, stricter environmental laws and regulations have also created additional compliance barriers and related expenses for new entrants in the niche recycling markets in which we operate. New entrants need to obtain approvals, authorizations and accreditations from authorities for any new metal scrap activity, which can be a demanding process.

Our Multiservices business is also impacted by changes in laws and regulations. Given the labor-intensive nature of the services that we provide through our Multiservices business, we are particularly affected by labor laws and regulations.

For a description of the regulatory environment to which our business is subject, see "*Regulation*."

The COVID-19 Pandemic

Until mid-March 2020, our activities saw very little disruption from the health crisis caused by the outbreak of the COVID-19 pandemic. The lockdown measures announced on March 16, 2020 with effect from March 17, 2020 had a sudden impact on our business in France, our main country of operation.

Faced with this unprecedented health and economic shock, we took the following measures:

- Measures to protect employees
    - Equipment for employees (social distancing, gel, masks, ventilation) in accordance with the instructions of the public authorities and according to individual work situations.
    - Use of home working for office staff wherever it was possible during the lockdown period.
- Economic measures
    - Use of the furlough scheme for staff whose work was no longer needed or whose hours had been reduced due to the COVID-19 crisis.
    - Identifying cost savings opportunities: sponsorship, fees and travel costs (which were reduced automatically due to the impossibility of travel during the lockdown period).
    - Delaying capital expenditures.

Each of our business divisions was impacted differently during the year ended September 30, 2020.

Environmental Services

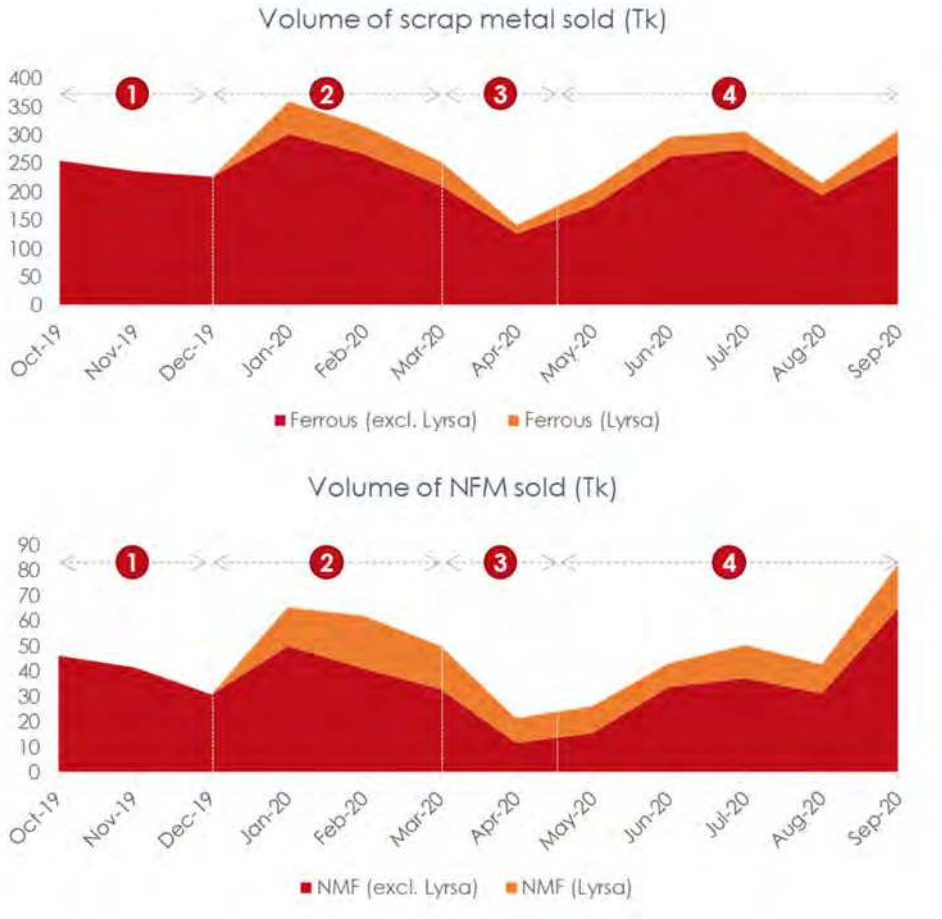
The following changes occurred in the Recycling business:

- In France, business activity fell sharply and progressively from March 17, 2020 under the combined effect of the temporary closure of several scrap metal-consuming plants and a scarcity of scrap metal supply (including shutdown of the automobile industry, lower overall consumption, ban on travel by private individuals), and as of April 10 had flattened to around 15% of our usual business volume. We were forced to close most of our small retail sites due to the lack of footfall. All of our industrial sites remained open and used the furlough scheme. As anticipated, there was a gradual upward trend in footfall after Easter weekend. The increase continued and was more pronounced from May 11, 2020, when lockdown

easing began. By September 2020, we had returned to a level of business activity comparable to that of last year.

- In Spain, the drop was also pronounced and happened a little later, falling to 20% of the usual volume before rapidly rising to 40% of its pre-health crisis level. By September 2020, it had returned to a normal level of business activity. It should be noted that our lead refinery had to shut down for one month during the summer due to a lack of battery supplies.
- Business volume was more resilient in Germany, where it never fell below 50%. In the United States and Mexico, it had almost returned to 100% by June.

The graphs below illustrate the changes in volumes of ferrous and non-ferrous scrap sold, in thousands of tons, during the year ended September 30, 2020:



In Public Sector Services, the volume of activity remained close to nominal volume throughout the fiscal year, as this is an essential service to the population. Thanks to the commitment of our employees, a high level of service quality was maintained on all of the various contracts throughout the year.

Multiservices business

The following changes occurred in the Multiservices business:

- Tertiary Sector Cleaning Business: Our cleaning business operates on a very fragmented basis over thousands of customer sites. Our cleaning business activity levels fell to about 55% of their nominal volume by around April 10, 2020, due to the closure of many customer sites. It gradually rose to 80% by the end of May and 100% in July. It should be pointed out that this business activity is not particularly exposed to the hotel and catering, tourism and airport markets. Derichebourg Propreté used the furlough scheme for closed sites and support services, which experienced lower levels of activity. We were able to meet additional customer requirements for masks, hand sanitizer gel, and disinfection of premises. The slow return to in-person working conditions has led to some decreased demand for services from certain of our clients, although we expect that this will be return as guidelines for teleworking are progressively loosened.

- Urban Area business: This business follows the same patterns as the advertising billboard business, which was almost at a standstill during lockdown. However, the customers of this business pay a contractual share of fixed costs, regardless of the level of activity, which limited the impact on our results.
- Non-specialized temporary staffing: During the strictest lockdowns in the spring of 2020, our agencies operated using home working. Activity for the Retail sectors was of a standstill during the lockdown, while activity for low-volume customers and aeronautics also fell sharply. The supermarket, logistics and banking sectors held up better. The business activity rate was 30% in April, and 50% by the end of May. It gradually rose to 90% at the end of the fiscal year, with, however, a major effort to modify the customer base to move towards sectors such as logistics and health.
- Temporary staffing for aeronautics: This business suffered the most in terms of business volume, since the activity fell to 30% of the usual revenue from April and has continued to struggle to gain momentum. We implemented a business safeguard plan ("**BSP**") for our subsidiary dedicated to temporary staffing solutions for the aeronautics sector in order to close branches that no longer had critical volumes, and to adapt costs to the new environment.
- Industry business (for the aeronautics sector): In France, the business activity rate fell to around 30% of nominal activity in April, before rising to 50% in June. This figure has changed little since then. Faced with a lack of workload for around 700 employees, we negotiated and signed a collective performance agreement with the relevant representative trade union organizations. This agreement, which was offered individually to all employees, sets out:
    - a commitment to refrain from dismissal on economic grounds as long as the long-term furlough plan provided by the State continues on the same basis;
    - part-time working of 40% for all employees, during which employees will carry out training; and
    - an average reduction of around 15% in gross compensation, to offset the remainder to be paid by us for the long-term furlough scheme.

  Those who did not accept the agreement left our employ subject to individual redundancy agreements. In the other countries where this business activity operates (Germany, Spain, United States, Canada and China), where we does not have the same critical size, the impact is even more significant. We have therefore closed the subsidiary in Canada, and adopted a BSP in Spain and a restructuring plan in Germany.

Despite the continued difficult health context due to the COVID-19 pandemic, particularly in France, which experienced a second and third wave of the outbreak during the six months ended March 31, 2021, our activity taken as a whole was not materially disrupted during the period, even if certain of our businesses (particularly in the aeronautics sector) continue to face lower levels of activity. We do not believe demand for our aeronautics services will improve until after air traffic has resumed.

Factors Affecting Comparability of Results

Changes in Consolidation Scope

We have engaged in a number of acquisitions and disposals during the periods under review that have affected the consolidation scope for our consolidated financial statements. A description of the material changes in our consolidation scope during the periods under review is below. In addition to the transactions mentioned below, the Acquisition will have a significant impact on our consolidated financial statements once the Acquisition is completed.

Year ended September 30, 2020

Lyrsa Acquisition

On December 20, 2019, our subsidiary Derichebourg Environnement completed the acquisition (the "**Lyrsa Acquisition**") of the Lyrsa Group (subsequently renamed Derichebourg España on September 1, 2020), Spain's leading independent player in scrap metal recycling. The Lyrsa Acquisition was financed using our available cash and existing credit lines.

Derichebourg Environnement acquired 100% of the investments held by Layro SA in Lajo y Rodriguez SA (Lyrsa), Aragonesa de Chatarras y Metales SA (Archamesa) and Recuperaciones Díaz SA (Redisa). The Lyrsa

Group also owned 50% of Reyfra (a company that operates a scrap metal shredder in Madrid), whose joint shareholder was Derichebourg Environnement.

In the calendar year 2019, the Lyrsa Group's operations acquired in the Lyrsa Acquisition generated revenue of €450 million (including the full consolidation of Reyfra) and an EBITDA of €17.3 million. The Lyrsa Group processes nearly 1 million metric tons of metal waste per year, including around 160,000 metric tons of non-ferrous metals.

The Lyrsa Group operates 18 recycling centers, 17 of which are in Spain and one of which is in Portugal. It also operates three shredders (including one from prior to the Lyrsa acquisition, jointly owned with the Derichebourg Group through Reyfra), a center for sorting of the metals derived from the crushing process, an aluminum refinery and a lead refinery.

The Lyrsa Group has been consolidated into our financial statements as of January 1, 2020.

Strategic Partnership with Saur

On August 6, 2020, we announced the conclusion of a strategic partnership with Saur, a French company specialized in water management, focusing on services to local authorities in the water and sanitation sector. This partnership aims for reciprocal development of the business activities of the two groups. Under the terms of this partnership, Saur acquired 51% of the capital of Derichebourg Aqua, which manages public collective sanitation services for the municipalities of Verneuil-sur-Seine and Vernouillet in the French *département* of Yvelines and for the mixed sanitation association (*syndicat mixte d'assainissement*) in Les Sablons in the French *département* of Oise, as well as drinking water services in Saint-Leu on Réunion Island through its subsidiary Derichebourg Aqua Océan Indien.

Year ended September 30, 2019

Acquisitions in the Multiservices Division

During the year ended September 30, 2019, we acquired a number of businesses as part of our growth strategy for the Multiservices business division.

Our cleaning business, Derichebourg Propreté, acquired the following businesses through the acquisition of equity interests or business assets:

- Alizé and Alizé Alsace, operating in Franche-Comté and Alsace, with annual revenue of €3.5 million;
- CCI and SVP 30, specialized in industrial maintenance in the Nîmes region, with annual revenue of €2 million;
- ASP and ASP 85, operating in the south of Maine-et-Loire and Vendée, with annual revenue of €2 million;
- Net Services and DML, operating in the Oise, with annual revenue of €3.5 million;
- Aquitaine Nettoyage, operating in the Landes and Pays de l'Adour, with annual revenue of €3 million, mainly in the service sector, retail and the agri-food industry;
- A2 Propreté, operating in Corrèze and Haute-Vienne, with annual revenue of €2 million; and
- a majority stake in the three companies of Grupo Net, a group based in continental Spain, the Canary Islands and the Balearic Islands that specializes in cleaning, related services and green spaces, which recorded revenue of €30 million in 2018.

We also expanded our energy, remote surveillance and temporary employment services offering through three acquisitions:

- on January 30, 2019, Derichebourg Énergie acquired the shares of Vibey Énergies, a company specializing in electrical work for the construction industry, operating in the Bordeaux region and Arcachon basin of France, earning annual revenue of €5 million.
- on April 1, 2019, Derichebourg Technologies acquired Steo's remote surveillance business.
- Derichebourg Intérim acquired the shares of Immedia Services, a company that operates three agencies temporary employment agencies in Arras, Liévin and Valenciennes and posted revenue of €12 million in 2018.

Sale of San Germano and CMT

On January 30, 2019, our subsidiary Derichebourg Environnement sold its household waste collection, urban cleaning and waste processing businesses in Italy to Iren Ambiente through the sale of its subsidiaries San Germano and CMT. The contribution of these businesses to our consolidated revenue for the year ended September 30, 2018 amounted to €61 million (2.1% of total revenue).

Sale of our operations in Morocco

In line with our strategy of ongoing growth in the European market, in September 2019, we sold to our partner the 51% stake we held in Derichebourg A&D Développement, the holding company for all our household waste collection and service activities in Morocco. Overall, the earnings from our Moroccan operations and the proceeds of their sale had an immaterial impact on our pre-tax profit for the year ended September 30, 2019. For the year ended September 30, 2018, the contribution of these operations amounted to 2% of our revenue, 4% of our Recurring EBITDA and 12% of our external debt.

Disposal of Derichebourg Services & Ingénerie Nucléaire

On October 1, 2019, our subsidiary Derichebourg Multiservices Holding sold its shares in Derichebourg Services & Ingénierie Nucléaire to a company specialized in nuclear services and engineering. For the year ended September 30, 2019, Derichebourg Services & Ingénierie Nucléaire earned revenue of €1 million. Taking into account the reassessment of the project results for the fiscal year, and the penalties incurred for late delivery, the business's contribution to our consolidated operating income (loss) amounted to a loss of €8.7 million, including a €5.0 million recorded under other non-recurring expense, for the year ended September 30, 2019.

Changes in Accounting Methods

The principal change in accounting methods that has affected the comparability of our results of operations during the periods under review was the entry into force of IFRS 16 (Leases) as of October 1, 2019, which is discussed below. For a further discussion of changes in accounting methods that have occurred, see note 2.1.1 to our unaudited interim condensed consolidated financial statements as of and for the six months ended March 31, 2021 and our audited annual consolidated financial statements as of and for the years ended September 30, 2020 and 2019 included in this Listing Prospectus.

IFRS 16 – Leases

IFRS 16 (Leases), which the IASB published in January 2016 and which became mandatory for companies reporting according to IFRS from January 1, 2019, eliminates the distinction between operating and finance leases, and requires almost all leases to be recognized on the balance sheet. Under this new standard, an asset (the right to use the leased asset) and a financial liability, measured as the net present value of future lease payments, are recognized. Short-term leases and low-value leases are exempted. The new standard affects certain commonly used financial ratios and performance metrics because of its impact on the balance sheet and on the nature of the expenses related to leases, as rent expenses are substantially replaced with depreciation and finance costs. IFRS 16 requires lessees to recognize assets corresponding to the right to use the underlying leased asset for the estimated term of the lease, as well as liabilities corresponding to the discounted obligation to make lease payments for substantially all leases. Operating lease expense in the consolidated income statement is replaced by depreciation of the right-of-use asset, and interest expense on the financial liability, presented in financial expenses. Rents from contracts excluded from the IFRS 16 scope are recognized under non-recurring expenses.

We applied IFRS 16 to our consolidated financial statements as of October 1, 2019 using the simplified retrospective approach, without restating our financial statements for previous periods. The main impacts of IFRS 16 on our balance sheet as of September 30, 2020 consisted of the recognition of right of use assets related to our leases of €54.3 million, an increase in non-current financial debt of €38.9 million and an increase in current financial debt of €14.7 million.

The impacts of the application of IFRS 16 on our income statement for the year ended September 30, 2020 are as follows:

	in millions of euros
External charges	20.9
Other operating expenses	(0.1)
Depreciation	(20.4)
Recurring operating profit (loss)	**0.4**
Operating profit (loss)	**0.4**
Net financial expenses	(1.1)
Profit (loss) before tax	**(0.7)**

The table below shows the impact of the application of IFRS 16 on our Recurring EBITDA for the year ended September 30, 2020.

in millions of euros	**For the year ended September 30, 2020**	**IFRS 16 Impact**	**For the year ended September 30, 2020 (excluding IFRS 16)**
Environmental Services	142.2	8.8	133.4
Multiservices	44.0	12.0	32.0
Holding companies	(5.3)	0.1	(5.3)
Environmental Services Revenue	**180.9**	**20.8**	**160.1**

For further detail on the impact of the application of IFRS 16 on our financial statements, see note 2.1.1 to the Group Audited Consolidated Financial Statements as of and for the year ended September 30, 2020.

Explanation of Key Line Items from the Income Statement

The following is a summary description of certain line items from our income statement. For more information, see the notes to our consolidated financial statements included in this Listing Prospectus.

Revenue consists of sales of our products and from the services rendered under each of our business divisions.

Cost of raw materials mainly consists of costs for ferrous and nonferrous scrap as well as unavoidable costs in connection with the use of raw materials, such as commissions paid to intermediaries and landfill costs related to shredder waste.

External charges mainly include lease rentals, electricity and water, fuel and gas, insurance and administrative expense as well as maintenance and repairs of equipment.

Personnel expenses includes wages and salaries paid to employees, social charges payable by us in respect of our workforce, expense related to employee profit sharing and was presented net of income from the French employment competitiveness tax credit (*crédit d'impôt pour la compétitivité et l'emploi)* prior to its phase-out in 2019.

Taxes and duties includes taxes other than on income, including taxes on salaries and French corporate taxes on real estate (*Cotisation foncière des entreprises)* and the added value produced by companies (*Cotisation sur la valeur ajoutée des entreprises*, or "**CVAE**") comprising the French territorial economic contribution (*Contribution territoriale économique*).

Depreciation presents the income statement impact of the depreciation of our assets in accordance with IFRS.

Change in provisions presents the income statement impact of the amortization of provisions on current assets and for provisions for liabilities and charges.

Other operating expenses include, among other things, proceeds from sales of property, plant and equipment and write backs on provisions.

Other operating income includes, among other things, the carrying amount of non-current assets sold, losses from irrecoverable and written-off receivables, duties and licenses and board member/attendance fees paid.

Other non-recurring expenses and income include certain items which, by definition, are not included in an assessment of a business unit's recurring operating performance, such as certain non-recurring items that would distort analyses of our recurring profitability. They are defined as significant items of income and expense that are limited in number, unusual or abnormal, whose occurrence is rare.

Gain/loss on disposal of consolidated companies includes the impact on our income statement of disposals affecting our consolidation scope.

Net financial expenses comprise interest expense on financial liabilities, leasing interests, income from investment securities and cash equivalents, interest rate hedges and related currency effects.

Income tax consists of current and deferred taxes calculated in accordance with the relevant tax laws in force in the jurisdictions in which we operate.

Results of Operations

Six months ended March 31, 2021 compared to the six months ended March 31, 2020

The table below sets out our results of operations from continuing operations for the six months ended March 31, 2021 and 2020.

	For the six months ended March 31,	
	2021	**2020**
	in millions of euros	
Revenue	1,649.9	1,302.3
Other revenues from operations	2.8	2.0
Cost of raw materials	(828.5)	(580.1)
External charges	(192.5)	(175.7)
Personnel expenses	(431.6)	(427.9)
Taxes and duties	(28.8)	(28.1)
Depreciation	(60.4)	(58.2)
Change in provisions	(7.2)	(2.0)
Change in inventory; work-in-progress and finished products	0.6	0.8
Other operating expenses	(5.5)	(5.8)
Other operating income	13.5	6.0
Recurring operating profit (loss)	**112.3**	**33.4**
Other non-recurring expenses	(0.6)	(0.6)
Other non-recurring income	3.8	3.7
Gain/loss on disposal of consolidated companies		5.3
Operating profit (loss)	**115.5**	**41.9**
Net financial expenses	(7.2)	(5.7)
Foreign exchange and other gains and losses	0.6	(0.3)
Profit (loss) before tax	**108.9**	**35.9**
Income tax	(33.4)	(13.1)
Group share of income from associates and joint ventures	(0.8)	0.2
Net profit (loss) from continuing operations	**74.7**	**23.1**
Income net of tax from discontinued activities		
Consolidated net profit (loss)	**74.7**	**23.1**

Revenue

Revenue increased by €347.6 million, or 26.7%, from €1,302.3 million for the six months ended March 31, 2020 to €1,649.9 million for the six months ended March 31, 2021, due to an increase in Environmental Services revenue, which was only partially offset by a decrease in Multiservices revenue.

Environmental Services

Environmental Services revenue increased by €362.7 million, or 42.3%, from €857.6 million for the six months ended March 31, 2020 to €1,220.3 million for the six months ended March 31, 2021, due to improved volumes and pricing, as well as the impact of the Lyrsa Acquisition.

The table below shows a comparison of our Environmental Services business division revenue for the six months ended March 31, 2021 and 2020 broken out by principal activity.

	For the six months ended March 31,	
	2021	**2020**
	in millions of euros	
Ferrous metals	578.7	361.0
Non-ferrous metals	505.6	368.7
Services	135.9	128.0
Environmental Services Revenue	**1,220.3**	**857.6**

The table below shows tonnages of ferrous and non-ferrous metals sold for the six months ended March 31, 2021 and 2020.

	For the six months ended March 31,	
	2021	**2020**
	in thousands of tons	
Ferrous metals	1,998.3	1,654.8
Non-ferrous metals	322.1	297.7
Total volume	**2,320.4**	**1,952.5**

Ferrous metals. Revenues increased due to higher volumes processed and sold and an improved price environment. Volumes of processed ferrous metals increased by 20.8% from the six months ended March 31, 2020 (or 14%, excluding the impact of Derichebourg España). This increase was due to several factors:

- a favorable base effect, due to weak deliveries during the first quarter of the 2019/2020 fiscal year and average sales prices that were significantly higher than in the previous year;
- steady and increasing demand for ferrous metals, including from blast furnaces, as ferrous scrap helps to reduce their CO_2 emissions;
- robust demand from Turkish steelmakers throughout the period, supporting volumes and sales prices; and
- the slow startup of certain blast furnaces that had been shut down during the first lockdown period, which caused a shortage in supply for certain products and led, for those products where it is possible, a shift in demand to steel produced in EAF. This notably led to an unprecedented increase in sales prices of ferrous scrap during the month of January 2021 (an increase of €90 to €100, or 40% to 50%).

Non-ferrous metals. Volumes of processed non-ferrous metals increased by 8.2% compared to the six months ended March 31, 2020. Excluding the impact of Derichebourg España, volumes decreased by 10% compared to the six months ended March 31, 2020, principally due to lower sales in the American market. Non-ferrous metals have lagged behind ferrous metals because it has been difficult to obtain deliveries of certain products such as copper. Moreover, certain suppliers have preferred to focus on ferrous scrap as a result of in the increase in demand.

Nearly all the non-ferrous metals proceeds have shown positive signs throughout the six months ended March 31, 2021:

- Aluminum: Despite prices in August 2020 being at a ten-year low, the price for aluminum ingots reached 5-year highs during the last six months. This increase was due to sustained demand from the automobile industry before in encountered difficulties in production due to a shortage of semiconductors, as well as strong demand from the Chinese market.
- Copper: Copper prices have been up throughout the last six months, likely due to demand stemming from electrification of vehicles.
- Stainless steel (nickel): Activity levels of European stainless steel producers have progressively returned to normal, following a significant decrease in activity over a period of after 18 months.
- Lead: Trends have been generally positive throughout the six months ended March 31, 2021.

Services. Recycling-related services revenue increased by 12% compared to the six months ended March 31, 2020. Public sector services revenue (€72.7 million) was nearly stable, increasing by 1% over the first half of the previous fiscal year. Household waste collection revenue increased by 8% compared to the six months ended March 31, 2020. Our Canadian subsidiary's revenue increased by 21% compared to the six months ended March 31, 2020 following the renewal of its first wave of contracts. We expect to realize increased revenue from contracts signed at the end of last fiscal year and during the first half of this fiscal year (Caen la Mer, Coeur de Nacre), as they have begun as of April 1, 2021.

Multiservices

The table below shows a comparison of our Multiservices business division revenue for the six months ended March 31, 2021 and 2020 by business:

	For the six months ended March 31,	
	2021	**2020**
	in millions of euros	
Tertiary sector	312.2	273.2
Industry	40.8	67.2
Human resources and temporary sourcing	52.9	77.4
Urban area	23.4	26.5
Multiservices Revenue	**429.2**	**444.4**

Multiservices revenue decreased by €15.2 million, or 3.4%, from €444.4 million for the six months ended March 31, 2020 to €429.2 million for the six months ended March 31, 2021. Each of our Multiservices businesses' revenue decreased during the period except for our tertiary sector businesses.

Tertiary sector. Our cleaning business increased by 18% in France and 16% in Spain and Portugal, in each case, compared to the six months ended March 31, 2020, primarily as a result of organic growth from recurring business, in addition to a growth in complementary services provided in a public health context that has remained difficult. Additionally, our energy business revenue increased by 4% compared to the six months ended March 31, 2020.

Industry. Aeronautics services revenue decreased by 39% compared to the six months ended March 31, 2020. Business activity during the six months ended March 31, 2021 was between 40% and 50% lower than it had been prior to the impact of the health crisis on the aeronautics sector.

Human resources and temporary sourcing. Human resources and temporary sourcing revenue decreased by 32% compared to the six months ended March 31, 2020. Revenue generated by services for customers in the aerial and aeronautical industry decreased by 61% compared to the six months ended March 31, 2020, while revenue generated by non-specialized temporary services decreased by 4% compared to the six months ended March 31, 2020.

Urban area. Urban area revenue declined by 12%, due primarily to lower signage revenue that was only partially offset by an increase in public lighting services revenue.

Cost of raw materials

Cost of raw materials increased by €248.4 million, or 42.8%, from €580.1 million for the six months ended March 31, 2020 to €828.5 million for the six months ended March 31, 2021, in line with the increase in Environmental Services activity as well as the impact of Lyrsa Acquisition.

External charges

External charges increased by €16.8 million, or 9.6%, from €175.7 million for the six months ended March 31, 2020 to €192.5 million for the six months ended March 31, 2021, due primarily to increases in transportation costs linked to an increase in our business activity during the period.

Personnel expenses

Personnel expenses increased by €3.7 million, or 0.9%, from €427.9 million for the six months ended March 31, 2020 to €431.6 million for the six months ended March 31, 2021, due primarily to an increase in wages and salaries and employee profit sharing expense, which was only partially offset by increased payments received through furlough schemes in the context of the COVID-19 pandemic and lower social charges.

Taxes and duties

Taxes and duties remained relatively stable, increasing by €0.7 million, or 2.5%, from €28.1 million for the six months ended March 31, 2020 to €28.8 million for the six months ended March 31, 2021.

Depreciation

Depreciation increased by €2.2 million, or 3.8%, from €58.2 million for the six months ended March 31, 2020 to €60.4 million for the six months ended March 31, 2021, due to higher levels of investment and depreciation of leases.

Change in provisions

Change in provisions increased by €5.2 million, from €2.0 million for the six months ended March 31, 2020 to €7.2 million for the six months ended March 31, 2021. Provisions primarily related to ongoing litigation.

Other operating expenses

Other operating expenses decreased by €0.3 million, or 5.2%, from €5.8 million for the six months ended March 31, 2020 to €5.5 million for the six months ended March 31, 2021, due primarily to a decrease in expense attributable to duties in licenses, partially offset by an increase in the carrying amount of non-current assets sold.

Other operating income

Other operating income increased by €7.5 million, from €6.0 million for the six months ended March 31, 2020 to €13.5 million for the six months ended March 31, 2021, due primarily to an increase in income attributable to reversals of provisions and an increase in operating and investment subsidies.

Other non-recurring expenses

Other non-recurring expenses remained stable at €0.6 million for the six months ended March 31, 2020 and 2021. Other non-recurring expenses for the six months ended March 31, 2021 were attributable to a provision for a liability guarantee. Other non-recurring expenses for the six months ended March 31, 2020 were attributable to restructuring costs at Lyrsa following the Lyrsa Acquisition and losses related to a Multiservices subsidiary in Turkey that was sold.

Other non-recurring income

Other non-recurring income increased by €0.1 million, or 2.7%, from €3.7 million for the six months ended March 31, 2020 to €3.8 million for the six months ended March 31, 2021. Other non-recurring income for the six months ended March 31, 2021 consisted primarily of the reversal of a provision in connection with the end of litigation on social charges for our cleaning services business. Other non-recurring income for the six months ended March 31, 2020 related to our victory on appeal in the proceedings initialed by Veolia relating to the 2014 transfer of personnel on household waste collection contracts in the 11th, 18th and 19th districts of Paris.

Net financial expenses

Net financial expenses increased by €1.5 million, or 26.3%, from €5.7 million for the six months ended March 31, 2020 to €7.2 million for the six months ended March 31, 2021, due primarily to an increase in interest expense.

Income tax

Income tax increased by €20.3 million, from €13.1 million for the six months ended March 31, 2020 to €33.4 million for the six months ended March 31, 2021, due to our improved performance during the six months ended March 31, 2021.

Recurring EBITDA

Recurring EBITDA increased by €81.2 million, or 88.8%, from €91.5 million for the six months ended March 31, 2020 to €172.6 million for the six months ended March 31, 2021. This was primarily due to a strong increase in volumes of ferrous metals sales and in unit margins for both ferrous and non-ferrous metals in our Environmental Services business division.

Environmental Services

Environmental Services Recurring EBITDA increased by €82.5 million, or 116.7%, from €70.7 million for the six months ended March 31, 2020 to €153.3 million for the six months ended March 31, 2021 This was the result of a number of factors, including a sharp improvement in ferrous metals and European non-ferrous metals commercial margins (an increase of €36.8 million and €22.3 million, respectively), and a €19.4 million contribution from Derichebourg España, while we maintained controls over costs.

Multiservices

The table below shows a comparison of our Multiservices business division Recurring EBITDA for the six months ended March 31, 2021 and 2020 broken out by business:

	For the six months ended March 31,	
	2021	**2020**
	in millions of euros	
Tertiary sector	20.4	16.3
Industry	1.6	3.1
Human resources and temporary sourcing	0.2	2.0
Urban area	1.8	0.8
Multiservices Recurring EBITDA	**24.0**	**22.3**

Multiservices Recurring EBITDA increased by €1.7 million, or 7.7%, from €22.3 million for the six months ended March 31, 2020 to €24.0 million for the year ended March 31, 2021.

Tertiary sector. Tertiary sector Recurring EBITDA increased by 25%, representing a margin of 6%. This increase was related to the increase in cleaning business revenue.

Industry. Industry Recurring EBITDA was sharply down as a result of the drop in activity described above.

Human resources and temporary sourcing. Human resources and temporary sourcing Recurring EBITDA decreased by 91%. We are in the process of combining both of our subsidiaries in this business.

Urban area. Urban area Recurring EBITDA increased, primarily due to a protective contract mechanism in case of low activity for the main contract of the division.

Year ended September 30, 2020 compared to year ended September 30, 2019

The table below sets out our results of operations from continuing operations for the years ended September 30, 2020 and 2019.

	For the year ended September 30,	
	2020	**2019**
	in millions of euros	
Revenue	2,464.1	2,705.0
Other revenues from operations	1.5	3.2
Cost of raw materials	(1,085.7)	(1,210.7)
External charges	(328.7)	(398.3)
Personnel expenses	(812.9)	(856.0)
Taxes and duties	(50.0)	(51.1)
Depreciation	(118.9)	(88.5)
Change in provisions	(11.0)	(6.5)
Change in inventory: work-in-progress and finished products	1.1	(2.0)
Other operating expenses	(12.5)	(17.6)
Other operating income	15.4	25.7
Recurring operating profit (loss)	**62.4**	**103.1**
Other non-recurring expenses	(10.9)	(5.0)
Other non-recurring income	3.7	0.1
Gain/loss on disposal of consolidated companies	1.0	(0.8)
Operating profit (loss)	**56.2**	**97.5**
Net financial expenses	(12.3)	(9.7)
Foreign exchange and other gains and losses	(2.3)	(0.7)
Profit (loss) before tax	**41.5**	**87.0**
Income tax	(19.5)	(30.5)
Group share of income from associates and joint ventures	0.4	2.4

	For the year ended September 30,	
	2020	2019
	in millions of euros	
Net profit (loss)	**22.4**	**58.9**
Income net of tax from discontinued activities		
Consolidated net profit (loss)	**22.4**	**58.9**
Recurring EBITDA	**180.9**	**191.2**

Revenue

Revenue decreased by €240.9 million, or 8.9%, from €2,705.0 million for the year ended September 30, 2019 to €2,464.1 million for the year ended September 30, 2020, due to a decline in our Environmental Services revenue and a more moderate decline in our Multiservices revenue.

Environmental Services

Environmental Services revenue decreased by €219.3 million, or 11.9%, from €1,846.7 million for the year ended September 30, 2019 to €1,627.4 million for the year ended September 30, 2020, due to lower volumes and prices for our recycling business, in part due to the impact of the COVID-19 pandemic, as well as the impact of changes in consolidation scope.

The table below shows the impact of changes in consolidation scope on our Environmental Services revenue for the year ended September 30, 2020.

	in millions of euros
Environmental Services revenue for the year ended September 30, 2019	1,846.7
Disposal of operations in Italy	(28.7)
Disposal of operations in Morocco	(47.5)
Loss of exclusive control of water treatment and distribution subsidiaries	(1.9)
Nine-month contribution of Derichebourg España	265.9
Change at constant scope	(407.1)
Environmental Services revenue for the year ended September 30, 2020	**1,627.4**

The table below shows a comparison of our Environmental Services business division revenue for the years ended September 30, 2020 and 2019 broken out by principal activity.

	For the year ended September 30,	
	2020	2019
	in millions of euros	
Ferrous metals	681.9	858.9
Non-ferrous metals	692.7	674.7
Services	252.8	313.1
Environmental Services Revenue	**1,627.4**	**1,846.7**

The table below shows tonnages of ferrous and non-ferrous metals sold for the years ended September 30, 2020 and 2019.

	For the year ended September 30,	
	2020	2019
	in thousands of tons	
Ferrous metals	3,159.2	3,445.8
Non-ferrous metals	552.3	535.1
Total volume	**3,711.5**	**3,980.9**

Recycling. Our recycling business had a start to the year marked by lower volumes and prices. At the end of February 2020, excluding the contribution of volumes contributed by Derichebourg España, the decline in volumes processed in the ferrous metals business was approximately 8% compared to the year ended September 30, 2019. This decline was consistent with the development of steel production in the countries to which the Group delivers its ferrous scrap metals.

For non-ferrous metals, activity was more or less flat, with a limited decline of 1% at the end of February.

Volumes processed for both ferrous scrap and non-ferrous metals were very low during the period March 2020 - May 2020. The March-May period was strongly affected by the strict lockdown in several countries, and particularly France and Spain, the two main countries in which the Group operates.

As soon as the lockdown was lifted, business picked up again, and by the end of the fiscal year, at comparable scope, output was comparable to input at the beginning of the fiscal year for ferrous scrap metal and non-ferrous metals.

Services. Revenues from services fell by 19%, mainly due to changes in the scope of consolidation (disposal of operations in Morocco and Italy during the previous year). Conversely, revenue from public sector services in France grew by 16% during the year, thanks to the full-year contribution of contracts won in the previous year (primarily household waste collection in the 10th and 18th districts of Paris) and to new contracts won during the fiscal year (Levallois-Perret, La Garenne Colombes and Coeur de Nacre, in particular).

Multiservices

The table below shows a comparison of our Multiservices business division revenue for the years ended September 30, 2020 and 2019 by business:

	For the year ended September 30,	
	2020	**2019**
	in millions of euros	
Tertiary sector	559.8	509.8
Industry	105.4	143.3
Human resources and temporary sourcing	124.0	152.7
Urban area	47.0	51.8
Multiservices Revenue	**836.2**	**857.6**

Multiservices revenue decreased by €21.4 million, or 2.5%, from €857.6 million for the year ended September 30, 2019 to €836.2 million for the year ended September 30, 2020. After the first lockdown period in France, which lasted from mid-March to mid-May, the aeronautics-related businesses (outsourced services and temporary work) did not return to their previous volume of activity, unlike most of the division's other activities. The extent of the decline was limited by the full-year effect of the consolidation of the Spanish cleaning businesses acquired at the end of the 2019 fiscal year (which had an impact of around €20 million on revenue), and by the consolidation of the revenue generated by Immedia Services (in the temporary staffing business), which we acquired in October 2019 (approximately €10 million).

Tertiary sector. Revenue in the tertiary sector business increased by 10%. This increase reflects the effects of organic growth at Derichebourg Propreté and the full-year impact of the prior year's acquisitions in Spain (approximate impact of €20 million) and France (impact of €5 million). During the course of the preparations for the easing of the lockdown, Derichebourg Propreté generated approximately €15 million in revenue from additional work (disinfection, supply of equipment required for preventive measures), a significant increase from typical revenue levels. Sales in the Energy business were stable, with the delay in the spring being offset by revenue from an acquisition made last year. In the cleaning business on the Iberian Peninsula, our subsidiaries Derichebourg Facility Services (Portugal, +12%) and Silnet (60% held, Spain, + €20 million every year since the acquisition) have seen strong revenue growth.

Industry solutions. Revenue in the industry business decreased by 26%, which corresponds approximately to a decrease of 50% in business activity during the second half of the year. Following a virtual shutdown of plants in March 2020, business activity for Derichebourg Aeronautics Services only returned to a maximum of 50% of what it was before the very sharp drop in air traffic and in aircraft production rates from March 2020.

Human resources and temporary sourcing. The revenue of the human resources and temporary sourcing business was down 19%. Two opposite trends explain this change:

- a virtual collapse in the provision of temporary employment services to the aviation industry (down 40% compared to the previous year, with a drop only in the second half of the year);

- a good upturn in activity in general temporary work, where sales are up by 4% compared with last year, due to the acquisition of the company Immedia Services in October 2019, the opening of 6 new branches over the past fiscal year, and a change in the customer base. These positive effects more than compensated for the lack of activity from March to June.

Urban area. Revenue in the urban area business decreased by 9%. The advertising campaigns of our main customer in this business were strongly affected by the pandemic in the spring. This impact was partially offset by a fixed fee system. The other activities (Public Lighting, Green Spaces) were also down by about 10%.

Cost of raw materials

Cost of raw materials decreased by €125.0 million, or 10.3%, from €1,210.7 million for the year ended September 30, 2019 to €1,085.7 million for the year ended September 30, 2020, in line with lower activity in our Environmental Services division.

External charges

External charges decreased by €69.6 million, or 17.5%, from €398.3 million for the year ended September 30, 2019 to €328.7 million for the year ended September 30, 2020, due primarily to: (a) the impact of the first-time application of IFRS 16, which had the effect of reducing rental expense that was previously accounted for as an external charges and (b) lower transportation costs, travel expenses and landfilling costs in line with our lower levels of activity during the year.

Personnel expenses

Personnel expenses decreased by €43.1 million, or 5.0%, from €856.0 million for the year ended September 30, 2019 to €812.9 million for the year ended September 30, 2020, due primarily to a decrease in wages and salaries, social charges and employee profit sharing expense, as well as payments received through furlough schemes in the context of the COVID-19 pandemic.

Taxes and duties

Taxes and duties decreased by €1.1 million, or 2.2%, from €51.1 million for the year ended September 30, 2019 to €50.0 million for the year ended September 30, 2020, due primarily to lower CVAE due to our lower levels of activity during the year.

Depreciation

Depreciation increased by €30.4 million, or 34.4%, from €88.5 million for the year ended September 30, 2019 to €118.9 million for the year ended September 30, 2020, due to the impact of the first-time application of IFRS 16 on amortization of rights of use (€20.4 million), as well as an increase in investments during the year ended September 30, 2019.

Change in provisions

Change in provisions increased by €4.5 million, or 69.2%, from €6.5 million for the year ended September 30, 2019 to €11.0 million for the year ended September 30, 2020. Provisions were primarily related to restructuring efforts and ongoing litigation.

Other operating expenses

Other operating expenses decreased by €5.1 million, or 29.0%, from €17.6 million for the year ended September 30, 2019 to €12.5 million for the year ended September 30, 2020, due primarily to a decrease in losses from irrecoverable and written-off receivables.

Other operating income

Other operating income decreased by €10.3 million, or 40.1%, from €25.7 million for the year ended September 30, 2019 to €15.4 million for the year ended September 30, 2020, due primarily to a decrease in income attributable to reversals of provisions.

Other non-recurring expenses

Other non-recurring expenses increased by €5.9 million, from €5.0 million for the year ended September 30, 2019 to €10.9 million for the year ended September 30, 2020. In our Environmental Services business division, other non-recurring expenses included restructuring costs related to Derichebourg España following the Lyrsa Acquisition, costs related to restructuring of our various French recycling subsidiaries following the drop in volumes during the first lockdown period in France in 2020 and an increase in monitoring costs for a landfill at a site in Italy. In our Multiservices business division, other non-recurring expenses included costs for restructuring our aeronautics services business and negative results for the disposal of subsidiaries. Additionally, our holding companies also incurred restructuring costs due to the first lockdown period.

Other non-recurring income

Other non-recurring income increased by €3.6 million, from €0.1 million for the year ended September 30, 2019 to €3.7 million for the year ended September 30, 2020. Other non-recurring income for the year ended September 30, 2020 related to our victory on appeal in the proceedings initialed by Veolia relating to the 2014 transfer of personnel on household waste collection contracts in the 11th, 18th and 19th districts of Paris.

Gain/loss on disposal of consolidated companies

We realized a loss on disposal of consolidated companies of €1.0 million for the year ended September 30, 2020. This was the net effect of losses related to disposals in our Multiservices division of businesses in Italy, England and Turkey and the acquisition by Saur of 51% of the capital of Derichebourg Aqua, which were only partially offset by the gain realized due to the entry into full consolidation of one of the businesses in Lyrsa perimeter.

Net financial expenses

Net financial expenses increased by €2.6 million, or 26.8%, from €9.7 million for the year ended September 30, 2019 to €12.3 million for the year ended September 30, 2020, due primarily to an increase in interest expense on borrowings.

Income tax

Income tax decreased by €11.0 million, or 36.1%, from €30.5 million for the year ended September 30, 2019 to €19.5 million for the year ended September 30, 2020, due to our lower performance during the year ended September 30, 2020.

Recurring EBITDA

Recurring EBITDA decreased by €10.3 million, or 5.4%, from €191.2 million for year ended September 30, 2019 to €180.9 million for the year ended September 30, 2020. Recurring EBITDA for the year ended September 30, 2020 includes a €20.8 million positive impact of the first-time application of IFRS 16. The decrease in Recurring EBITDA was driven by lower volumes in our Environmental Services business division (particularly during the French 55-day lockdown period) and, to a lesser extent, unit margins on ferrous metals, despite an improvement in the profitability of the Multiservices business. Recurring EBITDA with the full-year impact of the acquisitions made during the year ended September 30, 2020 would have been €185.9 million.

Environmental Services

Environmental Services Recurring EBITDA decreased by €19.9 million, or 12.3%, from €162.1 million for the year ended September 30, 2019 to €142.2 million for the year ended September 30, 2020. This includes an €8.8 million positive impact of the first-time application of IFRS 16.

The decline in Recurring EBITDA reflects the net effect of a number of different factors, including:

- a drop in volumes of ferrous metal processed during the year, half of which was attributable to the first lockdown period;
- lower unit margins on ferrous metals during the first half of the year, which was the result of the sharp drop in prices making it impossible for us to pass on the full impact of the drop in prices to purchases;
- a drop in volumes of non-ferrous metals processed during the year, which was partially offset by stable unit margins on a full-year basis;
- reductions in our personnel expenses, a decrease in energy and maintenance costs and savings realized due to shift to partial self-insurance of accident insurance risk;
- the net positive impact of the change in consolidation scope due to the Lyrsa Acquisition; and
- improved contribution of our public sector services business to Recurring EBITDA as the result of our selective approach to the market and efficient operational organization.

Multiservices

The table below shows a comparison of our Multiservices business division Recurring EBITDA for the years ended September 30, 2020 and 2019 broken out by business:

	For the year ended September 30,	
	2020	**2019**
	in millions of euros	
Tertiary sector	36.6	19.6
Industry	3.2	7.7
Human resources and temporary sourcing	1.3	5.7
Urban area	2.8	—
Multiservices Recurring EBITDA	**44.0**	**33.0**

Multiservices Recurring EBITDA increased by €11.0 million, or 33.2%, from €33.0 million for the year ended September 30, 2019 to €44.0 million for the year ended September 30, 2020. The transition from IAS 17 to IFRS 16 accounted for €12 million of the increase in Recurring EBITDA, mainly in the cleaning businesses. At the operational level, the improved performance of our cleaning businesses partially offset the downturn in the aeronautics businesses.

Tertiary sector. The impact of the first-time application of IFRS 16 accounted for €9 million of the €17 million improvement in Recurring EBITDA for the tertiary sector business. In addition, €7 million of the increase was attributable to improvement in the performance of Derichebourg Propreté's activities, including the termination of a loss-making contract during the prior year, the realization of synergies from acquisitions during the prior year, and the volume effect on results of non-recurring disinfection and hygiene equipment supply services. In addition, €1 million by improving the performance of the Iberian subsidiaries.

Industry. The €4.5 million decline in Recurring EBITDA for the Industry segment can be explained as follows:

- disposal of our nuclear business at the end of 2019, which contributed negatively to Recurring EBITDA by €3.7 million;
- lower profitability in our aeronautical services business, whose contribution to Recurring EBITDA fell by €8.6 million (a decrease of €5.6 million in France, €0.6 million in Germany, €1.7 million in Spain, and €0.6 million in North America).

Human resources and temporary sourcing. Recurring EBITDA from the human resources and temporary sourcing business was down €4.3 million. Although Recurring EBITDA generated by our general temporary employment subsidiaries held up well, decreasing by only €0.5 million, notably due to the change in the customer mix and the lack of medium-sized customers for four months, the Recurring EBITDA of our temporary employment subsidiaries in the aeronautics sector was negative during the second half of the year, dropping by €3.3 million compared to last year to reach negative €1.7 million. This was due to lower demand.

Urban area. Recurring EBITDA for the urban area business improved by €2.8 million, and stood at the same amount. The transition from IAS 17 to IFRS 16 accounted for half of the improvement, while the improved performance of operating activities (in particular signage) accounted for the other half.

Year ended September 30, 2019 compared to year ended September 30, 2018

The table below sets out our results of operations from continuing operations for the years ended September 30, 2018 and 2019.

	For the year ended September 30,	
	2019	**2018**
	in millions of euros	
Revenue	2,705.0	2,919.7
Other revenues from operations	3.2	4.6
Cost of raw materials	(1,210.7)	(1,437.7)
External charges	(398.3)	(395.7)
Personnel expenses	(856.0)	(835.3)
Taxes and duties	(51.1)	(54.8)
Depreciation	(88.5)	(84.1)
Change in provisions	(6.5)	(10.7)
Change in inventory: work-in-progress and finished products	(2.0)	2.2

	For the year ended September 30,	
	2019	2018
	in millions of euros	
Other operating expenses	(17.6)	(12.7)
Other operating income	25.7	22.7
Recurring operating profit (loss)	**103.1**	**118.3**
Other non-recurring expenses	(5.0)	(13.8)
Other non-recurring income	0.1	
Gain/loss on disposal of consolidated companies	(0.8)	(8.2)
Operating profit (loss)	**97.5**	**96.3**
Net financial expenses	(9.7)	(11.7)
Foreign exchange and other gains and losses	(0.7)	(1.2)
Profit (loss) before tax	**87.0**	**83.4**
Income tax	(30.5)	(16.3)
Group share of income from associates and joint ventures	2.4	2.1
Net profit (loss)	**58.9**	**69.2**
Income net of tax from discontinued activities		3.4
Consolidated net profit (loss)	**58.9**	**72.6**
Recurring EBITDA	**191.2**	**202.1**

Revenue

Revenue decreased by €214.7 million, or 7.4%, from €2,919.7 million for the year ended September 30, 2018 to €2,705.0 million for the year ended September 30, 2019, due to a decline in Environmental Services revenue, which was only partially offset by an increase in Multiservices revenue.

Environmental Services

Environmental Services revenue decreased by €269.7 million, or 12.7%, from €2,116.4 million for the year ended September 30, 2018 to €1,846.7 million for the year ended September 30, 2019, due primarily to a combined volume/price effect in our recycling business, and the change in consolidation scope of our services business due to the sale of our Italian household waste collection and waste processing business and our Moroccan business.

The table below shows a comparison of our Environmental Services business division revenue for the years ended September 30, 2019 and 2018 broken out by principal activity.

	For the year ended September 30,	
	2019	2018
	in millions of euros	
Ferrous metals	858.9	1,016.4
Non-ferrous metals	674.7	760.6
Services	313.1	339.4
Environmental Services Revenue	**1,846.7**	**2,116.4**

The table below shows tonnages of ferrous and non-ferrous metals sold for the years ended September 30, 2019 and 2018.

	For the year ended September 30,	
	2019	2018
	in thousands of tons	
Ferrous metals	3,445.8	3,746.0
Non-ferrous metals	535.1	540.7
Total volume	**3,980.9**	**4,286.6**

Ferrous metals. Market conditions began to deteriorate gradually in the autumn of 2018 following the reduction in Turkish ferrous metal purchases. The reduction in ferrous metal prices accelerated from the summer of 2019 onwards. Demand from steelmakers was also down.

By region, changes in volumes were as follows:

- France (excluding trading): a decrease of 6.0%;
- Other European subsidiaries (excluding trading): a decrease of 8.1%;

- Europe Trading: a decrease of 19%;
- Americas Region: a decrease of 6%.

The price of ferrous metal sold was on average 8% lower than in the previous fiscal year, with a sharp decrease in sales price at the end of the 2019 fiscal year.

Non-ferrous metals. Volumes of non-ferrous metals that we processed were almost unchanged, with the downturn limited to 1.0%.

By family, volumes of aluminum ingots sold increased by 12% (notably influenced by the addition of volumes from the Prémery refinery), with other aluminum families down 6%. As a result of annual contracts signed (with volume commitments, but at indexed prices), aluminum ingot volumes were not affected by lower production from automotive sector subcontractors who are the main outlet for this stream.

Copper volumes (including brass and copper cables) were maintained overall (3% growth).

The stainless steel market was exceptionally challenging throughout the fiscal year (stainless steel waste tonnage down by 12%), with production from European customers facing competition from Asian stainless steel production using Indonesian nickel.

We continued our investments aimed at sorting non-ferrous metals (excluding aluminum) in Europe using the flotation process, in order to reduce our dependence on the Chinese and Southeast Asian markets, where access is more difficult because of the growing requirements for the absence of impurities in the containers shipped.

The average unit price of non-ferrous sold was 8% lower (€107 per ton) than the previous year. The drop was especially sharp for the aluminum family (a decline of 16% for aluminum ingots) and lead (a decline of 13%).

Services. Services revenue was down 7.7%. This was mainly due to the sale of our Italian household waste collection and waste processing business and our Moroccan business.

In France, recycling-related services revenue increased by 6%, while public sector services revenue increased by 5%.

Multiservices

The table below shows a comparison of our Multiservices business division revenue for the years ended September 30, 2019 and 2018 by business:

	For the year ended September 30,	
	2019	**2018**
	in millions of euros	
Tertiary sector	509.8	467.5
Industry	143.3	146.8
Human resources and temporary sourcing	152.7	144.4
Urban area	51.8	43.8
Multiservices Revenue	**857.6**	**802.5**

Multiservices revenue increased by €55.1 million, or 6.9%, from €802.5 million for the year ended September 30, 2018 to €857.6 million for the year ended September 30, 2019.

Tertiary sector. Revenue from the tertiary sector business increased by €42 million, or 9%, from €468 million for the year ended September 30, 2018 to €510 million for the year ended September 30, 2019. This was attributable to: (i) the sound commercial momentum of the cleaning business in France; (ii) the contribution of acquisitions in France (€7.7 million) in the cleaning and energy businesses; (iii) the sound commercial momentum of the energy businesses; and (iv) winning new contracts in the foreign cleaning business (in particular, Portugal), and an acquisition in Spain, which was consolidated into our results for two months for a contribution of €6 million.

Industry. Revenue from the industry business decreased by €4 million, or 2%, from €147 million for the year ended September 30, 2018 to €143 million for the year ended September 30, 2019, primarily due to the decrease in revenue from our nuclear services subsidiary, which we sold on October 1, 2019. Aeronautical services revenue increased by 6.6%.

Human resources and temporary sourcing. Human resources and temporary sourcing revenue increased by €9 million, or 5.8%, from €144 million for the year ended September 30, 2018 to €153 million for the year ended September 30, 2019. Revenue from services for customers in the aerial and aeronautical industry increased by

6.6%, while revenue from non-specialized temporary services increased by 5.5%, following a negative start to the year reflecting the reduction in services to the distribution sector due to disruptions caused by protests.

Urban area. Urban area revenue increased by €8 million, or 18%, from €44 million for the year ended September 30, 2018 to €52 million for the year ended September 30, 2019. This increase was attributable to the development of public lighting services and the winning of new customers in the signage and associated services sector.

Cost of raw materials

Cost of raw materials decreased by €227.0 million, or 15.8%, from €1,437.7 million for the year ended September 30, 2018 to €1,210.7 million for the year ended September 30, 2019, due to lower levels of business in our Environmental Services business division, as well as savings related to the cessation of our nuclear services business.

External charges

External charges increased by €2.6 million, or 0.7%, from €395.7 million for the year ended September 30, 2018 to €398.3 million for the year ended September 30, 2019, due to higher costs related to landfilling and outsourcing.

Personnel expenses

Personnel expenses increased by €20.7 million, or 2.5%, from €835.3 million for the year ended September 30, 2018 to €856.0 million for the year ended September 30, 2019, due primarily to an increase in wages and salaries and employee profit sharing expense, as well as a decrease in income related to the CICE, which was only partially offset by a decrease in social charges.

Taxes and duties

Taxes and duties decreased by €3.7 million, or 6.8%, from €54.8 million for the year ended September 30, 2018 to €51.1 million for the year ended September 30, 2019, due to a change in the tax regime applicable to continuing education for our Multiservices business division.

Depreciation

Depreciation increased by €4.4 million, or 5.2%, from €84.1 million for the year ended September 30, 2018 to €88.5 million for the year ended September 30, 2019, as the result of investments made in the current and prior periods increasing our asset base.

Change in provisions

Change in provisions decreased by €4.2 million, or 39.3%, from €10.7 million for the year ended September 30, 2018 to €6.5 million for the year ended September 30, 2019. Provisions primarily related to ongoing litigation and disputes, as well as customer receivables.

Other operating expenses

Other operating expenses increased by €4.9 million, or 38.6%, from €12.7 million for the year ended September 30, 2018 to €17.6 million for the year ended September 30, 2019, due primarily to an increase in losses from irrecoverable and written-off receivables.

Other operating income

Other operating income increased by €3.0 million, or 13.2%, from €22.7 million for the year ended September 30, 2018 to €25.7 million for the year ended September 30, 2019, due primarily to an increase in income attributable to reversals of provisions.

Other non-recurring expenses

Other non-recurring expenses decreased by €8.8 million, or 63.8%, from €13.8 million for the year ended September 30, 2018 to €5.0 million for the year ended September 30, 2019 related to expenses incurred in connection with the nuclear services and works business which we disposed of on October 1, 2019.

Gain/loss on disposal of consolidated companies

We realized a loss on disposal of consolidated companies of €0.8 million for the year ended September 30, 2019. This was the net effect of losses related to disposals of our nuclear services and works business in France and the winding-down of one of our Belgian Environmental Services subsidiaries, which were only partially offset by gains related to the disposal of household waste collection and waste treatment businesses in Italy and Morocco.

Net financial expenses

Net financial expenses decreased by €2.0 million, or 17.1%, from €11.7 million for the year ended September 30, 2018 to €9.7 million for the year ended September 30, 2019, due primarily to lower interest expense on borrowings.

Income tax

Income tax increased by €14.2 million, or 87.1%, from €16.3 million for the year ended September 30, 2018 to €30.5 million for the year ended September 30, 2019, due to the discontinuation of the CICE tax credit in France, which was replaced with measures that reduced our social charges.

Recurring EBITDA

Recurring EBITDA decreased by €10.9 million, or 5.4%, from €202.1 million for year ended September 30, 2018 to €191.2 million for the year ended September 30, 2019. The decrease in Recurring EBITDA was primarily due to a decrease in Recurring EBITDA of the Environmental Services business division.

Environmental Services

Environmental Services Recurring EBITDA decreased by €11.0 million, or 6.4%, from €173.1 million for the year ended September 30, 2018 to €162.1 million for the year ended September 30, 2019. However, Environmental Services Recurring EBITDA margin was 8.8% for the year ended September 30, 2019, an improvement of 60 basis points over the year ended September 30, 2018, demonstrating that we were able to maintain unit margins despite lower prices.

Multiservices

The table below shows a comparison of our Multiservices business division Recurring EBITDA for the years ended September 30, 2019 and 2018 broken out by business:

	For the year ended September 30,	
	2019	**2018**
	in millions of euros	
Tertiary sector	19.6	21.1
Industry	7.7	5.7
Human resources and temporary sourcing	5.7	5.8
Urban area	—	0.6
Multiservices Recurring EBITDA	**33.0**	**33.2**

Multiservices Recurring EBITDA decreased by €0.2 million, or 0.6%, from €33.2 million for the year ended September 30, 2018 to €33.0 million for the year ended September 30, 2019.

Tertiary sector. Tertiary sector Recurring EBITDA was €19.6 million, down €1.5 million compared to the prior year. This decrease was primarily due to the effect of the discontinuation of CICE and its replacement with lower employers' social security contributions on the pay for the month of December 2018. Because wages are paid on the 10th of the following month, wages paid in respect of December 2018 were paid in January 2019, and we benefited from neither the CICE nor the cut in employers' social security contributions. This was estimated to have a negative €1.7 million on our Multiservices business division Recurring EBITDA.

Industry. Recurring EBITDA for Industry Solutions amounted to €7.7 million, up €2.0 million compared to the year ended September 30, 2018. This was due to the improvement in the positive contribution from the aeronautical businesses to Recurring EBITDA (€11.5 million, or 8% of revenue, up by €3.9 million) and the negative contribution of the nuclear engineering business to Recurring EBITDA of €3.7 million (compared to a negative contribution of €1.9 million for the year ended September 30, 2018).

Human resources and temporary sourcing. Human resources and temporary sourcing Recurring EBITDA remained largely stable, decreasing by only €0.1 million.

Urban area. Our urban area business did not contribute to Recurring EBITDA for the year ended September 30, 2019, primarily reflecting a lack of volume in our signage business.

Liquidity and Capital Resources

As of March 31, 2021, our main sources of financing were:

- a €340 million syndicated loan agreement (the "**Syndicated Loan Facility Agreement**") signed in March 2020, comprised of a five-year term loan repayable in equal annual installments, under which the outstanding principal amount was €210 million as of March 31, 2021, and a five-year available revolving loan of €100 million, repayable at maturity. The next installment for the repayment loan will be due on March 31, 2022 and amounts to €30 million. As of March 31, 2021, no amounts were drawn under the revolving loan;
- a non-recourse factoring agreement, which came into effect on January 1, 2015 and whose initial two-year term has been renewed twice, in April 2016 and November 2018, extending its maturity to the end of December 2021 and its limit to €300 million, subject to receivables available. The factor purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse beyond that amount. The total receivables that may be derecognized by us is thus dependent on the total receivables available and the credit insurers' authorized limits. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by us. The amount outstanding under this agreement was €280.8 million as of March 31, 2021, for a contribution to our net debt of €46.7 million;
- medium-term credit agreements providing for a maximum aggregate principal amount of €118.7 million, of which €108.7 million had been drawn as of March 31, 2021;
- a term loan agreement with the European Investment Bank (the "**EIB Loan Agreement**") for €130 million;
- leasing agreements, for which the amount outstanding as March 31, 2021 was €204.7 million; and
- bilateral credit lines, whether confirmed or not, totaling €141.0 million, which were not drawn as of March 31, 2021, since our net cash position was €378.4 million at March 31, 2021.

Cash Flow

The following is a discussion of our cash flow from operations, cash flow from investing activities and cash flow from financing activities, for the six months ended March 31, 2020 and 2021 and the years ended September 30, 2018, 2019 and 2020.

Six months ended March 31, 2021 compared to the six months ended March 31, 2020

The following table presents a summary of our cash flow for the six months ended March 31, 2021 as compared to the six months ended March 31, 2020:

	Six months ended March 31,	
	2021	**2020**
	in millions of euros	
Net cash from/(used in) operating activities	110.3	49.3
Net cash from/(used in) investing activities	(40.6)	(195.1)
Net cash from/(used in) financing activities	(45.0)	137.0

Net cash from/(used in) operating activities

Net cash from operating activities increased to a net inflow of €110.3 million for the six months ended March 31, 2021 from a net inflow of €49.3 million for the six months ended March 31, 2020. This was mainly due to the significant increase in our consolidated net profit during the six months ended March 31, 2021.

Net cash from/(used in) investing activities

Net cash used in investing activities decreased to a net outflow of €40.6 million for the six months ended March 31, 2021 from a net outflow of €195.1 million for the six months ended March 31, 2020. This decrease was principally related to the one-off impact of the change in consolidated scope during the six months ended March 31, 2020 related to the Lyrsa Acquisition, as well as a lower level of acquisitions of property, plant and equipment and intangible assets during the six months ended March 31, 2021.

Net cash from/(used in) from financing activities

Net cash from financing activities from continuing operations decreased to a net outflow of €45.0 million for the six months ended March 31, 2021 from a net inflow of €137.0 million for the six months ended March 31, 2020. This change was primarily due to the one-off effect of the term loan drawn under our Syndicated Loan Agreement in March 2020.

Year ended September 30, 2020 compared to the year ended September 30, 2019

The following table presents a summary of our cash flow for the year ended September 30, 2020, as compared to the year ended September 30, 2019:

	Year ended September 30,	
	2020	**2019**
	in millions of euros	
Net cash from/(used in) operating activities	176.4	165.1
Net cash from/(used in) investing activities	(220.3)	(76.4)
Net cash from/(used in) financing activities	121.6	57.1

Net cash from/(used in) operating activities

Net cash from operating activities increased to a net inflow of €176.4 million for the year ended September 30, 2020 compared a net inflow of €165.1 million for the year ended September 30, 2019. A decrease in our consolidated net profit due to the impact of the COVID-19 pandemic on our business was offset by an increase in changes in working capital requirements resulting from the Lyrsa Acquisition and the impact of the first-time application of IFRS 16 on provisions and depreciation.

Net cash from/(used in) investing activities

Net cash from investing activities decreased to a net outflow of €220.3 million for the year ended September 30, 2020 from a net outflow of €76.4 million for the year ended September 30, 2019. This decrease mainly reflects the outflow related to the Lyrsa Acquisition in December 2019.

Net cash from/(used in) financing activities

Net cash used in financing activities increased to a net inflow of €121.6 million for the year ended September 30, 2020 from a net inflow of €57.1 million for the year ended September 30, 2019. This change was primarily due to the one-off effect of the term loan drawn under our Syndicated Loan Agreement in March 2020.

Year ended September 30, 2019 compared to the year ended September 30, 2018

The following table presents a summary of our cash flow for the year ended September 30, 2019, as compared to the year ended September 30, 2018:

	Year ended September 30,	
	2019	**2018**
	in millions of euros	
Net cash from/(used in) operating activities	165.1	170.2
Net cash from/(used in) investing activities	(76.4)	(87.8)
Net cash from/(used in) financing activities	57.1	(91.1)

Net cash from/(used in) operating activities

Net cash from operating activities decreased to a net inflow of €165.1 million for the year ended September 30, 2019 from a net inflow of €170.2 million for the year ended September 30, 2018 due primarily to a decrease in our consolidated net profit.

Net cash from/(used in) investing activities

Net cash used in investing activities decreased to a net outflow of €76.4 million for the year ended September 30, 2019 from a net outflow of €87.8 million for the year ended September 30, 2018. This mainly reflects a decrease in cash used for the acquisition of property, plant and equipment and intangible assets, as well as an increase in cash from the disposal of property, plant and equipment and intangible assets.

Net cash from/(used in) financing activities

Net cash from financing activities increased to a net inflow of €57.1 million for the year ended September 30, 2019 from a net outflow of €91.1 million for the year ended September 30, 2018. This mainly reflects an increase in borrowings attributable to the EIB Loan.

Capital Expenditures

For many years, we have had a policy of regular investment, with the majority of our capital expenditures related to our Environmental Services business division.

For our Environmental Services business, we have pursued the following objectives with our investments:

- continued expansion of regional coverage;
- better control of sourcing (material flow) by developing a fleet of collection vehicles and reception centers as well as the energy efficiency of this fleet;
- maintaining the high quality of production equipment and standardizing assets;
- development of plants in urban areas and, in a wider sense, compliance with environmental requirements;
- control, where possible, of the land assets of the sites at which we operate;
- vertical integration by setting up specific sorting lines in order to keep added value within the Group through more advanced sorting, and to gradually reduce sterile volumes sent to landfill.

For our Multiservices business, we have engaged in investments to develop and rationalize our branch network and purchase materials required for the start-up of contracts that we win.

Investments for our Environmental Services business division, investments can generally be spread over time, given the general condition and number of tools available to us. Therefore, the main determinant of the investment budget is our available Recurring EBITDA. The delay of several months between the commitment of investment orders and their actual completion, due to the delivery times of suppliers, should also be taken into account.

As a general rule, we strive to maintain our capital expenditure within a budget of no greater than 50% of our Recurring EBITDA. Over the last 15 years, our capital expenditures have accounted for approximately 50% of our Recurring EBITDA, with a lower ratio for capital expenditures related to our recycling business. We believe mandatory capital expenditures are very limited, and we are generally able to postpone capital expenditures if necessary, which we were able to demonstrate during the COVID-19 crisis by reducing capital expenditures to approximately 35% of our Recurring EBITDA.

In the past, we have engaged in significant capital expenditures to modernize our asset base, and during the years ended September 30, 2019 and 2020, we engaged in one-off investments related to the move of two significant yards (€57 million) and the acquisition of real estate in the Paris region (€15 million). Investments for the six months ended March 31, 2021 were €59 million.

The table below shows a breakdown of our principal investments during the years ended September 30, 2020, 2019 and 2018.

	For the year ended September 30,		
	2020	**2019**	**2018**
		in millions of euros	
Investments in land or infrastructure	25	13	21
Production equipment	49	76	68
Handling and transportation equipment	12	36	19
Other	—	—	—
Environmental Services	**87**	**126**	**109**
Cleaning	7	10	6
Other	5	6	5
Multiservices	**12**	**16**	**11**
Holding companies	**2**	**3**	**4**
Total property, plant and equipment and intangible investments	**101**	**145**	**124**

Contractual Commitments

The table below sets out the maturities of our indebtedness on a *pro forma* basis after giving effect to the Transactions as of March 31, 2021 for each of the fiscal years ended September 30 of the years mentioned below (except as otherwise stated) and excluding factoring arrangements. For a detailed presentation of the impact of the Transactions on our indebtedness, see "*Capitalization*."

		Six months ended Sept. 30,	**Year ended September 30,**						
(in millions of euros)	**Total**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028 and later**
Syndicated Credit Facilities [(1)]	210.0	—	30.0	30.0	30.0	120.0	—	—	—
Notes offered hereby	300.0	—	—	—	—	—	—	—	300.0
EIB Loan	130.0	—	13.0	13.0	13.0	13.0	13.0	13.0	52.0
Lease liabilities	279.1	33.8	60.3	50.8	40.8	31.0	20.8	13.1	28.6
Other medium- and long-term lines	123.8	4.7	29.3	26.2	33.8	13.4	6.9	3.0	6.4
Total	**1,042.8**	**38.4**	**132.6**	**120.0**	**117.6**	**177.4**	**40.7**	**29.1**	**387.2**

(1) The Syndicated Credit Facility Agreement provides for the Syndicated Revolving Credit Facility, which was undrawn as of March 31, 2021 and which we do not intend to draw in connection with the Transactions. Does not give effect to the option to extend the maturity of the Syndicated Credit Facilities by up to two additional years.

Off-Balance Sheet Commitments

We are party to off-balance sheet commitments given and received in the ordinary course of our business. Commitments given include performance bonds given in accordance with the requirements of certain of our end-markets, environmental commitments, rent and tax commitments. For a breakdown of these commitments as of March 31, 2021, see note 4.26 to our unaudited interim condensed consolidated financial statements as of and for the six months ended March 31, 2021.

Quantitative and Qualitative Disclosure of Market Risks

We are exposed to various market risks as part of our business activities. Several of these risks are described in detail elsewhere in this Listing Prospectus under the caption "*Risk Factors*." The main risk areas that may have a material influence on our business performance as well as our financial position and results of operations are set out below.

Liquidity Risk

Liquidity risk is the risk of a company not having the necessary funds to settle its commitments when they fall due. We use a cash flow a management tool in order to manage liquidity risk. This tool keeps track of the maturity

of financial investments and financial assets (for example, accounts receivable and other financial assets) and the estimated future cash flow from operations.

For a further discussion of our management of liquidity risk, see note 4.11.3 to our unaudited interim condensed consolidated financial statements as of and for the six months ended March 31, 2021 included in this Listing Prospectus.

Interest Rate Risk

Interest rate risk is the risk related to an increase in borrowing costs due to higher interest rates. We are exposed to this risk to the extent that our borrowings accrue interest at variable rates. We determine the desired split of debt between fixed and variable rates based on forecast trends for interest rates and constraints related to hedging requirement set forth in our Syndicated Loan Agreement. As of March 31, 2021, 41% of our outstanding debt bore interest at a variable rate.

We use several types of interest rate risk management instruments to optimize our financial expenses and manage the fixed/variable rate split of our debt. The Group's variable-rate debt is fully hedged.

For further information on the breakdown of our debt between fixed and variable rates, our net financial position after hedging and our derivative interest rate instruments by maturity, see note 4.12.3 to our unaudited interim condensed consolidated financial statements as of and for the six months ended March 31, 2021.

Foreign Exchange Risk

Due to our geographically diversified business base, we are exposed to both currency translation risk on the translation of the balance sheets and income statements of subsidiaries outside the euro zone into euro and to currency transaction risk on transactions denominated in currencies other than the euro.

Generally, our revenue is generated in the same currency as related costs. Accordingly, we have little exposure to currency transaction risk, and business transactions made in a non-local currency (mostly dollar-denominated exports from France) are generally hedged with forward contracts. Euro movements against the U.S. dollar do, however, have a significant impact on the translation of our Environmental Services division revenue and operating income into euros. We use foreign exchange forward contracts to hedge our foreign exchange risk.

For further information, see note 4.12.4 to our unaudited interim condensed consolidated financial statements as of and for the six months ended March 31, 2021.

Credit or Counterparty Risk

Counterparty risk is the risk that a counterparty fails and is unable to honor its financial commitments (credit risk) or other commitments to us.

Financial transactions (*i.e.* loans, hedges on currencies, interest rates and raw materials) are carried out with leading financial institutions for the purpose of reducing risk. To reduce counterparty risk on domestic, export and foreign accounts receivable, our Environmental Services and Multiservices business divisions systematically apply for credit insurance to cover 95% of this risk on these receivables, excluding taxes. The credit insurer may however sometimes refuse coverage based on its assessment of a customer's solvency.

Exposure to customer risk is regularly compared to the credit insurer's authorized limits.

For several years now, we have implemented a very strict policy of monitoring customer outstandings and systematically issuing routine reminders for overdue outstandings.

Our Multiservices business division has a very large portfolio of customers that represents all sectors of the French economy. Its credit risk is therefore proportionate to the risk that the French economy itself will fail, and without the risk that the default of any single customer could threaten our survival.

For further information, see note 4.12.5 to our unaudited interim condensed consolidated financial statements as of and for the six months ended March 31, 2021.

Raw Materials Risk

In the normal course of our business, we enter into few forward contracts to buy or sell ferrous or non-ferrous metals, and these contracts generally do not require a firm price commitment beyond one month. Depending on whether metal prices rise or fall, we may have to purchase or sell at a price less favorable than when the contract was entered into to honor a contract. However, our risk practice is to only enter into a contract to sell when a purchase has been made. Three specialist companies, aluminum refiner Refinal, and non-ferrous metals traders

Inorec and Coframétal, may make, buy, or sell commitments before finding a counterparty for the transaction. They may hedge these transactions on the London Metal Exchange (the "**LME**"). Other Group companies may also hedge transactions on the LME, but this is exceptional.

We may therefore have to sell our inventories of processed metal goods to our customers for less than the initial purchase price if the market price for these goods declines between the time of purchase and the time of sale. The volatility of the prices of different metals may create exceptional "price effects" which we endeavor to limit by holding low levels of stock.

Critical Accounting Policies and Estimates

IFRS requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates and assumptions are based on the information available at the time of preparation of the financial statements and affect the published amounts. Future results may differ from these estimates.

For a detailed description of the accounting rules and methods that we apply under IFRS, see note 2 to our unaudited interim condensed consolidated financial statements as of and for the six months ended March 31, 2021 and note 2 to our audited annual consolidated financial statements as of and for the year ended September 30, 2020.

INDUSTRY

Certain of the information set forth in this section has been derived from external sources. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but some of the information may have been derived from estimates or subjective judgments or may have been subject to limited audit or validation. While we believe this market data and other information to be accurate and correct, we have not independently verified it. Further, such estimates or judgments, particularly as they relate to expectations about our market and industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors" and "Forward-Looking Statements" elsewhere in this Listing Prospectus. The projections and other forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk Factors" and "Forward-Looking Statements."

Overview

Our Environmental Services business division is engaged in two primary activities: recycling and public sector services. Our recycling business recycles ferrous metals (metals containing iron for use in the steel industry) and non-ferrous metals (primarily aluminum and copper), and provides related services to private sector and public clients, including the treatment of WEEE, the management and distribution of ELVs, the treatment of by-products from steel mills and other industries, and the collection of common industrial waste. For the twelve months ended March 31, 2021, our recycling business generated €1,843.6 million, or 93%, of our Environmental Services revenue and €199.8 million, or 89% of our Environmental Services Recurring EBITDA.

The waste management industry encompasses all the activities required to manage waste from its inception to its final disposal: collection, sorting, recycling, transfer and treatment. The waste treatment industry, a subset of the waste management industry, can be further divided into three broad activities based on the primary method used to treat or process waste, namely recycling, landfilling and incineration. The recycling industry has become one of the world's fastest-growing industrial sectors. This growth is believed to be largely linked to an increasing awareness and concern about environmental issues, including climate change and scarcity of natural resources. With the world's population expected to continue increasing from 7.7 billion in 2019 to 9.7 billion in 2050 and 10.8 billion in 2100, according to the projections of the United Nations, awareness of environmental issues is driving changes in consumption patterns and habits. In addition, regulatory and legal initiatives have also incentivized the development of the circular economy and the recycling and reuse of materials and goods.

Recycling is central to European waste management strategy. Besides reducing the volume of waste that is disposed of in landfills or through incineration, recycling helps to reduce the pressure on natural resources that are used in the production of paper, glass, plastic, metals and other basic commodities because many recycling processes result in the creation of raw materials that can be re-introduced into the supply chain. The EU has launched a number of initiatives and directives with the long-term goal, according to the European Commission, of turning Europe into "a recycling society, which avoids waste and uses unavoidable waste as a resource where possible" (Source: "Being Wise with Waste: the EU's Approach to Waste Management," European Commission, 2010). For more information about the regulatory framework of the recycling industry, including EU-level measures, see "*Regulation*."

More particularly, the French recycling market has benefited from a clear structural shift towards recycling and away from competing waste management solutions, such as landfilling and incineration. This is evidenced by growth rates of waste collected and recycled that are higher than the growth rates of the overall waste volumes. The growth in the recycling market has been largely driven by changes in regulation that favor recycling, consumer preferences towards environmentally responsible policies, the taxation of alternative forms of waste management, such as landfilling and incineration, as well as the economic benefits linked to recycling for waste producers. These trends are expected to continue as France converges to other EU member states that are already recording higher rates of recycling.

Metals Waste Recycling Industry

Metals are key raw material components both in a wide range of industries, as well as in industrial and consumer goods and equipment.

The chart below illustrates the metal production lifecycle and our position in the recycling value chain.



Metal recycling consists of the collection, sorting and recovery of waste metals mostly from construction and manufacturing scrap, as well as end-of-life products and other sources. The recycling process over metals can be repeated several times without altering their properties. Once collected and processed, the recycled metals, called secondary raw materials ("**SRM**"), are sold and shipped to final clients including steelmakers, metal refineries and scrap processors, which themselves create a new source of scrap metal during the production process. Metal recycling is highly efficient and more environmentally friendly than ore mining, as metals have high recycling rates and do not lose any of their characteristics when recycled. According to the American Iron and Steel Institute (AISI), steel is the most recycled metal on earth.

Metals are divided into two categories (ferrous metals and non-ferrous metals), and typically make up a small part of total collected material volume, with the remainder including paper, glass, plastics and wood. Ferrous metals contain iron and are typically recovered from cars (including end-of-life vehicles, or "**ELV**") and automotive spare parts, appliances (including waste electrical and electronic equipment, or "**WEEE**"), structural steel and cans. Recovered ferrous scrap metal is reused to manufacture crude steel, mainly for construction and heavy industry. However, a substantial part of the total market is not accessible to recycling players, as it consists of waste recycled internally by industrial companies. Key non-ferrous metals include aluminum, copper, lead, zinc and nickel, and are primarily found in buildings, packaging, automobiles and industrial equipment. Non-ferrous metals are found in much smaller volumes than ferrous metals.

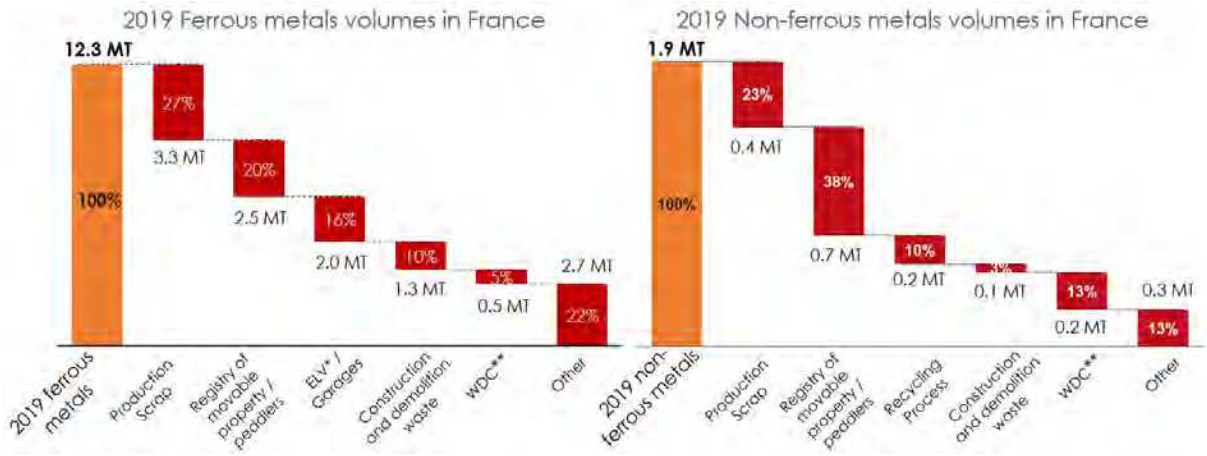
The French Metals Waste Market

Key market drivers of the metals waste recycling industry

Recycled metal volumes in France, for both ferrous and non-ferrous metals, have historically been stable given the diversification of contributing economic sectors. Multiple underlying drivers provide robustness to the sector and promote the resilience of waste volumes.

In 2019, the main underlying waste and scrap metal market sources were the following, as indicated in the chart below: (i) production scrap, (ii) registry of movable property and peddlers, (iii) end-of-life vehicles, (iv)

construction and demolition waste, (v) waste disposal centers (including eco-centers)and (vi) other metal waste producers, such as transport industry players.



Source: Federec, key recycling figures 2019.
** ELV: end-of-life vehicles.*
*** WDC: waste disposal centers, including eco-centers.*

Key market drivers for recycled metal volumes in France, for both ferrous and non-ferrous metals, include (i) French and European waste market regulation, which have tended to impose stricter recycling rate targets (see "*Regulation—Regulations Applicable to Our Environmental Services Business*"), (ii) general economic conditions, which drive global consumption, including global consumption of cars and electrical and electronic equipment, and global demand for construction, which, in turn, drives global demand for ferrous and non-ferrous metals (including global steel demand (downstream)) and global production of ferrous and non-ferrous metals (including global steel production (upstream) and distribution of steel production between blast furnace and electric steel mills (see "*—The SRM Market—Ferrous Metals—Ferrous metals market dynamics*")).

Construction Industry

Metal waste from the construction industry in France is expected to increase in line with the structural evolution of the construction industry in France, which is expected to record a CAGR of 8.0% to reach €244.0 billion by 2024. The residential construction industry in value terms increased at a CAGR of 3.7% during 2015-2019. The commercial building construction market in value terms is expected to record a CAGR of 7.9% over the forecast period. The infrastructure construction was estimated to be €58.1 billion in 2019, posting a CAGR of 2.6% during review period.

ELV

Metal waste from ELVs in France is expected to increase in the coming years, as a result of (i) the structure of the French car parc and (ii) the increasing concerns of governments and individuals about environmental issues, global warming and climate change, evidenced by the incentives supporting the renewal of vehicles (development of and transition to energy-efficient vehicles / clean vehicles). On January 1, 2020, the car parc in France consisted of 38.2 million light vehicles, with an average age of 10.2 years: 97.7% of the car parc consisted of traditional combustion-engine cars (compared to 2.3% equipped with plug-in-hybrid car and electric cars) and 57% of the French car parc were vehicles certified under the French regulatory regime as meeting the two highest possible standards for combustion engines (Crit'air 1 and Crit'air 2). Government incentives supporting the renewal of vehicles (development of and transition to energy-efficient vehicles / clean vehicles) include the *prime à la conversion* (formerly *prime à la casse*) and the *bonus écologique*, supporting the increase of ELV to be processed and recycled in the coming years.

WEEE

Metal waste from WEEE in France is expected to increase in the coming years, considering the evolution of French global demand and consumption levels and, in particular, the demand for appliances (small to large household appliances). Overall, appliances (including small, medium and large appliances) sold in France in 2020 increased by 5% (in value) compared to 2019. Small appliances sold in France in 2020 increased by 11.2% (in value) and by 4.9% (in volume) and large appliances sold in France in 2020 increased by 11.2% (in value and in volume).

The SRM Market

Overview

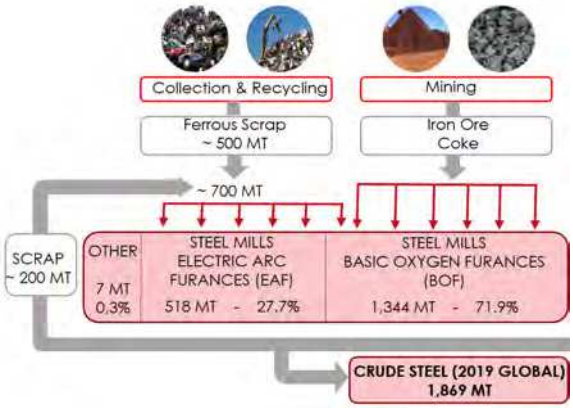
Metals are core hard commodities whose prices tend to follow complex dynamics, involving fundamental supply and demand considerations as well as trading activity. In the short term, positive supply and demand fundamentals are expected to drive up the prices and volumes for both raw and scrap materials, while in the long term a positive trajectory is expected to result from rising costs of raw materials extraction. In particular, the SRM market is expected to enjoy an upward trend driven by increasing costs for the extraction of raw materials based on fundamental ore mining trends.

Focus on Ferrous Metals

Overview

Worldwide demand for recycled ferrous scrap metal is driven primarily by steel production levels. Steel production relies on two different technologies: basic oxygen furnace ("**BOF**") steelmaking, which converts pig iron from the blast furnace into liquid steel by blowing oxygen into the furnace to remove carbon as carbon monoxide gas, and electric arc furnace ("**EAF**") steelmaking, in which an electric furnace melts recycled steel scrap for the production of liquid steel using electrical power. Steel mill production that uses EAF technology relies on recycled scrap metal as its primary feedstock, while steel manufacturing that uses BOF technology also requires recycled scrap metal for a portion of its raw materials.

The global market of ferrous scrap metals accessible to metals waste recycling companies amount to approximately 500 million tons per year, to be processed and recycled by steel mills for use in EAF steelmaking. The diagram below illustrates the steel production market, including global production volumes in 2019.



Source: Bureau of International Recycling (BIR).

Ferrous metals market dynamics

Global steel demand is mainly driven by general economic conditions and global consumption, driving volumes of global steel production, which in turn drives the demand for recycled ferrous metals (depending on various factors, including the price of commodities) and the production of such recycled ferrous metals.

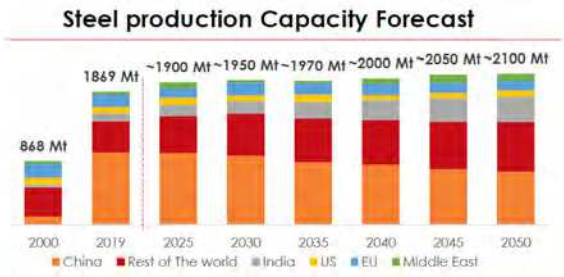
Global production of steel

Global steel production has been dominated by China over the years, with a growing share in the global production of steel from 2009 (47% share) to 2019 (53% share), which is expected to remain high. China is both the largest global steel consumer and the largest producer by a considerable margin, and the balance between China's domestic production and its consumption has significantly impacted global steel prices as a result. In response to surging domestic consumption and construction in 2008 and 2009, China heavily invested in its stockpiles, leading to an increase of supply of 10.4% per year and creating a permanent surplus of approximately 100 million tons from 2013 onwards. However, after adding 300 million tons of steel capacity within five years and accruing half the world's supply of steel, the Chinese government planned to cut steel production in an effort to curb pollution and reduce the excess steel supply that has driven down prices. Despite escalating trade tensions with the United States, Chinese demand-side policy and supply-side policy have remained supportive (although there are some capacity restrictions being implemented as part of the environmental protection measures). As the Chinese domestic supply and demand balance have remained supportive, no major risk of an exported supply-driven downturn is expected.

The charts below illustrate historical steel production from 2009 to 2019 and projected steel production by region from 2019 to 2050.



Source: Worldsteel Association.

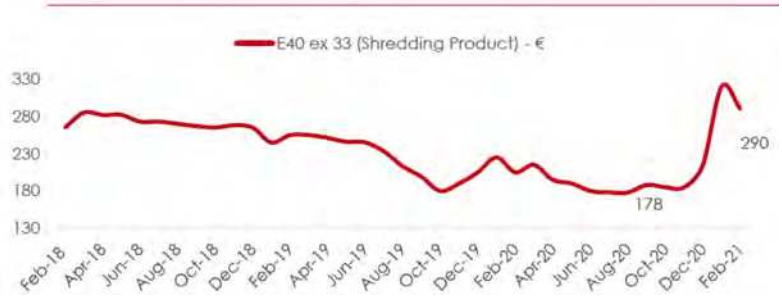


Source: IEA – Iron and Steel Technology Roadmap – Sustainable Development Scenario.

Global price of steel

Changes in the global price of steel are typically the function of supply and demand for steel and can influence the use of different steelmaking technologies. Given that the production cost of steel from EAF is generally higher than that of BOF, in a high steel price environment, EAF becomes increasingly financially attractive.

The chart below illustrates the price of steel from 2018 to 2021.



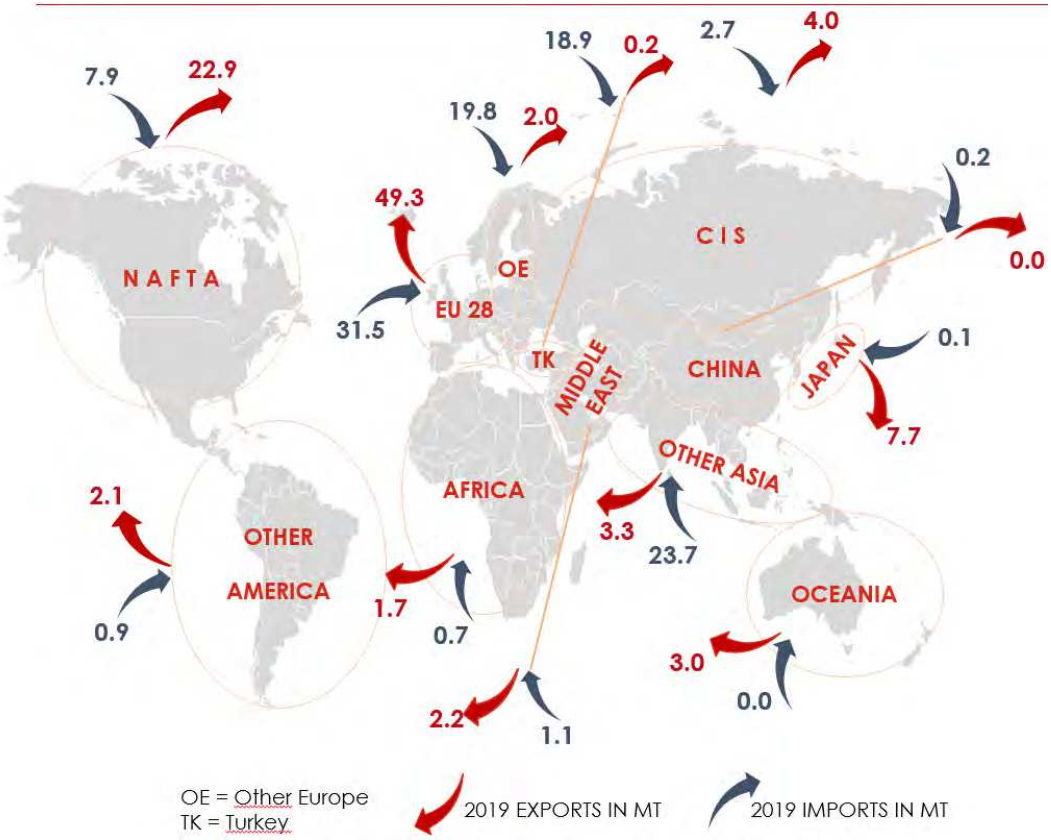
Source: France Recyclage.

Beginning in mid-2018, trade disputes and diplomatic tensions between the United States and China and between the United States and Turkey resulted in the imposition of tariffs and impacted trade flows. Turkish steelmakers thus redirected their production to Europe, increasing supply and leading to a drop in prices through the second half of 2019. Although prices began to recover in 2020, the COVID-19 pandemic led to a drop in demand and therefore a drop in prices. During the crisis, a number of steel plants were temporarily closed. Those plants which use BOF, which are more difficult to restart, were not able to come back online rapidly enough to meet the rise in demand once economies began opening up in later 2020, leading to the rise in prices observed at the end of 2020 and into early 2021.

Ferrous scrap metal trade flows

The ferrous scrap metal market is sensitive to international steel and ferrous scrap metal trade flows. The volume of Chinese steel exports significantly influences the European steel market and consequently its need for ferrous scrap metal. Starting in mid-2016, China sharply reduced its steel exports to Europe due to its strong domestic demand, which has allowed European and Turkish steelmakers to increase their production and sales in their local markets. Moreover, since 2016, exports of Turkish steel to Europe have increased sharply, because of the weak Turkish domestic market. These exports compete with supply from European steelmakers, which are Derichebourg's main customers by volume.

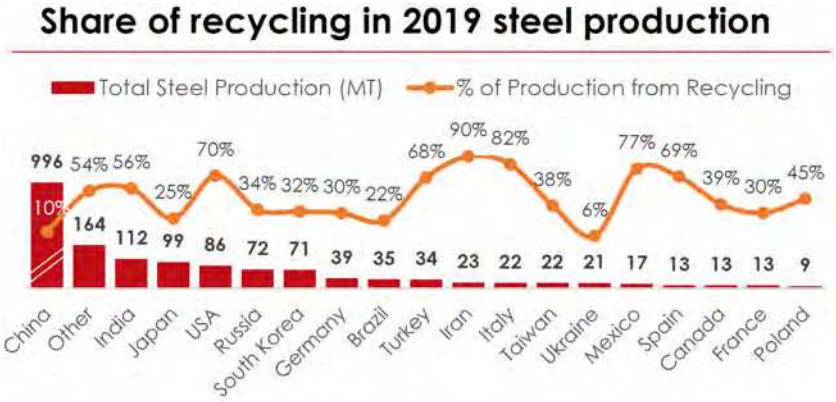
The graphic below shows trade flows in steel, expressed in millions of tons, during 2019.



Source: Worldsteel Association.

Changes in demand for steel production methods

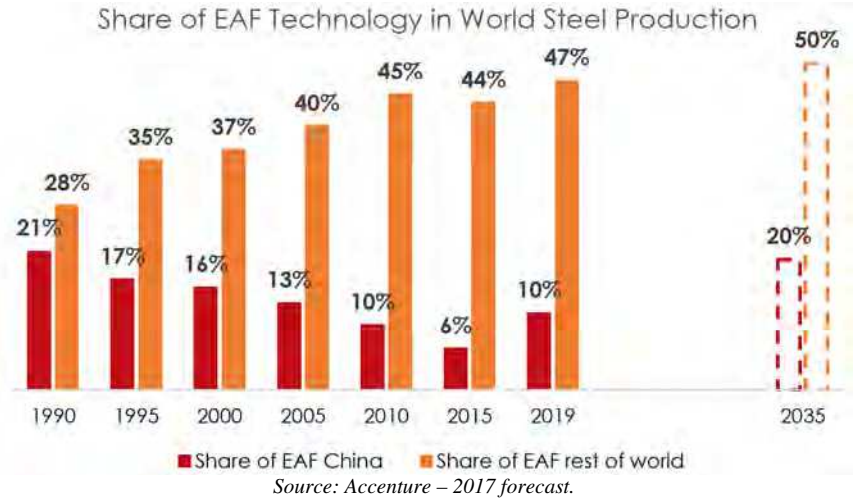
The share of steel production generated by EAFs varies significantly by country. In 2019, EAF-produced steel accounted for the following percentages of overall steel production: 10% for China, 22% for Brazil, 25% for Japan, 30% for France and Germany, 32% for South Korea, 34% for Russia, 39% for Canada, 56% for India, 68% for Turkey, 69% for Spain, 70% for the United States, 77% for Mexico and 82% for Italy. The chart below illustrates the total steel production generated by country in 2019 and the share of steel production generated by EAFs by country in 2019.



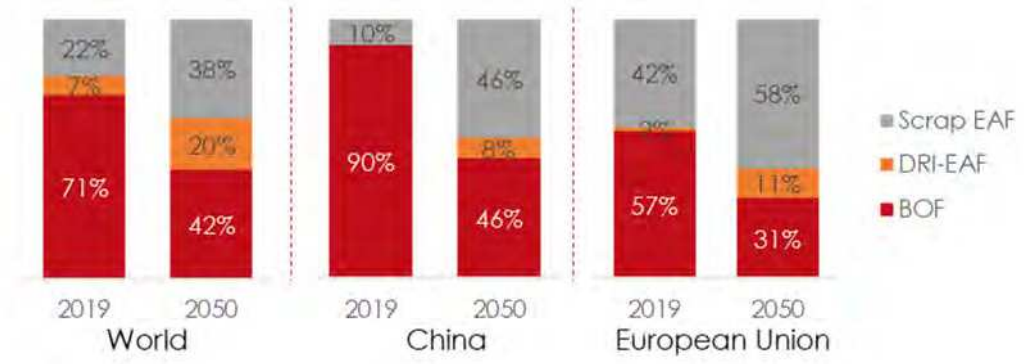
[3] *Source: Worldsteel Association.*

The global share of EAF steel production, which grew from 25% to 29% between 2015 and 2020, is expected to grow to 36%, 39% and 58% of global production of steel in 2030, 2035 and 2050, respectively. In the European Union, the share of EAF steel production is expected to grow from 44% in 2019 to 69% in 2050.

The charts below illustrate the expected share of EAF steel production in global production of steel by 2035 and 2050.

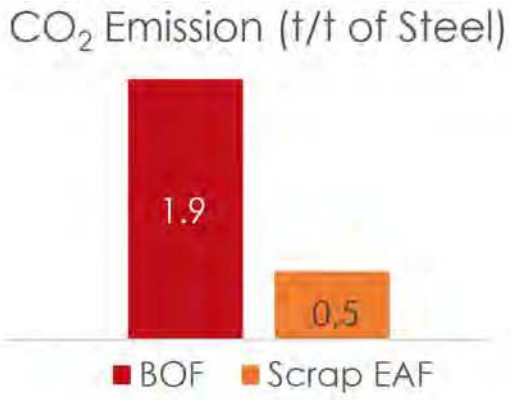


Source: Accenture – 2017 forecast.



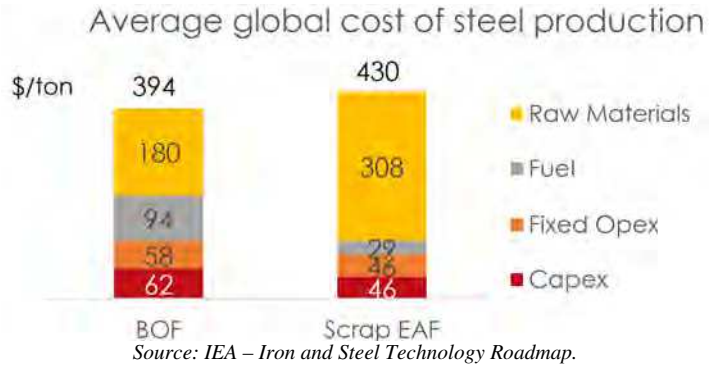
Source: IEA – Iron and Steel Technology Roadmap – Sustainable Development Scenario.

As shown above, it is expected that EAF will account for larger share of world steel production, with Europe representing a relatively larger share of EAF than Chinese output and global output. European and French regulators tend to set higher recycling ratios for ferrous metals (70% in 2025 to 80% in 2030) and aluminum (50% in 2025 to 60% in 2030) and higher requirements regarding greenhouse emission reduction (CO_2 emissions to be reduced by 30% by 2030 and carbon neutrality goal in 2050), which has generated demand for steel production from EAF, which generates less CO_2 than steel production by BOFs. The chart below illustrates CO_2 emissions for one ton of steel produced through EAF and BOF processes.



Source: Carbon 4.

The cost of production per ton of steel from EAFs is, on average, higher than that of steel produced by BOFs, with the feedstock used by EAF being generally more costly than the feedstock used by BOF. However, EAF generally require lower capital expenditure, fixed operating expenditure and fuel costs than BOF. The chart below illustrates the costs of EAF-produced steel compared to the cost of steel from BOF.



Source: IEA – Iron and Steel Technology Roadmap.

Competitive Landscape

Groups that address the French recycling market can be divided in three distinct categories:

- large environmental players, including Suez and Veolia, that are present across all waste management solutions and have been historically exposed to the declining incineration and landfilling markets;
- operators specializing in value extraction from waste other than recycling to produce electricity, gas or fertilizers, including Séché Environnement, Tiru (a subsidiary of EDF) and Inova; and
- pure-play recycling players, which include Derichebourg and Ecore, among others.

The French metals recycling market is not dominated by environmental players like Suez and Veolia, but by specialists like Derichebourg and Ecore, followed by a smaller local entities. The French metal waste valorization market is led by Derichebourg with a market share of approximately 15-20% in 2020 in terms of revenue and 200 recycling centers in France as of September 30, 2020. Ecore is the second largest player in the market, with a market share of approximately 10-15% in 2020 in terms of revenue.

We believe that the structure of the French metals recycling market favors large and established players such as Derichebourg and Ecore whose experience, asset base and local presence can help address:

- The asset-based nature of the recycling market, together with the requisite geographical footprint and logistical capabilities create significant barriers to entry.
- Collection capabilities and market knowledge are highly local aspects of the market, which limit the ability to grow organically in new regions.
- Numerous regulations governing metal collection/treatment, administrative constraints and a demanding planning process from regional authorities for any new metal scrap activity permits also create difficulties for market participants to open new sites.

BUSINESS

Overview

We are a leading global operator of environmental and outsourced services to businesses and local authorities, serving our customers for more than 70 years while protecting their environment. We are both an international operator and a local actor providing our customers with global solutions in ten countries as of March 31, 2021. We generated €2.8 billion of revenue and €262.1 million of Recurring EBITDA for the twelve months ended March 31, 2021.

We provide an extensive range of products and services to private businesses and the public sector through two business divisions: Environmental Services and Multiservices.

Our Environmental Services business division is engaged in two primary activities: recycling and public sector services. Our recycling business recycles ferrous metals (metals containing iron for use in the steel industry) and non-ferrous metals (primarily aluminum and copper), and provides related services to private sector and public clients, including the treatment of waste from electrical and electronic equipment ("**WEEE**"), the management and distribution of end-of-life vehicles ("**ELVs**"), the treatment of by-products from steel mills and other industries, and the collection of common industrial waste. Our public sector services business provides a range of services to towns and municipalities in metropolitan France, Canada and Réunion Island, comprising the collection and handling of household waste, the cleaning of public spaces, dump management and sorting centers management. As of March 31, 2021, our Environmental Services business division had operations in more than 200 sites in nine countries. For the twelve months ended March 31, 2021, our Environmental Services business division generated €1,990.1 million in revenue and €224.7 million in Recurring EBITDA.

Our Multiservices business division includes several activities that address our public and private sector clients' desire to outsource labor-intensive functions and activities in order to focus on their core businesses. We provide a host of solutions to our clients, addressing needs in the tertiary sector, urban areas, industry and human resources and temporary services. As of March 31, 2021, our Multiservices business had operations in six countries. For the twelve months ended March 31, 2021, our Multiservices business generated €821.0 million in revenue and €45.7 million in Recurring EBITDA.

Over the years, our group has grown both organically and through acquisitions. Most recently, on December 30, 2020, we entered into exclusive negotiations for the acquisition of Ecore, a group specialized in metal recycling spanning the value chain from the collection of waste to the sale of recycled materials. On March 1, 2021, we announced the signature by Derichebourg Environnement of an agreement to acquire GEH, the holding company of Ecore. Ecore holds the second largest market share of the French metal recycling market for the valorization of metal waste based on revenue and is present in six countries in Europe. After giving effect to the Acquisition, we would have generated *pro forma* revenue of €3,879.7 million and Adjusted *pro forma* Recurring EBITDA of €362.0 million for the twelve months ended March 31, 2021. For more information on the Acquisition, see "*—The Acquisition*."

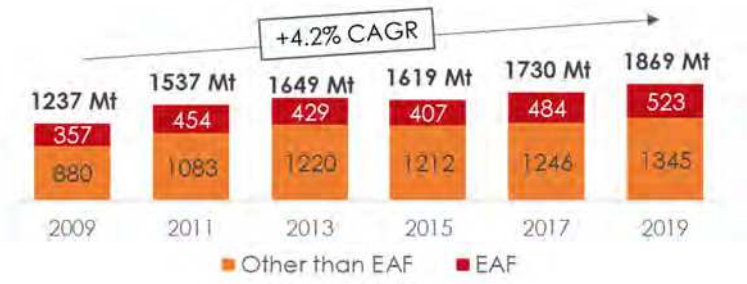
Our Strengths

We benefit from a dynamic metal recycling market driven by strong structural and regulatory trends

We believe that our Environmental Services business benefits from favorable drivers underlying not only growing production for steel, but also increased demand for service providers such as us that are able to meet increasingly stringent regulatory requirements for metals recycling.

Steel production has steadily grown over the last 25 years, and is expected to continue to grow in connection with growth in the global economy generally. Steel is produced from one of two different types of feedstock – a combination of mined iron ore and coke, or ferrous scrap metal that has been recycled either by third-party metal recyclers or, to a lesser extent, internally by steel mills themselves. Basic oxygen furnaces ("**BOF**") are the traditional technology for steel production using iron ore and coke as inputs continue to represent the preferred technology for high-quality steel. However, electric arc furnaces ("**EAF**"), are a modern technology that uses ferrous scrap as its primary feedstock and a furnace with graphite electrodes to produce steel while producing carbon dioxide ("**CO_2**") emissions that are up to 75% lower than traditional steel production methods. As a result of this improved environmental impact and relatively high efficiency and flexibility, the share of steel produced using EAFs has been steadily increasing over recent years.

The chart below shows the historical growth in steel production from 2009 to 2019 in millions of tons, along with the relative share of EAF in such production.



Source: Worldsteel Association

Steel output is projected to continue growing into the next several decades, with recycled steel expected to comprise an increasing share of such output. The chart below shows projected growth in steel production from primary and recycled sources from 2019 to 2050 in millions of tons.



Source: IEA (international Energy Agency) 2°C scenario

Similarly, EAF-produced steel has represented and is expected to continue representing an increasing share of global production versus traditional methods, as shown in the chart below tracking the relative shares of EAF and BOF production from 2015 to 2035.



Source: Accenture – 2017 forecast.

We believe that concerns about climate change, and the resulting regulatory response globally and particularly in our markets, has had and will continue to have a favorable structural effect on the market for metal recycling. These include:

- Greenhouse gas emissions: We believe that increasingly stringent greenhouse gas emissions controls have and will continue to have a structural impact on demand for recycled metal. The Paris climate conference of 2015 (COP21) resulted in the adoption of the Paris Agreement, the first-ever universal, legally-binding global climate change agreement, in December 2015. Pursuant to the Paris

Agreement, 190 countries and international organizations undertook a pledge to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. To this end, the EU has set a target of reducing greenhouse gas emissions by at least 40% by 2030 compared to 1990. In 2020, the European Commission proposed raising this target to 55% as part of the European Green Deal. Further to the Paris Agreement, the EU aims to achieve carbon neutrality by 2050. These imperatives have already resulted and are expected to continue to result in the use of fewer fossil fuels in the metals industry, and the increased use of steel production processes that are less polluting, such as EAF and direct reduced iron processes.

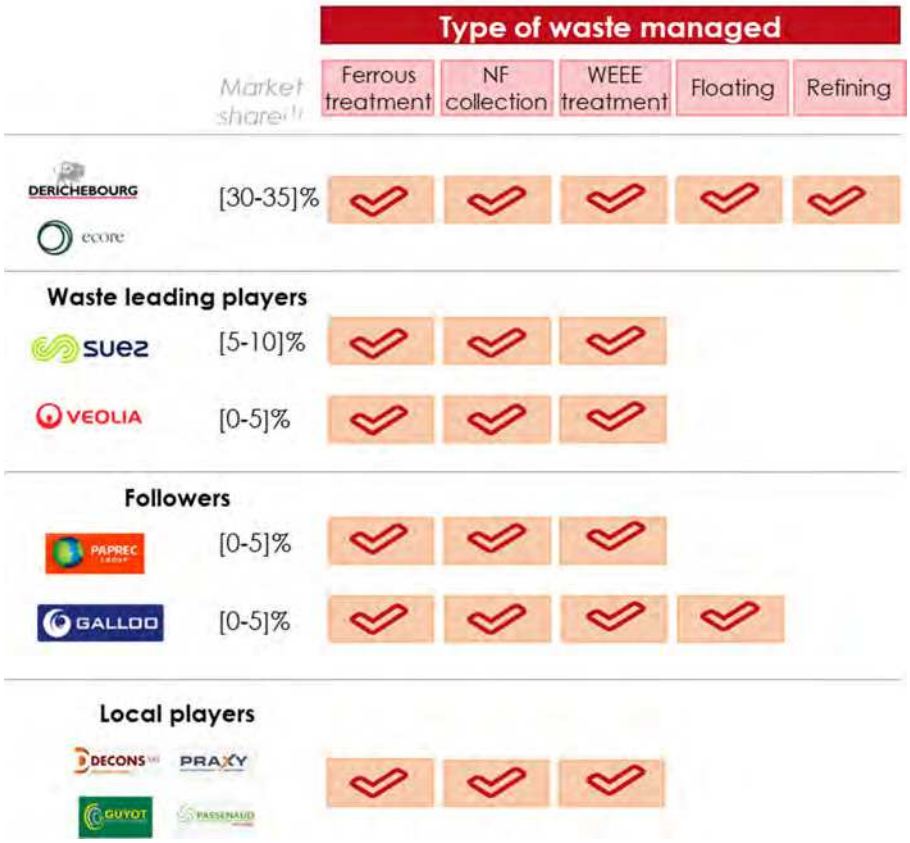
- ELV Directive: Directive 2000/53/EC of the European Parliament and of the Council of September 18, 2000 on end-of-life vehicles (as amended, the "**ELV Directive**"), sets forth targets for the treatment of ELVs and their components in order to prevent and limit waste from ELVs and their components and improve the environmental performance of all economic operators involved in the life-cycle of vehicles. The European Commission is currently undertaking a review of the ELV Directive and expects to present a proposal for the review of the ELV Directive in 2022. We believe that this will result in further limits on the number of cars that are exempt from recycling in the EU and will put further pressure on recyclers to meet ever more stringing recycling objectives, creating further demand for service providers such as us who have expertise in the recycling of ELVs.
- Basel Convention: The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (the "**Basel Convention**"), which entered into force in 1992, was promulgated in part to address the export of toxic waste from the developed world to developing nations as a result of political and economic factors. The constraints imposed by the Basel Convention have incentivized actors to convert waste into products that can be lawfully exported, such as recycled high grade ferrous scrap and other metals, yielding demand for recyclers such as us.
- French *éco-organismes*: Producer responsibility organizations known as *éco-organismes* have developed in France in response to EU requirements for producers and distributors to take responsibility for the treatment of the products they produce and distribute once they have reached the end of their useful lives. These organizations are private companies owned by such producers and distributors and must have the technical and financial means to handle end-of-life products. French regulations have progressively expanded the industries subject to extended producer responsibility, including recently to ELVs as from 2022, which will further create demand for solution providers such as us that can treat ELVs.
- TGAP: The French general tax on polluting activities (*taxe générale sur les activités polluantes*, or "**TGAP**") has resulted in increasing costs for waste disposal and as a result has led to a decrease in landfill capacity in France, creating further demand for recyclers capable of reducing waste to be sent to landfills.

For a further description of the regulatory environment to which our business is subject, see "*Regulation*."

Undisputed leader in metal recycling France benefiting from a unique network serving a diversified client base with long-term relationships

We hold leading market positions in metal recycling in each of the countries in which we operate. We believe we are the fourth-largest European recycler in terms of revenue, behind EMR, TSR, and Chi-Ho Environmental Group (Scholz). We further believe we are the leading metal recycler in France based on revenue from the valorization of metal waste. We also believe we have the leading market share for metal recycling among independent players (i.e., recyclers not affiliated with a producer) in Spain, a leading position among independent players in the U.S. markets of Texas and Oklahoma, and a leading position among independent players in Mexico City, where the market is fragmented. We also have the number four position in Belgium. We believe that, following the Acquisition, we will have the largest market share for metal recycling in France thanks to Ecore's already strong number two position, with an estimated combined share of the metal waste valorization market of between 30% and 35%, and will offer the largest scope of waste management offerings.

The chart below illustrates the competitive landscape in France for metal recycling, with the estimated market shares based on revenue of key players and the scope of our and their respective offerings.



Notes: (1) Market shares of revenue from valorization of metal waste based on third-party analysis.

We believe that one of the many reasons our Environmental Services business has enjoyed continued success is our dense local presence. In France, we have established a "star" network, in which we have waste collection centers tasked with receiving waste from our clients located in a 20- to 30-kilometer range from our waste processing plants. In this way, we can minimize transportation costs while maintaining proximity to our clients' sites. We believe that our network's density has also allowed us to collect sufficient volumes to be able to profitably serve niche recycling markets that are relatively less volatile than other recycling markets and marked by a less crowded competitive landscape.

We have been able to develop a dense network in France with a strong presence in other European countries, thanks in part to our experience successfully identifying acquisition targets and integrating their businesses. For example, we acquired approximately 40 locations in France through our acquisitions of Valerio, Galloo IdF, SLG and Bartin in 2015 and 2016. In 2019, we acquired Lyrsa, a significant recycler with 17 locations in Spain and one site in Portugal. We believe that the Acquisition will serve to further densify our network in France and provide us with access to strategic deep sea ports in France and Belgium providing access to key international markets

such as China and Turkey. We also expect that a presence at these locations will allow us to benefit from a scale effect from optimized ship loading rates. The map below shows our expected combined sites in Western Europe:



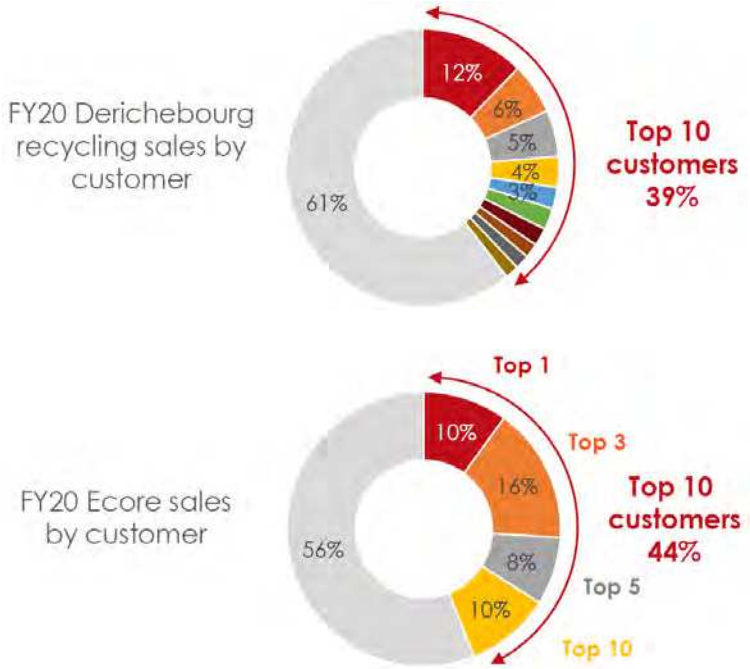
We believe that our dense network has helped us to build long-lasting relationships with our recycling clients, who view us as a reliable, key partner in the recycling value chain. Although our business model is based on short-term contracts with specific industrial sites that purchase the recycled metal we sell, we renew these relationships regularly. We have maintained high levels of customer loyalty with these sites, with relationships of over 50 years with six out of our ten largest recycling clients for the year ended September 30, 2020, including our four largest recycling clients. We have maintained relationships of over 20 years with three of our ten largest recycling clients for the year ended September 30, 2020.

The table below shows our top recycling clients, as well as the percentage of our recycling revenue each represented for the year ended September 30, 2020.

#1	12%	IVA	Ferrous scrap	50+
#2	6%	ArcelorMittal	Ferrous scrap	50+
#3	5%	Aurubis	Copper	50+
#4	4%		Inox waste	50+
#5	2%	ecosystem EcoLogic	WEEE	15 (since creation in 2006)
#6	2%		Ferrous scrap	20+
#7	2%	CELSA GROUP	Ferrous scrap	50+
#8	2%		Ferrous scrap	20+
#9	2%	FERALPI GROUP	Ferrous scrap	50+
#10	1%		Alu. ingots	20+

Derichebourg and Ecore benefit from diversified, similar metal recycling client bases. Each of Derichebourg's top nine clients have a relationship with Ecore. For the year ended September 30, 2020, our top ten recycling clients represented 39% of our recycling sales, whereas Ecore's top ten recycling clients represented 44% of its recycling

sales. The charts below show the percentage of Derichebourg and Ecore's recycling sales generated by their respective ten-largest clients for the year ended September 30, 2020.



Leading positions in niche recycling markets driving superior profitability

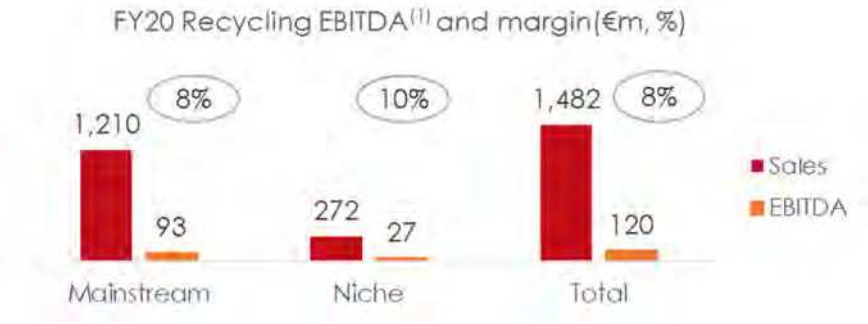
We have distinguished ourselves from our peers through our ability to stake out leading positions in niche markets of the recycling industry, including the development of specialized processing lines in:

- non-ferrous metals floating to sort light metals (such as magnesium and aluminum) from heavier ones (such as brass, zinc, copper and stainless steel);
- aluminum refining and aluminum profile shredding for the delivery of aluminum to extruders;
- treatment of lead ingots;
- blending of stainless steel waste;
- chopping copper cables,
- treating WEEE; and
- sorting catalytic converters.

We believe that our network's density has allowed us to collect sufficient volumes of these materials to be able to profitably serve such niche recycling markets. The vertical integration made possible by our vast network allows us to cost-effectively install secondary processing lines, which are supplied with flows from various sites, without the need for significant external purchases.

We believe this is beneficial for a number of reasons. First, certain of these activities, such as the treatment of WEEE in particular, are services-oriented rather than product-oriented, and are consequently relatively less volatile than other sectors of the recycling market tied to commodities. In addition, we are able to hedge our exposure to price volatility with respect to nickel and, partially, to copper. Second, these niche activities have tended to be more profitable, in part due to the relatively less competitive market.

Our mainstream recycling sales and Recurring EBITDA compared with our niche recycling sales and Recurring EBITDA for the year ended September 30, 2020 are illustrated below.



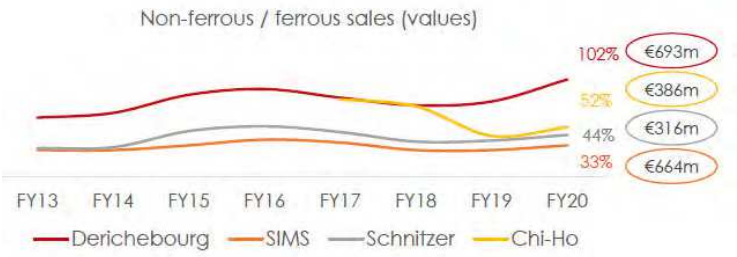
Note: (1) FY20 Recurring EBITDA post IFRS 16.
Niche business definition encompasses heavy media plants (floating of non-ferrous metals), refining of aluminum and lead ingots, blending of stainless steel waste, copper cable chopper, aluminum profile shredding, WEEE treatment, catalytic converters sorting.

We have generated a significant share of our recycling Recurring EBITDA from these niche activities, which has grown in recent years, as illustrated below (expressed in millions of euros and as a percentage of recycling Recurring EBITDA).



(1) FY20 Recurring EBITDA post IFRS 16.

Moreover, we have consistently had the highest weight in non-ferrous metals sales versus ferrous metal sales in our recycling business as compared to our peers, as illustrated by the graph below.



While providing us with a further diversified revenue source, non-ferrous metals recycling also generates attractive margins.

State of the art and well-invested recycling business asset base

Our success, particularly that of our recycling business, depends on our having access to state-of-the-art industrial tools capable of handling our clients' needs. We believe that we benefit from a well-invested asset base providing us with a significant competitive advantage. This includes 28 shredders, 67 shears, 650 cranes, a fleet of 440 trucks, and approximately 4.7 million square meters of real property. As of September 30, 2020, these assets had a gross value of €1,410 million and a net book value of €476 million. Over the past five years, we have invested €384 million in capital expenditure in our recycling business, with higher investment levels from 2018-2020 as part of a modernization initiative as well as a result of a relocation of certain of our yards in the Paris area. On average we have reinvested 47% of our Recurring EBITDA into our business over the past 15 years. We believe that the investments we have made in our asset base will allow us to keep strict control over our capital expenditure in the years to come.

We believe that Ecore similarly has a solid asset base that will be a useful complement to ours. This includes six shredders, 46 shears, 267 cranes, a fleet of 252 trucks and approximately 2.4 million square meters of real property. Over the past five years, Ecore has invested €123 million in capital expenditure in its recycling business. As of September 30, 2020, these assets had a gross value of €772 million and a net book value of €248 million.

Multiservices and waste collection provide diversification and stability

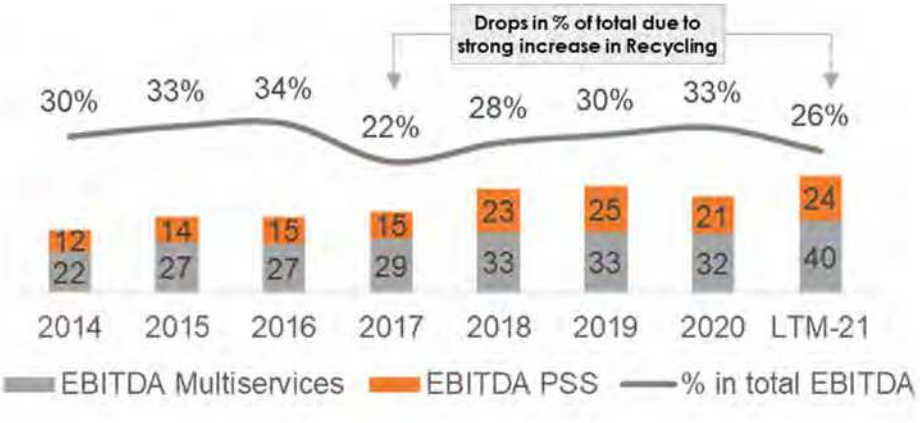
We derive a significant portion of our revenue and an increasing share of our Recurring EBITDA through our non-recycling businesses, which include the various businesses we operate under our Multiservices business division and the public sector services business of our Environmental Services business division.

Our Multiservices business division dates to 2006, when our majority shareholder and Chief Executive Officer decided to further diversify our business activities. This diversification has allowed us to maintain stable revenue streams from a broad range of clients.

As part of the diversification of our business in the mid-2000s, including as a result of the merger of CFF with Penauille Polyservices Group, we have developed a broad range of outsourcing solutions for clients subject to different economic cycles in the tertiary sector, industry, urban areas and HR and interim staffing. This business benefits from a diverse, blue-chip client base, including Airbus (14.2% of our Multiservices sales for the year ended September 30, 2020), La Poste (3.7%), ExterionMedia (2.9%), Casino Group (2.6%), Sanofi (2.4%), Sonae (1.3%), Carrefour (1.2%), Orange (1.2%) and CHEP (1.0%).

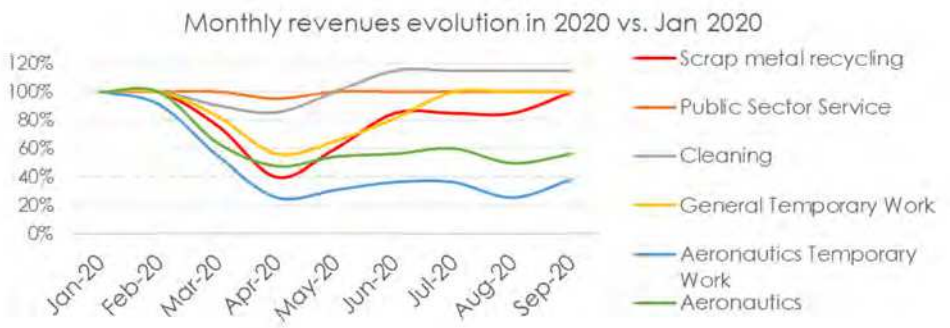
The public sector services we offer as a part of our Environmental Services business division include waste collection in towns and cities, cleaning of public spaces, dump management and sorting center management. Despite economic conditions due to the pandemic, this business delivered strong performance, with an increase of €7.1 million of Recurring EBITDA during the year ended September 30, 2020 over the previous year, on a like-for-like basis, excluding changes in consolidation scope. We believe our selective approach to the market, combined with an efficient operational organization has helped further to enhance the profitability of this business.

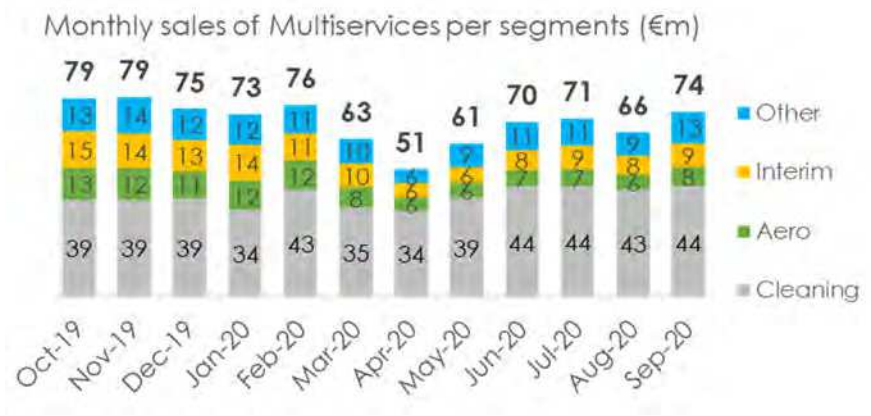
Our non-recycling businesses have generally represented an increasing share of our Recurring EBITDA since 2014, as illustrated in the chart below (on a pre-IFRS 16 basis, expressed in millions of euros).



The benefits of our diversification strategy were clearly evidenced in 2020, when our waste collection business and the cleaning services we provide through our Multiservices business division were considered as essential services. Demand for these services remained strong and provided us with steady revenue streams, helping to partially offset the slowdown experienced by our businesses resulting from reduced demand due to the COVID-19 pandemic and related lockdown measures. This is illustrated in the charts below showing the evolution of our

monthly revenue from January 2020 to September 2020 for each of our principal businesses, as well as monthly sales of our Multiservices business division per activity from October 2019 through September 2020.





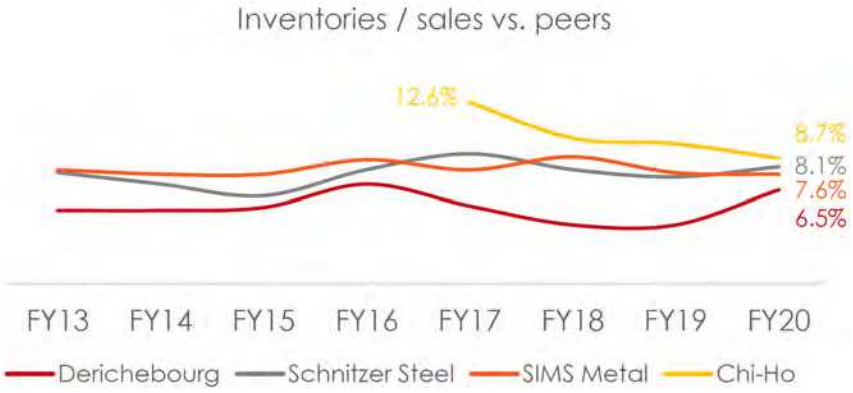
Experienced management and strong support from family shareholder

We benefit from an experienced management team that, under the stewardship of the Derichebourg family, has implemented a management style focused on a long-term strategy while demonstrating its ability to grow our business through acquisitions.

The Chairman of our Board of Directors and Chief Executive Officer, Daniel Derichebourg, became a director of our predecessor, Compagnie Française des Ferrailles ("**CFF**"), in 1994. He has held his current positions with our group since 2006. Our Deputy Chief Executive Officer, Abderrahmane El Aoufir, began his career in 1984 in the financial department of CFF and has held various positions within our group before being appointed to his current position in late 2013, overseeing our recycling subsidiaries' operating activities. Boris Derichebourg, the director of our Multiservices business division, joined our group in 2004 and has held his current position since 2006. Thomas Derichebourg, the director of our public sector services business, has held this position since 2009, developing our activity internationally, particularly in Canada. Our Chief Financial Officer, Pierre Candelier, joined our group in 2007 after 12 years at Ernst & Young, and has held his current position since 2014.

Our management team has favored a long-term management style when taking strategic decisions. An example of this has been the choice to maintain low levels of inventories in our recycling business (equivalent to 15 days of activity for ferrous metal scrap and 15 to 25 days for non-ferrous metal scrap), reducing our exposure to

macroeconomic shocks and volatility in the commodities market. Our relatively low levels of inventories as compared to our recycling peers is illustrated in the chart below.



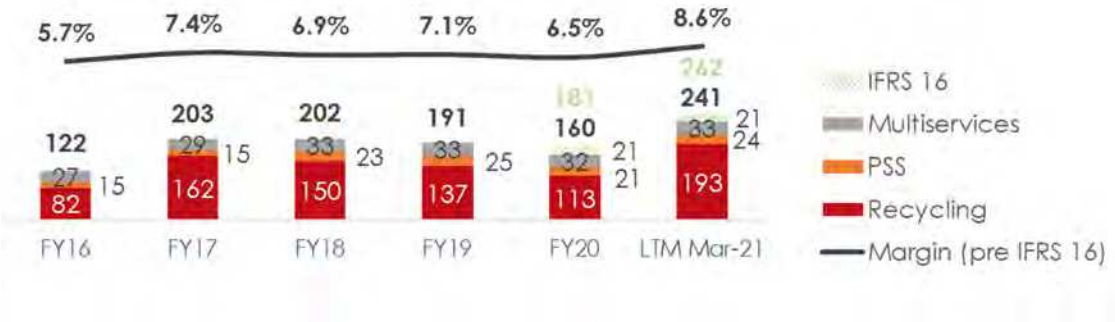
Our inventory management policy, together with the short-term nature of our recycling contracts, helps to protect our recycling margins through stable sale and purchase price differences.

We also believe that the stability brought by this management style has given us the financial strength to seek to be a consolidator in the metal recycling market. Thanks to the experience of our management team, we have been able to selectively carry out a number of acquisitions, identifying opportunistic targets for acquisition at reasonable multiples at strategic points in the cycle. We have successfully carried out a number of acquisitions since 2015, integrating acquired companies into our group while realizing synergies and cost savings plans. For example, within one year after our acquisition of Bartin Recycling, a former subsidiary of Veolia, in 2016, we were able to implement considerable head office cost savings plans, allowing Bartin's EBIT to increase to from a negative EBIT of €7 million to a positive EBIT of €9 million. We have also been able to significantly improve the EBITDA of Lyrsa, the Spanish leader in scrap metal recycling, which we acquired in December 2019. By simplifying Lyrsa's corporate structure, realizing commercial synergies in Lyrsa's non-ferrous metal and battery recycling business, reducing inventories by approximately €20 million within five months following the acquisition and implementing cost savings plans, we were able to increase Lyrsa's EBITDA from approximately €15 million in 2019 to approximately €22 million in 2020. We are continuing to implement further integration initiatives with respect to Lyrsa, and we believe that we will be able to translate these efforts to our integration of Ecore following the Acquisition.

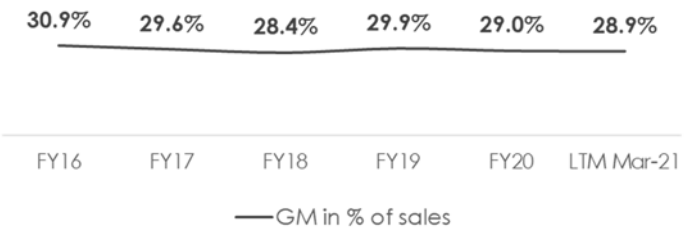
Resilient and best-in-class financial performance

Our diversified business model, the long-term approach employed by our management team and our prudent financial policies have helped us deliver consistently strong financial performance, including during the COVID-19 pandemic.

The chart below illustrates our recycling, public sector services and Multiservices Recurring EBITDA on a pre-IFRS 16 basis, in millions of euros, together with our Recurring EBITDA margin for the periods shown.

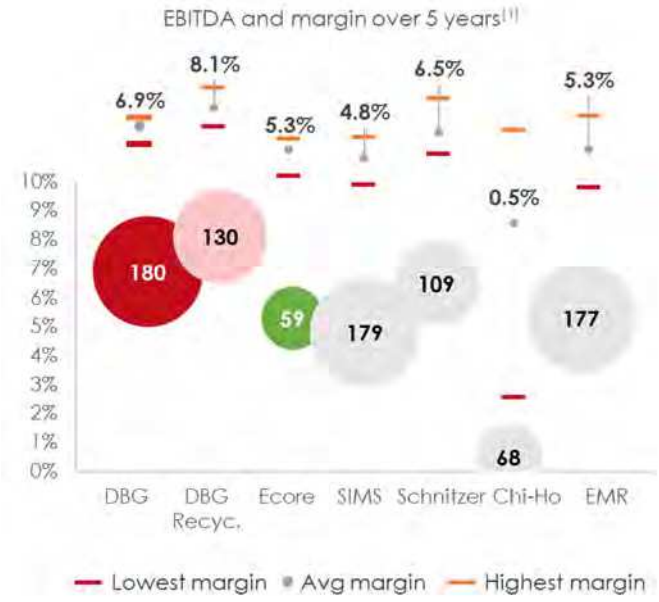


Despite fluctuations in commodity prices over recent years, we have been able to generate consistently strong gross margins. The chart below shows the evolution of our gross margin for the periods shown.



Note: (1) Gross margin defined as Recycling gross profit (revenue –cost of raw materials) + public sector services revenue + margin on labor and director costs for Multiservices.

This has led to relatively high and stable Recurring EBITDA and return on capital employed (which we define as EBIT after tax divided by the sum of equity, net debt and provisions) over recent years, when comparing our group to pure players in the recycling industry, as illustrated below.

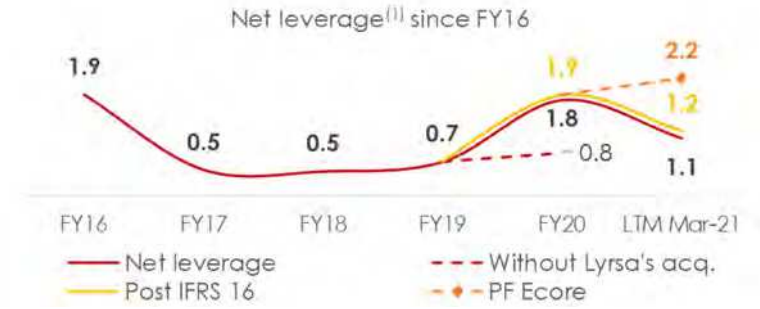


Note: (1): Except for EMR over 4 years.



Note: (1) Except for EMR over 4 years.

Our resilient Recurring EBITDA, together with our prudent debt policy, has allowed us to maintain a low net leverage ratio, which has only increased in recent years in connection with our acquisition of Lyrsa. The change in our historical net leverage from September 30, 2016 until March 31, 2021 is illustrated below.



Note: (1) On a pre-IFRS 16 basis

On *pro forma* basis after giving effect to the Transactions, our net debt to Adjusted *pro forma* Recurring EBITDA ratio would be 2.16x.

Both we and Ecore have both performed well during the six months ended March 31, 2021, benefiting from our strong positions during the rebound in activity as the economic impact of the COVID-19 pandemic begins to ease. Our revenue and Recurring EBITDA for the six months ended March 31, 2021 increased by 26.7% and 88.8%, respectively, compared with the six months ended March 31, 2020, and Ecore's revenue and EBITDA for the six months ended March 31, 2021 increased by 39.7% and 98.4%, respectively, compared with the six months ended March 31, 2020.

Our Strategy

We intend to continue to serve people while protecting their environment, responding to the needs of the clients of each of our complementary business divisions while promoting ESG objectives and pursuing a conservative financial strategy.

Strengthen our Environmental Services leadership position

We intend to bolster our position as a European leader in recycling through both organic and external growth. We aim to achieve this objective through:

- *Densifying our leading network through new site openings or external growth*: We believe that one of the many reasons our Environmental Services business has enjoyed continued success is our dense local presence. This dense network keeps us in close proximity to our clients while helping us limit transportation costs to a minimum. We intend therefore to continue seeking out opportunities both in France and elsewhere to reinforce and build out our market position, be it through organic expansion of our network or through strategic external growth opportunities such as the Acquisition, taking advantage of what we believe to be our ideal positioning as a potential market consolidator;
- *Consolidating our position as a major supplier to the steel and metal industries* by delivering consistently high quality products in line with customer specifications and expanding our customer base, especially for ferrous scrap metal by seeking further opportunities to export our goods;
- *Implementing state-of-the-art technologies* by seeking further environmentally friendly technologies and means of transportation, reduce the share of residue headed to landfill and maintaining our well-invested asset base;
- *Developing the skills and expertise of our employees* to continue to benefit from a focused and dedicated management team with considerable knowledge of our industry and to prepare for the future through the recruitment of young engineers;
- *Pursuing growth in strategic specialized activities* through continuing to develop niche businesses where there are fewer players, with the aim of being able to generate 20%-25% of our recycling revenue from these activities;
- *Enhancing our information technology* in order to continue providing our clients with top service while ever more closely monitoring our internal performance, thorough seeking ways to update our

IT while leaving intact the key characteristics that make it one of the most relevant tools in the market (allowing us to track inventories and margins in real time at all our locations).

Profitably respond to clients' outsourcing needs in light of new trends and challenges

The markets addressed by our Multiservices business division have undergone profound changes, to which we aim to address by focusing and developing those businesses in which we have achieved critical mass in selected geographies. In doing so, we aim to reach Multiservices revenue of approximately €1 billion before the end of 2023, while achieving an EBITDA ratio close to peer average.

We seek to offer innovative, high added-value, end-user targeted service solutions built to meet and maintain customer satisfaction levels profitably. This includes:

- *Offering new services*

Innovation is a differentiating factor that our Multiservices business division integrates into the development of new service offerings for buildings and occupants. Our Digital, Innovation and CSR Departments support operational activities to identify and assist with the development and deployment of these new services, whose aim is to empower building occupants. These offerings encourage greater energy efficiency and aim to contribute to the performance of our customers in these areas.

- *Providing integrated service offerings to our facilities management clients*

Faced with the growing demand for multiple services by companies and local authorities, our facilities management business has responded by offering clients a single integrated contract, in which it entrusts the management and performance of each of the expected services to its own teams. In this way, we seek to guarantee the excellence of services and a level of quality that corresponds to the specific challenges of each of our customers.

- *Modernization of our human resources strategy* to respond to technological and societal changes, support our employees and attract and retain talent.

- *Further development of our French network for cleaning and temporary staffing*

In cleaning, our Multiservices business division's greatest contributor to revenue, we have an established structure within France, giving us a coherent territorial network. We seek to increase our market share both organically and through targeted acquisitions to better amortize our structural costs in this business. Similarly, for our temporary staffing business, in which we compete with very large competitors, we believe that densifying our network and will help to maximize business opportunities.

Promote ESG matters

Environmental, social and governance ("**ESG**") concerns and issues are central to our business strategy. We have established our Concretely Responsible 2018-2022 program, a roadmap to define priority actions as well as performance indicators and associated goals. This program includes four strategic axes with nine main ambitions:

- *Embracing our role as a committed employer* through (i) the protection of the health and safety of our employees, (ii) the promotion of job creation and development of employees' skills and careers and (iii) helping to build an integrated society;

- *Reducing our environmental footprint* through, among other things, (i) seeking to improve the environmental impact of our facilities; (ii) advancing initiatives to achieve carbon neutrality; and (iii) seeking to improve the environmental impact of the various services that we offer;

- *Consolidating trust-based relationships with our partners* by monitoring and controlling corporate social responsibility risks throughout our value chain and providing sustainable services; and

- *Remaining a major player in the circular economy*, in particular through the improvement of recovery of waste that is treated at our facilities.

For a further description of our ESG policies and objectives, see "*—ESG Initiatives*."

Maintain a prudent financial policy

We aim to pursue our operational strategies while maintaining the prudent financial policy that has allowed us to deliver strong, resilient financial performance and excel when compared to our peers. We intend to maintain low inventories to reduce our exposure to economic cycles and the volatility of our results. Moreover, in keeping with

past practice, we intend to pay conservative multiples for acquisitions. In addition, we intend to deleverage after the Acquisition, as we have done with prior acquisitions, while maintaining our policy of paying a yearly dividend of approximately 30% of the prior year's net income.

Our History

Our origins date back to the 1950s in France, when Guy Derichebourg started his own business primarily operating as collector of scrap metal from individuals' homes in the Greater Paris Area. Derichebourg was formed on July 18, 2007 from the merger of CFF Recycling Group (formerly CFF) and Penauille Polyservices Group, both of which were chaired by Guy Derichebourg's son, our current Chief Executive Director and Chairman of the board of directors, Daniel Derichebourg. CFF was co-founded in 1956 by Jean Dufayet and Marcel Robert (operating in the metal collection through the company Dufayet Robert), André Tapiau (the owner of several collection companies in the Greater Paris Area and a gravity-fed lead shot factory in Toulouse) and André and Jacques Ribier (operating in the metal industry through the company *Société Métallurgique des Docks de Saint-Ouen*), primarily operating in the collection, sorting and recycling of scrap metal in the Greater Paris Area, before expanding through strategic acquisitions in the collection, sorting and recycling of non-ferrous metals and new irons, primarily in the Greater Paris Area, and then across France. In 1963, the shares of CFF were admitted to trading on Euronext Paris.

In the 1960s, CFF acquired a leading position in the collection and recycling of scrap metal, non-ferrous metals and new iron market in France, through the development of several technological innovations, such as the shredding technique. By the late 1960s, CFF had become a global operator of environmental and outsourced services by combining its activities related to ferrous metal, non-ferrous metal, steel products, steel services and lead shot divisions, and branching out into newer activities such as cleaning services, maintenance and dusting services, providing temporary industrial manpower and services to green spaces, parks and gardens. As a result, CFF became a leader in France (and one of the leaders in Europe) in the recovery and recycling of ferrous and non-ferrous metals and providing complementary outsourced services to its customers.

In the 1970s and the 1980s, CFF initiated its geographic expansion outside of France. CFF expanded in the United States in 1975 through the founding of Portsmouth Metals Export, an industrial plant located at the port of Portsmouth in the United States and dedicated to supplying ferrous metals from European factories. CFF continued its external growth strategy by acquiring (i) a majority stake in Afficuivre, the only foundry in France that produces black copper from ferrous metals and cuprous residues, (ii) the first shredder in the United States (in Oklahoma City), (iii) a controlling interest in Nord-Affinage, which produces bronze, brass and copper phosphide ingots and (iv) Novafer in 1977. In 1981, CFF acquired a second shredder in Houston, Texas. In 1987, CFF acquired Metalinor, doubling its revenue, expanding its fleet of shredders and reinforcing its territorial network near major waste emission areas.

In the 1990s, CFF became the world leader in the shredding sector and successfully developed and implemented several strategic recovery and recycling innovations. In 1992, CFF inaugurated the D2R (Decontaminate, Reuse, Recycle) concept in partnership with the PSA Group and the cement manufacturer Vicat, covering both the upstream and downstream ELV recovery and recycling process: upstream, the decontamination and dismantling of vehicles, and downstream, the treatment and transformation of polymers into aggregate to serve as alternative fuels for the cement manufacturers. In 1992, a new D2R center was created with the Renault Group. In 1993, CFF was instrumental in getting the French Ministry of the Environment, the French Ministry of Industry and the various operators involved in the life cycle of vehicles to sign the framework agreement on reprocessing ELVs. That same year, CFF affirmed its commitment to environment by creating Eco-VHU, a subsidiary in charge of collecting, decontaminating and shredding used vehicles. Since its creation, Eco-VHU has entered into strategic partnerships and agreements with major car dealers in France, including PSA, Renault, BMW, Fiat, and Mercedes-Benz. In 1996, Daniel Derichebourg became the majority shareholder of CFF.

In the early 2000s, CFF was renamed CFF Recycling and became a world leader in the ferrous and non-ferrous metals recycling market, emerging as a global provider of environmental services, active in the recovery and recycling of ferrous and non-ferrous metals, consumer goods at the end of their lifespan, recuperation material, production waste, ELVs, as well as environmental-related services such as urban sanitation and management of industrial and household waste. Following the merger of CFF Recycling with Penauille Polyservices Group in 2007, we became a global provider of environmental services for businesses and regional or local governments worldwide, offering recovery and recycling services and solutions, as well as sanitation, security, energy, and temporary staffing services. In 2011, we became a member of FEDEREC, the French Federation of Recycling Companies. This strategic decision enabled us to take advantage of major legislative challenges in the sector. In December 2015, we became an official partner of the COP 21 summit in Paris. By using our core business to serve a global cause, the fight against global warming, we demonstrate our exemplary expertise in the management of waste and sanitation, and reinforce our commitments to the circular economy, which we were instrumental in developing and in which we are currently a leading player.

In order to further our diversification efforts, we have successfully carried out a number of acquisitions since 2015, including the external acquisitions of 40 locations since 2015 and the 2019 acquisition of the Lyrsa Group, the Spanish leader in scrap metal recycling in 2019, which added a further 18 recycling centers to our portfolio.

The Acquisition

On March 1, 2021, we announced the signature by Derichebourg Environnement of an agreement to acquire 100% of the capital of Groupe Ecore Holding, the holding company of Ecore, a group specialized in metal recycling spanning the value chain from the collection of waste to the sale of recycled materials. Ecore holds the second largest market share of the French market for the valorization of metal waste based on tonnage and was present at 83 sites in six countries in Europe as of March 31, 2021. For a discussion of Ecore's business and historical financial performance, see "*Description of Ecore*." After giving effect to the Acquisition, we would have generated *pro forma* revenue of €3,879.7 million and Adjusted *pro forma* Recurring EBITDA of €362.0 million for the twelve months ended March 31, 2021.

We believe that the Acquisition will help us further our ambition to be a strong, leading, long-term European player in metallic waste recycling, creating the undisputed French leader in metal recycling, as well as a more diversified group. Our combined market share, particularly in France, will optimize the presence of our group in the ferrous and non-ferrous metals recycling markets, which are currently benefiting from strong, positive long-term trends, in particular as a result of efforts to fight climate change.

We believe our combined footprint will serve to further densify our network. The Acquisition will allow us to benefit from Ecore's access to key international ports in Belgium, as well as its unique position as the only player in the metal recycling industry in France operating deep sea ports in France. Access to such ports is of particular interest in the event that domestic market demand is not as great as overseas demand.

The map below shows our expected combined sites in Western Europe:



Finally, we believe that we will be able to unlock synergies as a result of the Acquisition. We believe we will be able to realize industrial synergies, thanks to the resulting increased handling volumes in niche markets such as floating, refining aluminum and lead and aluminum shredding. We further anticipate realizing cost synergies from the Acquisition in an aggregate amount of €21.0 million within one year from the consummation of the Acquisition, consisting of: (a) reductions in management and holding company-related costs and expenses from the anticipated departure of the members of the management team put into place by the current shareholders of Ecore (€5.0 million), (b) savings in electricity costs from the entry into a load shedding contract (*contrat d'effacement*) (€1.0 million), (c) savings generated by grouped purchases of fuel and oxygen (€2.0 million), (d) reduction in insurance costs through expanded self-insurance and the creation of a captive insurance company (€1.5 million), (e) lower equipment rental costs from shared equipment across the Combined Group (€0.5 million) and (f) reduced transportation costs resulting from our densified network and access to ports (€11.0 million).

The consummation of the Acquisition is subject to approval from competition authorities. There can be no guarantee that the Acquisition will be consummated. See "*Summary—The Transactions*" and "*Risk Factors—Risks Related to the Acquisition*."

Our Business

We are a leading global operator of environmental and outsourced services to businesses and local authorities. We generate revenue from our two business divisions, Environmental Services and Multiservices, which accounted respectively for 71% and 29% of our revenue and 86% and 17% of our Recurring EBITDA for the twelve months ended March 31, 2021.

Through our two business divisions, we provide an extensive range of environmental services to businesses and the public sector, covering the entire waste treatment, processing, recovery and recycling chain, from collection to recovery, predominantly for metal waste and end-of-life products, as well as an extensive range of outsourced services, including cleaning, temporary work, energy and aeronautical services.

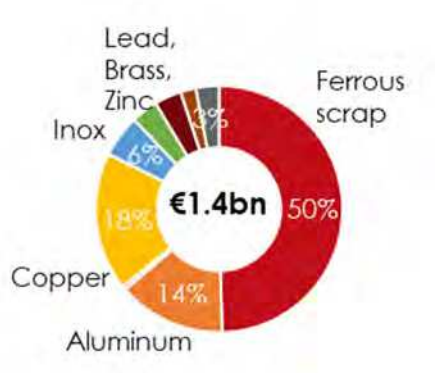
Environmental Services

We are a leading vertically integrated waste management company providing services across the entire waste management value chain, from the collection to the disposal of waste, operating in the treatment, processing, recovery and recycling of non-hazardous waste, predominantly metal waste and end-of-life products, including the recovery of secondary raw materials by using appropriate and innovative processing methods. As of March 31, 2021, we operated our Environmental Services business in nine countries and operated more than 200 locations, including our specific Environmental Services business for the public sector that we operate in France and Canada.

Our Environmental Services business, which we have been operating since 1956, consists primarily of the collection, sorting, treatment, processing, recovery and recycling of ferrous metals, non-ferrous metals (in end-of-life consumer goods such as automobiles and WEEE), recuperation material (industrial demolition waste) and production waste (new scrap from metal transformation processes). Materials that we process mainly include ferrous metals (containing iron) and non-ferrous metals (not containing iron, such as aluminum, copper and stainless steel). As of March 31, 2021, we operated our Environmental Services business in nine countries through 200 recycling centers, with a predominant physical presence across France, where we operated 162 recycling centers. In 2020, we processed 3.16 million metric tons of ferrous metals and 522,300 metric tons of non-ferrous metals. In addition, in France and in Canada, we provide waste management services that cover a comprehensive range of household waste, including paper, non-hazardous industrial waste, construction waste, scrap, plastic, wood, selective household waste, bulky waste, green waste, WEEE, non-ferrous metals and other waste, from their collection (both door-to-door and by voluntary drop-off) to their recovery.

Recycling

Through our recycling business, we collect and recycle waste, selling the resulting recovered materials to industrial customers for use in their end-products. The principal materials that we recycle are metals, both ferrous metals (those containing iron) and non-ferrous metals, such as aluminum and copper. We also provide a number of services through our recycling business, including the treatment of WEEE, the treatment of by-products from steel mills and other industries, the management and distribution of ELVs and the collection of paper, cardboard and common industrial waste. For the twelve months ended March 31, 2021, our recycling business generated €1,843.6 million, or 93%, of our Environmental Services revenue and €199.8 million, or 89% of our Environmental Services Recurring EBITDA. The chart below illustrates our recycling revenue by type of metal (excluding €107 million in revenue from other services) for the year ended September 30, 2020:



Our recycling business is present in eight countries, with a predominant share of its business conducted physically in France. The chart below breaks down the distribution of our recycling revenue (excluding €107 million in revenue from other services) by country for the year ended September 30, 2020.



Once waste is collected from our suppliers' sites, we transport such waste to one of our 200 recycling centers, of which 162 are in France. There, the waste undergoes a sorting process. Waste that does not require any processing is grouped directly by quality, then resold. Ferrous metals that need to undergo an industrial preparation process before being processed in steel mills are either sheared or cut (thick ferrous metals), or shredded (light ferrous metals or those mixed with other materials).

In addition, as part of this scrap metal processing activity, we also have two aluminum refineries. Our refinery in Lomme produced 57,500 tons of aluminum ingots during the year ended September 30, 2020. Our Prémery refinery, which was acquired more recently, produced 11,000 tons of ingots during the year ended September 30, 2020, processing different types of aluminum from those used at Lomme. We have also increased our aluminum production capacity through the acquisition of Lyrsa (renamed Derichebourg España), which has produced 8,640 tons of ingots in its refinery between January 1, 2020 and September 30, 2020. Moreover, through the acquisition of Lyrsa, we now own a lead refinery that has produced 15,340 tons of ingots between January 1, 2020 and September 30, 2020.

Our recycling business employs about 3,000 employees.

Ferrous Metals

During the year ended September 30, 2020, we processed 3,159.2 million tons of ferrous metals, a decrease of 8.3% compared to the year ended September 30, 2019. In France, we operate the largest network of ferrous metals waste processing sites in the sector (162 locations as of September 30, 2020).

Our Environmental Services business prepares ferrous scrap metal, using 28 shredders and 67 shear balers to produce materials that comply with high-quality standards: elimination of impurities, compliance with specifications and calibration of batches. The output products for ferrous metals are iron, steel and cast iron, which are primarily dedicated to electric steel mills, foundries and converters in the long steel industry and that we supply to domestic steelmakers or major exporters, secondary smelters and foundries. Once prepared and sorted, volumes are sold to domestic steelmakers or major exporters (approximately 10% of volumes) for those sites close to port areas.

During the year ended September 30, 2020, we purchased 3.8 million metric tons of ferrous scrap metal for processing. The chart below shows the percentage of the inflows of ferrous scrap by source that we purchased during the year ended September 30, 2020.



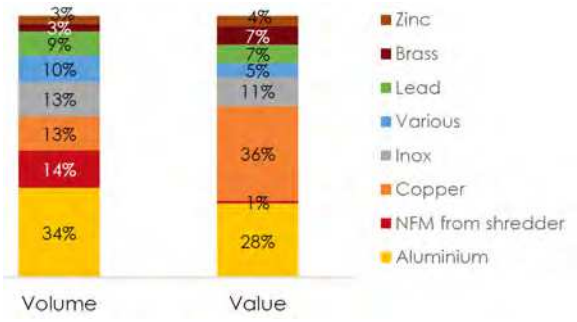
Non-Ferrous Metals

As of September 30, 2020, we processed 522,300 metric tons of non-ferrous metals, an increase of 3.2% compared to the previous year. Compared to our competitors, we process a larger volume of non-ferrous metals due to the diversity of processed flows:

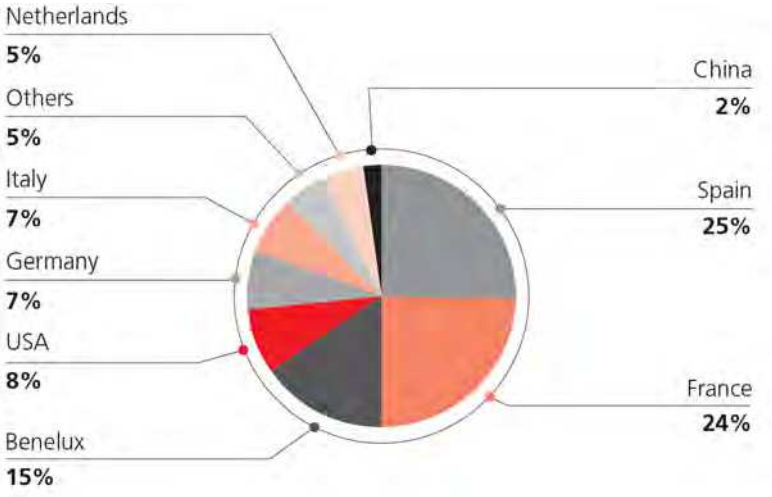
- traditional purchasing, sorting and preparation activity for all non-ferrous metals;
- we have equipped our main shredders with an induction separator and have two flotation units in Europe for the separation of aluminum from other heavy metals (copper, bronze, etc.). Dense aluminum (twitch) is converted into ingots at the Refinal Industries site in Lille, France. These ingots (certified AS9U3 quality) are sold mainly to automotive parts foundries. Our refinery produces 57,533 metric tons of secondary aluminum ingots. We have invested in a second refinery (rotary kiln) in Prémery (Nièvre, France), which will produce 15,000 metric tons of ingots per year (11,000 metric tons in 2020);
- our subsidiary Inorec prepares mixes of the various metals used in the composition of stainless steels, in accordance with customer specifications, so that they can be directly blasted; and
- we prepare copper granulate from copper cables (about 7,000 metric tons per year).

In Spain, our operations include flotation, aluminum refinery, as well as battery crushing and lead ingot refining activity, which enable us to have a vertical integration in another metal.

The chart below shows the volume and value of the non-ferrous metals we processed during the year ended September 30, 2020:



The chart below sets forth the breakdown of sales of non-ferrous metals (including stainless steel waste) once processed during the year ended September 30, 2020 by country of destination:



Other Services

We provide a variety of services related to recycling to customers, including the treatment of WEEE, the management and distribution of ELVs, the treatment of by-products from steel mills and other industries, and the collection of paper, cardboard and common industrial waste.

Treatment of WEEE. In the context of the implementation of the EU directive on Extended Producer Responsibility, France has chosen to entrust the collection and processing of goods marketed in 15 segments to collective schemes known as *éco-organismes*. Since the creation of these segments, we have positioned ourselves with collective schemes that handle WEEE, mainly for processing activities. We process 206,100 metric tons per year of WEEE at 11 sites. We support collective schemes in the achievement of their objectives to increase volumes collected and recovered.

We address three WEEE streams:

- large non-cooling household appliances (such as washing machines, dishwashers and stove tops);
- large cooling household appliances (refrigerators and freezers). For the processing of large cooling household appliances, we have teamed up with one of the international leaders in the ecological processing of refrigeration products containing CFCs or HFCs in their refrigeration circuits or insulation. A 50%-owned subsidiary called Fricom Recycling has been created with this partner, Oeko-Service (better known under the name of SEG). In 2019, in Bassens, the Group installed the first French platform able to recycle both refrigerators and hot water tanks, both containing fluorinated gases representing high potential elements in terms of global warming; and
- small household appliances.

For the processing of large cooling household appliances, we entered into a strategic joint venture with Oeko-Service (SEG), one of the world leader in the ecological processing of refrigeration products containing chlorofluorocarbons (CFCs) and hydrofluorocarbons (HFCs) in their refrigeration circuits or insulation, setting-up Fricom, a 50%-owned subsidiary. In 2019, we installed in Bassens (Gironde, France) the first French platform able to recycle both refrigerators and hot water tanks, both containing fluorinated gases, substances that highly and negatively impact the environment and which highly contribute to global warming.

In order to operate, our WEEE recovery and recycling sites must be certified in accordance with the European WEEELABEX standard. This label certifies that our facilities carry out high-performance decontamination activities, achieve the prescribed recovery and recycling rates and ensure the downstream traceability of final waste following processing. In addition, our WEEE recovery and recycling units are operated in compliance with legal and regulatory requirements.

In 2019, we inaugurated a new recovery and recycling unit of large household refrigeration appliances located near Bordeaux, France, with an annual capacity of 15,000 tons. This new processing line also enables the recovery of hot water tanks. Before 2019, there was no industrial solution in France for extracting greenhouse gases and substances in hot water tank insulation foam, such tanks requiring specific treatment, recovery and recycling processes due to particular shredding characteristics (strong sheet-metal, cylindrical shape, presence of limescale).

In 2020, we invested in a new recovery and recycling line dedicated to large household appliances (washing machines, dishwashers and tumble dryers) located at our site in Gennevilliers, France. This investment proved to be necessary in light of the significant increase of waste in the Ile-de-France region, which only has one unit for this waste flow. The "latest generation" sorting cabin enables better recovery and recycling rates and improves working conditions for operators. The site is operated in partnership with the public-employment company (*entreprise conventionnée d'insertion*) Envie, which we have been partnered with since 2007. In addition, we decided to install a mobile line in addition to the existing fixed line at our facility located at Bruyères-sur-Oise site (Val d'Oise, France). This new line has been in operation since mid-July 2020.

Furthermore, we partner with the eco-organizations ECOSYSTEM and ECOLOGIC in order to implement WEEE sorting operations for batches of ferrous metals intended to be shredded on most of our operating sites (140 sites including 17 shredding sites). Through these partnerships and processes, we reintegrate into the official stream WEEE that were processed otherwise through different streams. For the year ended September 30, 2020, we contributed to reintegrating over 55,000 metric tons of WEEE into the official processing stream, up to 33% compared to the year ended September 30, 2019. Overall, for the year ended September 30, 2020, we processed more than 206,100 metric tons of WEEE in its 11-dedicated facilities in France.

The table below sets forth the recycling and recovery rates for refrigerated large household appliances (RLHA), non-refrigerated large household appliances (NRLHA) and small mixed household appliances (SMHA):

		Rates we have achieved[(1)]	
	Legislative target	**2020**	**2019**
Recycling and recovery rates – refrigerated large household appliances (RLHA)	85%	94%	94%
Recycling and recovery rates – non-refrigerated large household appliances (NRLHA)	85%	90%	88%
Recycling and recovery rates, small mixed household appliances (SMHA)	78%	83%	86%

(1) Results from annual designation campaigns.

Management and distribution of ELVs. We have affirmed our commitment to environment by creating Eco-VHU, a subsidiary in charge of collecting, decontaminating and shredding ELVs. Since 1993, we have been providing an interface between automotive manufacturers, concessions and ELV center partners in our network, which provide innovative treatment, recovery and recycling solutions for automotive manufacturers. Through our Eco-VHU subsidiary, which manages and distributes ELVs, we have created and currently lead a network of more than 300 approved ELV center partners and operate 106 owned ELV centers operating approved ELV shredders throughout France in order to fulfil our customers' regulatory obligations.

Since its creation, Eco-VHU has entered into strategic partnerships and agreements with major car dealers in France, including PSA, Renault, BMW, Fiat, and Mercedes-Benz. Since 2010, our Eco-VHU subsidiary has been a partner of PSA Group (the leading automotive manufacturer in terms of CSR performance) and manages PSA Group's network in the south of France. For the year ended September 30, 2020, we processed over 47,000 ELVs from the PSA Group network. Following the acquisition of Opel by the PSA Group, Eco-VHU has been the operator managing Opel-branded ELVs in the south of France.

Since 2014, Eco-VHU has also been the preferred partner of the *Direction nationale d'interventions domaniales* (DNID) for the decontaminating and shredding of their ELVs throughout France. Eco-VHU benefits from all of Derichebourg Environnement's ELV experience and from strong and long-term relationships with car wrecking firms and benefits from synergies with all of Derichebourg Environnement's subsidiaries. In addition, Eco-VHU has developed dedicated information and technology tools and platforms that enable Eco-VHU to interact with the various internal and external stakeholders to ensure traceability of ELVs. Thanks to its commitments to environment, leadership and reliable monitoring of its operations, Eco-VHU is able to reach the 85% (reuse and recycling rates) and 95% (reuse and recovery rates) ELVs recycling rates prescribed by laws and regulation. In France, during the year ended September 30, 2020, we processed almost 361,000 metric tons of ELVs in our shredders.

The table below sets forth the average reuse and recycling rates, and reuse and recovery rates for ELVs achieved by our French shredding sites:

	Legislative target	Rates we have achieved	
		2020	2019
ELVs' average reuse and recycling rate	85%	86.1%(1)	87.1%
ELVs' reuse and recovery rates	95%	93.0%(1)	94.8%

(1) ADEME 2018 data.

Treatment of by-products from steel mills and other industries. We perform customized services such as the preparation of bailed ferrous scrap metal, which is used as cooling chutes, and may be called upon to manage steel mill ferrous scrap metal yards.

Collection of paper, cardboard, common industrial waste. We provide the customers in its regional network with collection and sorting services for common industrial waste, paper, and cardboard. During the 2019 fiscal year, the Revival subsidiary inaugurated a new facility in Noisy-le-Sec, in the Paris region, with a processing capacity of 88,000 tons per year, which fits neatly into the urban landscape.

Public Sector Services

Our public sector services business provides a number of services to towns and municipalities in metropolitan France, Canada and Réunion Island, comprising the collection and handling of household waste, the cleaning of public spaces, dump management and sorting centers management. For the twelve months ended March 31, 2021, our public sector services business generated €146.5 million, or 7%, of our Environmental Services revenue and €25.0 million, or 11%, of our Environmental Services Recurring EBITDA.

This business employs about 1,700 employees.

Our subsidiaries Poly-Environnement (France) and Derichebourg Canada handle all types of household waste and their collection processes: traditional and selective (glass, newspapers and magazines, household packaging, green waste, paper/cardboard, etc.), both door-to-door and by voluntary drop-off. These subsidiaries also collect roadside waste and large items, manage several household waste materials recovery facilities and transport waste to treatment and recycling facilities. Poly-Environnement also provides an offer to manage all aspects of local authorities' urban operations and cleaning (street sweeping, cleaning contaminated soil, public waste bins and containers, graffiti removal, etc.).

Poly-Environnement's subsidiaries also provide a door-to-door collection service for household and similar waste in four of the ten Paris *arrondissements* (districts) that have privatized waste collection (the 1st, 3rd, 4th and 7th *arrondissements*), and collection of household waste in three *arrondissements* in Marseille (the 2nd, 15th and 16th). We have recently renewed our contract for waste collection in Paris, and even extended the scope of our services as we were also selected to handle collection in the 10th and 18th *arrondissements*.

Public contracts are usually for a period of five to seven years, and it is common for local authorities to request new equipment when they renew them. We respond to tenders that give significant weight to technical considerations, thus making it possible to highlight the quality of the service and the resources deployed by the tenderer, not only the lowest price, in order to obtain a solid return on capital employed.

Property, Plant and Equipment

Our Environmental Services business is particularly reliant on equipment such as shredders, shears, inductors, collection and sorting machines, as well as the related infrastructure for such equipment, namely land, concrete slabs and electricity supply. Our strategy is to be the owner or economic beneficiary of all long-term assets that we use frequently.

The table below sets forth the main families of assets and equipment used in connection with our recycling business as of September 30, 2020:

Family of equipment	Number and comments
Land	465 hectares owned and operated
Shredders	28 shredders in use
Shears	67 shears in use
Stationary cranes	64 stationary cranes, almost all electric
Trucks	490 trucks, with a policy for renewal to meet the latest environmental standards

We maintain a strong local presence and proximity between our suppliers' production sites, from which we collect waste, ferrous and non-ferrous metals, and our waste processing, recovery and recycling sites. Our network of facilities and sites supports a dense geographical coverage of our activities, which matches industrial areas, scrap production areas, high population and consumption areas, and dynamic industrial areas, where needs of transformation, recovery and recycling solutions are high. A large geographical footprint enables us to be closer to our suppliers, which is an important contributing factor to the significant waste volumes that we collect and process, while also allowing us to reduce transportation costs and lead times.

Multiservices

Our Multiservices business includes several activities that address our customers' main concerns: the desire to outsource labor-intensive functions and activities in order to focus on their core business. As of September 30, 2020, we operated our Multiservices business in six countries and operated 117 sites.

We are a key player in providing outsourced services and solutions for industrial and services companies, as well as for public services and local authorities. We are a world leader in local services, offering an extensive range of multi-technical outsourced services to our customers through four complementary solutions:

- tertiary sector: flexible offers that guarantee the proper functioning of buildings, facilities and occupant well-being;
- industry: "tailor-made" expertise in global industrial subcontracting to benefit customer production;
- urban area: a set of services dedicated to cities and urban infrastructure for a higher-quality living environment;
- human resources and temporary sourcing solutions: we provide resources to customers and strengthen their skills while overcoming the inherent constraints.

The activities of our Multiservices business are operated through 19 businesses and subsidiaries, which are positioned as market challengers in large, buoyant and growing markets.

Tertiary sector services offering

Our tertiary sector Multiservices offering provides services that guarantee the proper functioning of buildings and make them sustainable, such as electrical engineering and air conditioning engineering, multi-technical maintenance, cleaning, remote surveillance, handling and green spaces.

These services also target occupant well-being, with company reception services, mail services and handymen.

The two largest businesses by revenue in our tertiary sector solutions are energy (air conditioning engineering, electrical engineering, and multitechnical maintenance) and cleaning. For the twelve months ended March 31, 2021, our tertiary sector services business generated €598.7 million, or 73%, of our Multiservices revenue. As of September 30, 2020, our tertiary sector services business employed approximately 32,300 FTEs.

Cleaning services

Through our brand Derichebourg Propreté, we offer cleaning and associated services, which include periodic and permanent cleaning services in offices, drugstores, public authorities premises and industries (for which we provide top-quality industrial cleaning and first level maintenance), residential areas, roads and public transit. Derichebourg Propreté is one of the leading market players in France. Since services conditions differ from one business sector to another, Derichebourg Propreté offers sector-specific know-how for the private sector and public authorities. Accordingly, Derichebourg Propreté offers an extensive range of services, from the simplest to the most demanding premises.

As of September 30, 2020, Derichebourg Propreté relied on approximately 18,000 specialists, who provided cleaning and associated services to approximately 10,000 customers in 100 facilities across France.

Facility management and multi-technical maintenance

Through our brand Derichebourg Énergie, we offer a comprehensive range of mono-technical and multi-technical maintenance services at fixed or temporary sites in order to improve energy performance while ensuring the reliability and sustainability of buildings and facilities.

Derichebourg Énergie constructs, operates and maintains, on a long-term basis: (i) air conditioning equipment, including heating, air conditioning, ventilation, refrigeration, climate control, aeraulics, hydraulics, processing of

fluids and plumbing systems and (ii) electrical engineering facilities, including high and low-voltage systems, climate control, programmable controllers and electricity back-up systems.

Industry-dedicated solutions and services offering

We provide solutions and services dedicated to industrial groups, mainly in the aeronautic sector. We offer a complete range of turnkey services ranging from manufacturing engineering, assembly, ground support services, quality inspection to delivery support to customers including Airbus, Boeing, ATR and Thales. We believe we are one of the top three providers of aviation services in France.

With approximately 1,500 FTEs in five countries as of September 30, 2020, we provided the following types of services:

- industrial processes, such as industrialization and technical support and product quality management and monitoring;
- assembly and manufacturing of aircraft, including the final assembly of structures, systems and cabin layout, as well as support for static and flight testing;
- delivery assistance, including client support, coordination and customer representation, as well as delivery support and client acceptance; and
- ground handling support, including aircraft washing, technical cleaning and removal of temporary paint, as well as towing and repositioning of aircraft.

For the twelve months ended March 31, 2021, our industry sector services business generated €79 million, or 10%, of our Multiservices revenue.

Urban area services and solutions offering

We provide local authorities such as municipalities a range of services in order to improve the living environment, energy performance and energy efficiency of towns and cities. Our urban area Multiservices business generated €43.8 million in revenue, or 5% of our Multiservices business division revenue, for the twelve months ended March 31, 2021. As of September 30, 2020, our urban area business employed approximately 300 FTEs.

Public lighting services

Our brand Derichebourg Énergie E.P. provides local authorities with an extensive range of customized and "tailor-made" lighting services, which include designing, building and maintaining urban and stadium lighting, traffic lights and high-level bus service, festive lighting and decoration and video projection. During the year ended September 30, 2020, our engineers and technicians served and assisted approximately 1,000 customers.

Urban billboards and fixtures

Urban billboards must meet three requirements: respect the quality of life, prevent light pollution and reduce energy consumption. While complying with these requirements, our brand Derichebourg SNG provides local authorities with an extensive range of customized and "tailor-made" services, from installation to maintenance (either corrective and/or preventive maintenance services) of urban fixtures. During the year ended September 30, 2020, Derichebourg SNG operated 42 facilities across France, managed 68,000 mechanisms and performed 2,500 urban installations.

Human resources and temporary sourcing solutions offering

Our human resources and temporary sourcing solutions include general temporary staffing, temporary aeronautics staffing, recruitment and a training center for aeronautics professions. Our human resources and temporary sourcing solutions businesses generated €99.5 million in revenue, or 12% of our Multiservices business division revenue, for the twelve months ended March 31, 2021. As of September 30, 2020, or human resources and temporary sourcing solutions business employed approximately 3,100 FTEs.

Our human resources and temporary sourcing solutions offering are carryout out through our three subsidiaries Derichebourg Intérim et Recrutement, Derichebourg Aeronautics Recruitment and Derichebourg Aeronautics Training.

- *Derichebourg Intérim et Recrutement*: Derichebourg Intérim et Recruitement provides global temporary staffing and recruitment services and solutions, including through temporary recruitment, fixed-term and permanent contracts, to address staffing and recruiting issues and needs experienced

by our customers, which are unable to grow, meet growing market demands and absorb seasonal activity peaks. Derichebourg Intérim et Recrutement provides services to companies in multiple sectors: services sector, banking, finance, insurance, logistics, transport, sales, retail, construction and industry. During the year ended September 30, 2020, Derichebourg Intérim et Recrutement served approximately 5,000 customers and processed more than 25,000 temporary assignments through its 38 facilities in France.

- *Derichebourg Aeronautics Recruitment*: Derichebourg Aeronautics Recruitment services consist in seconding its own personnel for short or long-term assignments and also carries out recruitment process of personnel recruited under permanent or temporary contracts. During the year ended September 30, 2020, Derichebourg Aeronautics Recruitment could rely on a workforce of 31,000 temporary employees registered and processed more than 33,000 temporary assignments through its 11 sites in Europe, including 9 located in France.
- *Derichebourg Aeronautics Training*: Derichebourg Aeronautics Training was created in 2008 and operates a training center located in Toulouse, France, providing a comprehensive range of training sessions for fitter assembler, cable fitter, aircraft cabin integrator and quality inspector. Since 2018, Derichebourg Aeronautics Recruitment provided training services to more than 11,000 people, benefiting from a 78% return-to-employment rate within three months for trainees who received training with a qualification.

ESG Initiatives

Environmental, social and governance ("**ESG**") concerns and issues are central to our business strategy. We have established our Concretely Responsible 2018-2022 program, a roadmap to define priority actions as well as performance indicators and associated goals. This program includes four strategic axes with nine main ambitions:

- *Embracing our role as a committed employer* through (i) the protection of the health and safety of our employees, (ii) the promotion of job creation and development of employees' skills and careers and (iii) helping to build an integrated society;
- *Reducing our environmental footprint* through, among other things, (i) seeking to improve the environmental impact of our facilities; (ii) advancing initiatives to achieve carbon neutrality; and (iii) seeking to improve the environmental impact of the various services that we offer;
- *Consolidating trust-based relationships with our partners* by monitoring and controlling corporate social responsibility risks throughout our value chain and providing sustainable services; and
- *Remaining a major player in the circular economy*, in particular through the improvement of recovery of waste that is treated at our facilities.

We track a number of performance indicators for each of these strategic axes, for which we have set goals to be achieved in 2022, as set forth below:

	2022 targets	2020	2019
Work accident frequency rate	28	27.6	34.6
Percentage of employees with disabilities	7%	6.7%	6.2%
Share of ISO 14001-certified industrial sites	100%	48%	25%
Recycling site energy consumption per metric ton treated [(1)(2)]	30 kWh PCI/t	32.5 kWh PCI/t	30.4 kWh PCI/t
Fuel consumption per 100 km travelled for the recycling business [(3)]	42 L/100 km	43.1 L/100 km	42.8 L/100 km
CO_2 emissions per km travelled for the recycling business [(3)]	1,200 g CO_2/km	1,324 g CO_2/km	1,313 g CO_2/km
Proportion of shredder residue sent for recycling	40%	33.1%	27.6%
Average satisfaction score from Multiservices customers (out of 10)	8	8.3	7.8

(1) France.

(2) Lower calorific value: theoretical amount of energy contained in a fuel.

(3) Germany, Belgium and France.

Embracing our role as a committed employer

We aim to be a committed employer through (i) the protection of the health and safety of our employees, (ii) the promotion of job creation and development of employees' skills and careers, and (iii) helping to build an integrated society.

Health and safety is one of our main priorities, and we have implemented a set of measures to improve safety and reduce the number of occupational accidents. We have established dedicated health and safety committees to monitor progress. In addition, we have a head of safety, a safety manager and quality, safety and environment coordinators who are in charge of implementing safety procedures. Furthermore, our employees regularly attend safety trainings, such as those related to driving vehicles, using a fire extinguisher, handling electrical equipment and handling refrigerant fluid.

Careers are one of our strategic directions, and are an essential factor to retain, satisfy, and develop employee skills. Thus, we are committed to consolidating the implementation of a skills-based human resources management through our HR policy in order to:

- promote career development that respects the individual and that is open to the diversity of career paths;
- meet employee desires for career development;
- retain employees by offering additional career development prospects; and
- support our modernization by allowing skills mobility when required.

We have also undertaken to promote a more diverse workforce by making efforts to, among other things:

- promote gender equality;
- provide opportunities for personnel of all ages;
- enable support schemes to support those employees undergoing a job change following a restructuring or a disability; and
- support the professional integration of disabled employees.

Reducing our environmental footprint

We aim at ensuring environmental performance of our activities by (i) improving the environmental efficiency of the sites, facilities and industrial plants we operate, (ii) manage environmental risks and (iii) contribute to carbon neutrality.

With respect to improving the environmental efficiency of the sites, facilities, industrial plants and equipment we operate, we are committed to a pro-active approach to managing energy consumption. To fulfil our commitments, we have implemented various actions to reduce energy consumption, including the installation of frequency converters on shredding lines to adjust the energy supply to requirements in real time, the gradual replacement of shredding unit motors by more energy efficient motors and the acquisition of four new shear balers equipped with frequency converter technologies. In addition, we perform regular audits at our sites, facilities and industrial plants in order to track and monitor energy consumption. Energy audits are also carried out by independent third-party companies specialized in the energy efficiency sector.

With respect to management of environmental risks, environmental risks are regularly assessed and monitored. Management and prevention of environmental risks are a key driver of our Environmental Services business and daily operations. Through the rigorous management of incoming waste and daily maintenance of our facilities, we ensure the prevention of environmental risks and pollution across our 224 industrial sites. Where we operate our activities on or close to impermeable areas (concreted areas) with run-off water, we monitor and control our operations and the impact of such operations on the environment, limiting soil and waterway pollution. We pay particular attention to the proper maintenance of our infrastructures and undertake repairs and restoration of concrete areas deteriorated by the passage of machinery. In order to monitor the impact of our operations on the environment, we perform regular audits of our sites, facilities and plants. In addition, our subsidiaries operating industrial sites or subject to specific customer requirements have committed to ISO 14001 certification of their environmental management systems, with the target of 100% of such sites certified by 2022. Anticipating such target, several subsidiaries have already obtained triple Quality, Safety and Environment (QSE) certification for all or part of their operating sites: AFM Recyclage, ESKA, Poly-Environnement and Revival operated 38, 23, 14 and 19 certified sites, respectively, as of September 30, 2020.

Our subsidiaries comply with their monitoring obligations regarding atmospheric and water discharges. Monitoring plans and procedures have been introduced in each of our subsidiary which are required to comply with the IED Directive (Directive on industrial emissions (2010/75/EU)). In August 2018, the European Commission published the best available techniques reference document for waste treatment under Directive on industrial emissions (2010/75/EU). See "*Regulation*." As a result, we have improved our procedures in connection with waste treatment and filed the amended documents describing such procedures and processes with the appropriate administration in light of such best available techniques.

With respect to carbon neutrality, our ambition is to fully comply with the commitments of the Paris Agreement for the fight against global warming. We reinforced this commitment by signing the French Business Climate Pledge in August 2019. To address the challenge of global warming, we have undertaken to measure and record our greenhouse gas emission, to reduce and offset such emissions. Several subsidiaries have already begun defining their carbon trajectory aiming at contributing to carbon neutrality at the group level. We are actively addressing the challenge of global warming by reducing our own greenhouse gas emissions mainly discharged by our recycling operations. We are permanently improving our waste treatment and recycling processes. In particular, we are working on a project to recover shredder residue into solid recovery fuel in order to produce fuel from waste as a substitute to fossil fuels. In addition, we are closely monitoring our electricity consumption in order to reduce the impact of our operations. In this respect, we are implementing flexible procedures in order to reduce or even stop the consumption of electricity in several sites, in the event of electricity consumption peaks. Finally, we implement several carbon-offsetting measures. As of September 30, 2020, more than 6,000 tons of CO_2 equivalent were offset by purchasing carbon credits with the Mendefera Water project in Eritrea, which aims at rehabilitating broken boreholes to provide clean water to communities while providing a funding mechanism to ensure long-term maintenance.

Consolidating trust-based relationships with our partners

During the year ended September 30, 2020, four of our subsidiaries (Derichebourg Propreté, Derichebourg Énergie, Derichebourg Intérim and Derichebourg Accueil) were assessed by ECOVADIS, the first collaborative platform enabling companies to monitor the sustainable development performance of their suppliers in 150 sectors and 110 countries. The average score weighted by revenue was 67%. With these scores, Derichebourg Propreté, Derichebourg Énergie and Derichebourg Accueil subsidiaries are in the top 4% of companies assessed in their respective business sectors.

Remaining a major player in the circular economy

Due to the nature of our historic scrap metal recycling business, we are helping to preserve natural resources (such as iron ore, copper, bauxite, etc.) while reducing the quantity of waste eliminated. By returning quality secondary raw materials to the marketplace, we contribute to reducing overall energy consumption. The recycling of metals enables considerable energy savings compared to their primary production: up to 94% for aluminum and 40% for steel, according to ADEME/Federec. Furthermore, the use of secondary raw materials to produce new steel or non-ferrous metals enables a significant reduction in greenhouse gas emissions compared to producing them using raw materials. Effectively, the production of one ton of steel from recycled materials enables a reduction of 58% of CO2 emissions and as much as 93% for the production of a ton of secondary aluminum ingots, according to ADEME/Federec. We estimate that the volume of emissions avoided due to our activity is approximately 5.3 million metric tons of CO_2 equivalent, which, according to data from the EpE Zen 2050 study, is equal to the annual emissions of more than 757,000 French inhabitants.

Employees

As of September 30, 2020, we had a total of 42,241 employees.

The table below sets forth the average number of employees for each of our businesses for the fiscal years ended September 30, 2020 and 2019, respectively:

	Environmental Services		Multiservices [1]		Holding companies		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
France	3,439	3,528	25,357	25,990	150	145	**28,946**	**29,663**
Other European countries	965	603	11,975	6,199	0	0	**12,940**	**6,802**
Europe	**4,404**	**4,131**	**37,332**	**32,189**	**150**	**145**	**41,886**	**36,465**
Americas	355	368	0	0	0	0	**355**	**368**
Total	**4,759**	**4,499**	**37,332**	**32,189**	**150**	**145**	**42,241**	**36,833**

(1) including temporary employees placed with the customers of our temporary employment subsidiaries, which account for 8% of the Multiservices business' headcount as of September 30, 2020.

We endeavor to maintain a high-quality social dialog with trade unions and social partners, which is an essential factor for our smooth management and believe we have generally good relations with them.

Research and Development

We recognize the growing importance of innovation as a competitive advantage in particular in the waste management market. Innovative projects from an environmental, technical and operational perspective are frequently developed and launched. We have significantly invested in research and development. Research and development is a key driver of our mid-term strategy to position our group as a leader thanks to the development of technologically-advanced and performing recovery and recycling technologies. In particular, research and development objectives include both continuous improvements of existing processes and the development of new lines of ecodevelopment.

For example, we are currently conducting several development actions and increase our research efforts to constantly improve recovery rates (energy or material), limit volumes sent to landfill, which amounted to approximately 133,700 tons in 2020 in France, and decrease the amount of shredding residues produced in our facilities. These measures and initiatives include: (i) extracting plastic parts that can be recycled, (ii) recovering the last metallic parts, (iii) separating the fine particles that can be used as a sub-base in road construction, (iv) preparing waste mixtures that are sufficiently standardized and compliant with specifications, allowing them to be accepted as a solid recovered fuel source for cement works, boilers or other manufacturers wishing to no longer use fossil fuels and (v) increasing decontaminating and pre-shredding dismantling operations (bumpers, tanks, windscreens in end-of-life vehicles, concrete counterweights on non-refrigeration large household appliances (LHA), etc.).

Insurance

We are particularly conscious of the need to prevent risks and allocate significant resources and a considerable budget to training, site security and a range of programs covering prevention, protection, security, health and the environment.

This risk management nevertheless includes taking out insurance policies with financially sound international insurance companies. It is the responsibility of our insurance department, which is managed by the Issuer, to identify risks for each business sector, define the correct balance between insurance requirements and guarantees to be entered into, as well as the acceptable levels of policy excesses and ceilings in order to remain competitive.

This is why the decision was taken, from an economy of scale perspective, to negotiate policies at central level. Consequently, all group entities are covered by so-called "master" insurance policies that are translated into local policies in accordance with the regulations and risks identified locally. Similarly, the insurance department uses "master" underwriters that act as the conduit to local underwriters in the countries where we operate.

In this way, we guarantee harmonization and an optimum level of security in its insurance policies, which we review whenever necessary, on the basis of information fed back by subsidiaries and claim monitoring. This takes place on at least an annual basis.

Confident in our management of the risk associated with the investments we have made over the past two years in terms of prevention and protection in our core business, recycling, we are now looking at expanding the proportion of self-insurance.

This self-insurance could take an alternative form to traditional insurance in an insurance context that has become much stricter, particularly in the recycling and waste management sectors, with ever-higher deductibles, lower cover and growing premiums.

Our insurance policy is based on more than ten insurance programs including the following main policies:

- general public liability insurance: covering third-party criminal and contractual liability incurred by us in the event of personal injury or material and intangible damage likely to arise in the course of business operations or after delivery;
- specific public liability insurance for pollution risks;
- airport public liability insurance;
- accident insurance: covering direct material damage to insured property of an accidental and sudden nature;
- vehicle fleet insurance: working from a common base, these are essentially policies adapted to the needs of local regulations;
- transport insurance: covering claims arising from maritime, rail and ground transportation between our plants and our customers;
- charterer insurance;
- ten-year insurance (insurance for damages arising after the delivery of a completed building project) for all building-related activities;
- directors' liability insurance;
- workers' compensation insurance, to cover work-related accidents and illness; this system is specific to the United States.

The total cost of our policies was €10 million for the year ended September 30, 2020.

We consider that we maintain adequate insurance coverage for all of our businesses and activities, covering us against most material risks that are typically insured by similar companies with comparable risk exposure, considering the types and amounts of insurance customary in our industry and the jurisdictions in which we operate. However, we cannot guarantee that our insurance coverage will adequately protect us from all of the risks that may arise or in amounts sufficient to prevent material loss. Our insurance cover is regularly verified and adjusted when necessary.

Legal and Regulatory Proceedings

We have been, and may from time to time be, a party to legal disputes (including with respect to employment), administrative proceedings or audits within the scope of our business activities. Although the outcome of these legal disputes, administrative proceedings or audits cannot be predicted with certainty, we do not believe that the ultimate resolution of these matters and any current or potential future matters of which we are currently aware of will have a material adverse effect on our financial condition or results of operations. We have set aside reserves covering the risks in connection with such legal proceedings amounting to €22.6 million as of March 31, 2021.

The following is a summary of certain disputes to which we are party as of the date hereof.

Veolia Litigation

In 2014, Veolia took over the household waste collection business in the 11th and 19th districts (*arrondissements*) of Paris previously operated by our subsidiary Polyurbaine S.A. Polyurbaine S.A.'s subsidiary and Veolia entered into an agreement for the transfer of personnel in charge of such activity. In connection with such agreement, Veolia sued Polyurbaine S.A.'s subsidiary for allegedly including in the fixed compensation of its employees some components that were previously included in the variable part of its employees' compensation, before the effective date of transfer of the personnel to Veolia and after communicating such information in connection with the compensation to the local authority in charge of assessing the cost of personnel, resulting in the impossibility for Veolia to delete such part of the employees' compensation. In 2018, the Commercial Court of Paris ordered Polyurbaine S.A.'s subsidiary to pay to Veolia €3.7 million. We subsequently appealed this judgment before the

Court of Appeals of Paris (*Cour d'appel de Paris*). In March 2020, the Court of Appeals of Paris overruled the judgment of the Paris commercial court and the €3.7 million previously paid to Veolia was repaid to the Group. Veolia has since brought the case before the French supreme court (*Cour de cassation*). The case is still pending before the French supreme court (*Cour de cassation*).

URSSAF audit

Our Multiservices subsidiary, Derichebourg Atis Aéronautique, was audited by the URSSAF during the fiscal year ended September 30, 2018. As a result of this audit, the URSSAF claimed that Derichebourg Atis Aéronautique failed to pay social security charges on employees' meal allowances and transportation indemnities of an aggregate amount of €4.2 million. Derichebourg Atis Aéronautique considers that such adjustment is unfounded. Derichebourg Atis Aéronautique contested such adjustment, arguing that such meal allowances and transportation indemnities should not have been subject to social security charges. Derichebourg Atis Aéronautique recorded a provision for an aggregate amount of €1.5 million in connection only with the transportation indemnities. In 2019, Derichebourg Atis Aéronautique received a formal notice to pay €4.6 million and proceeded to such payment. In February 2019, Derichebourg Atis Aéronautique decided to refer the case to the competent conciliation authority (*Commission de Recours Amiable des URSSAF de Midi Pyrénées*), which confirmed the outcome of the audit in August 2020. The case is still pending before the competent jurisdiction.

AFM Recyclage decontamination

In 2012, the Issuer and its subsidiary AFM Recyclage (as the final operator) entered into an agreement with a public-private partnership representing a local authority relating to the collection and treatment of waste. Such agreement was renewed successively in 2018 and 2019. Pursuant to this agreement, the Issuer and its subsidiary AFM Recyclage were required to free certain land, transfer it to the public-private partnership and transfer the business they operated to a nearby site. Pursuant to this agreement, the financial commitment relating to decontamination of such site was limited to decontamination for industrial, non-sensitive use, on the basis of preliminary studies showing low decontamination costs. On the basis of further in-depth investigations, an estimate of the costs relating to such decontamination was prepared. Such estimate calls into question whether or not the decontamination process was cost-effective. Discussions have begun with stakeholders in order to determine whether it was possible to find an acceptable solution in order to avoid in-depth decontamination of such site. If this solution appears to be unacceptable, or if the stakeholders reject such solution, AFM Recyclage would seek to continue its activity at the site. While discussions are ongoing between the parties, there is some uncertainty as to whether we will actually continue our activities on this site and if not, how much we would be required to pay for the total decontamination costs.

DSIN matter

On September 27, 2019, Derichebourg Multiservices Holding sold the shares of Démantelement Services & Ingénierie Nucléaire ("**DSIN**") to DNUC, a company specialized in services to the nuclear sector. This sale involved the sale of the securities of DSIN to DNUC and the sale of a current account receivable, the price of which was subject to an adjustment based on the balance of certain balance sheet items as of September 30, 2019. DNUC contested the price proposed by Derichebourg Multiservices Holding for the current account receivable in question, the disagreement mainly relating to the value of certain trade receivables. DSIN was placed under safeguard proceedings (*procédure de sauvegarde*) in December 2020 in order to be protected against the potential consequences of a client's claims for partial non-performance or non-conforming performance of contractual services and subsequent damages.

DNUC brought a legal action against Derichebourg Multiservices Holding claiming that Derichebourg Multiservices Holding withheld certain material information relating to one of its commercial contracts, and seeking €6.5 million (corresponding to the amount declared by DSIN's client as a liability in the context of the safeguard proceedings), plus related and associated costs. Derichebourg Multiservices Holding held that it provided DNUC with the information available in connection with the considering agreement as part of the due diligence process carried out by DNUC, that the damages declared by DSIN's contractor as a liability in the context of the safeguard proceedings are not justified and that this liability should have been rejected in the context of the safeguard proceedings of DSIN. The first hearings in connection with this litigation will took place in May 2021. The next hearings is expected to be held on September 9, 2021. As of March 31, 2021, we have recorded a provision of €1.1 million related to the depreciation of receivables held by Group companies in connection of the safeguard proceedings of DSIN. No other provision has been recorded, as we consider the claims of DNUC to be unfounded.

Revival matter

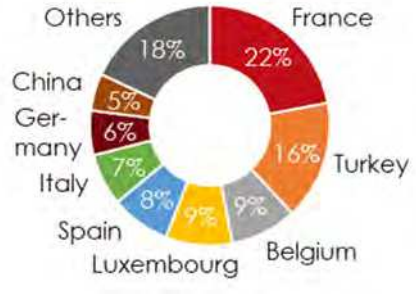
In June 2020, Revival (formerly STRAP), one of our subsidiaries, was sued by SCI Les Pres d'Isques ("**SCI LPI**"), the owner of a parcel of land near a site that Revival operates in Condette, Pas-de-Calais, France. SCI LPI claims that Revival illegally buried waste in its land and seeking damages amounting to €27 million in connection with clean-up costs (including the related landfill taxes). Although a first appraisal report concluded that such waste was not related to Revival's operations, SCI LPI is relying on a second appraisal report, the conclusions of which are based on a certificate provided by the former chief executive officer and former shareholder of STRAP, who was dismissed by the Group in 2003 and subsequently became an employee of the owner of SCI LPI. Revival held that it is involved neither with the waste buried in such land nor with any pollution relating thereto, that it never operated its activities on the plots on which the waste is buried, that the type of waste buried does not correspond to the waste generated by Revival's operations and that the former chief executive officer and former shareholder of STRAP would have committed gross negligence separable from his functions of chief executive officer of STRAP if STRAP had buried such waste on such land, which at that time belonged to his parents-in-law. In addition, Revival has submitted evidence that the owner of SCI LPI was aware of the land pollution that is the source of the lawsuit before it acquired the land, and leased such land to one of the Group's competitors, against whom SCI LPI brought a legal action on the same facts and legal basis as the one currently brought against Revival, and in which SCI LPI was unable to prevail. Revival holds that the claims brought by SCI LPI are entirely unfounded and constitute an attempt to falsify the facts. Revival is considering all possibilities to protect its interests. A first hearing in connection with the request for payment of funds was held on May 11, 2021 and the decision was deferred until July 6, 2021. As of March 31, 2021, we have not recorded a provision in connection with this matter.

DESCRIPTION OF ECORE

Overview

Ecore holds the second largest market share of the French metal recycling market for the valorization of metal waste based on revenue and is present in six countries in Europe. As of March 31, 2021, Ecore operated at 83 active sites in the world, mainly in France where Ecore has a market share of approximately 10% to 15% in terms of revenue. Ecore primarily sells ferrous metals such as scrap iron (81% of volumes sold for the twelve months ended March 31, 2021), non-ferrous metals such as aluminum, stainless steel, copper and brass (6% of volumes sold for the twelve months ended March 31, 2021), other materials, such as paper, plastic and cardboard (12% of volumes sold for the twelve months ended March 31, 2021) and battery lead (1% of volumes sold for the twelve months ended March 31, 2021). Ecore focuses primarily on: (i) collecting waste through its large and dense local networks; (ii) employing its industrial facilities to sort and process the waste it collects and to provide its customers with large volumes of quality recycled materials; and (iii) leveraging its logistical capabilities and access to deep-sea harbors to promptly respond to market conditions in the areas in which it operates.

For the year ended September 30, 2020, Ecore generated €880.5 million of revenue and €52.7 million of EBITDA. During the year ended September 30, 2020, 22% of Ecore's sales were generated in France, while the rest was generated in other European countries and outside of Europe. The chart below breaks down Ecore's revenue by geography for the year ended September 30, 2020.



For the twelve months ended March 31, 2021, Ecore generated €1,067.4 million of revenue and EBITDA of €77.5 million.

Ecore's History

In 1965, GDE was created by Guy Dauphin. In 1993, Guy Dauphin's son, Claude Dauphin, created Ecore Group with GDE as its French subsidiary.

A heavy investment phase began at the end of 2010 until 2014, when Ecore incurred approximately €280 million of (i) capital expenditures, purchasing a wide range of first-class industrial assets with facilities and (ii) M&A expenses resulting in a significant increase in Ecore's market share.

In 2016, H.I.G. Capital, a leading global private equity investment firm, took a significant strategic stake in Ecore. A new management team, led by Jean-François Varagne, was recruited.

Ecore's Business

Ecore's core business is to collect metal waste from its suppliers; weigh, sort and process waste that Ecore has collected; and sell secondary raw materials to its customers. Materials that Ecore processes mainly include ferrous metals, non-ferrous metals, lead-based car batteries, and to a much lesser extent, plastic, paper and cardboard.

Although the majority of the products that Ecore sells are recycled through its processing platforms, Ecore has also developed a valuable wholesale business, which involves the purchasing of processed materials and the sale and direct shipment to its customers. Ecore's ferrous wholesale business also serves its core recycling export business as it enables Ecore to fill its shipment (which constitutes 20,000 tons to 30,000 tons) more quickly and therefore to accelerate inventory turnover. That part of Ecore's wholesale business which is not in direct shipment to its customers serves Ecore's core recycling exports business.

Collection and processing of waste

Suppliers of waste

Ecore purchases scrap metal from a diversified mix of suppliers. Ecore benefits from a large and diversified supplier base, with its top ten suppliers accounting for less than 25% of the total volume it purchased for the year ended September 30, 2020. These suppliers range from individuals to large industrial groups (the percentages are calculated based on the figures for the year ended September 30, 2020):

- 58% of volumes were sourced from small and medium-sized metals aggregators. This includes waste resellers and car scrappers, which often resell part or all of their metal waste to large players such as Ecore, due to their lack of in-house capability to process the volume they collect, their limited access to international markets and to secondary raw materials clients (who tend to impose strict compliance rules on their suppliers) and their lack of the long-lasting relationships necessary to secure sourcing;
- 17% as collected from production scraps from the automotive industry, the aerospace industry, metal stampers and other local factories;
- 12% as collected from individuals and craftsmen;
- 4% as scrap generated by construction and demolition activities purchased from building and demolition companies (including Bouygues and Vinci);
- 4% as collected from train owners (including SNCF) and environmental organizations (Eco-Systèmes); and
- the remaining were sourced from cities and municipal waste sites, which comprised 5% of Ecore's volumes for the year ended September 30, 2020.

Waste categories

Waste collected by Ecore can be categorized into three broad groups: waste metals (ferrous and non-ferrous), batteries and other materials.

The output products for ferrous metals are iron, steel and cast iron, which Ecore supplies to steelmakers, secondary smelters and foundries. Ecore collected 2,722 thousand tons of ferrous metals in the twelve-month period ended March 31, 2021. Ecore processed a total volume of 1,553 thousand tons of ferrous scrap metal during the twelve-month period ended March 31, 2021. With respect to non-ferrous metals, the output products are aluminum, lead, stainless steel, copper, zinc and brass, which Ecore supplies to steelmakers, scrap processors and refineries. Ecore collected 170 thousand tons of non-ferrous metals during the twelve-month period ended March 31, 2021. A total volume of 38 thousand tons of non-ferrous metals was processed by Ecore during the twelve-month period ended March 31, 2021.

Ecore also processes batteries to extract lead. The total volume of lead that Ecore produced for the twelve-month period ended March 31, 2021 was 34 thousand tons. Additionally, the processing of other materials (primarily paper, plastic and cardboard) is a significant part of Ecore's business. Ecore delivered 353 thousand tons of other materials for the twelve-month period ended March 31, 2021.

Equipment

As a result of the significant investment in Ecore's asset base, Ecore has a comprehensive industrial asset base enabling Ecore to collect, sort and recycle metals and other materials. Ecore notably owns six metal shredders for non-ferrous and ferrous scrap. Ecore also has three post-processing plants that are used for the post-processing of ferrous metals and other processing plants for batteries and plastics.

Furthermore, as of September 30, 2020, Ecore used four barges on the Rhone, the Seine and the Mediterranean Sea, which are used primarily for waste collection and deliveries to customers; 46 fixed and mobile shears for ferrous scraps and waste; 267 fixed and mobile cranes, including port cranes for shipments; 252 trucks used for transport between suppliers' sites, collection sites and transformation sites.

Sites. As of April 30, 2021, Ecore's operations spanned 83 active sites in France and internationally. These properties are owned by several of Ecore's subsidiaries. 13 sites are operated through concessions (notably Ecore's four harbors) and 14 of the sites currently used in Ecore's operations are leased. The rest are owned by Ecore.

Ecore's dense portfolio of sites matches industrial areas, production scrap areas, high population and consumption areas, and dynamic industrial areas with recycling facilities. A large geographical footprint enables Ecore to be

closer to its suppliers and its clients, which is an important contributing factor to the significant waste volumes collected and processed by Ecore, while also allowing Ecore to reduce its transportation costs and lead times.

Ecore's sites can be divided into the following three general categories: collection sites, transformation sites and sites located in ports.

Secondary raw materials sales

The majority of Ecore's revenue is derived from recycling of ferrous materials. Ecore sold 2,460 kilotons of ferrous metals during the twelve months ended March 31, 2021, out of which 581 kilotons were wholesale tons. Ferrous metals represented 81% of the total volume of recycling materials sold by Ecore during the period.

With regard to non-ferrous metals, Ecore sold a total volume of 192 kilotons in the twelve-month period ended March 31, 2021. Non-ferrous metals represented 6% of the total volume of recycling materials sold by Ecore during the period.

Ecore sold 43 kilotons of recycled batteries in the same period. Recycling of other materials represented 353 kilotons of volume in the same period.

Secondary raw materials client portfolio

Ecore benefits from a wide and diversified customer portfolio in the secondary raw materials segment. Ecore has long-standing relationships with many customers. The relationship tenor with Ecore's top five customers, which account for approximately 33% of net sales as of September 30, 2020, is in the range of 5 to 15 years. Ecore's secondary raw materials sales business is not governed by formal contractual relationships, but is rather operated on the basis of spot orders on a monthly basis.

Ecore's ferrous metals clients include large steelmakers and smelters, such as ArcelorMittal, Kaptan, Riva Acier, BSW, Habas and Swiss Steel. ArcelorMittal is Ecore's largest client for ferrous metals and overall in terms of sales for the year ended September 30, 2020, contributing 10% of the total sales for such period, followed by Riva and Habas, contributing 8% and 8%, respectively. Ecore's non-ferrous metals clients include refineries, scrap processors and steel mills, namely Aurubis, Aperam, Profilglass, Befesa and Industeel. Aurubis is Ecore's largest client for non-ferrous metals in terms of sales for the year ended September 30, 2020, contributing 4.6% of total sales, followed by Industeel and Aperam, contributing 2.3% and 1.8%, respectively, of the total sales. With regard to batteries, Ecore's clients include Exide, Recobat and Campine Recycling.

Wholesale activity

Although the majority of products that Ecore sells are produced through a recycling process, Ecore has also developed wholesale activity, which involves the purchase of materials from suppliers and the direct sale and shipment to the final customer, without any processing of the materials by Ecore. Ecore's ferrous wholesale business also serves its core recycling export business as it enables Ecore to fill more quickly its shipment (with a standard 20 kiloton volume to 30 kiloton capacity) and therefore accelerate inventory turnover.

A significant part of the wholesale/volume business from Ghent is delivered to Turkey, which is notable for its scraps and lower freight cost. Although this represents a large part of Ecore's volume, Ecore has the capacity to easily reroute this volume to Spain, India or Saudi Arabia.

Furthermore, as most volumes sold to Turkey are from the wholesale activity, this has a limited impact in terms of EBITDA.

Setting the purchase and selling price

The vast majority of Ecore's purchases are realized under a spot scheme. However, Ecore has some term agreements (typically three years) with factories for their manufacturing scrap and large industrial groups such as SNCF and Suez for their waste scrap. For these term agreements, the purchase price is based on indexes (Q06, BDSV) built to reflect the selling price fluctuations.

Ecore's sales of secondary raw materials from recycling sales are centralized through dedicated commercial structures specialized by commodity and designed to efficiently distribute available volumes across Ecore's network to end users. Ecore's sales team is in regular contact with its network of customers in order to monitor stock, steer production depending on demand, negotiate price, help ensure timely deliveries and manage potential claims.

Ecore has enhanced its price control process and commercial reactivity to adapt its sales and purchase prices to market fluctuations for both ferrous and non-ferrous activities. Ecore is constantly focusing on regular, more

frequent and wider communications between secondary raw materials sales teams and regional directors, sales and collection yards, which enables information-sharing on secondary raw materials prices, selling opportunities, waste purchasing cycles and market trends.

Ferrous metals pricing

The prices at which Ecore purchases ferrous metals derive from a top-down approach, are set based on the following factors: (i) selling prices negotiated with Ecore's clients (*e.g.*, steelmakers) on a monthly basis; (ii) production and logistics costs; and (iii) Ecore's target margins.

Ecore's purchase prices are based on:

- the asking prices of the steelmakers located in the vicinity of the applicable region (*e.g.*, Riva France for Ile-de-France and Normandy, Arcelor Luxemburg for East and North, Riva Italy and Celsa Spain for Rhône-Alpes);
- the local competition, as well as the asking prices of the Spanish and non-European steelmakers in the case of the Bretagne-Atlantique and Normandy regions; and
- the asking prices of the non-European steelmakers in the case of the wholesale export business from the Ghent port.

Ultimately, the ferrous metals purchase prices that Ecore proposes to its suppliers are driven by the selling prices set for its customers and are set by Ecore's top management on a weekly basis, or more often when necessary, after discussions with the national sales team and regional directors.

Ecore's sales team dedicated to ferrous metal sales and regional directors negotiate the prices at which Ecore sells ferrous metals to its customers depending on the market dynamics specific to each region.

Non-ferrous metals pricing

Ecore's strategy is to cover, to the extent possible, its purchases by a sale.

On a daily basis, Ecore contacts a majority of its clients to identify their needs and their price basis. Then a price list is sent to all the retail sites and the purchase representatives in order to update the purchase prices in real time. The national team consolidates the volumes purchased on a daily basis, category by category, in order to match them with the volumes sold.

The purchases must be covered by a sale, and Ecore can sell several times a day to the same customer if required. Every month, Ecore purchases and sells approximatively 20 kilotons of non-ferrous metals.

Ecore can sell on a spot basis (approximately 90% of Ecore's sales) or through "open contracts" (approximately 10% of Ecore's sales as of March 31, 2021). These contracts have a length of two months maximum and, due to the good relationships between Ecore and its customers, can generally be delivered with significant flexibility.

Ecore can sell at a fixed price (secondary aluminum) or at a percentage of the relevant LME index. In the latter case, Ecore also buys at a percentage of the LME index, several times a day if necessary, in order to charge the sale on the contract and protect its margin.

Ecore constantly adapts the volumes sold to the volumes purchased, using the lots bought by its purchase representatives as a variable of adjustment. At the same time, Ecore adjusts on a daily basis the price purchased to the price sold (fixed or indexed). As a consequence, Ecore has no exposure to market fluctuations.

Research and Development

Ecore has significantly invested in research and development. Research and development is a key part of Ecore's mid-term strategy to position Ecore as a leader thanks to the development of advanced recycling technologies. In particular, research and development objectives include both continuous improvements of existing processes and the development of new lines of ecodevelopment.

Over the past few years, Ecore's commitment to research and development can be illustrated by the design, development and implementation of breakthrough technologies applicable to Ecore's recycling processes. These technologies apply notably to the recycling of end-of-life vehicles, waste electrical and electronic equipment, plastics and batteries. Research and development mainly takes place in Rocquancourt, which is Ecore's biggest research and development center.

Environmental Matters, Health and Safety

Recycling operations may be a source of pollution for the environment if they are not carried out in processing centers that have the equipment necessary to protect the environment, or if the applicable environmental and health and safety rules and regulations are not complied with during such operations.

Ecore is subject to numerous international, national and local environmental laws and regulations, as well as laws and regulations regarding health and safety. For further information about the regulatory environment applicable to Ecore and its operations in the European Union, which is comparable to the regulatory environment applicable to Derichebourg's Environmental Services business. See "*Regulation—Regulations Applicable to Our Environmental Services Business*."

Ecore is committed to high standards in the field of environmental safety. 14 of Ecore's most important yards are ISO 14001 certified and ISO 9001 certified. Over the past few years, Ecore has made large investments in its yards in order to ensure a high level of environmental protection. Ecore's yards are officially registered with the applicable municipal administrations as required by the applicable laws and regulations, and comply with the general requirements and/or specific requirements that may be imposed as part of their license to operate such yard. Ecore's sites are also regularly inspected by government officers or their representatives.

Litigation and Regulatory Proceedings

From time to time in the ordinary course of business, Ecore is a party to various governmental, regulatory, legal and arbitration proceedings.

Guy Dauphin Environment S.A., a wholly owned subsidiary of GEH ("**GDE**"), was subject to criminal prosecution for alleged fraud involving fraudulent manipulation by employees, aiming at reducing the weight of recyclable wastes purchased from suppliers, or increasing the weight of recyclable wastes invoiced to customers. These alleged events took place between January 2011 and January 2014 on the Le Mans site. The criminal court of Le Mans rendered a judgment on September 22, 2017, imposing a €700,000 criminal fine on GDE, a €727,936.11 award of punitive damages payable by GDE and former CEO jointly to the civil plaintiffs, and the seizure of €1 million from GDE's accounts as compensation for damages sustained by the civil plaintiffs. This award constituted the highest amount of monetary penalties available under applicable laws and is currently being appealed by the Group. Each of the civil plaintiffs was paid prior to the appeal, and the enforcement of other damages has been suspended pending appeal. Ecore took extensive measures to ensure that the practices that gave rise to this litigation are no longer employed by the Ecore Group.

Ecore is not currently, nor have been in the past twelve months, party to any other material governmental, regulatory, litigation or arbitration proceedings, including any such proceedings that are pending or threatened of which Ecore is aware, which may have, or have had in the recent past, significant effects on Ecore's financial position or profitability.

Employees

As of March 31, 2021, Ecore had a total of 1,445 employees (1,353 excluding external temporary workers), in France and abroad. The majority of Ecore's employees are under an indefinite term employment contract and work on a full-time basis. Occasionally Ecore uses a temporary workforce. 6% of Ecore's workforce consisted of temporary workers as of March 31, 2021.

As of March 31, 2021, Ecore's production and maintenance department employed 855 people, representing 63% of Ecore's total employees (excluding temporary workers) and consisted primarily of foremen, crane operators, forklift truck operators, handlers and back-office on-site; Ecore's transport and logistics department employed 249 people and consisted mainly of truck drivers and supply chain managers; Ecore's commercial department employed 74 people and consisted primarily of the purchase representatives; Ecore's finance and administrative department employed 61 people and consisted of accountants, financial controllers, purchasers and treasurers; Ecore's commercial back-office department employed 54 people; Ecore's management team employed 12 people; Ecore's quality and HSE department employed 19 people; Ecore's human resources department employed 21 people; and Ecore's IT department employed eight people.

Ecore's full-time employees are covered by Ecore's mandatory profit-sharing agreement and Ecore's savings plan. Ecore's entire workforce is covered by a national collective bargaining agreement for the recycling industry and trade and for logistics companies. Ecore has not experienced any significant local strikes or work stoppages during the last three years. Members of the works councils are regularly informed and consulted in connection with various projects contemplated by Ecore, and so far all such projects have been viewed favorably by the works councils. Overall, Ecore believes it has a good relationship with the workforce representatives.

Health and safety is one of Ecore's main priorities, and Ecore has implemented a set of measures to improve safety and reduce the number of occupational accidents. Ecore has established dedicated health and safety committees to monitor progress. In addition, Ecore has a head of safety, a safety manager and quality, safety and environment coordinators who are in charge of implementing safety procedures. Furthermore, Ecore's employees regularly attend safety trainings, such as those related to driving vehicles, using a fire extinguisher, handling electrical equipment and handling refrigerant fluid.

Insurance

Ecore's insurance program is centrally managed. Ecore believes that it maintains the types and amounts of insurance customary in its industry and the jurisdictions in which it operates and considers its insurance coverage to be adequate for its businesses; however, Ecore cannot guarantee that its insurance coverage will adequately protect it from all of the risks that may arise or in amounts sufficient to prevent material loss.

Ecore maintains insurance policies as required by applicable laws of the jurisdictions in which it operates. Ecore maintains insurance policies, in which Ecore is included as an insured party, to cover environmental, financial and technical risks (including assembly and construction risks, where applicable) and potential responsibility for injuries or damage to equipment or materials used by Ecore and by third parties. Ecore's directors and officers are also covered against third-party liabilities.

Financial Condition and Results of Operations

Overview

Ecore's results of operations have been historically affected by volumes of recycled waste, economic conditions, recycled market trends, ability to protect margins against market risks, changes in Ecore's collection network, environmental laws and regulations, transportation costs and fixed and variable costs.

The financial information discussed below has been extracted from GEH's financial statements included elsewhere in this Listing Prospectus. GEH prepared its financial statements in accordance with IFRS. See "*Presentation of Financial and Other Information—Ecore Historical Financial Information*."

GEH applied IFRS 16 to its consolidated financial statements as of October 1, 2019 using the simplified retrospective approach, without restating its financial statements for previous periods. The main impacts of IFRS 16 on GEH's balance sheet as of September 30, 2020 consisted of the recognition of a net right of use asset related to intangible assets of €3.7 million and a net right of use asset related to tangible assets of €35.7 million, an increase in non-current lease liabilities of €36.1 million and an increase in current lease liabilities of €6.5 million. The impacts of the application of IFRS 16 on GEH's income statement for the year ended September 30, 2020 are as follows:

	in millions of euros
External charges	8.6
EBITDA	**8.6**
Depreciation	(8.0)
Operating income (loss)	**0.6**
Cost of net debt	(1.1)
Profit (loss) before tax	**(0.4)**
Income tax	0.1
Profit (loss) after tax	**(0.3)**

For further detail on the impact of IFRS 16 on GEH's financial statements, see note 3.4.2.3. to the GEH Audited Consolidated Financial Statements as of and for the year ended September 30, 2020.

Results of Operations

The table below sets forth Ecore's consolidated statement of income and other data for the fiscal years ended September 30, 2020 and 2019 and for the six-month periods ended March 31, 2021 and 2020.

	For the year ended September 30,		For the six months ended March 31,	
	2020	2019	2021	2020
	Post-IFRS 16	Pre-IFRS 16	Post-IFRS 16	Post-IFRS 16
	(audited)		(unaudited)	
	in millions of euros			
Revenue	880.5	1,159.7	658.0	471.1
Cost of raw materials	(595.3)	(825.5)	(467.7)	(321.4)
Freight expenses	(96.6)	(118.1)	(62.5)	(52.6)
Cost of sales	(691.9)	(943.5)	(530.3)	(373.9)
External charges	(60.4)	(78.1)	(36.6)	(33.2)
Employee benefits expenses	(68.9)	(72.8)	(37.9)	(36.4)
Other operating income and expenses	(6.7)	(2.3)	(3.0)	(2.3)
EBITDA	**52.7**	**63.0**	**50.2**	**25.3**
Depreciation / amortization	(42.2)	(43.0)	(20.3)	(19.7)
Impairment	—	—	—	—
Other non-recurring income and expenses	12.3	(8.2)	—	—
Operating income (loss)	**22.8**	**11.8**	**29.9**	**5.7**
Interest expense	(22.6)	(18.9)	(11.4)	(11.3)
Interest income	0.0	0.1	-	-
Cost of net debt	(22.6)	(18.9)	(11.4)	(11.3)
Other financial expenses	(0.7)	(2.4)	(1.5)	(1.1)
Share of profit associates and joint-ventures	0.2	0.2	—	0.1
Profit (loss) before tax from continuing operations	**(0.3)**	**(9.3)**	**17.0**	**(6.7)**
Income tax expenses	10.2	(16.8)	(3.5)	(1.7)
Profit (loss) for the year	**9.9**	**(26.2)**	**13.6**	**(8.3)**

Comparison of the six-month periods ended March 31, 2021 and 2020

Revenue

The table below sets forth Ecore's revenue by business line for the six-month periods ended March 31, 2021 and 2020.

	For the six months ended March 31,		
	2021	2020	*% change*
	in millions of euros		
Ferrous	402.5	271.4	*48%*
Non-ferrous	182.3	142.9	*28%*
Batteries	23.8	19.3	*23%*
Others	49.3	37.5	*32%*
Total revenue	**658.0**	**471.1**	***40%***

Ecore's revenue increased by €186.9 million, or 39.7%, from €471.1 million for the six months ended March 31, 2020 to €658.0 million for the six months ended March 31, 2021. This was mainly due to a 16.3% increase in Ecore's global volumes sold and 20.1% increase in selling prices.

Ferrous activity revenue increased by €131.2 million, or 48%, from €271.4 million for the six months ended March 31, 2020 to €402.5 million for the six months ended March 31, 2021. This was primarily due to a positive volume effect coupled with higher prices compared with the six-months period ended March 31, 2020. Ferrous volumes were positively impacted by a sharp increase in demand over the period as industrial activity resumed, greater use of EAFs by steelmakers as these were the first to reopen after shutdowns during the height of the COVID-19 crisis (BOFs being relatively less flexible to reopen), particularly strong demand for ferrous scrap from Turkey and overall better dynamics than the first half the 2019/2019 fiscal year (which was impacted by lower prices and the impacts of the first wave of lockdowns). Ferrous prices have reached multi-year highs during the period. Ecore's

revenue for the six months ended March 31, 2020 was impacted by retention from suppliers during the first quarter of the year ended September 30, 2020 due to multi-year low prices and the start of the COVID-19 crisis during the second quarter of the year ended September 30, 2020.

Non-ferrous activity revenue increased by €39.4 million, or 28%, from €142.9 million for the six months ended March 31, 2020 to €182.3 million for the six months ended March 31, 2021. This was due to higher demand from the automotive industry.

Batteries revenue increased by €4.5 million, or 23%, from €19.3 million for the six months ended March 31, 2020 to €23.8 million for the six months ended March 31, 2021. This was due to a rebound in activity from the prior period, which had been impacted by the COVID-19 crisis.

Other revenue increased by €11.8 million, or 32%, from €37.5 million for the six months ended March 31, 2020 to €49.3 million for the six months ended March 31, 2021. This was due to a rebound in activity from the prior period, which had been impacted by the COVID-19 crisis.

Cost of raw materials

Cost of raw materials increased by €146.4 million, or 45.6%, from €321.4 million for the six months ended March 31, 2020 to €467.7 million for the six months ended March 31, 2021. This was mainly due to a positive volume effect as well as an increase in ferrous and non-ferrous purchases prices.

Freight expenses

Freight expenses increased by €9.9 million, or 18.9%, from €52.6 million for the six months ended March 31, 2020 to €62.5 million for the six months ended March 31, 2021. This was mainly due to the increase of our volumes sold which was partially offset by lower fuel costs and cost savings following the implementation of the transport and logistics efficiency plan.

External charges

External charges increased by €3.5 million, or 10.4%, from €33.2 million for the six months ended March 31, 2020 to €36.6 million for the six months ended March 31, 2021. This was mainly due to higher maintenance and repair costs in relation with the increase in volume processed.

Employees benefits expenses

Employees' benefits increased by €1.6 million, or 4.3%, from €36.4 million for the six months ended March 31, 2020 to €37.9 million for the six months ended March 31, 2021. This was mainly due to a different bonus and retirement provisions phasing and wages increase.

Other operating income and expenses

Other operating expenses increased by €0.7 million, or 30.4%, from €2.3 million for the six months ended March 31, 2020 to €3.0 million for the six months ended March 31, 2021. This was mainly due to an increase of environmental provision.

Depreciation / amortization

Depreciation / amortization increased by €0.6 million, or 3.0%, from €19.7 million for the six months ended March 31, 2020 to €20.3 million for the six months ended March 31, 2021.

Cost of net debt

Cost of net debt increased by €0.1 million, or 0.9%, from €11.3 million for the six months ended March 31, 2020 to €11.4 million for the six months ended March 31, 2021. This is mainly due to the drawing under the revolving credit facility during the six months ended March 31, 2021.

Income tax expenses

Income tax increased by €1.8 million from €1.7 million for the six months ended March 31, 2020 to €3.5 million for the six-month period ended March 31, 2021.

Comparison of the fiscal years ended September 30, 2020 and 2019

Revenue

The table below sets forth Ecore's revenue by business line for the fiscal years ended September 30, 2020 and 2019.

	For the year ended September 30,		
	2020	**2019**	***% change***
	in millions of euros		
Ferrous	511.3	684.4	*(25)%*
Non-ferrous	263.2	329.9	*(20)%*
Batteries	34.5	47.4	*(27)%*
Others	71.5	97.9	*(27)%*
Total revenue	880.5	1,159.7	*(24)%*

Ecore's revenue decreased by €279.1 million, or 24.1%, from €1,159.7 million for the year ended September 30, 2019 to €880.5 million for the year ended September 30, 2020. This was mainly due to the decrease in Ecore's global volumes by 17% over the period due to the COVID-19 pandemic together with a decrease in the average selling price of ferrous and non-ferrous metals.

Ecore's ferrous activity revenue decreased by €173.1 million, or 25%, from €684.4 million for the year ended September 30, 2019 to €511.3 million for the year ended September 30, 2020. This was mainly due to: (i) a contraction of Ecore's ferrous yards and wholesale activity following the implementation of the lockdown period in Europe and elsewhere due to the COVID-19 pandemic; (ii) low demand from the automotive and construction industry; and (iii) reduction of volumes from Ecore's suppliers during the first quarter of the fiscal year due to a multi-year low ferrous price that was hit in October and November. This was partially offset by a rebound in activity during the fourth quarter of the fiscal year, with volumes increasing by approximately 4% on a year-on-year basis.

Ecore's non-ferrous activity revenue decreased by €66.7 million, or 20%, from €329.9 million for the year ended September 30, 2019 to €263.2 million for the year ended September 30, 2020. Batteries activity revenue declined by €12.9 million, or 27%, from €47.4 million for the year ended September 30, 2019 to €34.5 million for the year ended September 30, 2020. The decline of Ecore's non-ferrous and batteries revenues during the year ended September 30, 2020 was also mainly due to lower demand from end clients that were impacted by the COVID-19 pandemic, particularly in the automotive industry.

Other revenue decreased by €26.4 million, or 27%, from €97.9 million for the year ended September 30, 2019 to €71.5 million for the year ended September 30, 2020, primarily as a result in lower volumes of zorba, cast iron and paper and cardboard sales.

Cost of raw materials

Cost of raw materials decreased by €230.2 million, or 27.9%, from €825.5 million for the year ended September 30, 2019 to €595.3 million for the year ended September 30, 2020. This was mainly due to a decrease in volumes and in the average purchasing price of ferrous and non-ferrous metals.

Freight expenses

Freight expenses decreased by €21.4 million, or 18.1%, from €118.1 million for the year ended September 30, 2019 to €96.7 million for the year ended September 30, 2020. This was mainly due to the decrease of our volumes sold driven by the impact of COVID-19 pandemic as well as cost savings following the implementation of the transport and logistics efficiency plan.

External charges

External charges decreased by €17.7 million, or 22.6%, from €78.1 million for the year ended September 30, 2019 to €60.4 million for the year ended September 30, 2020. This decrease is due to the first implementation of IFRS 16 on lease contracts with a €8.6 million impact on Ecore's rental costs and to savings on our operational costs resulting from the decrease in activity.

Employees benefits expenses

Employees' benefits decreased by €3.9 million, or 5.4%, from €72.8 million for the year ended September 30, 2019 to €68.9 million for the year ended September 30, 2020. This was mainly due to partial unemployment measures implemented primarily during the first lockdown period in Europe between March and May 2020.

Other operating income and expenses

Other operating expenses increased by €4.4 million, from €2.3 million for the year ended September 30, 2019 to €6.7 million for the year ended September 30, 2020. This was mainly due to an exceptional provision reversal in 2019.

Depreciation / amortization

Depreciation / amortization decreased by €0.8 million, or 1.8%, from €43.0 million for the year ended September 30, 2019 to €42.2 million for the year ended September 30, 2020.

Other non-recurring income and expenses

Other non-recurring income and expenses increased by €20.5 million from an expense of €8.2 million for the year ended September 30, 2019 to income of €12.3 million for the year ended September 30, 2020, mainly due to a €12 million indemnity received from Ecore's insurance company with regards to the fire that led to the destruction of Ecore's waste sorting facility located in Rocquancourt, France, in December 2018. This increase also includes €4.4 million of exceptional costs incurred as a result of these events, which was offset by a €5.5 million provision reversal accrued in September 2019 and €0.9 million of exceptional costs related to the COVID-19 pandemic.

Cost of net debt

Cost of net debt increased by €3.7 million, or 19.6%, from €18.9 million for the year ended September 30, 2019 to €22.6 million for the year ended September 30, 2020. This was mainly due to the full year impact of the senior secured floating rate notes and the drawing under the revolving credit facility during the year ended September 30, 2020.

Other financial expenses

Other financial expenses decreased by €1.7 million, or 70.8%, from €2.4 million for the year ended September 30, 2019 to €0.7 million for the year ended September 30, 2020. The decrease was primarily due to the one-off impact of a loss recognized in connection with Ecore's foreign exchange hedging during the year ended September 30, 2019. Other financial expenses for the year ended September 30, 2020 reflected a return to a more normative level.

Income tax expenses

Income tax expenses decreased by €27.0 million from an expense of €16.8 million for the year ended September 30, 2019 to income of €10.2 million for the year ended September 30, 2020. This increase was mainly due to deferred tax variation.

Liquidity and Capital Resources

Liquidity describes the ability of Ecore to generate sufficient cash flows to meet the cash requirements of its business, including working capital needs, debt service obligations, capital expenditures, operating losses, acquisitions and contractual obligations and commitments.

Ecore's primary sources of liquidity are cash flows from operations, Ecore's existing cash and cash equivalents, working capital and borrowings, including under its revolving credit facility and its factoring facility. For a description of the principal financing arrangements of Ecore that are expected to remain in place after giving effect to the transactions, see "*—Certain Financing Arrangements of Ecore*."

Comparison of the six-month periods ended March 31, 2021 and 2020

Net working capital

Ecore's net working capital is defined as inventories plus account receivables, less account payables plus non-trade working capital.

The following table sets forth Ecore's net working capital as of ended March 31, 2021, as compared to September 30, 2020 and 2019.

	As of March 31, 2021	As of September 30, 2020	*change*
	(unaudited)	(audited)	
	in millions of euros		
Inventories	74.1	54.9	*19.2*
Trade receivables	80.9	49.9	*31.0*
Trade payables	(233.1)	(171.8)	*(61.2)*
Trade working capital	(78.1)	(67.1)	*(11.0)*
Non-trade working capital	5.3	5.3	*(0.1)*
Net working capital	**(72.8)**	**(61.8)**	***(11.0)***

Net working capital decreased by €11.0 million, from negative €61.8 million as of September 30, 2020 to negative €72.8 million as of March 31, 2021.

Cash flows

The following table shows a summary of Ecore's cash flows from operating activities, investing activities and financing activities, for the six-month periods ended March 31, 2021 and 2020.

	For the six-month period ended March 31,		
	2021	2020	*change*
	(unaudited)		
	in millions of euros		
Profit / (loss) after tax	13.6	(8.3)	*21.9*
Depreciation and impairment	20.3	19.7	*0.6*
Cost of net debt	11.4	11.3	*0.1*
Increase (Decrease) in provisions	0.5	(3.4)	*3.9*
Other non-cash (income) expenses	0.7	(0.8)	*1.4*
Net change in working capital [(a)]	11.0	1.0	*10.1*
Income tax (paid) received	(3.0)	0.8	*(3.8)*
Income tax (current and deferred)	3.5	1.7	*1.8*
Total net cash flow from operating activities	**57.8**	**21.9**	***35.9***
Total net cash flow used in investing activities	**(10.1)**	**(8.1)**	***(2.0)***
Total net cash flow received from (used in) financing activities	**(17.9)**	**29.6**	***(47.6)***
Cash and cash equivalents at the beginning of period	123.7	56.0	*67.7*
Cash and cash equivalents at the end of period	153.4	99.4	*54.0*
Total net increase/(decrease) in cash and cash equivalents	29.7	43.4	*13.6*

[(a)] Computation based on (decrease)/increase in inventories, receivables and payables as disclosed in the consolidated statement of cash flows.

Net cash flow from operating activities

Net cash flow from operating activities increased by €35.9 million, from an inflow of €21.9 million during the six months ended March 31, 2020 to an inflow of €57.8 million during the six months ended March 31, 2021. This strong increase during the first half of the fiscal year ending September 30, 2021 is driven by the EBITDA generation coupled with a continuous positive optimization of Ecore's working capital.

Net cash flow from (used in) investing activities

Net cash flow used in investing activities increased by €2.0 million, from an outflow of €8.1 million during the six months ended March 31, 2020 to an outflow of €10.1 million in the six months ended March 31, 2021.

Net cash flow from (used in) financing activities

Net cash flow used in financing activities decreased by €47.6 million, from an inflow of €29.6 million during the six months ended March 31, 2020 to an outflow of €17.9 million during the six months ended March 31, 2021.

This was mainly explained by the €40 million drawing of Ecore's RCF facility as well as the €8.5 million drawing of its bank credit lines in March 2020.

Capital Expenditures

The following table shows a summary of Ecore's capital expenditures excluding IFRS 16 for the six-month periods ended March 31, 2021 and 2020.

	For the six-month period ended March 31,		
	2021	**2020**	***change***
	(unaudited) in millions of euros		
Projects Capital Expenditures	1.2	0.5	*0.7*
Maintenance and Other Capital Expenditures	13.6	11.3	*2.4*
Tangible Capital Expenditures	15.0	11.8	*3.1*
Intangible Capital Expenditures	0.2	0.3	*(0.1)*
Total Capital Expenditures	**15.1**	**12.0**	***3.0***
Cash capital expenditures	11.1	8.3	*2.9*
Financial lease capital expenditures	3.9	3.8	*0.2*

Capital expenditures increased by €3.0 million from €12.0 million for the six months ended March 31, 2020 to €15.1 million for the six months ended March 31, 2021. This is mainly due to higher maintenance capital expenditures. The project capital expenditures refer to investments in specific projects carried out by Ecore.

Comparison of the fiscal years ended September 30, 2020 and 2019

Net working capital

Ecore's Net working capital in defined as inventories plus account receivables, less account payables plus non-trade working capital. The following table sets forth Ecore's net working capital for the fiscal years ended September 30, 2020 and 2019.

	As of September 30,		
	2020	**2019**	***change***
	Post-IFRS 16	**Pre-IFRS 16**	
	(audited) in millions of euros		
Inventories	54.9	52.9	*2.0*
Trade receivables	49.9	50.1	*(0.2)*
Trade payables	(171.8)	(172.7)	*0.9*
Trade working capital	(67.1)	(69.7)	*2.6*
Non-trade working capital	5.3	8.4	*(3.1)*
Net working capital	**(61.8)**	**(61.3)**	***0.5***

Net working capital decreased by €0.5 million, from negative €61.3 million as of September 30, 2019 to negative €61.8 million as of September 30, 2020. Ecore benefited from differed payments of social charges for €7.7 million at the end of September 30, 2020 due to the COVID-19 pandemic.

Cash flows

The following table shows a summary of Ecore's cash flows from operating activities, investing activities and financing activities for the fiscal years ended September 30, 2020 and 2019.

	For the year ended September 30,		
	2020	**2019**	
	Post-IFRS 16	**Pre-IFRS 16**	***change***
	(audited) in millions of euros		
Profit / (loss) after tax	9.9	(26.2)	*36.1*
Depreciation and impairment	42.2	42.6	*(0.4)*
Cost of net debt	22.6	18.9	*3.7*
Increase (Decrease) in provisions	(4.8)	3.6	*(8.3)*

	For the year ended September 30,		
	2020	2019	
	Post-IFRS 16	Pre-IFRS 16	*change*
	(audited)		
Other non-cash (income) expenses	(1.7)	0.7	*(2.4)*
Net change in working capital [(a)]	0.5	62.8	*(62.4)*
Net dividends from associates	(0.0)	(0.0)	*(0.0)*
Income tax (paid) received	(0.3)	(5.0)	*4.7*
Income tax (current and deferred)	(10.2)	16.8	*(27.1)*
Total net cash flow from operating activities	**58.2**	**114.2**	***(56.0)***
Total net cash flow used in investing activities	**(16.6)**	**(15.1)**	***(1.5)***
Total net cash flow received from (used in) financing activities	**26.1**	**(116.3)**	***142.4***
Cash and cash equivalents at the beginning of period	56.0	73.2	*(17.2)*
Cash and cash equivalents at the end of period	123.7	56.0	*67.7*
Total net increase/(decrease) in cash and cash equivalents	67.7	(17.2)	*84.8*

[(a)] Computation based on (decrease)/increase in inventories, receivables and payables as disclosed in the consolidated statement of cash flows.

Net cash flow from operating activities

Net cash flow from operating activities decreased by €56.0 million, from €114.2 million for the year ended September 30, 2019 to €58.2 million for the year ended September 30, 2020. This was mainly due to the net change in working capital that reached €0.5 million in September 2020 compared to €62.8 million in September 2019. The net change in working capital in September 2019 was mainly related to the start of the new non-recourse factoring facility in November 2018.

Net cash flow from (used in) investing activities

Net cash flow used in investing activities increased by €1.5 million, from an outflow of €15.1 million for the year ended September 30, 2019 to an outflow of €16.6 million for the year ended September 30, 2020. This was mainly due to the acquisition of a company based in the west of France.

Net cash flow from (used in) financing activities

Net cash flow from financing activities increased by €142.4 million, from an outflow of €116.3 million for the year ended September 30, 2019 to an inflow of €26.1 million for the year ended September 30, 2020. The €116.3 million cash used in financing activities for the year ended September 30, 2019, is related to the €325 million payment to our shareholders partly offset by the €255 million bond issuance. The €26.1 million received from financing activities for the year ended September 30, 2020 is mainly explained by the drawing of the GDE PGE and a drawing of €40 million under the Ecore RCF, which was partially offset by the repayment of lease debt and payment of interest.

Capital Expenditures

The following table shows a summary of Ecore's cash flows from operating activities, investing activities and financing activities for the fiscal years ended September 30, 2020 and 2019.

	For the year ended September 30,		
	2020	2019	*change*
	(audited) in millions of euros		
Projects Capital Expenditures	1.2	3.6	*(2.4)*
Maintenance and Other Capital Expenditures	21.0	31.4	*(10.4)*
Tangible Capital Expenditures	22.2	34.9	*(12.7)*
Intangible Capital Expenditures	0.5	0.7	*(0.2)*
Total Capital Expenditures	**22.7**	**35.6**	***(13.0)***
Cash capital expenditures	16.3	18.7	*(2.4)*
Financial lease capital expenditures	6.3	16.9	*(10.6)*

Capital expenditures decreased by €13.0 million from €35.6 million for the year ended September 30, 2019 to €22.7 million for the year ended September 30, 2020. This is mainly due to lower maintenance capital expenditures.

The project capital expenditures refer to investments in specific projects carried out by Ecore.

Certain Financing Arrangements of Ecore

Ecore Factoring Facility

Ecore is party to a factoring facility made available to certain members of the Ecore Group pursuant to a master agreement dated March 28, 2017, as amended from time to time, between Factofrance and GDE, as well as several receivables purchase agreements entered into by certain members of the Ecore Group and Factofrance (the "**Ecore Factoring Facility**"). Pursuant to the Ecore Factoring Facility, certain eligible receivables are sold to the factor without recourse to Ecore. The Ecore Factoring Facility expires on April 30, 2023.

The maximum amount of receivables that may be purchased under the Ecore Factoring Facility is €118 million. As of March 31, 2021, €82.7 million of Ecore's receivables were subject to non-recourse factoring under the Ecore Factoring Facility.

GDE PGE

GDE is the borrower of five loans from banking institutions with bullet maturity that are 90% guaranteed by the Republic of France to address the financial consequences of the COVID-19 pandemic pursuant to Law No. 2020-289 of March 23, 2020 and Decree of March 23, 2020 (collectively, the "**GDE PGE Loans**"). The GDE PGE Loans each have an initial maturity of one year and allow GDE to extend the repayment date for a further period of one, two, three, four, or five years. The agreements in relation to the GDE PGE Loans are as follows:

- a loan agreement dated July 21, 2020 with Banque Populaire du Grand Ouest ("**BPGO**") for a principal amount of €2.5 million, bearing an interest rate of 3-month EURIBOR (subject to 0 floor) plus 0.50% per year;
- a loan agreement dated July 20, 2020 with Caisse d'Épargne de prévoyance de Normandie ("**CEN**") for a principal amount of €5.0 million, bearing an interest rate of 3-month EURIBOR (subject to 0 floor) plus 0.50% per year;
- a loan agreement dated July 21, 2020 with Banque CIC Nord Ouest for a principal amount of €3.5 million, bearing an interest rate of 0% per year;
- a loan agreement dated July 21, 2020 with Banque Européenne du Crédit Mutuel for a principal amount of €1.5 million, bearing an interest rate of 0% per year; and
- a loan agreement dated July 21, 2020 with Société Générale ("**SG**") for a principal amount of €7.5 million, bearing an interest rate of 0.5% per year.

The GDE PGE Loans are unsecured and unguaranteed. The GDE PGE Loan agreements contain typical representation and warranties and undertakings for corporate financings of this type. The GDE PGE Loans are repayable at GDE's option, subject, in the case of the GDE PGE Loans from BPGO, CEN and SG, to an early repayment penalty. The GDE PGE Loans also provide for mandatory early repayment upon certain events, including a change of control. To the extent necessary, we intend to see a waiver of such provisions in connection with the Acquisition.

Finance Leases

Ecore is party to various finance leases with respect to the equipment used in its business. As of March 31, 2021, Ecore recorded a lease liability of €74.4 million, including the IFRS 16 treatment of leases. Excluding the impact of IFRS 16, this amount was €34.3 million as of March 31, 2021.

REGULATION

Our Environmental Services business is heavily regulated and subject to extensive environmental laws and regulations. In addition, we are subject to a number of laws and regulations relating to labor and employment. A summary of certain principal legal and regulatory constraints to which we are subject is below.

Regulations Applicable to Our Environmental Services Business

Our treatment, processing, recovery, recycling and waste management plants and facilities located in the European Union have to comply with the EU regulatory regime, as well as with the national and regional environmental regulations of the EU Member States in which we operate. Most of EU Member States' current environmental laws and regulations do not differ materially from environmental regulations applicable at the EU level. As a consequence, the regulatory frameworks applicable to our treatment, processing, recovery, recycling and waste management activities in the EU Member States in which we operate, including France, are substantially similar to the EU regulatory framework.

Set forth below is a summary of the main environmental regulations relating to our operations in the European Union and our key market, France.

European Union Regulations

Waste Framework Directive

The European Union constantly updates the specific regulatory framework applicable to waste management. This regulatory framework includes directive 2008/98/EC, as amended (the "**Waste Framework Directive**") which limits the production of waste, promotes reuse and recycling, and ensures that waste is adequately treated. The overall objective of the European Union's policy is to manage waste in a way that does not have a negative impact on the environment or human health. In addition to the Waste Framework Directive, specific clauses of the Landfill Directive (99/31/EC), the Packaging Waste Directive (942/62/EC), Directive (EU) 2018/849 (amending the End-of-life Vehicles Directive (2000/53/EC)) and the Directive on the type-approval of motor vehicles regarding their reusability, recyclability and recoverability (2005/64/EC) are also applicable to our business.

The Waste Framework Directive was adopted on November 19, 2008 and came into force on December 12, 2010, replacing the previous directive 2006/12/EC on waste and directives 75/439/EEC and 91/689/EEC on waste oils and hazardous waste, respectively. The Waste Framework Directive sets the basic waste management definitions and key concepts for the European Union and provides a general framework of waste management requirements for EU Member States.

The Waste Framework Directive has most recently been revised by directive 2018/851, which was adopted on May 30, 2018 and came into force on July 4, 2018 (the "**Revised Waste Framework Directive**") as part of the European Union's Circular Economy Package (the "**Circular Economy Package**"). The aims of the Revised Waste Framework Directive are to improve EU waste management and transform such waste management into a sustainable material management, improve resource efficiency and increase the targets set forth in the Waste Framework Directive. The Revised Waste Framework Directive introduces new definitions and minimum requirements for extended producer responsibility schemes. It places obligations on EU Member States to take measures to incentivize the application of the waste hierarchy, prevent waste generation, introduce waste prevention programs and improve waste management, including during recovery and disposal and in respect of municipal waste and hazardous waste.

The European Commission published four directives that are included within the Circular Economy Package on June 14, 2018. There is a two-year transposition deadline for European Union Member States to implement the revised directives, which include the revised waste framework directive, the revised packaging waste directive (2018/850), the revised landfill directive (2018/852) and the revised directive on end-of-life vehicles, batteries and accumulators and waste batteries and accumulators and waste electrical and electronic equipment (2018/849).

The overarching aim of the Circular Economy Package is to help transform Europe's economy into a more sustainable one, boost the recycling of waste and secure access to raw materials. The main targets set forth in the Circular Economy Package are, *inter alia*, at national levels: (i) the recycling and preparing for reuse of municipal waste to be increased to 65% by 2035; (ii) the recycling and preparing for reuse of packaging waste to be increased to 65% by 2025 and 70% by 2030; such global 70% target shall include material specific targets (*i.e.*, to reach 85% for paper and cardboard, 55% for plastic, 30% for wood, 80% of ferrous metals, 60% for aluminum and 75% for glass by the end of 2030); (iii) waste suitable for recycling or other recovery should not be landfilled by 2030 and by 2035 the amount of municipal waste landfilled should be reduced to 10% or less of the total amount of municipal waste generated; (iv) measures aimed at reducing food waste generation by 50% by 2030; and (v) separate

collection should be set up for at least paper, metal, plastic and glass, bio-waste by December 31, 2023, and hazardous waste produced by households and textiles by January 1, 2025.

Definition of waste

According to the Waste Framework Directive, "waste" is defined as "any substance or object, which the holder discards, or intends or is required to discard." The Waste Framework Directive also clarifies the distinction between waste and non-waste, and introduces the processes for how waste can become non-waste. The Revised Waste Framework Directive also aims to provide further certainty as to the waste or non-waste status of substances or objects. It also introduces, and in some cases replaces, definitions for non-hazardous waste, municipal waste, construction and demolition waste, bio-waste, food waste and waste management. Decision 2000/532/EC and Annex III of the Waste Framework Directive establish the classifications of waste, including the distinction between hazardous and non-hazardous waste.

In addition, with respect to scrap metal and scrap copper, Council Regulation (EU) No 333/2011 of March 31, 2011 and Council and Council Regulation (EU) No 715/2013 of July 25, 2013 establish criteria determining when certain types of scrap metal and scrap copper cease to be waste under Directive 2008/98/EC of the European Parliament.

Waste management hierarchy

The Waste Framework Directive defines the following hierarchy for waste management, which applies a priority order of what constitutes the best environmental option in waste legislation and policy:

- prevention;
- preparing for reuse;
- recycling;
- other recovery (such as incineration with energy recovery); and
- disposal (landfilling).

The Revised Waste Framework Directive places an obligation on EU member states to take measures to incentivize the application of the waste hierarchy. The Waste Framework Directive set the following targets for recycling and reuse for 2020:

- the reuse and recycling of household waste such as paper, metal, glass and plastic shall be increased to an overall minimum of 50% by weight; and
- the reuse, recycling and recovery of non-hazardous construction and demolition waste shall be increased to a minimum of 70% by weight.

The Revised Waste Framework Directive builds on these targets and sets the following targets:

- the preparing for reuse and the recycling of municipal waste shall be increased to a minimum of 55% by 2025, to 60% by 2030 and to 65% by 2035;
- food waste generation to be reduced by 50% by 2030; and
- separate collections should be set up for at least paper, metal, plastic and glass, for biowaste by December 31, 2023, and for hazardous waste produced by households and textiles by January 1, 2025.

Waste management principles

The European Union's waste management policy is based on the following principles:

- Waste responsibility. Waste producers or holders are responsible for the disposal or treatment of their own waste or for using a waste services provider that is authorized by the competent authority to treat their waste.
- Polluter-pays principle. The costs of disposing of waste must be borne by the waste holder, by previous holders or by the producers of the product from which the waste came.
- Proximity. Waste should be disposed of as closely as possible to its place of generation.

- Self-sufficiency. To create an integrated and adequate network across EU member states of waste disposal installations and installations for recovery of mixed municipal waste collected from private households.
- Extended producer's responsibility. This concept, aimed at strengthening the reuse, the prevention, recycling and other recovery of waste, induces producers of some selected products to have extended responsibilities, such as recovering products or collecting waste arising from these products, establishing funds or depositing schemes for recovery or recycling, organizing recycling or recovery, or relating to the design and manufacture of products in view of the waste produced from such products.
- Prevention promotion. Promoting the prevention of waste production through the development of clean technologies as well as the reuse and recycling of materials.

EU member states are required to implement waste management legislation based on these principles. The Waste Framework Directive also requires EU member states to establish waste prevention programs, which may or may not be integrated into the waste management legislation. The Waste Framework Directive reaffirms the principle that any waste treatment operator must obtain a permit from the competent authority, which may be granted for a limited period and may be renewable, or at least must be declared or registered within the EU member states where their activities are carried out. Based on the terms of the Waste Framework Directive, these national permits should specify the types and quantities of waste that may be treated, technical and any other requirements relevant to the site concerned, safety and precautionary measures, methods to be used for the relevant operation, monitoring and control operations required, and closure and after-care requirements.

Regulation on shipments of waste (1013/2006/EC)

This regulation aims to strengthen, simplify and clarify cross-border transfers of waste control procedures to improve the protection of the environment. The regulation distinguishes between two categories of waste likely to travel between countries: non-hazardous waste ("green" list) and hazardous waste ("amber" list). The possibility of transferring waste depends on (i) the State where the waste has been produced (exportation or importation); (ii) the location where the waste is going to be transferred and its itinerary (transfer within the European Union, EFTA, OECD or not); (iii) the purpose of the transfer (for recovery or for disposal); and (iv) the type of waste (green or amber list).

This regulation is based in part on the Basel Convention of March 22, 1989 on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

This regulation (unlike an EU directive, for instance) is directly applicable in France without the need for a further implementation into French national law. However, some clarifications on the French implementation of the mechanisms set forth in this 1013/2006 regulation have been integrated in the French Environmental Code under articles L. 541-40 to L. 541-42-2 and R. 541-62 to R. 541-64-4. Article 60(2a) of this regulation calls upon the European Commission to carry out a review of this regulation by December 31, 2020. In accordance with the Better Regulation Guidelines, an evaluation is the first step in this process. Therefore, a public consultation on the evaluation of the Waste Shipment Regulation was carried out from January 30, 2018 to April 27, 2018. The purpose of this public consultation was to assist in assessing whether and how the objectives of the regulation may have been achieved. A public consultation on the impact of the Waste Shipment Regulation was carried out from May 2020 to July 2020, with the aim to gather information and views on the possibilities for revising the current legal framework on waste shipments. The consultation will gather general views from the public on the challenges related to waste shipments, as well as more detailed information and opinions from national authorities, experts and private actors involved in waste shipment and management. Following this consultation period, Regulation (EC) No 1013/2006 on shipments of waste is expected to be revised.

Other national texts applicable to the transportation of hazardous wastes by road or river within French territory may also be applicable to some of our activities.

Directives on end-of-life vehicles, batteries and accumulators and waste batteries and accumulators and waste electrical and electronic equipment

Directive (2000/53/EC) on end-of life vehicles sets forth measures which aim to prevent waste from vehicles and to encourage the reuse, recycling and other recovery of end-of-life vehicles and their components and to improve the performance of operators involved in the life cycle of vehicles. Directive (2006/66/EC) on batteries and accumulators and waste batteries and accumulators seeks to improve the environmental performance of batteries and accumulators and the activities of operators involved in the life cycle of batteries and accumulators and establishes rules for placing batteries and accumulators on the market and for their collection, treatment, recycling

and disposal. Directive (2012/19/EU) on WEEE sets forth measures to protect the environment and human health by preventing or reducing the adverse impacts of waste from electrical and electronic equipment and by reducing overall impacts of resource use and improving the efficiency of such use.

Directive (2000/53/EC) set targets for the reuse and recovery and reuse and recycling for end-of-life vehicles. These are set at 85% (no later than January 1, 2006) and 95% (no later than January 1, 2015) for reuse and recovery and 80% (no later than January 1, 2006) and 85% (no later than January 1, 2015) for reuse and recycling. Directive (2006/66/EC) set minimum collection rates of 25% by September 26, 2012 and 45% by September 26, 2016. It also set recycling efficiency targets to be met no later than September 26, 2010. Directive (2012/19/EU) provides for a minimum collection rate for most EU Member States of 45% of the total WEEE collected in the EU Member State concerned from 2016 and 65%, if based on the electrical and electronic equipment placed on the market in the EU Member State concerned, or 85%, if based on WEEE generated in the territory of the EU Member State concerned, from 2019. The directive also sets forth numerous minimum recovery targets for separately collected WEEE.

The Circular Economy Package has revised each of these three directives. Directive 2018/849 aims to ensure that end-of-life vehicles, waste batteries and accumulators and waste electrical and electronic equipment are treated in accordance with the waste hierarchy. The directive also contains monitoring and report requirements regarding reuse and recovery targets for directive (2000/53/EC) and collection rates for directives (2006/66/EC) and (2012/19/EU).

Directive (2000/53/EC) is currently being revised by the European Commission. In January 2021 was launched the impact assessment of Directive (2000/53/EC). The evaluation of Directive (2000/53/EC) was published in march 2021 and the public consultation on the revision of Directive (2000/53/EC) will be launched during the second semester of 2022. A legislative proposal for the review of Directive (2000/53/EC) is expected in 2022.

Directive (2006/66/EC) is currently being revised by the European Commission. The evaluation report of Directive (2006/66/EC) on batteries and accumulators and waste batteries and accumulators was published on April 9, 2019. The European Commission proposed a new draft batteries regulation on December 10, 2020. This regulation aims to ensure that batteries placed in the EU market are sustainable and safe throughout their entire life cycle.

In January 2021 was launched the impact assessment of Directive (2000/53/EC). The evaluation of Directive (2000/53/EC) was published in March 2021 and the public consultation on the revision of Directive (2000/53/EC) will be launched during the second semester of 2022. A legislative proposal for the review of Directive (2000/53/EC) is expected in 2022.

Directive on industrial emissions (2010/75/EU)

This directive (known as the "**IED Directive**") streamlines existing European legislation on industrial emissions by codifying directive 2008/1/EC (formerly directive 96/61/EC) on the integrated prevention and control of pollution and six sector-specific directives, including the directive on the incineration of waste (2000/76/EC).

It aims to reduce and prevent the pollution of air, water and soil, as well as the amount of waste resulting from industrial and agricultural facilities. These facilities are subject to authorization depending on their potential pollution rates. The IED Directive encourages and promotes the use of best available practices to reduce emissions. The IED Directive sets thresholds for emissions of pollutants and covers approximately 55,000 facilities in Europe, including recycling facilities.

From a practical point of view, the implementation of the IED Directive impacts the classification of some ICPE (*Installations classées pour la Protection de l'Environnement* ("**ICPE**")) activities' which would need to be reviewed due to these IED Directive rules, and some facilities may need to upgrade in order to comply with best available techniques applicable to the activities that are carried out.

In addition, where an activity involves the use, production or release of relevant hazardous substances and because there is a possibility of soil and groundwater contamination, a baseline report has to be drafted (i) before starting the operation of the installation for new facilities or (ii) for the existing facilities, before the update of the permit (if updated for the first time after January 7, 2013). Such report shall describe the pollution of soil or groundwater at the time of the drafting of the report and will form a basis for the comparison with the state of pollution upon definitive termination of activities.

More specifically, upon definitive termination of the activities, the operator shall assess the state of the soil and groundwater contamination by relevant hazardous substances used, produced or released by the installation. Where the installation has caused significant pollution of the soil or groundwater by relevant hazardous substances compared to the state established in the baseline report, the operator shall take all the necessary measures to address that pollution so as to return the site to that state.

This directive was mainly implemented in France by order N°2012-7 dated January 5, 2012 (modifying articles L. 515-28 to L. 515-31 of the French Environmental Code), and through decrees N°2013-374 and N°2013-375 dated May 2, 2013 (modifying articles R. 515-58 to R. 515-84 of the French Environmental Code). The implementation of this IED Directive was finalized through three ministerial rulings dated May 2, 2013 and completed by a ruling dated May 29, 2017.

In August 2018, the European Commission published the best available techniques reference document for waste treatment under this directive, which should be applied within four year following the publication of such best available techniques. The best available techniques published by the European Commission were transposed into French law by ministerial ruling dated May December 17, 2019. The European Commission will propose a revision of EU measures addressing pollution from large industrial installations in 2021. The aims of the revision are to progress towards the EU's zero pollution ambition for a toxic-free environment and to support climate, energy and circular economy policies. To this respect, the Commission has started work on an impact assessment of IED Directive, with a view to propose a revision of IED Directive at the end of 2021.

Directive on packaging and packaging waste (94/62/EC)

This directive aimed to reduce the environmental impact of packaging and packaging waste by establishing targets that EU Member States had to attain in the whole of their territory in some cases by no later than June 30, 2001 and in other cases by no later than December 31, 2008, for the recycling and recovery of packaging in the European market.

This directive was mainly implemented by decree N°96-1008 dated November 18, 1996 on household and similar waste elimination plans, and lastly modified through decree N°2015-662 dated June 10, 2015, which was codified as articles R. 541-41-19 *et seq.* of the French Environmental Code.

The Circular Economy Package has revised directive (94/62/EC) on packaging and packaging waste. Directive (2018/852) aims to prevent the production of packaging waste and encourage the reuse, recycling and other recovery of packaging waste. The directive includes the following recycling targets: (i) 65% of all packaging waste no later than December 31, 2025 (by material: 50% of plastic, 25% of wood, 70% of ferrous metals, 50% of aluminum, 70% of glass and 75% of paper and cardboard); and (ii) 70% of all packaging waste no later than December 31, 2030 (by material: 55% of plastic, 30% of wood, 80% of ferrous metals, 60% of aluminum, 75% of glass and 85% of paper and cardboard). The directive provides that EU Member States may postpone these deadlines by up to five years under certain conditions. The directive also provides that extended producer responsibility schemes should be established for all packaging by December 31, 2024.

French Legislation

The provisions relating to waste prevention and management plans and waste collection that are currently applicable under French waste legislation have been introduced in several steps. In the recent years, significant amendments were mainly introduced in:

- 2010: in the wake of the Grenelle de l'environnement (a multi-party debate organized by the French State to bring public authorities and civil society stakeholders to consider together the future of French environmental law). Indeed: law N°2010-788 of July 12, 2010 (*loi portant engagement national pour l'environnement*) (the "**2010 Law**") was first adopted to implement the Waste Framework Directive into the French Environmental Code. It shall be noted that French legislation on waste is not fully codified in the French Environmental Code. Some rules are also provided by other codes such as the French Local Authorities Code;
- Ordinance N°2010-1579 of December 17, 2010 (*ordonnance portant diverses dispositions d'adaptation au droit de l'Union européenne dans le domaine des déchets*) (the "**2010 Ordinance**") required several significant legislative and regulatory changes.
- 2015, with the law N°2015-992 of August 17, 2015 relating to the Energy Transition for Green Growth (*loi relative à la transition énergétique pour la croissance verte*) (the "**2015 Law**") and its implementation measures. The latter have amended some of the provisions created in 2010.
- 2020, with the Law No 2020-155 of February 19, 2020 relating to the fight against waste and the circular economy, which aims to accelerate the change in production and consumption models in order to reduce waste and preserve natural resources, biodiversity and the climate. It is part of the implementation of the 2004 environmental charter.

A summary of the most relevant aspects of French waste law, especially as resulting from these two steps is presented below.

- **Waste definition**: waste is defined in article L. 541-1-1 of the French Environmental Code, created by the 2010 Ordinance and unmodified since then, as "any substance or object, or generally any moveable, discarded, meant to be discarded or which is required to be discarded by its holder."
- **Other definitions**: in a general manner, basic concepts of French waste law are the transposition, by the 2010 Ordinance, of the definitions provided by article 3 of the Waste Framework Directive, including waste producer and holder, prevention, waste management, reuse and recycling. Furthermore, the 2010 Ordinance has also introduced into the French Environmental Code general rules regarding the procedure relating to end-of-waste status once waste has undergone recovery, such as recycling, and complies with certain criteria.
- **General objectives of French waste law**: they are set forth by article L. 541-1 of the French Environmental Code, the latter becoming more and more precise. Indeed, in its drafting following the 2010 Ordinance, this article was very general and was limited to set out the waste treatment objectives to be achieved. However, since the 2015 Law, article L. 541-1 of the French Environmental Code is much more precise about the objectives to be achieved. The 2015 Law also introduces new themes such as planned obsolescence, massive reuse of waste, etc. Furthermore, the regulation now quantifies its objectives and sets deadlines (in 2020 and 2025) for their completion.
- **Waste management hierarchy**: article L. 541-1 of the French Environmental Code defines a waste management hierarchy in accordance with the Waste Management Directive and imposes that any deviation from this hierarchy be precisely defined.
- **Waste prevention and management plans**:
    - the 2010 Ordinance has created in article L. 541-11 and seq. of the French Environmental Code provisions relating to the adoption and implementation of a national prevention plan (see infra);
    - law N°2015-991 of August 7, 2015 on the new territorial organization of the Republic (*loi portant nouvelle organisation territoriale de la République*) has reorganized local waste prevention plans. Indeed, since this Law, a regional plan for the prevention of waste shall be adopted under articles L. 541-13 *et seq.* of the French Environmental Code. This new category of prevention plan replaces three former categories: (i) the former regional plan for the prevention and management of dangerous waste; (ii) the former departmental plan for the prevention and management of non-dangerous waste and (iii) the departmental plan for the prevention and management of waste from buildings;
    - since a Decree N°2011-828 dated July 11, 2011 (the "**2011 Decree**"), territorial waste planning shall limit the amount of waste that can be incinerated or landfilled. This rule is currently provided by article R. 541-17 of the French Environmental Code as modified by Decree N°2016-811 of June 17, 2016;
    - Law No 2020-155 of February 19, 2020, which aims at, among other things, (i) governing waste storage activity, (ii) redefining the extended producer responsibility chain (approaches and mechanisms that restore the responsibility of the producer of manufactured products for the management of the final or intermediate waste generated by the products he has manufactured or placed on the market), (iii) redefining the extended producer responsibility chain for waste generated by end-of-life vehicles, (iv) redefining the extended producer responsibility chain for WEEE and (v) setting minimum rate of incorporation of recycled material in products and materials.
- **Waste Collection**:
    - Separate collection is mandatory, since the 2010 for, at least, paper, metals, plastic, glass and, since the 2015 Law, wood (article L. 541-21-2 of the French Environmental Code). According to article D. 543-278 *et seq.* of the French Environmental Code, this obligation applies for both producers and holders, exclusive of (i) households and (ii), under certain conditions, municipalities and their groupings (art. D. 543-278 *et seq.* of the French Environmental Code).

- Except for households, the 2015 Law has extended the separate collection obligation to all recoverable waste, provided that this is feasible from a technical, environmental and economic standpoint (art. L. 541-21-2 of the French Environment Code).
- In this respect, producers of office paper waste whose sites group more than 20 persons are under source separation, collection and treatment obligations provided by articles D. 543-285 to D. 543-287 of the French Environmental Code.
- Applicable general rules for household's waste collection by local authorities (collections' frequency, constituents' information etc.) are provided by article R. 2224-23 et seq. of the French Local Authorities Code.
- Suppliers of construction materials, products and equipment to professionals are under the obligation to organize and take back waste materials, products and equipment similar to those they supply (art. D. 543-288 et seq. of the French Environmental Code). This obligation applies to suppliers whose distribution unit's area is over 400 square meters and turnover is equal or over €1 million.
- Since the 2015 Law, local authorities may order the forced evacuation of unused vehicles stationing on public roads or private lands (articles L. 541-21-3 and L. 541-21-4 of the French Environmental Code).
- Under the conditions set forth by article L. 541-10 of the French Environmental Code, some producers, importers or distributors may be requested to organize waste collection and treatment systems or set up collective schemes. This is especially the case for electronic and electric equipment waste producers (articles R. 543-200 et seq. of the French Environmental Code) and also placers of furniture on the market (articles R. 543-240 et seq. of the French Environmental Code). Some provisions may regulate the content of the agreements between waste producers or between waste producers and collective schemes.

  Collective schemes ("*éco-organismes*") are aimed at managing waste on behalf of waste producers concerned with the "extended producer's responsibility" principle. Collective schemes shall be accredited by the State under the conditions provided by the said article. Collective schemes may apply proportionate financial incentives in order to encourage the implementation of the proximity principle.

- **Waste transportation**:
  - Waste transportation is regulated by articles R. 541-49 *et seq.* of the French Environmental Code. The regulation varies whether the waste to be transported is hazardous or non-hazardous waste. Any company which contemplates to transport waste has to declare itself to the local state representative (*préfet*) when the amount of non-hazardous waste transported per load exceeds 0.5 ton or when it is transported, per load, more than 0.1 ton of hazardous waste. Through the declaration, the transportation company commits (i) to transport the waste at stake to treatment facilities complying with the classified installation regulation, (ii) to manage the transported waste in the event it has abandoned, dumped or sent it to a destination that does not comply with the waste treatment regulation (*i.e.*, to be liable) and (iii) to alert without delay the Prefect in case of accidental spillage of the transported waste. Such declaration is to be renewed every five years. There are exceptions to such declaration obligation (*e.g.*, for the companies which transport the waste produces by the operation of a classified installation that they are legally operated or the companies collecting the household waste on behalf of the local authorities). Pursuant to article R. 541-43 of the French Environmental Code, any transportation waste company has to keep updated a register relating to the transported waste.

    The road transport of hazardous waste is moreover regulated by ministerial order dated May 29, 2009 and ministerial order dated November 28, 2016 relating to the transport of dangerous goods by road. Both ministerial orders transpose the European Agreement concerning the International Carriage of Dangerous Goods by Road dated September 30, 1957 (regularly amended and updated) and directive 2008/68/EC of September 24, 2008 relating to inland transportation of dangerous goods. The fulfilment of specific declaration obligations (relating to the type of waste transported, the exact amount transported, the UN code number relating to the type of waste transported, etc.) are required in such case.

Energy Transition for Green Growth Act

The Energy Transition for Green Growth Act N°2015-992, dated August 17, 2015 (the "**Energy Transition for Green Growth Act**") aims at giving France the means to make a more effective contribution to tackling climate change and reinforce its energy independence, while striking a better balance in its energy mix and creating jobs and business growth.

Regarding waste regulations, this bill aims at reaffirming the waste management hierarchy stemming from the Waste Framework Directive, specifying the various actions contemplated to reach these goals and set quantitative objectives, directly inspired from the 2014–2020 Program (including, *inter alia*, the 10% reduction in the production of household and similar waste per capita by 2020 (instead of 7% planned by the 2014–2020 Program); the increase of the amount of recovered waste to reach 65% of non-hazardous waste recovery by 2025; the recovery of 70% of waste from building and public works by 2020; or the reduction by 30% of the non-inert non-hazardous waste landfilled by 2020 and 50% by 2025, compared to 2010) or contemplating a new experimentation on returnable transport packaging.

In addition to the above-mentioned general objectives, the Energy Transition for Green Growth Act also sets practical measures such as, *inter alia*:

- the ban on single-use plastic bags as of July 1, 2016;
- from January 1, 2017 on, at least 25% (the target is set at 40% for 2020) of paper-based products purchased by State services, local authorities and their associations, are produced from recycled paper;
- local authorities shall ensure that the separate collection methods of packaging and paper waste is operated in accordance with terms that are harmonized throughout the national territory;
- waste producers or holders must implement a sorting system as well as a separate collection of (*inter alia*) paper, metal, plastic, glass and wood if such operation is technically, environmentally and economically feasible; and
- any contractual clause which discriminates products based on the presence of materials or elements issued from waste recovery or products issued from reuse if such products comply with the applicable standards, for a similar performance level.

Two general principles were added to the national waste prevention and management policy described in article L. 541-1 of the French Environmental Code:

- the "proximity principle": handling waste prevention and management as close as possible to their source; and
- the "self-sufficiency principle": having, at the relevant territorial scale, an appropriate integrated network of landfills.

In addition, the French government shall study the opportunity of the reversibility of landfilling principle, in order to reuse, recycle or recover waste disposed of in landfills.

Finally, non-profit environmental organizations may now apply proportionate financial incentives to facilitate the implementation of the proximity principle.

Waste Prevention Programs

The French government has had various waste action and prevention plans in place since 2004 with the 2004-2012 National Waste Prevention Plan (*Plan national de prevention des déchets 2004-2012*), which is currently being revised.

In particular, the 2014-2020 Program reaffirms the main objective to achieve a 7% reduction in the production of household and similar waste per capita by 2020. The program also aims to reduce the levels of waste generated from commercial activities and construction to 2010 levels.

To this end, the 2014-2020 Program provides specific measures for each objective, with the goal of ensuring maximum efficiency through a combination of regulatory tools, voluntary initiatives, information sharing and financial support and incentives. The program provides for the gradual development of 13 strategic points, divided into 54 concrete actions, which include, *inter alia*:

- the launch of a "deposit" system in order to encourage the recycling of packaging (*e.g.*, bottles) rather than throwing them away;

- the promotion of "reuse and repair" to encourage citizens to reuse certain items which they no longer used and to repair their goods; and

- the control of planned obsolescence.

The French government committed to monitor and evaluate the 2014-2020 Program. Evaluations were conducted through testing and lead to a public consultation in April and May 2019. The detailed evaluation of the 2014-2020 Program, including the outcome of the public consultation conducted in 2019 has not yet been published but may lead, if necessary, to the implementation of additional tools and resources to achieve these targets.

2016 Regulations

In 2016, a series of regulations were adopted notably to implement the Energy Transition for Green Growth Act (see the decrees described above). These regulations are mainly sector-specific and organized as, *inter alia*:

- applicable rules for households waste collection (art. R. 2224-23 *et seq.* of the French local authorities code);

- sorting and separate collection obligations for paper, metal, plastic, glass and wood waste producers and holders (art. D. 543-278 *et seq.* of the French Environmental Code);

- electronic and electric waste devices (WEEE) management (art. R. 543-200-1 of the French Environmental Code);

- the obligation for construction materials, products and equipment suppliers for professionals to organize and take back waste materials, products and equipment similar to those they supply (art. D. 543-288 *et seq.* of the French Environmental Code); and

- the sorting and separate collection of office paper (ministerial order dated April 27, 2016).

Regional Waste Prevention and Management Plans

The August 7, 2015 Act N°2015-991 (the "**NOTRe Act**") provides for the implementation of Regional Waste Prevention and Management Plans (*plan régional de prévention et de gestion des déchets*) ("**Regional Plans**") which aim to implement the national objectives set forth in article L. 541-1 of the French Environmental Code. Regional Plans replace, in particular, the following former plans:

- regional hazardous waste prevention and management plans;

- departmental plans regarding the prevention and management of non-hazardous waste; and

- departmental plans regarding the prevention and management of waste from building and public works.

The new Regional Plans include, *inter alia*:

- a description of the state of waste prevention and management according to their origin, nature, composition and mode of transport;

- foresight of the trend evolution in waste quantities in six and twelve years;

- waste prevention, recycling and recovery objectives;

- waste prevention and management planning for six and twelve years including facilities that need to be created or adapted to reach the aforementioned objectives;

- a regional action plan for the implementation of a circular economy;

- the limitation of the annual quantity of non-hazardous waste that may be disposed of. Such limitation applies to all new non-hazardous waste landfills;

- the identification of one or several inert and non-hazardous waste landfills given their geographic repartition; and

- the possibility, for certain categories of waste, of derogating to the waste management hierarchy under certain circumstances.

Regional Plans apply to (i) all waste produced in the *région* by households, economic activities, local authorities and administrations, (ii) waste managed in the *région* and (iii) waste imported to be managed in the *région* or exported to be managed outside the *région* (Decree N°2016-811, dated June 17, 2016 regarding Regional Plans).

In addition, Regional Plans include specific planning for bio-waste and waste from building and public works prevention and management, as well as specific planning for household waste, asbestos – containing waste, household packaging waste, broken-down vehicles and fabric waste collection, sorting or recovery.

Finally, the above-mentioned June 17, 2016 Decree sets thresholds which may not be exceeded by Regional Plans regarding the annual quantity of non-inert non-hazardous waste which may be disposed of or incinerated:

- in 2020, the annual capacity for landfilling non-inert non-hazardous waste shall not exceed 70% of the total non-inert non-hazardous waste landfilled in 2010 (75% regarding incineration without prior valorization); and

- in 2025, the annual capacity for landfilling non-inert non-hazardous waste shall not exceed 50% of the total non-inert non-hazardous waste landfilled in 2010 (50% regarding incineration without prior valorization).

Operation of regulated facilities

Overview

The French Environmental Code (Book V: prevention of pollution, risks and nuisances-Title I) covers all environmental aspects, including waste management, of facilities known as regulated facilities ("**Regulated Facilities**") for the protection of the environment (*Installations classées pour la Protection de l'Environnement* ("**ICPE**")). An ICPE is defined as a facility operated by any public or private person or entity that might be hazardous or detrimental to the local area, public health and safety, agriculture, the protection of nature and the environment, the conservation of sites and monuments or elements of archeological heritage. ICPE activities are listed in a list of regulated activities, known as "**Nomenclature ICPE**."

ICPEs are divided into basic categories, depending on the nature of the substances or preparations used or stored or the type of activity operated.

As of today, the Nomenclature ICPE is divided into three categories. The main items of the Nomenclature ICPE applicable to our business are items 2710 to 2718 (transit/sorting and/or the mixing of waste) (electric and electronic wastes, non-dangerous or dangerous metal wastes, paper and wood wastes) or item 2790 (treatment of hazardous waste) 2791 (shredding of metals, plastic and wood waste). Other items, including, *inter alia*, item 1432 (the storage of flammable liquid products which was, since June 1, 2015, mainly replaced by items 4330, 4331 and 4734 depending on the type of stored flammable product), item 3510 (elimination and treatment of dangerous wastes), item 3540 (the storage of some specific wastes), item 3532 (the recovery of non-hazardous waste) or item 3550 (the manufacturing of ceramics), for instance, may also be applicable to some of the facilities we operate.

ICPE classification

Depending on the level of risk and nuisances caused by the facility, ICPE can be subject to a mere declaration requirement (D for "*Déclaration*" or DC for "*Déclaration avec contrôle*") if in addition to a mere declaration requirement, the facility is subject to periodic inspection by an approved inspection body, or will be required to obtain a registration permit ("E" for "*Enregistrement*" (registration)) or an authorization ("A" for Regulated Facilities subject to "*Autorisation*" (authorization)), before they can be operated.

Other types of facilities, where none of the activities listed in the ICPE nomenclature are carried out or where certain listed activities are carried out, but with characteristics below the lowest declaration threshold, are not subject to any prior declaration, registration or authorization.

The French Environmental Code gives the French state the power to allow or deny the use of, or enforce compliance with certain technical provisions, and to control and sanction ICPEs. These powers are delegated to the Regional Directorate for the Environment, Development and Housing (*Direction régionale de*

l'environnement, de l'aménagement et du logement, "**DREAL**" or "**DRIEE**" in the Ile-de-France region), under the authority of the French state representative in the area (*département*) ("*Préfet*"). An ICPE facility must comply with current and future applicable ministerial orders and related prefectural orders.

The DREAL inspectors act as environmental police for industrial and agricultural facilities, as well as for water and nature issues and they have a wide range of powers to inspect and access Regulated Facilities to ensure compliance with their environmental obligations.

Facilities subject to declaration

Facilities presenting limited environmental risks are simply subject to a declaration. The operator only has to submit a declaration to the French state representative in the area (*département*). The declaration notably contains information about the natural or legal person that owns the facility, the location of the facility, the detail of the activities and their volumes, how effluents, emissions and solid waste are treated, and the emergency plan in the event of incidents.

The application may be filed online. The website gives the operator access to the general guidelines for the facility (*prescriptions générales applicables à l'installation*) (minimum precautions for the operator to follow). The operator is provided with a certificate of declaration (*preuve de dépôt de déclaration*) once he or she acknowledges that he or she is fully aware of said general guidelines. This document enables the operator to start its activities.

Some transit/sorting and/or mixing of waste facilities may be subject to this declaration requirement, depending on the nature of the waste treated, the size of the facility and the volume of waste managed.

The facilities subject to DC are in addition to a mere declaration requirement, inspected periodically by an approved body to verify the compliance level with the legislation of these facilities. In the event that major noncompliance of the facility is detected, the controlling authority (*organisme agréé indépendant*) will notify the state representative in the area (*département*) of the existence of such major noncompliance in the following situations: (i) if a timeline describing the arrangements implemented to remedy the noncompliance has not been sent to the controlling authority; (ii) if a written request for a subsequent inspection has not been sent to the controlling authority; or (iii) where a subsequent inspection reveals that major noncompliance remains.

The declaration ceases to be valid when the facilities have not been put into service within three years or if the facilities have not been operating for three consecutive years.

Facilities subject to registration

The system of registering Regulated Facilities, which falls between the declaration and authorization procedures, is designed to make the applications easier to understand and to reduce authorization periods. Registration applies to standardized facilities (sectors or technologies with well-understood environmental impacts and hazards) that are not located in environmental conservation areas.

Some transit/sorting and/or mixing of waste facilities may also be subject to this registration requirement, depending on the nature of the waste treated, the size of the facility and the volume of waste managed.

The prospective facility operator must submit an application to the state representative in the area (*département*) before it begins its activities. Such application may include an impact study when the project is subject to an environmental assessment. The application is sent to the state representative in the area (*département*) who checks that all required documents have been provided (the application case file is lighter than for an authorization application as the operators are not required to provide an impact or hazard study), then interested municipal councils give their opinion. The application is also made available to the public at local town halls and on the internet for four weeks for consultation. The registration process takes five months (the state representative in the area (*département*) may extend the process for two additional months), which is significantly faster than the authorization procedure, set forth below, after which time the state representative in the area (*département*) issues a registration order or rejects the application.

Furthermore, in certain circumstances specified in the French Environmental Code, a registration application may be reviewed according to the process used for the Regulated Facilities subject to authorization under a permit application procedure, as set forth below.

The registration ceases to be valid when the facilities have not been put into service within three years or if the facilities have not been operating for three consecutive years.

Facilities subject to authorization

Since March 1, 2017, a new environmental authorization (*autorisation environnementale*) system has entered into force. This system combines several procedures including, *inter alia*: ICPE authorization; derogation to fauna and flora conservation measures; waste treatment certificates; and forest clearing authorizations; (ministerial order N°2017-80; Decrees N°2017-81 and N°2017-82, dated January 26, 2017).

According to article 15 of ministerial order N°2017-80 of January 26, 2017, the authorizations granted under the former regime are considered to be environmental authorizations. Therefore, subject to certain particularities the new regime is applicable to these authorization.

For facilities subject to an environmental authorization, the applicant must provide a permit case file (an application plus supporting documents) which shall include, *inter alia*: (i) plans or maps of the project area and of the geographical location of the facilities, including a description of the manufacturing processes and, regarding waste storage facilities, the anticipated origin of the stored waste and the compatibility of the project with the waste management plans; (ii) the activities intended to be operated on-site; (iii) the activities' classification or regulatory regime under the Nomenclature ICPE and other applicable regulations; (iv) a hazard risk study (including identifying the risk of accidents and indicating the measures planned to reduce those risks); and (v) an impact study (the environmental impact and the measures taken to mitigate these effects), when an environmental assessment is required. It must be noted that the competence of the state representative in the region as environmental authority, which decides whether or not the project is subject to an environmental assessment and gives an opinion on such environmental assessment, has recently been challenged before the French Administrative Supreme Court (*Conseil d'Etat*). The French Administrative Supreme Court decided that the state representative in the region cannot act as the environmental authority for certain projects (*Conseil d'Etat*, December 6, 2017, case law N°400559; and *Conseil d'Etat*, December 28, 2017, case law N°407601). As a result, a change of this legal framework is expected (although the extent of such change is as yet unknown). All studies must take into account not only the facility itself but also the presence and the cumulated impacts and effects of future activities carried out with those operated at the surrounding facilities, as well as with any known projects in the surrounding area.

Prior to the official filing of the application, the authorities may, upon request, inform the project manager on the expected content of the application file and/or issue a project certificate (*certificat de projet*). Such certificate lists the legal frameworks, decisions and proceedings applicable to the project and for which the authority who delivers the environmental authorization is competent. The certificate may also include a reminder of the legal periods or may set a schedule for the instruction of the project.

After being filed with the state representative in the area (*département*), the application is sent to the DREAL, which checks that it is complete. The application must be submitted for a public consultation (*enquête publique*), where the opinions of local residents, the local town council and various interested local authorities are sought. The public consultation is carried out by an inquiry commissioner (*commissaire enquêteur*). Within 15 days after receipt of the public consultation report, the state representative in the area (*département*) the project and recommendations of the inquiry commissioner may be brought before an advisory body, the local Department Council for the Environment and Health and Technology Risks (*conseil départemental de l'environnement et des risques sanitaires et technologiques*), which issues an opinion. The state representative in the area (*département*) bases its final decision on all of these elements and the outcome of the public inquiry. If no objections are raised, the state representative in the area (*département*) may then sign an authorization to operate (the authorization). This process generally takes approximately one year (although the objective of the environmental authorization reform is to reduce this period to between nine and twelve months).

The authorization sets forth the operating requirements to be followed by the operator, including, *inter alia*, the analytical and monitoring measures to implement, the forms of intervention in the event of disaster and the means to reducing long-range pollution. The authorization automatically ceases to be valid when the facilities have not been put into service within the time frame set by the authorization or within three years from the date the authorization was granted or if the facilities have not been operating for three consecutive years.

Most of the transit/sorting and/or mixing of waste facilities we operate are subject to such authorization regime.

Regardless of the ICPE regime, there are also other, parallel processes to be implemented, including a building permit as well as, as the case may be, several other authorizations (such as for discharging or clearance), mostly included in the above-mentioned environmental authorization, although such authorization does not include the building permit.

Termination of activity

When a facility permanently ceases to operate, the operator must notify the state representative in the area (*département*) of this intended termination at least one month (in case of a D or DC declaration), three months (in case of a E (registration) or A (authorization)) or even six months (for landfill, quarries or carbon capture and geological storage sites), before the effective termination of activity.

The operator of a Regulated Facility has an obligation, once the activities operated on the site are terminated, to close the site in safe conditions and ensure that the site is remediated to allow: (i) a similar use of the site as it was used before the operation of the activity (D); or (ii) the use indicated either in the authorization (A) or in the registration order (E) or, when such use is not indicated, the future use decided after consultation with the relevant mayor or the president of the relevant local public cooperation entity (*établissement public de coopération intercommunale*) and the owner of the land where the facility is located.

Responsibilities under the ICPE regime

Regardless of the ICPE classification regime, the sole responsibility in connection with the operation of the Regulated Facility lies with the last operator. Therefore, the operator must demonstrate that the installation meets every requirement and that it does not create damage to the environment or safety. This responsibility applies from the setting up of the installation to the definitive termination of activity (the operator or the operator's assignees or any entity that has stepped into the shoes of the operator to run the site, as the case may be, is responsible for the clean-up of the site) and may even be extended if there is the need to monitor such facility after the definitive termination of activities.

It should be noted that a bill on affordable housing and town planning, known as the "ALUR" law, was adopted on March 24, 2014 and revises, *inter alia*, some regulations governing polluted sites and land as well as reinforces the duty to inform the buyer of the environmental conditions of the land in the event of a sale.

In particular, the ALUR law introduced the possibility of "officially" transferring the cleaning obligation to a third-party (for example, the buyer of the land), subject to certain conditions and limitations. In such a case, the third-party must submit an application to the prefecture and obtain its approval along with the approval of the last operator. Subject to additional implementation texts currently under discussion, the ALUR law also modified the hierarchy of the liable party in case of soil pollution. For soil where pollution was caused by an activity subject to ICPE regulation, the last operators of the activities which caused the pollution of the soil and the person referred to in articles L. 512-21 or L. 556-1 of the French Environmental Code would each be considered as the primary parties responsible for their respective duties. For soil where pollution is due to another cause, the producer of the waste which contributed to the pollution of the soil or the holder of the waste when he or she has contributed to the soil pollution would be considered to be the primary responsible parties. On a subsidiary basis, the liability of the owner of the polluted land could also be sought only if it is demonstrated that he or she acted negligently or if he or she contributed to the pollution.

Applicable French Labor and Employment Laws and Regulations

Collective Bargaining Agreements

Under French law, the relationship between an employer and an employee is not only regulated by applicable legislation and the employment contract entered into between both parties, but also by relevant national collective bargaining agreements ("**CBAs**"). CBAs are agreements entered into between one or several trade union organizations representing employees, on the one hand, and an employer, or group of employers, on the other hand. The French Labor Code and CBAs constitute important sources of obligations relating to terms and conditions of employment and associated benefits. The French Labor Code and CBAs govern for each industry the individual and collective relationships between employers and employees, and typically address (with respect to individual employees) matters such as working conditions and any benefits attached to such employment including, among others, pay scales, conventional minimum wage, working time, sickness, maternity, holidays, welfare, retirement, year-end bonuses and premium, and financial conditions of dismissals or retirement.

The scope of each national CBA is defined by reference to a given industry or type of business. Therefore, the applicable CBA for a company depends on the main activity undertaken by such company. Given the broad range of our services, including, with respect to our Environmental Services business, our collection, sorting, treatment, processing, recovery, recycling and waste management activities, and, with respect to our outsourced services business, cleaning, security, multi-technical, facility management, landscaping and construction services, there are at least five main different CBAs applicable to our businesses and employees in France:

- *Waste management services*: National collective bargaining agreement for waste management (*convention collective nationale des activités du déchet*);

- *Waste recovery and recycling*: National collective bargaining agreement for waste recovery and recycling (*convention collective nationale des industries et du commerce de la récupération*);

- *Cleaning and assimilated services*: National collective bargaining agreement for cleaning and related services (*convention collective nationale des entreprises de propreté et services associés*); and

- *Multi-technical and facility management services*: National collective bargaining agreement for workers, employees, technicians and supervisors of thermal equipment and climate control (*convention collective nationale des ouvriers, employés, techniciens et agents de maîtrise de l'exploitation d'équipements thermiques et de génie climatique*).

- *Aeronautics services*: National collective bargaining agreements for workers, employees, technicians, engineers, supervisors of the metal industry (*conventions collectives nationale des ouvriers, techniciens, employés, et des ingénieurs et cadres de la métallurgie*).

As several CBAs are applicable to us, employees in our various businesses do not all benefit from the same employee benefits in terms of, for example, remuneration, bonuses and premium, welfare and retirement. This may make it difficult for employees to move from one business to another within our Group. In addition, potential future changes in the CBAs may have an adverse effect on our personnel costs.

Moreover, the CBA for cleaning and assimilated services contains a guarantee of continued employment for employees working on a specific cleaning contract in case of a change of service provider. Pursuant to these provisions and provided certain conditions are met, when such contracts are lost to a competitor, 100% of the employees dedicated to the contract working for the former cleaning services provider for this site having at least four years of service with the former employer and 85% of the on-site employees having less than four years of service with the former employer as the case may be, will be transferred to the new provider. Other CBAs provide for such employment guarantees in the event of a change of service provider. In other industries for which the relevant CBAs do not provide for such employment guarantees, a transfer of employees is not automatic but may occur pursuant to article L. 1224-1 of the French Labor Code, subject to specific conditions being satisfied, or pursuant to a tripartite agreement entered into on a voluntary basis among the former provider, the new provider, and the employee in relation to the transfer.

The CBA for cleaning and assimilated services provides that, in the event a contract is lost to a competitor, as long as the cleaning services continue to be provided within the same premises, the employment guarantee applies to employees of the former provider (i) who hold certain specified non-supervisory positions and dedicate at least 30% of their working time to the relevant contract, or who hold certain specified supervisory positions and work exclusively for the relevant contract, and, in each case, (ii) who are either employed pursuant to an indefinite-term employment contract or a fixed-term employment contract to replace an employee on leave of absence and at the date of the transfer have worked for at least six months for the relevant contract and were not absent for the last four months (except for maternity leave). In addition, if applicable, employees must be in compliance with labor regulations regarding foreign workers. Provided that these conditions are satisfied, the new service provider must take over 100% of the employees of the former provider dedicated to the relevant contract. The transferred employees have rights under the collective benefits scheme of the new service provider as of the date of the transfer with the same level of seniority as they held with the former provider.

The former and new service providers must each inform and consult with their respective works councils in respect of the transfer. Under both of these CBAs, the former service provider must inform each employee affected and provide the list of transferred employees to its employee representatives and to the new service provider. The new service provider must also provide an amendment to the transferred employees' employment contracts. Transfers of employment contracts related to the gain or loss of a service contract (either pursuant to the CBA or law or on a voluntary basis) frequently occur in our businesses. Employees themselves, however, rarely challenge such transfers to the new provider although they have a right to oppose their transfer and, in addition, may challenge our determination that the conditions for their transfer have not been satisfied.

Where such CBA provisions are not applicable to our employees, those employees who are assigned to a single customer (particularly in the case of larger customers) may seek to have their employment contract transferred to such customer in order to benefit from such customer's collective employee benefits scheme. The assignment to perform a service contract for a specific customer is not intended to create a relationship of subordination between our employees and the company to which they are deployed. A re-characterization may be sought by claiming that there is a relationship of subordination between the company and the temporary worker. A relationship of

subordination, which is deemed to exist when an employer has the authority to give orders and directions, to control the completion of the work and to sanction the employee in case of misconduct, is the main criterion of an employer-employee relationship under French law. Such employees would have to prove that in practice they are considered employees of the customer, as the customer, in particular, controls their activities, their working time and has the authority to give them orders and directions.

Minimum Conventional Wages

All CBAs provide for a minimum wage that varies according to the classification of the employee within the applicable pay scale. However, the wage of an employee cannot be below the French statutory minimum wage (*salaire minimum interprofessionnel de croissance* or SMIC). Trade unions renegotiate the terms of the national collective bargaining agreements almost every year, including the terms of any increase in the minimum wage for each specified level of employee. The amendment to the CBA for cleaning services adopted in September 2020 and effective as of February 2021 provides for an increase in the minimum wages of approximately 1.13%. Companies to which this CBA applies have an obligation to pay the minimum salary provided by the relevant CBA, as increased from time to time, failing which employees may bring legal claims for the enforcement of the national collective bargaining agreement, back pay and damages.

Minimum and Low Wage Employees

Most of our workforce is comprised of unskilled employees who are paid the legal minimum or close to the statutory minimum wage. We are required to pay social security contributions for our employees which cover illness, maternity leave, incapacity, retirement, and death. Pursuant to law n°2003-47 dated January 17, 2003 relating to wages, working times and workforce development program (*loi n°2003-47 du 17 janvier 2003 relative aux salaires, au temps de travail et au développement de l'emploi*), we benefit from reductions in such social security contributions in respect of wages that amount to less than 160% of the French statutory minimum wage. The maximum coefficient for the calculation of such reduction depends on the workforce (less than 50 employees or more than 50 employees) ranges between 0.3205 and 0.23245 in 2020. The reduction increases in inverse proportion to the amount of gross salary (*i.e.*, the reduction in employer social security contributions is lower for a gross salary that is just under 160% of the statutory minimum wage, but highest for a gross salary that is equal to the statutory minimum wage). Since 2011, gross salary is calculated on a full-year basis (instead statutory minimum wage of a monthly basis, as it had been previously calculated). As from January 1, 2015, gross salary has been deemed to include breaks, dressing and undressing time and shower time.

The availability of this reduction of social security contributions is subject to the French regulations relating to mandatory annual salary negotiations with employee representatives. If the Group does not comply with such regulations, the reduction in the social security contributions to which it would normally be entitled could be reduced by up to 10% during a 3 years' time period provided that no default has been found following a previous control.

Contribution to continuing training programs (contribution unique à la formation professionnelle)

The contribution to continuing training programs depends on the workforce (less than 10 employees or more than 10 employees) ranges between 0.55% and 1% in 2020 and assessed on all wages paid by the company that are subject to social security contributions.

Working time computed in days throughout the year for our supervisory employees

French working time regulations generally provide for a statutory weekly working time of 35 hours beyond which overtime is computed. However, such regulations provide that certain employees, such as, in particular, executives, who have a certain amount of discretion to determine when and how they carry out their work and for whom the 35-hour weekly average may therefore not be suitable, may instead be subject to working time clauses providing for a fixed number of maximum working days per year (*forfait jour annuel*). Under French labor law, such provisions have to be implemented pursuant to the provisions of the applicable national collective bargaining agreement or by a company-level agreement, as well as an agreement in writing between the company and the employees. Neither a national collective bargaining agreement nor a company-level agreement can generally provide for a maximum working time above 218 days/year. It is possible, however, for an employee to work more than 218 days (subject to an overall maximum of 235 days/year) if the employee agrees in writing each year to waive some of his or her additional leave days, in which case the employer must pay the additional days worked with supplementary compensation representing at least 110% of the base salary. With respect to several of our executives of one Group company whose contracts currently provide for an annual working time equivalent to 228 days per year, such clauses are invalid. The Group has not experienced any dispute in this respect. In addition, whenever the applicable CBA or company level agreement does not provide an adequate level of protection for

the employee's health and safety (notably by not fixing maximum limits to the effective duration of work or by not ensuring a regular assessment of the employee's workload), such working time clause have been ruled invalid. If annual working time clauses do not comply with applicable requirements, the employer may be subject to claims by the employees for the payment of overtime corresponding to the hours worked that exceed 35 hours per week.

More generally, an employer (both the company and its members of management) may also be prosecuted for an offence of "undeclared work" (*travail dissimulé*) in connection with a failure to properly declare the time worked beyond 35 hours per week, which may result in fines and imprisonment. As a result of undeclared work, an employer may also be liable to employees for the payment of a fixed penalty representing six months of salary. Other than instances of undeclared work, non-compliance with legal provisions regarding overtime may expose the company or its legal representative to further fines. In addition, as any compensation paid to an employee is subject to the payment of social security contributions, social contributions related to overtime hours may be reassessed, which may result in the payment of additional social security contributions as well as additional charges for late payment of contributions, penalties for late declaration and fines.

Part-time work

Most of our employees are employed under part-time employment contracts. Under French labor law, such contracts must include certain mandatory provisions (in particular in respect of the number of hours worked per week/month, the arrangements for communicating the scheduling of hours worked per week/month and the maximum number of overtime hours that the employee can work per month). In case of non-compliance with regulations on part-time employment, employees may seek to re-characterize their part-time employment contracts as full-time employment contracts as well as to obtain back pay and damages.

In addition, pursuant to law n°2013-504 dated June 14, 2013 relating to protection of jobs (*loi n°2013-504 du 14 juin 2013 relative à la sécurisation de l'emploi*) as amended by law n°2014-288 dated June 14, 2013 relating to training, employment and social democracy (*loi n°2014-288 du 5 mars 2014 relative à la formation professionnelle, à l'emploi et à la démocratie sociale*) and ministerial order n 2015-82 dated January 29, 2015 relating to simplification and reliability of arrangements for part time work (*ordonnance n 2015-82 du 29 janvier 2015 relative à la simplification et à la sécurisation des modalités d'application des règles en matière de temps partiel*), the minimum length of a part-time employment contract has been set to 24 hours per week starting from July 1, 2014. The CBA for cleaning services has implemented a lower minimum contract length of 16 hours per week. In addition, a limited number of exceptions allow the conclusion of an employment contract with fewer working hours.

Fixed-term employment contracts and temporary work

Under French law, an employer wishing to rely on non-permanent workers may either: (i) hire an employee under a fixed-term employment contract; or (ii) engage temporary workers through an agency. We employ almost all of our non-permanent employees under fixed-term contracts. French law only allows employers to use fixed-term employment contracts to perform specifically defined and temporary tasks in specific circumstances provided by law (such as to replace an employee on a temporary leave of absence or whose employment contract is suspended, to temporarily fill a position before an employee can be hired under a permanent employment contract or, after a permanent employee has left, before the position is eliminated, or for a temporary increase in the company's business). In particular, employers may not use fixed-term employment contracts to fill a job position on a long-term basis in connection with the habitual and ongoing business of the company. The contract must include certain mandatory provisions (such as the grounds for resorting to a fixed-term contract) and be limited in time (*i.e.*, maximum of 18 months or 24 months in some limited cases). Pursuant to ministerial order n°2017-1387 dated September 22, 2017 relating to stability and predictability of working relationships (*ordonnance n°2017-1387 du 22 septembre 2017 relative à la prévisibilité et la sécurisation des relations de travail*) which introduced some flexibility in the legislation governing fixed-term employment contracts and temporary work, the applicable industry-wide CBA will be permitted to determine rules applicable to fixed-term employment contracts and temporary work such as the maximum duration, the number of renewals and the conditions under which several contracts can be concluded in relation to the same job position. These new rules are less restrictive than the previous statutory rules. If the employer does not comply with the mandatory provisions in respect of fixed-term employment contracts, employees may seek to re-characterize fixed-term contracts as indefinite-term employment contracts, in which case the employer may be obligated to make certain additional payments to employees such as back pay, various indemnities, including in respect of unserved notice periods, severance payments, and damages for unfair dismissal. Non-compliance may also result in fines and imprisonment.

Employers may also use temporary workers to perform definite and temporary tasks, provided that it is not to fill a job position on a long-term basis in connection with the habitual and ongoing business of the company. A company that employs temporary workers under an employment contract may put some employees at the disposal

of a client company under a temporary assignment contract (*contrat de mission*) for a specific task requiring specific skills. A temporary assignment contract is not intended to create a relationship of subordination, as further described below, between such workers and the company to which they are deployed. To be valid, temporary assignment contracts must relate to the performance of specific tasks which are limited by statute and must be limited in time and in respect of renewals. In case of non-compliance with the rules regarding the permitted circumstances and the duration of temporary assignment contracts, temporary workers may seek to re-characterize their relationship with the company to which they are deployed as an indefinite-term employment contract with that company, which would, in particular with respect to the termination of a temporary assignment contract, give them the benefit of all the rights and protections employees under indefinite-term employment contracts enjoy in connection with a termination. A re-characterization may also be sought by claiming that there is a relationship of subordination between the company and the temporary worker. A relationship of subordination, which is deemed to exist when an employer has the authority to give orders and directions, to control the completion of the work and to sanction the employee in case of misconduct, is the main criterion of an employer-employee relationship under French law. Non-compliance with rules applicable to temporary work may lead to various civil and criminal fines, damages and imprisonment.

Tax on fixed-term employment contracts

As from July 1, 2013, the employer social contribution rate with respect to unemployment benefit, which usually amounts to 4% on fixed-term employment contracts, has been increased (i) to 7% for employment contracts justified by a growth of activity with a duration of one month or less; (ii) 5.5% for employment contracts justified by a growth of activity with a duration exceeding one month in the limit of three months; and (iii) 4.5% for fixed-term employment contracts used in certain sectors ("*contrat d'usage*") with a duration of three months or less. Under pressure from the French government, national negotiations are currently ongoing between employers and trade unions in order to reduce employers' use of short fixed-term employment contracts, which are viewed as abusive. In the absence of agreement, the French government has threatened to introduce a bonus system to deter employers from relying on short fixed-term employment contracts, but has not yet given any details as to what this would entail.

Employee representation

Social and economic committee (comité économique et social)

Pursuant to French labor law, companies having at least 50 employees must have or set up a works council (*comité économique et social*), which is comprised of elected employee representatives. Employers must periodically inform and/or consult with the works council on the economic and labor situation within the company. Each year, the works council must be consulted on three main topics related to (i) the company's economic and financial situation (ii) the company's social policy, employment and working conditions and (iii) its strategic orientations. In addition, the works council must also be punctually consulted prior to any projected managerial decision in particular in connection with (i) the organization, management and general operation of the company and (ii) the size or structure of the workforce, (iii) working hours, employment and working conditions of the employees and (iv) a change in the economic or legal organization of the company, in particular in case of a merger, transfer, sale, substantial change in the production structure, as well as in case of an acquisition or sale of subsidiaries.

In companies that have a structure comprised of a central works council and works councils at individual sites, (i) the central works council must meet at least every six months and be informed and/or consulted with on the topics related to the general global functioning of the company and (ii) the site works councils must be informed and/or consulted on every matter concerning the relevant site but not on general issues of the company.

Pursuant to French labor law requirements, matters relating to health, safety and working conditions will be enforced by the works council, including through dedicated commissions as the case may be.

An employer is responsible for the health and safety of its employees. Work accidents or occupational diseases may create legal, financial and reputational exposure.

Companies with a workforce of at least 11 employees are also bound to elect a works council (*comité économique et social*), such works council having fewer attributions however than works councils in companies with a workforce of 50 employees or more. Their attributions include the presentation to the employer of all requests and grievances from employees (wages, compliance with employment law etc.)

Trade unions

A trade union delegate (*délégué syndical*) or a representative of a trade union section (*représentant de la section syndicale*) can be appointed within any company with a workforce of at least 50 employees (by exception, a staff

delegate or a member of the social and economic committee can be appointed as a union delegate). Operating entities of the Group employing at least 50 employees have appointed trade union delegates.

There are currently five trade unions that are recognized by the French government as being representative of workers on a national level and, as such, are eligible to negotiate national collective bargaining agreements: Force ouvrière (FO), Confédération générale du travail (CGT), Confédération Française de l'encadrement—Confédération générale des cadres (CFE-CGC), Confédération Française démocratique du travail (CFDT) and Confédération Française des travailleurs chrétiens (CFTC).

Company-wide agreements that deal with matters such as working time, rest periods, vacation and other leaves of absence must be approved by trade unions representing more than 50% of the votes casts during the last works council elections. The following unions are representative at Derichebourg Propreté level: CGT, CFDT, CFTC.

Pursuant to the labor law reform of 2017 (the so-called "*Ordonnances Macron*"), industry-level agreements will no longer take precedence over company-level agreements, except for in certain predetermined fields (such as employee job classification, related requirements with respect to minimum wage and benefits, and restrictions on fixed-term employment agreements). In all other areas, company-level agreements will take precedence over any applicable industry-wide CBA, irrespective of when the industry-wide CBAs were entered into.

In the absence of a company-wide agreement dealing with the matters regulated by the industry-wide agreement, the industry-wide agreement will apply. This reform may allow the Group to negotiate specific company-level CBAs with employee representatives that would be better suited to the Group's operations.

MANAGEMENT

The following is a summary of certain information concerning the Issuer's management, certain provisions of the Issuer's bylaws and French law regarding corporate governance. This summary is qualified in its entirety by reference to the bylaws of the Issuer and French law, and it does not purport to be complete.

The Issuer

The Issuer is a French publicly listed limited liability company with a board of directors (*société anonyme à conseil d'administration*) organized under the laws of France, whose shares are traded on Euronext Paris (ISIN code: FR0000053381). The LEI number of the Issuer is 969500QOO4C4IPGID263. A description of the operation of the governing bodies of the Issuer is set forth in "—*Governance Structure of the Issuer*" below.

The Issuer was incorporated as a société anonyme under the laws of France on January 9, 1990. Its term, which was extended by extraordinary resolution of the shareholders at the general meeting of January 31, 2020, will expire on January 30, 2119 unless the Issuer is wound up before such date or its term is further extended. The Issuer is registered in France under sole identification number 352 980 601 R.C.S. Paris. The Issuer's registered office is located at 119, avenue du Général Michel Bizot, 75012 Paris (France) and its phone number is + 33 (0)1 44 75 40 40.

The Issuer's issued share capital of €39,849,372.25 as of March 31, 2021, amounting to 159,397,489 ordinary shares with a par value of €0.25 each, fully paid-up. As described in article 3 of the Issuer's bylaws, its corporate purpose is to, in France and in all countries:

- acquire, subscribe, and manage all securities;
- acquire investments or interests in all commercial, industrial, financial, or real estate companies and enterprises;
- provide all administrative, financial, accounting, or management services to the Issuer's subsidiaries or to all other companies in which the Issuer may hold an interest;
- acquire, operate, manage, and administer, pursuant to a lease, rental or otherwise, all developed or undeveloped real property, and, in general, all real or personal property, commercial, industrial or financial transactions that may directly or indirectly relate to such purposes or to all similar or related purposes that may promote the operation or development thereof;

all of the foregoing both on its own behalf and on behalf of all third parties or by acquiring ownership interests, in any form whatsoever, by creating companies, by subscriptions, by limited partnerships, by mergers, by absorptions, by advances, by the purchase or sale of securities and corporate rights, by the purchase, sale or rental of its personal and real property or its rights therein, or by any other method.

The Issuer may carry out any transactions that are compatible with these purposes, that are related thereto or that contribute to the accomplishment thereof.

The bylaws of the Issuer as currently in force were last updated on April 19, 2021. The Issuer's fiscal year begins on October 1 and ends on September 30 of each year.

Governance Structure of the Issuer

The Issuer is managed by a board of directors (*conseil d'administration*) (the "**Board of Directors**") led by a chairman of the Board of Directors (*président du Conseil d'Administration*, the "**Chairman**"). The Board of Directors, within the limits prescribed by French law, has the power to delegate its general authority to a chief executive officer (*directeur général*, "**CEO**") or certain deputy chief executive officers (*directeurs généraux délégués*), which can be natural or legal persons.

At the Issuer, the Board of Directors unanimously decided at its meeting held on February 10, 2016 to combine the functions of Chairman and CEO, which are currently performed by Mr. Daniel Derichebourg. The Chairman and CEO has broad managerial powers save for such functions and powers reserved by law or the Issuer's bylaws (*statuts*) to the Board of Directors or its shareholders. At the Issuer, the Board of Directors unanimously decided at its meeting held on February 10, 2016 to appoint Mr. Abderrahmane El Aoufir as deputy chief executive officer (*directeur général délégués*, "**Deputy CEO**"). The Deputy CEO has the same powers as the CEO, including the powers to represent the Issuer *vis-à-vis* third parties.

There is no formal restriction to the Chairman and CEO's powers, other than that provided for by law in connection with the granting by the of endorsements, guarantees and security interests.

However, the Chairman and CEO normally requires the prior consent of the Board of Directors for any decision whose implementation or consequences could have a material impact on the Group's business activities, assets or liabilities. This is the case for operations such as those listed below, without this list being exhaustive or imperative:

- significant planned acquisitions;
- the granting of specific guarantees that do not legally require the Board of Directors' prior approval; and
- acquisition or disposal of significant assets.

Board of Directors

The Board of Directors determines the Issuer's business strategy and monitor its implementation by the CEO and Deputy CEO. Subject to the powers expressly granted to the shareholders in accordance with the bylaws of the Issuer and provided by law, the Board of Directors handles any matter that may affect the Issuer's operations and meets to decide all matters as part of its duties. The Board of Directors shall perform any audits and verifications that it deems necessary.

The Board of Directors is tasked in particular with the following:

- protecting the Issuer's interests;
- conducting any verification it deems appropriate within the scope of the Issuer's business operations;
- choosing the management method;
- appointing and dismissing executive officers;
- determining the compensation of executive officers;
- ensuring the quality of the information provided to shareholders and to the market;
- approving the Issuer's separate and consolidated annual and half-year financial statements;
- preparing the Issuer's business reports and those of its subsidiaries;
- preparing the universal registration document of the Issuer;
- determining the amount of endorsements, guarantees and security interests that can be granted by the Chairman and CEO;
- approving related-party agreements and commitments before submitting them to shareholder vote, and examining, on an annual basis, the agreements still in force during the fiscal year.

The Board of Directors gives its opinion on all decisions in connection with the Issuer's major strategic, economic and financial policies, and monitor their implementation by the CEO and Deputy CEO.

The Board of Directors approves the strategy proposed by the CEO and Deputy CEO.

The Chairman informs the Board of Directors of any matter, and in a more general way, of any fact that calls into question the implementation of any part of the strategic plan.

As of the date of the Offering Memorandum, the Board of Directors consists of the Chairman and CEO, the Deputy CEO and seven directors (within the meaning of the Corporate Governance Code of Listed Corporations, the "**AFEP-MEDEF Code**"), including four independent directors (within the meaning of the AFEP-MEDEF Code). Directors are elected for a four-year term. At the shareholders' meeting held on February 5, 2019, the shareholders of the Issuer decided to reduce the directors' term of office from six years to four years for the directors appointed as from this dated, amending article 15 of the bylaws of the Issuer, in order to enable a staggered renewal of the directors in accordance with the recommendations of the AFEP-MEDEF Code. The Issuer's bylaws impose an age limit according to which no more than one-third of the directors may be over 75 years of age.

Set forth below are the names and ages of each of the members of the Board of Directors, as well as the year of their appointment and their respective position.

Name	Age	Year of appointment	Term expires	Position
Daniel Derichebourg	68	2006	2022	Chairman and CEO
Abderrahmane El Aoufir	59	2014	2022	Deputy CEO
Bernard Val*	78	2004	2022	Director
Matthieu Pigasse*	52	2005	2022	Director
Thomas Derichebourg	44	2007	2023	Director

Name	Age	Year of appointment	Term expires	Position
Boris Derichebourg	42	2007	2023	Director
CFER, represented by Ms. Ida Derichebourg	89	2013	2023	Director, as representative of CFER
Françoise Mahiou*	57	2016	2022	Director
Catherine Claverie*	51	2017	2023	Director

* denotes directors who qualify as independent director pursuant to the AFEP-MEDEF Code.

All the members of the Board of Directors are domiciled at 119, avenue du Général Michel Bizot, 75012 Paris.

Set forth below is a short biography of each of the members of the Board of Directors as of the date of the Offering Memorandum:

Daniel Derichebourg: Mr. Daniel Derichebourg, 68, has been Chairman and CEO since June 29, 2006. Mr. Daniel Derichebourg is a self-made man. Mr. Daniel Derichebourg started his career by cleaning cellars to help out his father with the family business, a small waste recovery company. Mr. Daniel Derichebourg took control of CFER in October 1996 and led the restructuring and development of CFF Recycling Group (formerly CFF, *Compagnie Française des Ferrailles*). Between 2004 and 2006, Mr. Daniel Derichebourg oversaw the acquisition and restructuring of the Penauille Polyservices Group, prior to its merger with CFF Recycling Group in July 2007. Mr. Daniel Derichebourg is responsible for the Group's major strategic decisions. Mr. Daniel Derichebourg was co-opted as director of the Issuer on June 29, 2006. Mr. Daniel Derichebourg directorship was renewed by decision of the shareholders of the Issuer at the shareholders' meetings held on February 3, 2010 and February 10, 2016. For more information about the Group's history, see "*Business—Our History*."

Abderrahmane El Aoufir: Mr. Abderrahmane El Aoufir, 59, began his career in 1984 in the financial department of CFF Recycling Group (formerly CFF, *Compagnie Française des Ferrailles*). Mr. Abderrahmane El Aoufir successively held operational and then general management positions in Spain, the United States and south-eastern France. In 2006, Mr. Daniel Derichebourg entrusted him with the mission of improving Servisair (the airport services subsidiary). During six years, Mr. Abderrahmane El Aoufir increased Servisair's EBITDA from €5 million to €73 million. After the sale of Servisair in December 2013, Mr. Abderrahmane El Aoufir became Deputy Chief Executive Officer of the Group. Mr. Abderrahmane El Aoufir also oversees the operational activities of the recycling subsidiaries of the Group.

Bernard Val: Mr. Bernard Val, 59, is a former student of *École des ingénieurs de la Préfecture de la Seine*, and was a general engineer for the city of Paris. Mr. Bernard Val was seconded to several regional authorities including the *Direction Générale des Services du Département de la Corrèze* (1985-1996), before being appointed chairman of the board of directors and chief executive officer of Société des Autoroutes Rhône-Alpes, and subsequently Autoroutes du Sud de la France. In 2006, following the sale of Autoroutes du Sud de la France to Vinci, Mr. Bernard Val became chairman of Vinci Concessions and vice-chairman of Vinci. Moreover, Mr. Bernard Val was chairman of ASFA (*Association des Sociétés Françaises d'Autoroutes*, the association of French highway companies), and director of the public institution Autoroutes de France, as well as Scetauroute Développement, Transroute International and Ginger. Mr. Bernard Val is also chairman of the Audit Committee and a member of the Appointments and Compensation Committee. Mr. Bernard Val holds no other position within the Issuer or any other Group company.

Matthieu Pigasse: Mr. Matthieu Pigasse, 52, is a former student of the *École nationale d'administration* (ENA) and a graduate of *Institut d'Études Politiques de Paris* (Sciences Po Paris). Mr. Matthieu Pigasse is a partner at Centerview Partners, in charge of France and continental Europe. Mr. Matthieu Pigasse is co-shareholder of the Le Monde Group, the Nouvel Observateur and Huffington Post France. Mr. Pigasse is the owner and chairman of Éditions Indépendantes, a firm that publishes the magazine Les Inrockuptibles. Mr. Matthieu Pigasse is vice-Chairman of Théâtre du Châtelet. Mr. Matthieu Pigasse published three books: *Le Monde d'après, une crise sans précédent* (2010, Plon), *Révolutions* (Plon, 2012), and *Éloge de l'anormalité* (Plon, 2014). Prior to that, from 2000 to 2002, Mr. Matthieu Pigasse was deputy chief of staff for the French Minister of the Economy, Finance and Industry, Laurent Fabius, in charge of industrial and financial affairs. From 1997 to 2000, Mr. Matthieu Pigasse was technical advisor to the Minister of the Economy, Finance and Industry, Dominique Strauss-Kahn, in charge of the financial sector. From 1994 to 1997, Mr. Matthieu Pigasse worked in the treasury department of the Ministry of the Economy, Finance and Industry, where he was in charge of sovereign debt and liquidity management. Mr. Matthieu Pigasse holds no other position within the Issuer or any other Group company.

Thomas Derichebourg: Mr. Thomas Derichebourg, 44, decided to join the Group in 2009. Mr. Thomas Derichebourg became head of the Group's airport services in France. With the experience Mr. Thomas Derichebourg gained in services, he chose to dedicate his expertise to the public sector, taking over the management of public sector services in 2009 (household waste collection and sorting centers). Mr. Thomas

Derichebourg is responsible for the international development of this activity, particularly in Canada. In addition, Mr. Thomas Derichebourg is the chairman of Revival, a subsidiary of the Issuer which is a leading player in metal waste recycling in the Île-de-France, Normandy and Nord regions of France. Mr. Thomas Derichebourg is also a member of the executive committee of the France-Canada Chamber of Commerce. Mr. Thomas Derichebourg is also a member of the Issuer's Appointments and Compensation Committee.

Boris Derichebourg: Mr. Boris Derichebourg, 42, dreamed of becoming a race car driver when he was young. In 1994, he embarked on a racing career, chalking up numerous podium finishes (Formula 3, Formula 3000, GT, and 24 Heures du Mans). In 2004, after 10 years of racing, Mr. Boris Derichebourg decided to end his sporting career and join the Group. For two years, he held various positions within CFF Recycling Group (formerly CFF, *Compagnie Française des Ferrailles*). In 2006, the Group acquired Penauille Polyservices, which subsequently became Derichebourg SA. Mr. Boris Derichebourg then became chief executive officer of the Multiservices division, and subsequently chairman in 2008. On the strength of his experience in top-level sport, Mr. Boris Derichebourg capitalized on his competitor skills to develop a different type of entrepreneurial approach. Mr. Boris Derichebourg restructured Derichebourg Multiservices and gave it a second lease of life by developing successful new business lines. Mr. Boris Derichebourg travelled the world in search of new models and services to expand operations in France and internationally. Within a decade, Derichebourg Multiservices became the benchmark player in outsourced services by offering solutions to industry (aeronautics, automotive, etc.), the service sector (facility management) and to urban developers (public lighting, urban billboards, etc.). Derichebourg Multiservices also earned a reputation as a sourcing expert through its interim activities. Aware of the need to review the codes governing the outsourced services markets, Mr. Boris Derichebourg promotes innovation with the backing of an ecosystem of innovative partners and digital technology, in order to co-build tomorrow's services. Mr. Boris Derichebourg is also concerned with maintaining great diversity within his teams, and sees difference as a major strength in today's society. Derichebourg Multiservices thus has employees from 118 nationalities and a percentage of employees with disabilities above the required regulatory level. With his deep commitment to human values, he also supports the non-profit sector as ambassador of the EPIC Foundation. Furthermore, he introduced a salary rounding scheme for the Derichebourg Multiservices' 37,000 employees in support of three non-profit organizations that promote social integration and health. As a member of the Young Leaders France China Foundation, Mr. Boris Derichebourg wants to develop his Group's activities on the Asian market. In September 2017, the Chairman of MEDEF entrusted him with the presidency of the Proscenium program. The network brings together the managers of 350 medium-sized companies with a turnover of more than €300 million. Mr. Boris Derichebourg is also a member of the Issuer's Audit Committee.

Ida Derichebourg: Ms. Ida Derichebourg, 89, permanent representative of CFER, director of the Issuer, is the mother of Mr. Daniel Derichebourg and grandmother of Mr. Thomas Derichebourg and Mr. Boris Derichebourg. Ms. Ida Derichebourg assisted her husband, Mr. Guy Derichebourg, in developing the family business. Ms. Ida Derichebourg holds no other positions within the Issuer or any other Group company.

Françoise Mahiou: Ms. Françoise Mahiou, 57, was appointed major projects engineer within the integrated contracting authority/project management team in charge of the design and construction of rail stations for Toulouse's first automatic metro line (Sofretu/Sotec now Systra) on the launch of France's major state projects in 1988. This involved engineering, architecture, design, management and ISO quality aspects, on very tight schedules. Her experience in Toulouse was rounded off with commercial and industrial construction projects for private developers (Sopra/Kaufman&B). In early 1991, Ms. Françoise Mahiou headed to Paris, where the initiators of the Grand Louvre, Opéra Bastille, and Cité de La Musique are based. Ms. Françoise Mahiou assisted senator-mayor Serge Vinçon in the programming of the Pôle de l'Or. For Sodeteg Thomson (now Thalès), Ms. Françoise Mahiou created and managed the engineering division of public-private commercial buildings using an environmental approach and providing services to contracting authorities and architects – École des mines de Nantes (Aymeric Zublena), Musée des Champs Libres in Rennes (Christian de Portzamparc), Université de Médecine de Tours (Ivars and Ballet), Extension of Musée Luxembourg Paris (Senate), due diligence for Oppenheim, feasibility study for the City Center of Casablanca (Alliances Accor), and DGAC (*direction générale de l'aviation civile*) headquarters (JF Jodry). In 2004, Ms. Françoise Mahiou's dual engineer/HEC executive role enabled her to take over as chief executive officer of the Segula Group's Services division, which she developed in the "Energy/Transport/Industries" process branch through external and internal growth, and also through the key accounts she won, which include Areva, EDF, Dassault, RATP and Essilor. From 2007 to 2012, Ms. Françoise Mahiou managed operations for the AREP Group, a subsidiary of the SNCF, as deputy chief executive officer. Ms. Françoise Mahiou led a complete restructuration with a CSR focus, covering human resources (opinion survey, barostress plan, senior citizens plan, incentives, company/authority travel plan etc.), project-oriented finance, workflow information systems (home working, fluidity of exchanges etc.), legal stabilization, the launch of internal communications, and acquisitions, to guarantee sustainable growth. In 2012, Ms. Françoise Mahiou was promoted to CSR executive director in order to disseminate good governance and ethical practices. Ms. Françoise Mahiou then took over the management of ASCIUS, an assistance and consulting company for managers, shareholders,

their companies and family offices. Ms. Françoise Mahiou also developed the operating partner business to respond to operational and strategic needs, creating value for the company and its stakeholders. Ms. Françoise Mahiou earned an ASC France-certification (*Administrateur de Sociétés Certifiés*) / IFA- certification (*Institut Français des Administrateurs*) from the *Institut d'Études Politiques de Paris* (Sciences Po Paris) and *Institut Français des Administrateurs* (IFA). Ms. Françoise Mahiou is a member of the *Institut Français des Administrateurs* (IFA). Ms. Françoise Mahiou is also a member of the Issuer's Audit Committee and the Appointments and Compensation Committee. Mrs. Françoise Mahiou holds no other position within the Issuer or any other Group company.

Catherine Claverie: Ms. Catherine Claverie, 51, works to defend the rights of foreign nationals. Ms. Catherine Claverie is a member of the board of directors of the Dom'asile association, which is specializes in domiciliation and social and legal support for people in exile. Ms. Catherine Claverie was a freelance events communication consultant, administrative coordinator of business and technical language, and involved in various associative community work, notably within the British section of the Lycée International of Saint-Germain-en-Laye. Ms. Catherine Claverie has also been vice-chairwoman of Stepping Stones, a school for young English-speaking children. Ms. Catherine Claverie is also chairwoman of the Appointments and Compensation Committee and a member of the Audit Committee. Ms. Catherine Claverie holds no other position within the Issuer or any other Group company.

Board Committees

The Board of Directors has established the following two specialized committees that report to the Board of Directors: the audit committee (the "**Audit Committee**") and the appointments and compensation committee (the "**Appointments and Compensation Committee**").

The members of the Audit Committee and the Appointments and Compensation Committee are appointed by the Board of Directors, which is also responsible for appointing their respective chairman/chairwoman. When selecting the members of the Audit Committee and the Appointments and Compensation Committee, the Board of Directors takes into account their professional background and expertise.

The specific roles, duties and functions of the Audit Committee and the Appointments and Compensation Committee are defined and are regularly reviewed by the Board of Directors.

The Audit Committee and the Appointments and Compensation Committee report to the Board of Directors on their work and observations and, where appropriate, inform the Board of Directors of their opinions, proposals or recommendations in each of their respective fields of expertise.

As part of its work, the Audit Committee and the Appointments and Compensation Committee may organize meetings with the Issuer's senior management, and that of its subsidiaries should it deem necessary and, on its own initiative, may use the services of external experts and request any information it needs to carry out its functions. During the meetings of the Board of Directors, the Audit Committee and the Appointments and Compensation Committee present oral reports on their work and written reports are made available to the directors.

Audit Committee

The Board of Directors is assisted by the Audit Committee, which consists of four directors, of whom three are independent directors (within the meaning of the AFEP-MEDEF Code). The proportion of independent Directors on the Committee complies with the two-thirds threshold recommended by the AFEP-MEDEF Code. The Audit Committee consists of Mr. Bernard Val (chairman of the Audit Committee), Ms. Françoise Mahiou, Ms. Catherine Claverie and Mr. Boris Derichebourg.

At the request of the members of the Audit Committee, executive corporate officers may be invited to attend meetings of the Audit Committee, depending on the issues examined. The Audit Committee fulfills the duties assigned to it pursuant to article L. 823-19 of the French commercial code. The Audit Committee oversees matters relating to the preparation and auditing of accounting and financial information, in particular:

- the preparation and disclosure of financial information, in particular through examination of the scope of consolidated companies of the Group;
- the effectiveness of the internal control and risk management systems, their deployment and the implementation of corrective actions where appropriate;
- the audit of annual financial statements and, if applicable, of consolidated financial statements by the independent auditors;
- the skills and independence of the external experts on which the Group relies.

In this context, it is the Audit Committee's mission to:

- examine the scope of consolidation and the draft consolidated and annual financial statements and related reports that will be submitted to the Board of Directors for approval, accounting methods adopted for the preparation of consolidated or corporate financial statements, as well as the appropriate treatment of significant transactions at the Group level;
- oversee the choice of the consolidation guidelines, the relevance and permanence of the accounting methods adopted for the preparation of the consolidated or corporate financial statements, as well as the appropriate accounting treatment of significant transactions at the Group level;
- verify with the Chairman and CEO and the Deputy CEO that all legal and financial communications with the stock market authorities are duly completed;
- assess the degree of satisfaction of the independent auditors with the quality of the information received from the Issuer's departments in the performance of their assignment and to gather management's comments on the degree of sensitivity of the independent auditors to the Group's business and its environment;
- examine any information brought to its attention concerning the operations and transactions of the Issuer that raise an ethical problem and with regard to transactions that, depending on their nature and the person involved, would result in a conflict of interest;
- ensure that major risks are identified, managed, and reported to it; to this end, it examines the internal control and risk management systems and internal audit program, monitors its progress and the results of the action plans, and informs the Board of Directors of improvements that have been or have yet to be made;
- give an opinion on the appointment or renewal of the statutory auditors; and
- ensure the independence and objectivity of the statutory auditors.

During the year ended September 30, 2020, the Audit Committee held two meetings, on December 3, 2019 and May 25, 2020 with a participation rate of 100%. During the year ended September 30, 2020, the main topics examined by the Audit Committee were the following:

- review of the consolidated financial statements as of September 30, 2019 and the statutory auditors' supplementary report to the Audit Committee;
- review of the statutory auditors' terms of office;
- advice and recommendations to the Board of Directors on the draft universal registration document;
- update on IFRS 16;
- presentation of internal control/SAPIN 2 update;
- review of the consolidated financial statements for the six months ended March 31, 2020; and
- measures taken by the Group with regard to COVID-19.

Appointments and Compensation Committee

The Appointments and Compensation Committee was set up by decision of the Board of Directors on October 22, 2018. The Appointments and Compensation Committee consists of Ms. Catherine Claverie (chairwoman of the Appointments and Compensation Committee), Mr. Bernard Val, Ms. Françoise Mahiou and Mr. Thomas Derichebourg. The role of the Appointments and Compensation Committee is to make recommendations or proposals to the Board of Directors following the review of the following issues:

- the composition of the Board of Directors and the functioning of the committees of the Board of Directors, the dissociation or combination of the functions of Chairman of the Board of Directors and Chief Executive Officer;
- the renewal and appointment of new directors;
- the determination of independent director status under the criteria set out in the AFEP-MEDEF Code;
- the succession plan for the Issuer's executive officers;
- the review of all components that make up the compensation of the Issuer's executive officers; and

- the review of the amount and the allocation criteria for attendance fees.

During the year ended September 30, 2020, the Appointments and Compensation Committee held one meeting, on December 3, 2019 with a participation rate of 75%. During the year ended September 30, 2020, the main topics examined by the Appointments and Compensation Committee were the following:

- review of the compensation policy applicable to executive officers;
- review of the independence criteria applicable to directors; and
- opinion and recommendations to the Board of Directors on the Board's Corporate Governance report.

Conflicts of Interest

By law, and in accordance with the AFEP-MEDEF Code, directors are subject to compliance with the rules in force regarding conflicts of interest and market ethics.

The potential conflicts of interest between the duties of the directors and their private interests or other duties are listed below:

- the existing lease between Société des Demueyes, owned by the Derichebourg family and managed by Mr. Daniel Derichebourg, and Revival, for premises in Comines (59), for an annual rent of €34,000;
- the existing lease between Ms. Ida Derichebourg and Polybuis for the premises located at 106, rue du Moulin de Cage, 92230 Gennevilliers: land used for storing trucks, cloakrooms, offices, for an annual rent of €45,000. This lease was entered into before Ms. Ida Derichebourg took office;
- the service agreement concluded between Derichebourg and DBG Finances, aiming to define the terms and conditions of DBG Finances' input into the definition and oversight of the Group strategy (see "*Principal Shareholders and Related-Party Transactions*");
- the agreement to use the Derichebourg trademark in exchange for royalties concluded with TBD Finances, both companies being controlled by the Derichebourg family (see "*Principal Shareholders and Related-Party Transactions*");
- the planned disposal of SCI la Futaie and SCEA du Château Guiteronde (operating company) to SCEV La Tour Guiteronde held by CFER, controlled by the Derichebourg family, for an enterprise value of €2,600,00;
- the commercial lease between SCI IDA I, a subsidiary of CFER, and Derichebourg Multiservices Holding, a wholly owned subsidiary of the Issuer, for a real estate complex ("ex-Pernod" Tower building) for office use located at 51 Chemin des Mèches in Créteil (94), France, for an annual rent of €600,000.

In addition to the applicable provisions of the French commercial code concerning related-party agreements, all directors are required to inform the Board of Directors of all conflict of interest situations, even if such conflict is only potential, and must abstain from voting on any decision of the Board of Directors for which the existence of a conflict of interest situation would be presumed. There have been no arrangements or agreements made with the principal shareholders, or with customers or suppliers, pursuant to which a member of the Board of Directors has been appointed a director of the Issuer.

Given the four independent directors who serve on the Board of Directors, the Issuer believes that there is no risk that control of CFER, which holds 41.25% of the capital and 57.80% of voting rights as of the date of the Offering Memorandum, might be exercised improperly.

Remuneration

In accordance with the provisions of Article L. 225-37-2 of the French commercial code, the Board of Directors, upon the recommendation of the Appointments and Compensation Committee of December 2, 2020, submits the compensation policy for corporate officers for approval by the combined general meeting of February 10, 2021.

The Board of Directors sets out, reviews and implements the compensation policy for each of the corporate officers at the recommendation of the Appointments and Compensation Committee. In accordance with the provisions of articles L 225-37-2 and R. 225-29-1 of the French commercial code, the Board of Directors sets a compensation policy in line with the Issuer's corporate interest, which contributes to its sustainability and is in line with its commercial strategy.

In order to avoid any conflict of interest, the Chairman and Chief Executive Officer, and the Deputy Chief Executive Officer do not take part in discussions or votes on compensation and any commitments relating thereto.

The 2020 compensation policy for executive corporate officers is identical to that voted by the shareholders at the combined general meetings of the shareholders dated February 7, 2018 and February 5, 2019.

For the year ended September 30, 2020, Mr. Daniel Derichebourg did not received any compensation with respect to his position as Chairman and Chief Executive Officer. For the year ended September 30, 2020, Mr. Abderrahmane El Aoufir, Deputy Chief Executive Officer of the Group, was entitled to total compensation of €601,000, consisting of a fixed annual compensation of €300,000 (of which €270,000 was paid during the year) and an annual variable compensation of €301,000 (of which €377,000 was paid during the year).

PRINCIPAL SHAREHOLDERS AND RELATED-PARTY TRANSACTIONS

Principal Shareholders

The Issuer is a French publicly listed limited liability company with a board of directors (*société anonyme à conseil d'administration*) organized under the laws of France, whose shares are traded on Euronext Paris (ISIN code: FR0000053381). The Issuer is directly controlled by CFER and Financière DBG, the Issuer's direct parent companies, representing 41.29% of the Issuer's share capital and 57.83% of the Issuer's voting rights. CFER is directly controlled by Financière DBG, which is indirectly controlled by the Derichebourg family through DBG Finances.

As of March 31, 2021, the Issuer had 159,397,489 shares outstanding, the ownership of which is set forth in the table below. From time to time, the Issuer may buy back its own shares in the market, generally for allocation to a liquidity contract used to make a market in the shares, or to be held for allocation under stock option plans, employee share ownership plans or free share plans for the Issuer's employees and corporate officers.

	Number of Shares Owned	Percentage of Shares Owned	Number of voting rights exercisable at Annual General Meeting	Percentage of voting rights exercisable at Annual General Meeting
CFER[(1)]	65,745,648	41.25%	131,491,296	57.80%
Financière DBG[(1)]	65,894	0.04%	65,894	0.03%
Group employees	1,690,000	1.06%	1,690,900	0.74%
Treasury shares	0	0%	0	0%
Public	91,895,947	57.65%	94,237,217	41.43%
Total	**159,397,489**	**100%**	**227,484,407**	**100%**

(1) CFER and Financière DBG are ultimately controlled by the family of Mr. Daniel Derichebourg.

Double Voting Rights

The voting rights attached to shares are proportional to the amount of capital that they represent. For an equal amount of the nominal value, each share of the capital carries the right to one vote. However, a double voting right is attributed to all fully-paid shares held in registered form for five years or more in the name of the same shareholder. As of March 31, 2021, the share capital comprised 159,397,489 shares with a nominal value of €0.25 each, including 68,086,918 shares with double voting rights. The number of voting rights as of September 30, 2020 amounted to 227,484,407.

As of March 31, 2021, Mr. Daniel Derichebourg's family held, through CFER and Financière DBG, 41.29% of the share capital of the Issuer and 57.83% of the voting rights.

Related Party Transactions

Article 21 of the bylaws of the Issuer states that any agreement which is entered into between, either directly or indirectly through an intermediate person, the Issuer and its Chief Executive Officer, one of its deputy Chief Executive Officer(s), one of its directors, one of its shareholders holding a number of voting rights greater than the percentage set forth in article L. 225-38 of the French commercial code or, where the latter is a company shareholder, the company which controls it as defined in article L. 233-3 of the French Commercial Code, must be submitted for prior approval by the Board of Directors.

The same applies to any agreements in which one of the people in the above list has an indirect interest.

Prior authorization is also required for agreements between the Issuer and any business if the Chief Executive Officer, one of the Deputy Chief Executive Officer(s) or one of the directors of the Issuer is the owner, general partner, manager, director, member of the Supervisory Board or, in any other way, a manager of that business.

The above provisions are not applicable to any agreements relating to ordinary transactions concluded under normal terms and conditions. Nevertheless, such agreements, except where their purpose or their financial implications are not material for any of the parties, must be brought to the knowledge of the Chairman of the Board of Directors by the interested party.

The Chairman shall then inform the members of the Board and independent auditors of the list of agreements and their purposes.

Assessment procedure for routine agreements

Pursuant to article L. 225-39 of the French commercial code, the Board of Directors, at its meeting of December 3, 2020, decided to set up a procedure to properly assess whether agreements relating to ordinary transactions concluded under normal terms and conditions meet these conditions. This procedure will be implemented by the *Secrétaire Général*, which will determine the criteria for a routine agreement (business activity, financial terms, etc.).

No new related-party agreements were entered into during the six months ended March 31, 2021. The agreements described below were entered into in previous years and continued during the year ended September 30, 2020.

Service agreement between the Issuer and DBG

A service agreement was concluded for an initial three-year term, with effect from January 1, 2012, then renewed on January 1, 2015, January 1, 2018 and again on January 1, 2021 for successive three-year terms, with DBG Finances, a company controlled by the family of Mr. Daniel Derichebourg, which aims to define the terms and conditions of DBG Finances' influence over the definition and oversight of the Group's strategy.

The services covered by this agreement are:

- policy making and definition of the Group's strategic guidelines;
- help with drafting a business plan;
- contacts with management boards of major national and international client groups;
- internal and external development of the Group's business;
- support for acquisitions;
- corporate events and customer relations;
- assistance with recruiting senior managers;
- legal and tax consultancy services; and
- financial, accounting and management support.

For the year ended September 30, 2020 and for the six months ended March 31, 2021, DBG Finances invoiced Derichebourg for an amount of €1.3 million and €0.7 million under this agreement. These amounts were established according to a projected expenditure budget and covers in particular the compensation components paid by this company to Messrs. Daniel Derichebourg, Thomas Derichebourg, Boris Derichebourg and Abderrahmane El Aoufir.

Trademark licensing agreement

A trademark licensing agreement effective from March 1, 2009 for a fixed period of ten years was entered into between TBD Finances, which is controlled by the Derichebourg family, and the Issuer. This agreement, which governs the use of the Derichebourg trademark, enables the Group to develop its own clientele and increase its loyalty.

On December 4, 2018, the Board authorized the signing of a new agreement with the same conditions for another period of ten years starting March 1, 2019.

The amount of fees, after taking into account the update to an independent intellectual property expert's report, was set at 0.07% of the Environment division's consolidated revenue and 0.12% of the Multiservices division's consolidated revenue.

The fee under this contract for the fiscal year ended September 30, 2021 was €2.1 million.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following is a summary of the material terms of our principal financing arrangements, in addition to the Indenture, after giving effect to the offering. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the underlying documents. Capitalized terms used in the following summaries and not otherwise defined in this Listing Prospectus have the meanings ascribed to them in their respective agreements.

As of March 31, 2021, our principal financings consisted of the Syndicated Credit Facility Agreement, the Derichebourg Factoring Facility and the EIB Loan Agreement.

Syndicated Credit Facility Agreement

On March 19, 2020, the Issuer entered into a syndicated credit facility agreement with, *inter alios*, Banque Européenne du Crédit Mutuel as agent (the "**Syndicated Credit Facility Agreement**"), providing for a term loan of €240.0 million (the "**Syndicated Term Loan Facility**") and a €100.0 million revolving credit facility (the "**Syndicated Revolving Credit Facility**" and together with the Syndicated Term Loan Facility, the "**Syndicated Credit Facilities**"). The Syndicated Credit Facilities are unguaranteed and unsecured. As of March 31, 2021, €210.0 million was outstanding under the Syndicated Term Loan Facility and no amounts had been drawn on the Syndicated Revolving Credit Facility.

The Syndicated Credit Facility Agreement was entered into for a five-year term, and we may exercise an option to extend the Syndicated Credit Facility Agreement for one year, provided that such option may only be exercised twice.

The Syndicated Term Loan is subject to an annual amortizing payment of €30 million, with a final payment of €120 million if it the Syndicated Term Loan matures on the fifth anniversary of the Syndicated Credit Facility Agreement, €90 million if it matures on the sixth anniversary and €60 million if it matures on the seventh anniversary.

The amounts drawn on the Syndicated Credit Facilities bear interest at a rate equal to EURIBOR, plus a margin which is adjusted periodically based on a ratio of consolidated net financial indebtedness to consolidated EBITDA.

Early repayment obligations – Event of default

The Syndicated Credit Facility Agreement allows the lenders to require early repayment of the entire amount due, should a majority of the lenders request it, following the occurrence of certain common default events, particularly where an event has a significant adverse effect on the business or the financial situation of the Group, or on the ability of the Group to service its debt.

A change of control or delisting of the Group's shares would constitute an event warranting mandatory early repayment.

In addition, the Syndicated Credit Facility Agreement provides for an obligation to make early partial repayment of the sums due in the event of a capital increase, the issuance of shares giving access to capital or debt securities (if its maturity precedes that of the Syndicated Credit Facilities).

Covenants

The Syndicated Credit Facility Agreement also includes covenants that could theoretically limit the ability of Group companies to do the following without the lenders' consent:

- to incur additional debt;
- to grant securities and guarantees;
- to undertake mergers, demergers or restructurings;
- to undertake certain acquisitions, beyond a certain threshold;
- to make investments over the course of a given company fiscal year that exceed a cap set by the agreement;
- to sell assets or equity interests, subject to certain exceptions; and

- to redeem and/or reduce their share capital, subject to certain exceptions.

The Syndicated Credit Facility Agreement also contains commitments requiring the subscription and maintenance of insurance policies in line with practices generally accepted in the businesses of the Group.

Financial Covenant

The Syndicated Credit Facility Agreement also includes a financial covenant requiring us to maintain:

- a leverage ratio of consolidated net financial debt to consolidated EBITDA of less than 3.0x on each calculation date and over a rolling 12-month period ending on each calculation date; and
- a debt service coverage ratio of consolidated cash flow before debt service to net financial expenses of greater than 5.0x on each calculation date and over a rolling 12-month period ending on each calculation date.

We have obtained a waiver from the lenders under the Syndicated Credit Facility Agreement in anticipation of the Transactions, which included, among other things, a temporary adjustment to each of the above ratio tests. For the first testing date after the Acquisition Completion Date, the maximum leverage ratio has been set at 3.75x and the minimum debt service coverage ratio has been set at 4.0x. For the second testing date after the Acquisition Completion Date, the maximum leverage ratio has been set at 3.5x and the minimum debt service coverage ratio has been set at 4.5x. For the third testing date after the Acquisition Completion Date and onward, the tests revert to the initial levels described above.

Derichebourg Factoring Facility

We are party to a factoring facility made available to certain members of the Group by Crédit Agricole Leasing & Factoring pursuant to a master agreement dated July 31, 2019, as amended from time to time, and receivables purchase agreements entered into by certain members of the Group and Crédit Agricole Leasing & Factoring (the "**Derichebourg Factoring Facility**"). Pursuant to the Derichebourg Factoring Facility, certain eligible receivables of our French, Belgian, German and Italian Environmental Services and Multiservices businesses may be sold to the factor. The receivables covered by this agreement correspond to deliveries made or services rendered to private customers or to French public sector customers. This agreement was entered into for an initial term expiring on December 31, 2021 and has been extended to December 31, 2022. We periodically extend the term of the agreement for one-year increments and are currently in discussions to do so.

The factor is co-insured with the Group by two different credit insurers. They are responsible for paying out any compensation under the credit insurance policy. Interest is deducted when the receivable is sold based on the average contractual payment terms. Each time receivables are sold, receivables approved by the credit insurer (after deduction of any outstanding receivables previously sold without recourse to the Group) are sold without recourse to the Group. Other receivables are sold with recourse to the Group.

The maximum amount of receivables that may be purchased under the Derichebourg Factoring Facility is €300.0 million. As of March 31, 2021, €248.8 million of factored receivables were considered as off-balance sheet liabilities as they were subject to non-recourse factoring. As of March 31, 2021, we recorded an on-balance sheet factoring liability of €46.7 million.

EIB Loan

On July 19, 2019, the Issuer entered into an agreement with the European Investment Bank (the "**EIB Loan Agreement**") providing for a term loan of €130.0 million (the "**EIB Loan**"). The EIB Loan was drawn to finance, in part, the Group's investment program for the period from 2019 to 2022. As of March 31, 2021, €130.0 million was outstanding under the EIB Loan.

The EIB Loan is unguaranteed and unsecured, has a 12-year maturity, amortizes in ten equal installments after an initial grace period of two years, and bears interest at a rate of 1.13% per annum.

The terms of the EIB Loan Agreement are similar to those of the Syndicated Credit Facility Agreement, including the financial maintenance covenants of the Syndicated Credit Facility Agreement. The EIB Loan Agreement includes notably a commitment to rank the EIB Loan on a *pari passu* basis with the Group's other lenders, and a commitment to inform the European Investment Bank if a new loan agreement comprises stricter clauses, so it can assess whether it needs to amend the EIB Loan Agreement (a so-called "most favored nation clause").

We have obtained a waiver from the EIB in anticipation of the Transactions. The scope of the waiver is substantially similar to that of the waiver obtained from the lenders under the Syndicated Credit Facility Agreement.

Finance Leases

We party to various finance leases with respect to the equipment used in our business. As of March 31, 2021, our finance leases were recorded as a liability on our balance sheet of €146.0 million.

Bilateral Medium / Long-Term Loans

As of March 31, 2021, we and our subsidiaries were party to €103.8 million of outstanding bilateral medium and long-term loans, of which €51 million was outstanding under loans at the level of the Issuer's subsidiaries. As of March 31, 2021, these loans bore interest at rates between 0.48% and 4.08%, with certain loans bearing variable interest rates determined on the basis of EURIBOR. These loans have maturities ranging from October 2021 to June 2030. The loans are unsecured and unguaranteed. For a detailed presentation of our principal credit lines, see Note 4.11.1.4 to the Group Unaudited Interim Financial Statements included elsewhere in this Listing Prospectus.

DESCRIPTION OF THE NOTES

In this "*Description of the Notes*," the term "**Issuer**" refers only to Derichebourg S.A., a *société anonyme* (limited liability corporation) organized under the laws of France, and not to any of its Subsidiaries (as defined hereafter). The term "**Notes**," unless the context requires otherwise, also refers to "**Book-Entry Interests**" in the Notes, as defined herein. The definitions of certain other terms used in this description are set forth throughout the text or under "*—Certain Definitions*."

The Issuer will issue €300,000,000 aggregate principal amount of 2.250% Senior Notes due 2028 (the "**Notes**") under an indenture dated as of June 24, 2021 (the "**Indenture**") among, *inter alios*, the Issuer, Citibank, N.A., London Branch as trustee (the "**Trustee**"), paying agent, transfer agent and registrar, in private transactions that are not subject to the registration requirements of the Securities Act. The terms of the Notes include those set forth in the Indenture.

The Indenture is unlimited in aggregate principal amount, of which €300,000,000 aggregate principal amount of Notes will be issued in this Offering (the "**Initial Notes**"). We may in the future, subject to applicable law, issue an unlimited principal amount of Additional Notes (as defined below). We will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture. The Notes and any Additional Notes will be treated as a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise provided for in the Indenture.

Pending consummation of the Acquisition and the satisfaction of certain other conditions as described below, the Initial Purchasers will, on the Issue Date, deposit the gross proceeds of the Notes into an escrow account (the "**Escrow Account**") pursuant to the terms of an escrow agreement (the "**Escrow Agreement**") dated as of the Issue Date among the Issuer, the Trustee and Citibank, N.A., London Branch as escrow agent (the "**Escrow Agent**"). If the Acquisition is not consummated on or prior to April 30, 2022 (the "**Escrow Longstop Date**"), the Notes will be redeemed at a price equal to 100% of the initial issue price of the Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date to, but excluding, the Special Mandatory Redemption Date. See "*—Escrow of Proceeds; Special Mandatory Redemption*".

The following description is a summary of the material terms of the Notes and the Indenture. It does not, however, restate the Notes and the Indenture in their entirety and where reference is made to a particular provision of the Notes or the Indenture, such reference, including the definitions of certain terms, is qualified in its entirety by reference to all of the provisions of the Notes and the Indenture. You should read the Notes and the Indenture because they contain additional information and because they and not this description define your rights as a Holder of the Notes. Copies of the Indenture may be obtained from the Issuer at the address indicated under "*Listing and General Information*." The Indenture is not qualified under, does not incorporate provisions by reference to, and is not otherwise subject to, the U. S. Trust Indenture Act of 1939, as amended, including Section 316(b) thereof.

Application has been made to list the Notes on the Official List of the Exchange and to admit the Notes to trading on the Euro MTF market thereof. See "*—Payments on the Notes; Paying Agent, Transfer Agent and Registrar*".

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Each reference to a legal entity herein shall be deemed to include such entity's successor in interest, unless the context requires otherwise.

Brief Description of the Structure and Ranking of the Notes

The Notes

The Notes:

(a) will be the Issuer's general senior obligations, secured by the Escrow Charge from the Issue Date to the Release (as defined below) and unsecured thereafter;

(b) will mature on July 15, 2028;

(c) will rank *pari passu* in right of payment with all of the Issuer's existing and future unsecured obligations that are not expressly contractually subordinated in right of payment to the Notes;

(d) will rank senior in right of payment to any existing and future obligations of the Issuer that are expressly subordinated in right of payment to the Notes;

(e) will be effectively subordinated to any existing and future secured obligations of the Issuer, to the extent of the value of the property and assets securing such obligations, unless such property or assets also secure the Notes on an equal and ratable or senior basis;

(f) will be structurally subordinated to all existing and future obligations of Subsidiaries of the Issuer that do not provide Guarantees; and

(g) will be unguaranteed on the Issue Date.

General

The Issuer is a holding company and is accordingly dependent on cash flows from its Subsidiaries to meet its obligations under the Notes. See "*Risk Factors—Risks Related to the Notes—The Issuer is a holding company dependent on cash flow from its subsidiaries to meet its obligations under the Notes.*"

As of and for the twelve months ended March 30, 2021, the Issuer represented a *de minimis* percentage of the Recurring EBITDA and revenue of the Issuer and its consolidated subsidiaries, and 50% of the assets of the Issuer and its consolidated subsidiaries. As of March 31, 2021, on a *pro forma* basis giving effect to the Transactions, the Issuer's direct and indirect subsidiaries, none of which will guarantee the Notes on the Issue Date or the Completion Date, would have had outstanding indebtedness in the amount of €395 million.

The Notes are effectively subordinated in right of payment to all Debt and other liabilities and commitments (including trade payables and lease obligations) of the Issuer's Subsidiaries that are not Guarantors. Any right of the Issuer to receive assets of any of its Subsidiaries upon the Subsidiary's liquidation or reorganization (and the consequent right of the Holders to participate in those assets) will be effectively subordinated to the claims of that Subsidiary's creditors, except to the extent that the Issuer is itself recognized as a creditor of the Subsidiary subject to any mandatory legal subordination, in which case the claims of the Issuer would still be subordinated in right of payment to any security over the assets of the Subsidiary and any Debt of the Subsidiary senior to that held by the Issuer.

As at the Issue Date, all of the Issuer's Subsidiaries will be "Restricted Subsidiaries." Under the circumstances described below under "*—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*," the Issuer will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." Unrestricted Subsidiaries of the Issuer will not be subject to the restrictive covenants in the Indenture.

Although the Indenture contains limitations on the amount of additional Debt that the Issuer and its Restricted Subsidiaries may incur, the amount of such additional Debt could be substantial. The Indenture will permit additional Debt to be secured.

Principal, Maturity and Interest

The Notes will mature on July 15, 2028 unless redeemed prior thereto as described herein. The redemption price at maturity will be 100.0% of the principal amount. The Issuer will issue the Notes in the aggregate principal amount of €300,000,000. Each Note will bear interest at a rate per annum of 2.250% and interest will be payable semi-annually in arrear on January 15 and July 15 of each year, commencing on January 15, 2022. Interest will be payable to Holders of record on each Note in respect of the principal amount thereof outstanding as at the Clearing System Business Day immediately preceding the payment date, as the case may be; however, owners of beneficial interests in the Notes must rely on the procedures of Euroclear or Clearstream, as applicable. See "*Risk Factors—Risks Related to the Notes—The Notes will initially be held in book-entry form and therefore you must rely on the procedures of Euroclear and Clearstream to exercise any rights and remedies*." If the due date for any payment in respect of the Notes is not a Business Day at the place where such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of such delay. The rights of Holders in beneficial interest of the Notes to receive the payments on such Notes are subject to applicable procedures of Euroclear and/or Clearstream.

Interest on the Notes will accrue from, and including, the original issuance date or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months on the aggregate principal amount outstanding.

From time to time, subject to the Issuer's compliance with the covenants contained in the Indenture, including the covenants restricting the incurrence of Debt (as described below under "*—Certain Covenants—Limitation on Debt*"), the Issuer is permitted to issue one or more series of additional Notes, which shall have terms substantially identical to the Notes except in respect of any of the following terms which shall be set forth in an Officer's Certificate supplied to the Trustee (the "**Additional Notes**"):

(a) the title of such Additional Notes;

(b) the aggregate principal amount of such Additional Notes;

(c) the date or dates on which such Additional Notes will be issued;

(d) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of Holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(e) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(f) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(g) if other than denominations of €100,000 and in integral multiples of €1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed; and

(h) the ISIN, Common Code or other securities identification numbers with respect to such Additional Notes.

At the Issuer's election, Additional Notes may be established in one or more supplemental indentures to the Indenture in lieu of an Officer's Certificate under this provision. Such Additional Notes will be treated, along with all other series of Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series, except as otherwise provided for in the Indenture. Unless the context otherwise requires, for all purposes of the Indenture and this "*Description of the Notes*," references to "**Notes**" shall be deemed to include references to the Initial Notes as well as any Additional Notes. Additional Notes may also be designated to be of the same series as the Initial Notes, and references to the "**Notes**" shall be deemed to refer to the Initial Notes as well as any Additional Notes; *provided, that* if any Additional Notes are not fungible with the Notes for U.S. federal income tax purposes, they will be assigned a different ISIN, Common Code or other securities identification number than the Notes.

Transfer and Exchange

The Notes will be issued in the form of one or more registered notes in global form without interest coupons, as follows:

- Each series of Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**144A Global Notes**").
- The 144A Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.
- Each series of Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Notes**" and, together with the 144A Global Notes, the "**Global Notes**").
- The Regulation S Global Notes will, on the Issue Date, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("**Book-Entry Interests**") will be limited to Persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "*Notice to Investors*." In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under the Indenture or under applicable law with respect to any transfer of any interest in any note other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, the Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Book-Entry Interests in the 144A Global Notes may be transferred to a Person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Regulation S Book-Entry Interests may be transferred to a Person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a Person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to Investors*" and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount and integral multiples of €1,000 in excess thereof upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Board of Directors or an Officer of the Issuer to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "*Notice to Investors*."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, as applicable, to furnish certain certificates and opinions, and to pay any taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of such Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of such Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Notes; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer (as defined under "*—Certain Covenants —Change of Control*") or an Asset Sale (as defined under "*—Certain Covenants—Limitation on Asset Sales*").

The Issuer, the Trustee, any Paying Agent, the Registrar and the Transfer Agent will be entitled to treat the Holder as the owner of it for all purposes.

Payments on the Notes; Paying Agent, Transfer Agent and Registrar

The Issuer will make all payments, including principal of, premium, if any, and interest on the Notes, at its office or through its agent in London, England that it will maintain for these purposes. Initially, that agent will be Citibank, N.A., London Branch (the "**Paying Agent**"). The Issuer may change the Paying Agent without prior notice to the Holders. The Issuer will make all payments in same-day funds.

The Issuer will also maintain a registrar (the "**Registrar**") and a transfer agent (the "**Transfer Agent**"). The initial Registrar and Transfer Agent will be Citibank, N.A., London Branch. The Registrar will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and together with the Transfer Agent, will facilitate transfers of the Notes on behalf of the Issuer. A register of the Notes shall be left at the registered office of the Issuer. In case of inconsistency between the register of Notes kept by the Registrar and the one kept by the Issuer at its registered office, the register kept by the Registrar shall prevail.

Upon prior written notice to the Trustee, the Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders of such Notes. However, for so long as they are admitted to trading on the Euro MTF market of the Exchange and the rules and regulations thereof so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent to the extent and in the manner permitted by such rules and regulations. In addition, for so long as any Notes are represented by Global Notes, such notices to Holders of the Notes may be delivered by or on behalf of the Issuer to Euroclear and Clearstream.

Holders will not be responsible for any service charge for any registration of transfer, exchange or redemption of the Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection with any such registration of transfer or exchange.

Additional Amounts

All payments made under or with respect to the Notes or a Guarantee will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, levies, imposts, assessments or similar governmental charges of whatever nature, including penalties, interest and other liabilities thereto (collectively, "**Taxes**") imposed or levied by or on behalf of France or any jurisdiction in which the Issuer or a Guarantor is organized, engaged in business for tax purposes or resident for tax purposes, or from or through which payment by or on behalf of the Issuer or any Guarantor on the Notes or any Guarantee is made, or any political subdivision or authority thereof or therein, having the power to tax (each, a "**Relevant Taxing Jurisdiction**"), unless the withholding or deduction of such Taxes is required by law. In the event that the Issuer or a Guarantor is required to so withhold or deduct any amount for or on account of any such Taxes imposed or levied by or on behalf of a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes or a Guarantee, the Issuer or a Guarantor, as the case may be, will pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received in respect of such payments by each Holder after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will be not less than the amount that would have been received in respect of such payments if such Taxes had not been required to be withheld or deducted.

Notwithstanding the foregoing, neither the Issuer nor any Guarantor will pay Additional Amounts to a Holder of any Note in respect or on account of:

(a) any Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of a present or former connection of the Holder or beneficial owner (in the case of a Note held in global form, only if such beneficial owner is reasonably identifiable) with such Relevant Taxing Jurisdiction (including, but not limited to, citizenship, nationality, residence, domicile, or existence of a business, a permanent establishment, a place of business or a place of management present or deemed present within the Relevant Taxing Jurisdiction) other than the mere receipt or holding of any Note or by reason of the receipt of payments thereunder or the exercise or enforcement of rights under such Note, any Guarantee or the Indenture;

(b) any Taxes that are imposed or withheld by reason of the failure of the Holder or beneficial owner (in the case of a Note held in global form, only if such beneficial owner is reasonably identifiable) of any Note, to comply with the Issuer's written request addressed to the Holder, providing at least 30 calendar days' notice before any such withholding or deduction would be payable, to satisfy any certification, identification, information or other reporting requirements concerning nationality, residence, identity or connection with the Relevant Taxing Jurisdiction which the Holder or such beneficial owner is legally required to satisfy, whether imposed by statute, treaty, regulation or administrative practice, in each such case by the Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the Holder or beneficial owner is not resident in the Relevant Taxing Jurisdiction), provided that the relevant Holder or beneficial owner is legally entitled to satisfy such requirements;

(c) any estate, inheritance, gift, sales, personal property, transfer or similar Taxes;

(d) any Tax that is payable other than by deduction or withholding from payments made under or with respect to any Note or Guarantee;

(e) any Tax which would not have been so imposed but for the presentation (where presentation is required in order to receive payment) by the Holder for payment on a date more than 30 days after the date on which such payment becomes due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting the same for payment on any day (including the last day) within such 30-day period;

(f) any withholding or deduction required to be made from a payment pursuant to Sections 1471–1474 of the U. S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any similar law or regulation adopted pursuant to an intergovernmental agreement between a non-U. S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to Section 1471(b)(1) of the Code; or

(g) any Tax imposed on or with respect to any payment by the Issuer or the relevant Guarantor to the Holder or beneficial owner (in the case of a Note held in global form, only if such beneficial owner is reasonably identifiable) if such Holder or beneficial owner is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that Taxes would have been excluded had the relevant beneficial owner been the Holder of the Note.

In addition, Additional Amounts will not be payable with respect to any Taxes that are imposed in respect of any combination of the above items.

The Issuer or any Guarantor will also make or cause to be made such withholding or deduction of Taxes and remit the full amount of Taxes so deducted or withheld to the relevant taxing authority in accordance with all applicable laws. The Issuer or the relevant Guarantor will, upon request, make available to the Holders, as soon as reasonably practicable, certified copies of tax receipts evidencing such payment by the Issuer or such Guarantor, as the case may be, or if, notwithstanding the Issuer's or the Guarantor's reasonable efforts to obtain such receipts, the same are not obtainable, other evidence reasonably satisfactory to the Trustee of such payment by the Issuer or the Guarantor.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Issuer or a Guarantor will be obliged to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 45th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), the Issuer or a Guarantor will deliver to the Trustee and the Paying Agent an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and setting forth such other information as is necessary to enable the Trustee or Paying Agent to pay such Additional Amounts to the Holders on the payment date. The Trustee and the Paying Agent shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

In addition, the Issuer or any Guarantor will pay (i) any present or future stamp, issue, registration, transfer, documentation, court, excise or other similar taxes, charges and duties, including interest or penalties with respect thereto imposed or levied by any Relevant Taxing Jurisdiction, in respect of the execution, issue, delivery or registration of, or receipt of payments with respect to the Notes, the Indenture or a Guarantee, or any other document or instrument referred to thereunder (other than transfers of the Notes following the initial resale of the Notes by the Initial Purchasers) (limited, solely in the case of taxes attributable to the receipt of any payments with respect to the Notes, the Indenture or a Guarantee, to any such Taxes imposed in a Relevant Taxing Jurisdiction that are not excluded under clauses (a) through (c) and (e) through (g)); and (ii) any such taxes, charges or duties imposed by any jurisdiction as a result of, or in connection with, the enforcement of the Notes, any Guarantee or the Indenture or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes.

The foregoing provisions will survive any termination, defeasance or discharge of the Indenture, any transfer by a Holder or beneficial owner of its Notes, and will apply *mutatis mutandis* to any jurisdiction in which any Surviving Entity (as defined below) or successor person to the Issuer or a Guarantor is organized, engaged in business or resident for tax purposes, or any jurisdiction from or through which such Person makes any payment on the Notes or any Guarantee, or any political subdivision or authority thereof or therein, having the power to tax.

Whenever in the Indenture or this "*Description of the Notes*" there is mentioned, in any context, the payment of principal (and premiums, if any), redemption price, interest or any other amount payable under or with respect to any Note (including payments made pursuant to any Guarantee), such mention will be deemed to include mention of the payment of Additional Amounts thereon.

Escrow of Proceeds; Special Mandatory Redemption

Concurrently with the issuance of the Notes on the Issue Date, the Issuer will enter into the Escrow Agreement with the Trustee and the Escrow Agent, pursuant to which the Issuer will procure that the Initial Purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of the offering of the Notes into the Escrow Account. The Issuer will assign and charge its beneficial and any other right to and interest in the Escrowed Property (as defined below) to the Trustee for the benefit of itself and the holders of the Notes as secured parties under an escrow charge dated the Issue Date between the Issuer and the Trustee (the "**Escrow Charge**"). The

initial funds deposited in the Escrow Account and any additional amounts deposited pursuant to the Escrow Agreement and the proceeds (including income) of any such deposits, less any amounts released pursuant to the terms thereof shall constitute and are referred to, collectively, as the "**Escrowed Property**".

In order to cause the Escrow Agent to release the Escrowed Property held in the Escrow Account to the Issuer (the "**Release**"), the Escrow Agent and the Trustee shall have received from the Issuer, at a time that is on or before the Escrow Longstop Date, an Officer's Certificate, upon which both the Escrow Agent and the Trustee shall rely conclusively, without further investigation, to the effect that:

(1) within one Business Day after the Release, the Acquisition will be consummated on the terms set forth in the Acquisition Agreement, except for any changes, waivers or other modifications that are not, individually or when taken as a whole, materially adverse to the holders of the Notes (as determined by the Issuer in good faith);

(2) after consummation of the Acquisition, the Issuer will own, directly or indirectly, 100% of the share capital of GEH; and

(3) as of the date of the Release, no Event of Default as to the Issuer described in clause (h) of the first paragraph of "*Events of Default*" shall have occurred and in any case be continuing.

The Release shall occur promptly upon the satisfaction of the conditions set forth above. Upon the Release, the Escrow Account shall be reduced to zero, and the Escrowed Property shall be released in accordance with the Escrow Agreement.

In the event that (a) the Completion Date does not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the Issuer, the Acquisition will not be consummated by the Escrow Longstop Date, (c) the Acquisition Agreement terminates at any time prior to the Escrow Longstop Date, or (d) an insolvency-related Default or Event of Default with respect to the Issuer occurs on or prior to the Escrow Longstop Date (the date of any such event being the "**Special Termination Date**"), the Issuer will redeem all of the Notes (the "**Special Mandatory Redemption**") at a price (the "**Special Mandatory Redemption Price**") equal to 100% of the aggregate issue price of Notes, plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to, but excluding, the Special Mandatory Redemption Date (as defined below) (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Holders, the Trustee and the Escrow Agent, and will provide that the Notes shall be redeemed on a date that is no later than five and no fewer than two Business Days after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the "**Special Mandatory Redemption Date**"). On the Special Mandatory Redemption Date provided the Escrow Account is sufficiently funded, the Escrow Agent shall pay firstly to the Paying Agent for payment to each Holder the Special Mandatory Redemption Price or such Holder's Notes and, secondly, deliver any excess Escrowed Property (if any) to the Issuer (or as directed by the Issuer).

In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the Escrowed Property, the Issuer will be required to fund any additional amount due, including but not limited to, the accrued and unpaid interest, and Additional Amounts, if any, to, but excluding the Special Mandatory Redemption Date, owing to the holders of the Notes. To secure the payment of the Special Mandatory Redemption Price, the Issuer will grant to the Trustee for the benefit of the Holders of the Notes a security interest over the Escrow Account. Receipt by the Trustee of either an Officer's Certificate for the release or a notice of Special Mandatory Redemption (provided funds sufficient to pay the Special Mandatory Redemption Price are in the Escrow Account) shall constitute deemed consent by the Trustee for the release of the Escrowed Property from the Escrow Charge.

If at the time of such Special Mandatory Redemption the Notes are admitted to trading on the Euro MTF market of the Exchange and the thereof so require, the Issuer will notify the Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

Optional Redemption

General

Any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, without limitation, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering and, in the case of a redemption of the Notes, the incurrence of indebtedness the proceeds of which will be used to redeem the Notes). In addition, if such redemption or notice is

subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied *provided, however*, that, in any case such redemption date shall not be more than 60 days from the date on which such notice to holders of the Notes is first given, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

We understand that, under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis by way of pool factor, in accordance with the rules and procedure of Euroclear and Clearstream (as applicable) or on such other basis as they deem fair and appropriate, *provided, however*, that no ownership of interests in the Global Note of less than €100,000 principal amount at maturity, or less, may be redeemed in part. None of the Trustee, the Paying Agent or the Registrar shall be liable for any selection made under this paragraph. If any Definitive Registered Note is to be redeemed in part only, the notice of redemption relating to that Definitive Registered Note will state the portion of the principal amount thereof to be redeemed. A new Definitive Registered Note in principal amount equal to the unredeemed portion thereof will be issued and delivered in the name of the Holder thereof upon cancellation of the original Definitive Registered Note.

Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portion thereof called for redemption on the applicable redemption date. Any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent.

If the optional redemption date is on or after an interest payment record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

If a redemption date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such redemption date if it were a Business Day for the intervening period.

The Issuer may provide in any notice of redemption that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person.

Notwithstanding the foregoing, in connection with any tender offer for the Notes, including a Change of Control Offer or Excess Proceeds Offer, if Holders of Notes of not less than 90% in aggregate principal amount of the applicable outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases, all of the Notes validly tendered and not withdrawn by such Holders, all of the Holders of Notes will be deemed to have consented to such tender offer, and accordingly the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice to Holders of the Notes, given not more than 30 days following such tender offer expiration date, to redeem the Notes that remain outstanding in whole, but not in part, following such tender offer at a price equal to the price offered to each other Holder of Notes (excluding any early tender or incentive fee) in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, such redemption date.

Optional Redemption prior to July 15, 2024 upon Equity Offering

At any time prior to July 15, 2024, upon not less than 10 nor more than 60 days' notice to holders of the Notes, the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of Notes that were initially issued under the Indenture (calculated after giving effect to the issuance of any Additional Notes) at a redemption price of 102.250% of their principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, with the net proceeds from one or more Equity Offerings. The Issuer may only do this, however, if:

(a) at least 60% of the aggregate principal amount of Notes that were initially issued (calculated after giving effect to the issuance of any Additional Notes) would remain outstanding immediately after the proposed redemption; and

(b) the redemption occurs within 180 days after the closing of such Equity Offering.

Optional Redemption prior to July 15, 2024

At any time prior to July 15, 2024, upon not less than 10 nor more than 60 days' notice to holders of the Notes, the Issuer may also redeem all or part of the Notes at a redemption price equal to 100% of the principal amount

thereof plus the Applicable Redemption Premium and accrued and unpaid interest and Additional Amounts, if any, to the redemption date.

Optional Redemption on or after July 15, 2024

At any time on or after July 15, 2024 and prior to maturity, upon not less than 10 nor more than 60 days' notice to holders of the Notes, the Issuer may redeem all or part of the Notes. These redemptions will be in amounts of €100,000 or integral multiples of €1,000 in excess thereof at the following redemption prices (expressed as percentages of their principal amount at maturity), plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date, if redeemed during the 12-month period beginning July 15 in each of the years set forth below:

Year	**Redemption Price**
2024	101.125%
2025	100.5625%
2026 and thereafter	100.000%

Redemption Upon Changes in Withholding Taxes

The Issuer may, at its option, redeem the Notes, in whole but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon, if any, to (but not including) the redemption date and all Additional Amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise (subject to the right of Holders on the relevant record date to receive interest due on an interest payment date that is prior to the redemption date and Additional Amounts, if any, in respect thereof), if the Issuer determines in good faith that the Issuer or a Guarantor is or, on the next date on which any amount would be payable in respect of the Notes, would be obliged to pay Additional Amounts (as defined above under "—*Additional Amounts*") in respect of the Notes or any Guarantee pursuant to the terms and conditions thereof, which the Issuer or any Guarantor cannot avoid by the use of reasonable measures available to it (including making payment through a paying agent located in another jurisdiction and, in the case of a Guarantor, making the payment giving rise to such requirement by the Issuer or another Guarantor who would not be obligated to pay Additional Amounts if payments through the Issuer or another Guarantor would be reasonable), as a result of:

(a) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction (as defined above under "—*Additional Amounts*") affecting taxation which has not been publicly announced before and which is enacted or issued and becomes effective on or after the date of the Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the Indenture, on or after the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Indenture; or

(b) any change in the official application, administration, or interpretation of the laws, treaties, regulations or rulings of any Relevant Taxing Jurisdiction (including a holding, judgment or order by a court of competent jurisdiction), which change has not been publicly announced before and which becomes effective on or after the date of the Indenture or, if the Relevant Taxing Jurisdiction has changed since the date of the Indenture, on or after the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Indenture (each of the foregoing clauses (a) and (b), a "**Change in Tax Law**").

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 60 days prior to the earliest date on which the Issuer or a Guarantor would be obliged to make such payment of Additional Amounts or withholding if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, mailing of any notice of redemption pursuant to the foregoing, the Issuer will deliver to the Trustee:

(a) an Officer's Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred (including that such obligation to pay such Additional Amounts cannot be avoided by the Issuer or Guarantor taking reasonable measures available to it); and

(b) an opinion of independent tax counsel of recognized standing, qualified under the laws of the Relevant Taxing Jurisdiction and reasonably satisfactory to the Trustee to the effect that the Issuer or a Guarantor,

as the case may be, is or would be obliged to pay such Additional Amounts as a result of a Change in Tax Law.

The Trustee will accept, and is entitled to rely on, such Officer's Certificate and opinion as sufficient evidence, without further enquiry, of the satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the Holders.

The foregoing provisions will apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Indenture, with respect to a Change in Tax Law occurring after the time such successor person becomes a party to the Indenture.

Notice of Optional Redemption

If the Issuer effects an optional redemption of the Notes, it will, for so long as the Notes are admitted to trading on the Euro MTF market of the Exchange and the rules thereof so require, inform the Exchange of such optional redemption and confirm the aggregate principal amount of the Notes that will remain outstanding immediately after such redemption. For Notes which are represented by Global Notes, notices may be given by delivery of the relevant notices to Euroclear and Clearstream for communication to entitled account Holders in substitution for the aforesaid mailing. The Notes will be selected in accordance with the methods described under "*—Optional Redemption—General*."

Mandatory Redemption; Offers to Purchase; Open Market Purchases

Except as described under "*—Escrow of Proceeds; Special Mandatory Redemption*", the Issuer will not be required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions "*—Certain Covenants—Change of Control*" and "*—Certain Covenants—Limitation on Asset Sales*." The Issuer and its Restricted Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise, at such price and on such terms as it sees fit.

Certain Covenants

The Indenture will contain, among others, the following covenants.

Limitation on Debt

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, create, issue, incur, assume, guarantee or in any manner become directly or indirectly liable with respect to or otherwise become responsible for, contingently or otherwise, the payment of (individually and collectively, to "**Incur**" or, as appropriate, an "**Incurrence**"), any Debt (including any Acquired Debt); *provided*, that the Issuer and any of its Restricted Subsidiaries will be permitted to Incur Debt (including Acquired Debt) if on the date on which such additional Debt is Incurred the Fixed Charge Coverage Ratio for the Issuer's two most recent consecutive fiscal semi-annual periods for which internal consolidated financial statements are available prior to the date of determination, and after giving effect to the Incurrence of such Debt and the application of the proceeds thereof, on a *pro forma* basis, would have been at least 2.0 to 1.0.

(2) This "*Limitation on Debt*" covenant will not, however, prohibit the Incurrence by the Issuer and its Restricted Subsidiaries of the following (collectively, "**Permitted Debt**"):

(a) the Incurrence of Debt under Credit Facilities in an aggregate principal amount at any one time outstanding not to exceed an amount equal to the sum of (i) the greater of €460.0 million and 18.5% of Total Assets Incurred by the Issuer and any of its Restricted Subsidiaries, plus (ii) in the case of any refinancing of any Debt permitted under this clause, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(b) (i) the Incurrence by the Issuer of Debt represented by the Notes (other than any Additional Notes) and (ii) the Incurrence of Debt by a Guarantor pursuant to its Guarantee (other than a Guarantee of any Additional Notes);

(c) any Debt outstanding or committed (i) on the Issue Date, in the case of the Issuer or any of its Restricted Subsidiaries, and (ii) on the Completion Date, in the case of the Target Group, in each case after giving effect to Transactions (other than Debt described in clauses (a), (b) or (z) of this paragraph (2));

(d) the Incurrence by the Issuer or any Restricted Subsidiary of intercompany Debt between the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; *provided* that:

(i) if the Issuer or a Guarantor is the obligor on any such Debt and the lender of such Debt is not the Issuer or a Guarantor, it is unsecured and expressly subordinated in right of payment to the prior payment in full in cash (whether upon Stated Maturity, acceleration or otherwise) and the performance in full of its obligations under the Notes or the Guarantee, as the case may be; and

(ii) (x) any disposition, pledge or transfer of any such Debt to any Person (other than a disposition, pledge or transfer to the Issuer or a Restricted Subsidiary) and (y) any transaction pursuant to which any Restricted Subsidiary that has Debt owing from the Issuer or another Restricted Subsidiary ceases to be a Restricted Subsidiary, will, in each case, be deemed to be an Incurrence of such Debt not permitted by this clause (d);

(e) (i) guarantees by the Issuer or any Restricted Subsidiary of Debt of the Issuer or any Restricted Subsidiary, in each case so long as the Incurrence of such Debt is permitted or not otherwise prohibited under the terms of the Indenture; *provided* that such guarantee is Incurred in accordance with the covenant described under "*—Limitations on Guarantees of Debt*"; or

(ii) without limiting the covenant described under "*—Limitation on Liens*," Debt arising by reason of any Lien granted by or applicable to such Person securing Debt of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Debt is permitted or not otherwise prohibited under the terms of the Indenture;

(f) the Incurrence by the Issuer or any Restricted Subsidiary of Debt represented by Capitalized Lease Obligations, mortgage financings, purchase money obligations or other Debt Incurred or assumed in connection with the acquisition, lease, rental or development and improvement of real or personal, movable or immovable, property or assets, in each case, Incurred for the purpose of financing or refinancing all or any part of the purchase price, lease expense or cost of design, construction, installation or improvement of property, plant, equipment or other assets used or useful in the Issuer's or any Restricted Subsidiary's business (each, a "**Productive Asset Financing**") (including any reasonable related fees or expenses Incurred in connection with such acquisition, lease, rental or development); *provided* that the principal amount of such Debt so Incurred when aggregated with such other Debt previously Incurred in reliance on this clause (f) and still outstanding shall not in the aggregate exceed the greater of €25.0 million and 1.0% of Total Assets;

(g) the Incurrence by the Issuer or any Restricted Subsidiary of Debt arising from agreements providing for guarantees, indemnities or obligations in respect of earnouts or other purchase price adjustments or similar obligations in connection with the acquisition or disposition of assets, including, without limitation, shares of Capital Stock, other than guarantees or similar credit support given by the Issuer or any Restricted Subsidiary of Debt Incurred by any Person acquiring all or any portion of such assets for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Debt permitted pursuant to this clause (g) will at no time exceed the gross proceeds, including non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value), actually received from the sale of such assets;

(h) the Incurrence by the Issuer or any Restricted Subsidiary of Debt under Hedging Agreements entered into in the ordinary course of business and not for speculative purposes;

(i) the Incurrence by the Issuer or any Restricted Subsidiary of Debt in respect of workers' compensation and claims arising under similar legislation, or pursuant to self-insurance obligations, and not in connection with the borrowing of money or the obtaining of advances or credit;

(j) Debt owed on a short-term basis of no longer than 30 days to banks and other financial institutions Incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries;

(k) the Incurrence of Debt by the Issuer or any Restricted Subsidiary arising from (i) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided* that such Debt is extinguished within 30 business days of Incurrence, (ii) bankers' acceptances, performance, surety, judgment, appeal, indemnity, advance payment, customs, VAT or other tax or other guarantees or other similar bonds,

instruments or obligations and (iii) completion, advance payment or customs guarantees provided or letters of credit or similar instruments obtained by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(l) the Incurrence by the Issuer or any Restricted Subsidiary of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to, refund, replace, refinance, defease or discharge Debt Incurred by it pursuant to, or described in, paragraphs (1), (2)(b), (2)(c), (2)(l) and (2)(t) of this "*Limitation on Debt*" covenant, as the case may be;

(m) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;

(n) Management Advances;

(o) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;

(p) without limiting the covenant described under "*—Limitation on Guarantees of Debt*," the guarantee by the Issuer or any Restricted Subsidiary of Debt that was permitted to be Incurred by another provision of this "*Limitation on Debt*" covenant; *provided* that if the Debt being guaranteed is subordinated to the Notes or is unsecured, then the guarantee shall be subordinated or unsecured to the same extent as the Debt guaranteed;

(q) without limiting the covenant described under "*—Limitation on Liens*," Debt arising by reason of any Lien granted by or applicable to such Person securing Debt of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Debt is not prohibited under the terms of the Indenture;

(r) Debt consisting of (i) the financing of insurance premiums, (ii) take or pay obligations or customary deferred payment arrangements contained in supply agreements or (iii) rental guarantees, in each case, in the ordinary course of business;

(s) guarantees of the obligations of Qualified Joint Ventures at any time outstanding not exceeding the greater of €50.0 million and 2.0% of Total Assets in aggregate principal amount;

(t) (A) the Incurrence of Debt of the Issuer or any Restricted Subsidiary to finance an acquisition or any merger or consolidation of any Person with or into the Issuer or any Restricted Subsidiary, or (B) Acquired Debt; *provided* that, in each case, on the date of such acquisition, merger or consolidation, after giving effect thereto, either (i) the Issuer would have been able to Incur at least €1.00 of additional Debt pursuant to paragraph (1) of this "*Limitation on Debt*" covenant or (ii) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect thereto;

(u) Debt of the Issuer or any Restricted Subsidiary relating to any VAT liabilities or deferral taxes or other similar liabilities, taxes or obligations of the Issuer or any Restricted Subsidiary in other jurisdictions;

(v) any lease, concession, license or conveyance of property (or Guarantee thereof) which would be considered an operating lease under IFRS;

(w) any Contribution Debt; and

(x) the Incurrence of Debt by the Issuer or any Restricted Subsidiary (other than and in addition to Debt permitted under clauses (a) through (w), (y) and (z) of this paragraph (2)) in an aggregate principal amount, when taken together with the refinancing of any Debt originally Incurred under this clause (x), at any one time outstanding not to exceed the greater of €125 million and 5.0% of Total Assets;

(y) the Incurrence of Debt by the Issuer or a Restricted Subsidiary in respect of any Permitted Recourse Receivables Financing not to exceed the greater of €40.0 million and 1.5% of Total Assets; and

(z) Debt of the Issuer or any Restricted Subsidiary consisting of leases (including Capitalized Lease Obligations) or other obligations existing on the Issue Date or, in the case of the Target Group, the Completion Date or Incurred thereafter that would have been treated as operating leases under IAS 17 (Leases), as in effect on September 30, 2019, before the implementation of IFRS 16 (Leases).

(3) The amount of Consolidated Net Debt (excluding any Debt in respect of Capitalized Lease Obligations, Permitted Recourse Receivables Financings and short-term borrowings) Incurred by the Issuer's Restricted Subsidiaries that are not Guarantors, taken as a whole, shall not exceed at any one time outstanding 30.0% of the Consolidated Net Debt of the Issuer.

(4) For purposes of determining compliance with this "*Limitation on Debt*" covenant, in the event that an item of Debt meets the criteria of more than one of the categories of Permitted Debt described in clauses (a) through (z) of paragraph (2) above, or is entitled to be Incurred pursuant to paragraph (1) of this "*Limitation on Debt*" covenant, the Issuer will be permitted to classify such item of Debt on the date of its Incurrence in any manner that complies with this "*Limitation on Debt*" covenant. In addition, from time to time any item of Debt initially classified as Incurred pursuant to one of the categories of Permitted Debt described in clauses (a) through (z) of paragraph (2) above, or entitled to be Incurred pursuant to paragraph (1) of this "*Limitation on Debt*" covenant, may later be reclassified by the Issuer such that it will be deemed as having been Incurred pursuant to such new clause of paragraph (2) or paragraph (1) of this "*Limitation on Debt*" covenant to the extent that such reclassified Debt could be Incurred pursuant to such new clause of paragraph (2) or paragraph (1) of this "*Limitation on Debt*" covenant at the time of such reclassification. Notwithstanding the foregoing, Debt Incurred and outstanding on the Issue Date under the Syndicated Term Loan Facility and the Revolving Credit Facility will be deemed to have been Incurred on such date in reliance on the exception provided by clause (a)(i) of paragraph (2) above and may not be reclassified. Debt permitted by this covenant need not be permitted solely by reference to one provision permitting such Debt but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Debt.

(5) For purposes of determining compliance with any restriction on the Incurrence of Debt in euro where Debt is denominated in a different currency, the amount of such Debt will be the Euro Equivalent determined on the date of such determination; *provided* that if any such Debt denominated in a different currency is subject to a Currency Agreement (with respect to euro) covering principal amounts payable on such Debt, the amount of such Debt expressed in euro will be adjusted to take into account the effect of such agreement. The principal amount of any Permitted Refinancing Debt Incurred in the same currency as the Debt being refinanced will be the Euro Equivalent, or the relevant amount in any such currency, of the Debt being refinanced determined on the date such Debt being refinanced was initially Incurred. Notwithstanding any other provision of this "*Limitation on Debt*" covenant, for purposes of determining compliance with this "*Limitation on Debt*" covenant, increases in Debt solely due to fluctuations in the exchange rates of currencies will not be deemed to exceed the maximum amount that the Issuer or a Restricted Subsidiary may Incur under this "*Limitation on Debt*" covenant.

(6) For purposes of determining any particular amount of Debt under this "*Limitation on Debt*" covenant:

(a) obligations in the form of letters of credit, guarantees, Liens, bankers' acceptance or other similar instrument or obligation, in each case supporting Debt otherwise included in the determination of such particular amount will not be included;

(b) any Liens granted pursuant to the equal and ratable provisions referred to in the "*Limitation on Liens*" covenant will not be treated as Debt;

(c) accrual of interest, accrual of dividends, the accretion or amortization of original issue discount or of accreted value, the obligation to pay commitment fees and the payment of interest or dividends in the form of additional Debt, will not, in any case, be treated as Debt; and

(d) notwithstanding anything in this covenant to the contrary, in the case of any Debt Incurred to refinance Debt initially Incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of Total Assets at the time of Incurrence, if such refinancing would cause the percentage of Total Assets restriction to be exceeded if calculated based on the percentage of Total Assets on the date of such refinancing, such percentage of Total Assets restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Debt does not exceed the principal amount of such Debt being refinanced, plus premiums (including tender premiums), defeasance, costs and fees in connection with such refinancing.

Limitation on Restricted Payments

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, take any of the following actions (each of which is a "**Restricted Payment**" and which are collectively referred to as "**Restricted Payments**"):

(a) declare or pay any dividend on or make any distribution (whether made in cash, securities or other property) with respect to any of the Issuer's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger, consolidation, amalgamation or other combination involving the Issuer or any Restricted Subsidiary) (other than to the Issuer or any Restricted Subsidiary) except for dividends or distributions payable solely in shares of the Issuer's

Qualified Capital Stock or in options, warrants or other rights to acquire such shares of Qualified Capital Stock or in Subordinated Shareholder Debt;

(b) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger, consolidation, amalgamation or other combination), directly or indirectly, any shares of the Issuer's Capital Stock or any Capital Stock of a Holding Company of the Issuer held by persons other than the Issuer or a Restricted Subsidiary or any options, warrants or other rights to acquire such shares of Capital Stock;

(c) make any principal payment on, or repurchase, redeem, defease or otherwise acquire or retire for value, prior to any scheduled principal payment, sinking fund payment or Stated Maturity, any Subordinated Debt (other than (i) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal instalment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (ii) intercompany Debt between the Issuer and any Restricted Subsidiary or among Restricted Subsidiaries);

(d) make any payment (whether of principal, interest or other amounts) on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than any payment of interest thereon in the form of additional Subordinated Shareholder Debt); or

(e) make any Restricted Investment in any Person.

If any Restricted Payment described above is not made in cash, the amount of the proposed Restricted Payment will be the Fair Market Value of the asset to be transferred as at the date of transfer.

(2) Notwithstanding paragraph (1) above, the Issuer or any Restricted Subsidiary may make a Restricted Payment if, at the time of and after giving *pro forma* effect to such proposed Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing;

(b) the Issuer could Incur at least €1.00 of additional Debt pursuant to the ratio set forth in paragraph (1) of the "*Limitation on Debt*" covenant; and

(c) the aggregate amount of all Restricted Payments declared or made after the Issue Date, and after giving effect to any reductions required by paragraph (4) below, does not exceed the sum of:

(i) 50% of aggregate Consolidated Net Income on a cumulative basis during the period beginning on April 1, 2021 and ending on the last day of the Issuer's most recent fiscal semi-annual period ending prior to the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Net Income shall be a negative number, minus 100% of such negative amount); plus

(ii) 100% of the aggregate Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer after the Issue Date as equity capital contributions or from the issuance or sale (other than to any Subsidiary) of shares of the Issuer's Qualified Capital Stock (including upon the exercise of options, warrants or rights) or warrants, options or rights to purchase shares of the Issuer's Qualified Capital Stock (except, in each case to the extent such proceeds are used to purchase, redeem or otherwise retire Capital Stock or Subordinated Debt as set forth in clauses (d) or (e) of paragraph (3) below) (excluding (x) any Contribution Amounts and (y) the Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received from the issuance of the Issuer's Qualified Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any Subsidiary until and to the extent such borrowing is repaid); plus

(iii) (x) the amount by which the Issuer's Debt or Debt of any Restricted Subsidiary is reduced on the Issuer's consolidated balance sheet after the Issue Date upon the conversion or exchange (other than by a Subsidiary) of such Debt into the Issuer's Qualified Capital Stock and (y) the aggregate Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received after the Issue Date by the Issuer from the issuance or sale (other than to any Subsidiary) of Redeemable Capital Stock that has been converted into or exchanged for the Issuer's Qualified Capital Stock, to the extent such Redeemable Capital Stock was originally sold for cash or Cash Equivalents, together with, in the case of both clauses (x) and (y), the aggregate Net Cash Proceeds and the Fair Market Value of property or assets or marketable securities received by the Issuer at the time of such conversion or exchange (excluding the Net Cash Proceeds from the issuance of the Issuer's Qualified

Capital Stock financed, directly or indirectly, using funds borrowed from the Issuer or any Subsidiary until and to the extent such borrowing is repaid); plus

(iv) (x) repurchases, redemptions or other acquisitions or retirements of any Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Issuer or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Issuer or any Restricted Subsidiary, less the cost of the disposition of such Investment and net of taxes, (y) if such Investment constituted a guarantee, an amount equal to the amount of such guarantee upon the full and unconditional release of such guarantee and (z) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary (as long as the designation of such Subsidiary as an Unrestricted Subsidiary was deemed a Restricted Payment), the Fair Market Value of the Issuer's interest in such Subsidiary; plus

(v) in the event that the Issuer or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, an amount equal to the Fair Market Value of the Issuer's or such Restricted Subsidiary's existing interest in such Person that was previously treated as a Restricted Payment.

(3) Notwithstanding paragraphs (1) and (2) above, the Issuer and any Restricted Subsidiary may take the following actions; *provided* that solely with respect to clauses (n), (o) and (r) below, no Default or Event of Default has occurred and is continuing:

(a) the payment of any dividend or the consummation of any redemption within 90 days after the date of its declaration or giving of notice of redemption, as applicable, if at such date of its declaration or giving of notice of redemption, as applicable, such payment would have been permitted by the provisions of this "*Limitation on Restricted Payments*" covenant;

(b) cash payments in lieu of issuing fractional shares pursuant to the exchange or conversion of any exchangeable or convertible securities;

(c) any payments made as part of the Transactions;

(d) the repurchase, redemption or other acquisition or retirement for value of any shares of the Issuer's Capital Stock or options, warrants or other rights to acquire such Capital Stock in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of a substantially concurrent issuance and sale (other than to a Subsidiary) of, shares of the Issuer's Qualified Capital Stock or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Debt (excluding any Contribution Amounts);

(e) the prepayment, repayment, purchase, repurchase, redemption, defeasance or other acquisition or retirement for value or payment of principal of any Subordinated Debt in exchange for, or out of the Net Cash Proceeds of the issuance and sale (other than to a Subsidiary) of, shares of the Issuer's Qualified Capital Stock or Subordinated Shareholder Debt;

(f) the prepayment, repayment, purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Debt (other than Redeemable Capital Stock) in exchange for, or out of the Net Cash Proceeds of the Incurrence (other than to a Subsidiary) of, Permitted Refinancing Debt;

(g) the declaration or payment of any dividend or distribution to holders of Capital Stock of a Restricted Subsidiary on a *pro rata* basis or on a basis that results in the receipt by the Issuer or a Restricted Subsidiary of dividends or distributions of greater value than the Issuer or such Restricted Subsidiary would receive on a *pro rata* basis;

(h) the repurchase of Capital Stock deemed to occur upon the exercise of stock options with respect to which payment of the cash exercise price has been forgiven if the cumulative aggregate value of such deemed repurchases does not exceed the cumulative aggregate amount of the exercise price of such options received;

(i) the declaration and payment of dividends to holders of any class or series of Redeemable Capital Stock issued in accordance with the "*Limitation on Debt*" covenant;

(j) the purchase, repurchase, redemption, retirement or other acquisition for value of Capital Stock deemed to occur upon the exercise of stock options, warrants or other securities, if such Capital Stock represents a portion of the exercise price of such options, warrants or other securities;

(k) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Debt of the Issuer or any of its Restricted Subsidiaries pursuant to provisions similar to those described under "—*Change of Control*;" *provided* that all Notes validly tendered by Holders in connection with a Change of Control Offer have been repurchased, redeemed or acquired for value, as applicable;

(l) the purchase, repurchase, redemption, acquisition or retirement of Subordinated Debt of the Issuer or any Restricted Subsidiary with any Excess Proceeds remaining after consummation of an Excess Proceeds Offer pursuant to the covenant described under "—*Limitation on Asset Sales*;"

(m) [*reserved*];

(n) any Restricted Payment; *provided* that the total aggregate amount of Restricted Payments made under this clause (n) does not exceed the greater of €125.0 million and 5% of Total Assets;

(o) any Restricted Payment; *provided* that the Consolidated Net Leverage Ratio would not be greater than 1.75 to 1.00 on a *pro forma* basis after giving effect to such Restricted Payment;

(p) payments pursuant to any Tax Sharing Agreement or arrangement among the Issuer and its Subsidiaries and other Persons with which the Issuer or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Issuer or any of its Restricted Subsidiaries is a part of a group for tax purposes; *provided, however*, that such payments will not exceed the amount of tax that the Issuer and its Subsidiaries, whichever is included in the relevant consolidated or group return, would owe on a standalone basis and the related tax liabilities of such Issuer and Subsidiaries, as the case may be, are relieved by the payment of such amounts to a relevant taxing authority;

(q) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Debt owed to, the Issuer or a Restricted Subsidiary by Unrestricted Subsidiaries;

(r) any Restricted Payment; *provided* that the total aggregate amount of Restricted Payments made under this clause (r) does not exceed €20.0 million in any fiscal year; and

(s) payment of any Receivables Fees and purchases of receivables and other assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing.

(4) The actions described in clauses (a), (n), (o) and (r) of paragraph (3) above are Restricted Payments that will be permitted to be made in accordance with paragraph (3) but that will reduce the amount that would otherwise be available for Restricted Payments under clause (c) of paragraph (2) above.

(5) In the event an item meets the criteria of more than one category of Permitted Investment and/or Restricted Payment, as applicable, the Issuer in its sole discretion, may classify any Permitted Investment or other Restricted Payment as being made in part under one of the clauses or sub-clauses of this covenant (or, in the case of any Permitted Investment, the clauses or sub-clauses of Permitted Investments) and in part under one or more other such clauses or sub-clauses.

Limitation on Transactions with Affiliates

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets or property or the rendering of any service), with, or for the benefit of, any Affiliate of the Issuer or any other Restricted Subsidiary having a value greater than €10.0 million, unless such transaction or series of transactions is entered into in good faith and:

(a) such transaction or series of transactions is on terms that, taken as a whole, are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could have been obtained in a comparable arm's-length transaction (as determined in good faith by the Issuer) with a Person that is not an Affiliate; and

(b) with respect to any transaction or series of related transactions involving aggregate payments or the transfer of assets or the provision of services, in each case having a value greater than €25.0 million, the Issuer will deliver a resolution of its Board of Directors (attached to an Officer's Certificate to the Trustee) resolving that such transaction complies with clause (a) above and that the fairness of

such transaction has been approved by a majority of the Disinterested Members, if any, of the Board of Directors.

(2) Notwithstanding the foregoing, the restrictions set forth in this description will not apply to:

(a) reasonable directors' fees, indemnities and similar arrangements (including the payment of directors' and officers' insurance premiums), consulting and advisory fees, employee compensation, employee and director bonuses, directorship, employment or consulting agreements and arrangements, collective bargaining agreements, employee benefit arrangements, including vacation, health, insurance, deferred compensation, severance, retirement, savings or other similar plans, programs or arrangements or legal fees payable to any current or former employee, officer or director as long as the Issuer's Board of Directors has approved the terms thereof and deemed the services performed or thereafter to be performed for amounts to be fair consideration therefor;

(b) Permitted Investments (other than pursuant to clause (c)(iii), (q) or (u) of the definition thereof) and any Restricted Payment not prohibited by the "*Limitation on Restricted Payments*" covenant;

(c) any Management Advances and any waiver or transaction with respect thereto;

(d) agreements, instruments and arrangements existing on the Issue Date, with respect to the Issuer and its Restricted Subsidiaries, and on the Completion Date, with respect to the Target Group, and any amendment, extension, renewal, refinancing, modification or supplement thereto and any payments or transaction in relation thereto; *provided* that any such amendment, extension, renewal, refinancing, modification or supplement to the terms thereof is not more disadvantageous (as determined in good faith by the Issuer), taken as a whole, to the Holders of the Notes and to the Issuer and its Restricted Subsidiaries, as applicable, in any material respect than the original agreement or arrangement as in effect on the Issue Date or the Completion Date, as applicable;

(e) the issuance of securities or other payments, awards or grants in cash, securities or similar transfers pursuant to, or for the purpose of the funding of, directorship, employment or consulting arrangements, stock options, stock ownership plans and other similar arrangements, as long as the terms thereof are or have been previously approved by the Issuer's Board of Directors;

(f) the granting and performance of registration rights for the Issuer's securities;

(g) transactions between or among the Issuer and the Restricted Subsidiaries or between or among Restricted Subsidiaries;

(h) any issuance of Capital Stock (other than Redeemable Capital Stock) of the Issuer or options, warrants or other rights to acquire such Capital Stock (other than Redeemable Capital Stock);

(i) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries or of any member of the Target Group of its obligations under the terms of, any stockholders agreement (including any registration rights agreement or purchase agreement relating thereto) to which it is a party as at the Issue Date (with respect to the Issuer and its Restricted Subsidiaries) or the Completion Date (with respect to the Target Group) and any similar agreements which it may enter into thereafter; *provided, however*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of, obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date (or, with respect to the Target Group, after the Completion Date) shall only be permitted by this clause (i) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous in any material respect (as determined in good faith by the Issuer) to the Holders of the Notes when taken as a whole;

(j) transactions with a Person that is an Affiliate of the Issuer or any Restricted Subsidiary solely (x) because the Issuer or a Restricted Subsidiary owns Capital Stock in such Person, (y) because the Issuer or a Restricted Subsidiary has the right to designate one or more members of the Board of Directors or similar governing body of such Person, or (z) as a result of both such ownership of Capital Stock and such right to so designate;

(k) transactions with customers, clients, suppliers, cooperative members or purchasers or sellers of goods or services, in each case in the ordinary course of business;

(l) the execution of, delivery of and performance under any Tax Sharing Agreement; and

(m) any transaction effected as part of a Qualified Receivables Financing or Permitted Recourse Receivables Financing; and

(n) the Transactions.

Limitation on Liens

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or permit to exist any Lien on any of its property or assets, whether owned on the date of the Indenture or thereafter acquired, securing any Debt of the Issuer or any Restricted Subsidiary (the "**Initial Lien**"), unless (i) such Lien is a Permitted Lien or (ii) contemporaneously therewith effective provision is made to secure the Notes and the Indenture or, in respect of Liens on property or assets of any Guarantor, such Guarantee thereof, equally and ratably with (or, in the case of Subordinated Debt of the Issuer or a Guarantor on a senior basis to) such Debt for so long as such Debt is so secured by such Initial Lien.

(2) Any such Lien created as a result of this covenant "*Limitation on Liens*" in favor of the Notes or any such Guarantee will be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien to which it relates.

(3) With respect to any Lien securing Debt that was permitted to secure such Debt at the time of the Incurrence of such Debt, such Lien shall also be permitted to secure any Increased Amount of such Debt. The "**Increased Amount**" of any Debt shall mean any increase in the amount of such Debt in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Debt with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Debt outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Debt.

Change of Control

(1) If a Change of Control occurs at any time, the Issuer will make an offer (a "**Change of Control Offer**") to each Holder of Notes to purchase such Holder's Notes, in whole or in part, in a principal amount of €100,000 or in integral multiples of €1,000 in excess thereof at a purchase price (the "**Change of Control Purchase Price**") in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase (the "**Change of Control Purchase Date**").

(2) Within 30 days following any Change of Control, the Issuer will send notice of the Change of Control Offer by first-class mail, with a copy to the Trustee, Registrar and each Paying Agent, to each Holder of Notes appearing in the security register on such date, which notice will state:

(a) that a Change of Control has occurred and the date it occurred;

(b) the circumstances and relevant facts regarding such Change of Control;

(c) the Change of Control Purchase Price and the Change of Control Purchase Date, which will be a business day no earlier than 10 days nor later than 60 days after the date such notice is mailed, or such later date as is necessary to comply with any requirements under the Exchange Act or any other applicable securities laws or regulations;

(d) that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest after the Change of Control Purchase Date unless the Change of Control Purchase Price is not paid on such date;

(e) that any Note or part thereof not tendered will continue to accrue interest; and

(f) any other procedures that a Holder of Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

(3) Upon receipt by the Trustee from the Issuer of an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control, the Trustee will promptly authenticate and deliver a new Note or Notes in a principal amount equal to any unpurchased portion of Notes surrendered, if any, to the Holder of Notes in global form or to each Holder of certificated Notes; *provided* that each such new Note will be in a principal amount of €100,000 or in integral multiples of €1,000 in excess thereof. The Issuer will publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

(4) The Issuer will not be required to make a Change of Control Offer following a Change of Control if (i) the Notes have been irrevocably and unconditionally called for redemption as described under "*—Optional Redemption*" or (ii) a third party has made, and not terminated, a tender offer for all of the Notes in the manner and at the times applicable to a Change of Control Offer, at a tender offer purchase price in cash equal to at least 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid

interest, if any, and such third party purchases all of the Notes validly tendered and not withdrawn under such tender offer. No Note will be purchased in part if less than €100,000 in original principal amount of such Note would remain outstanding following such purchase.

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The Issuer and any Guarantor will comply with the applicable tender offer rules, including Rule 14e-l under the Exchange Act, and any other applicable securities laws and regulations in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer and each Guarantor will comply with such applicable securities laws and regulations and will not be deemed to have breached their obligations under the Indenture by virtue of such conflict.

The occurrence of certain events that would constitute a Change of Control could constitute a default under the Group's existing debt. The Issuer's future debt and the future debt of its Subsidiaries, may also contain provisions that, if certain events occur, would require such debt to be repurchased. In addition, the exercise by the Holders of the Notes of their right to require a repurchase of the Notes upon a Change of Control could cause a default under existing debt and any such future debt, even if the Change of Control itself does not, due to the possible financial effect on the Issuer or any Guarantors of such repurchase. Not all business combinations or acquisitions of us by third parties would necessarily result in a Change of Control and may not result in a Change of Control Offer to Holders of the Notes. The provisions of the Indenture will not give Holders the right to require the repurchase of the Notes in the event of certain transactions including a reorganization, restructuring, merger or similar transaction that may adversely affect Holders of the Notes, if such transaction is not a transaction defined as a Change of Control. Any such transaction, however, would have to comply with the applicable provisions of the Indenture, including those described under *"—Certain Covenants—Limitation on Debt*." The existence, however, of a Holder of the Notes' right to require the Issuer to repurchase such Holder's Notes upon a Change of Control may deter a third party from acquiring the Issuer or any of its Subsidiaries if such acquisition would constitute a Change of Control.

If a Change of Control Offer is made, the Issuer will not be able to provide any assurance that it will have available funds sufficient to pay the Change of Control Purchase Price for all the Notes that might be delivered by Holders of the Notes seeking to accept the Change of Control Offer. Even if sufficient funds were available, the terms of any other debt of the Issuer and its Subsidiaries may prohibit the repurchase of the Notes prior to their scheduled maturity. If the Issuer were not able to prepay any debt containing any such restrictions, or obtain requisite consents, the Issuer would be unable to fulfil its repurchase obligations to Holders of Notes who accept the Change of Control Offer. If a Change of Control Offer was not made or consummated or the Change of Control Purchase Price was not paid when due, such failure would result in an Event of Default and would give the Trustee and the Holders of the Notes the rights described under *"—Events of Default*." An Event of Default under the Indenture unless waived, would result in a cross-default under certain of the financing arrangements described under "*Description of Certain Other Indebtedness*".

The definition of "Change of Control" includes a disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries to any Person. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of such phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and the Restricted Subsidiaries. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Notes may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes following a Change of Control may be waived or modified with the prior written consent of the Holders of a majority in principal amount of the Notes. See "*—Amendments and Waivers*" below.

Limitation on Asset Sales

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

(a) the consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) the Issuer or such Restricted Subsidiary receives for such Asset Sale is not less than the Fair Market Value of the assets sold (as determined in good faith by the Issuer, and the Issuer's determination (including the Board of Directors' determination, as applicable) will be conclusive (as to the value of any and all non-cash consideration));

(b) except in the case of a Permitted Asset Swap, at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Sale consists of:

(i) cash (including any Net Cash Proceeds received from the conversion to cash within 180 days of such Asset Sale of securities, notes or other obligations received in consideration of such Asset Sale);

(ii) Cash Equivalents (including any Net Cash Proceeds received from the conversion to cash or Cash Equivalents within 180 days of such Asset Sale of securities, notes or other obligations received in consideration of such Asset Sale);

(iii) the assumption by the purchaser of (x) the Issuer's Debt or Debt of any Restricted Subsidiary (other than Subordinated Debt) as a result of which neither the Issuer nor any of the Restricted Subsidiaries remains obliged in respect of such Debt or (y) Debt of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if the Issuer and each other Restricted Subsidiary is released from the Guarantee of such Debt as a result of such Asset Sale;

(iv) Replacement Assets;

(v) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale; *provided* that the aggregate Fair Market Value of such Designated Non-cash Consideration, taken together with the Fair Market Value at the time of receipt of all other Designated Non-cash Consideration received pursuant to this clause (v), less the amount of Net Cash Proceeds previously realized in cash from prior Designated Non-cash Consideration does not exceed (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value) the greater of €50.0 million and 2.0% of Total Assets; or

(vi) a combination of the consideration specified in clauses (i) through (v); and

(c) the Issuer delivers an Officer's Certificate to the Trustee certifying that such Asset Sale complies with the provisions described in the foregoing clauses (a) and (b).

(2) If the Issuer or any Restricted Subsidiary consummates an Asset Sale, the Net Cash Proceeds of the Asset Sale, within 365 days of the receipt of the Net Cash Proceeds of such Asset Sale (or the Issuer or any such Restricted Subsidiary may enter into a binding commitment to so use; *provided* that such Net Cash Proceeds are so used within 180 days after the expiration of the aforementioned 365 day period), may be used by the Issuer or such Restricted Subsidiary to:

(a) to prepay, redeem, repay or purchase any Debt of the Issuer or any Restricted Subsidiary that is not Subordinated Debt (including the Notes) or (in the case of letters of credit, bankers' acceptances or other similar instruments constituting Debt that is not Subordinated Debt) cash collateralize any such Debt (in each case other than Debt owed to the Issuer or a Restricted Subsidiary) and, if the Debt prepaid, redeemed or repaid is revolving credit Debt, to correspondingly reduce commitments with respect thereto (except that no such reduction will be required to the extent that such Debt would, immediately after giving effect to such prepayment, repayment, repurchase or redemption, have been capable of being reincurred under the first paragraph of the covenant described under "*Certain Covenants—Limitation on Debt*");

(b) to invest in any Replacement Assets or make capital expenditures (including by means of capital expenditure by, or an investment in Replacement Assets by, a Restricted Subsidiary with an amount equal to some or all of the Net Cash Proceeds received by the Issuer or another Restricted Subsidiary); or

(c) do any combination of the foregoing.

The amount of such Net Cash Proceeds actually received by the Issuer or any Restricted Subsidiary but not so used as set forth in this paragraph (2) constitutes "**Excess Proceeds**." Pending the final application of any such Net Cash Proceeds, the Issuer may temporarily reduce revolving credit borrowings or otherwise use such Net Cash Proceeds in any manner that is not prohibited by the terms of the Indenture.

(3) When the aggregate amount of Excess Proceeds exceeds the greater of €50 million and 2.0% of Total Assets, the Issuer will, within 30 Business Days, make an offer to purchase (an "**Excess Proceeds Offer**") from all Holders of Notes and, at the Issuer's election, from the holders of any *Pari Passu* Debt, to the extent required by the terms thereof, on a *pro rata* basis, in accordance with the procedures set forth in the

Indenture or the agreements governing any such *Pari Passu* Debt, the maximum principal amount, in the case of the Notes (expressed as a minimum amount of €100,000 and integral multiples of €1,000 in excess thereof) of the Notes and any such *Pari Passu* Debt that may be purchased with the amount of the Excess Proceeds. The offer price as to each Note and any such *Pari Passu* Debt will be payable in cash in an amount equal to (solely in the case of the Notes) 100% of the principal amount of such Note being repurchased and (solely in the case of *Pari Passu* Debt) no greater than 100% of the principal amount (or accreted value, as applicable) of such *Pari Passu* Debt being redeemed or repurchased, plus, in each case, accrued and unpaid interest, if any, to the date of purchase.

To the extent that the aggregate principal amount of Notes and any such *Pari Passu* Debt tendered pursuant to an Excess Proceeds Offer is less than the aggregate amount of Excess Proceeds, the Issuer may use the amount of such Excess Proceeds not used to purchase Notes and *Pari Passu* Debt for any purposes that are not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and any such *Pari Passu* Debt validly tendered and not withdrawn by holders thereof exceeds the aggregate amount of Excess Proceeds, the Notes and any such *Pari Passu* Debt to be purchased will be allocated on a *pro rata* basis (based upon the principal amount of Notes and the principal amount or accreted value of such *Pari Passu* Debt tendered by each holder). Upon completion of each such Excess Proceeds Offer, the amount of Excess Proceeds will be reset to zero.

(4) If the Issuer is obliged to make an Excess Proceeds Offer, the Issuer will purchase the Notes and *Pari Passu* Debt, at the option of the holders thereof, in whole or in part in a minimum amount of €100,000 and integral multiples of €1,000 in excess thereof on a date that is not earlier than 30 days and not later than 60 days from the date the notice of the Excess Proceeds Offer is given to such Holders, or such later date as may be required under the Exchange Act.

Pending the final application of any Net Cash Proceeds, the Issuer may temporarily reduce revolving credit borrowings or otherwise use the Net Cash Proceeds in any manner that is not prohibited by the Indenture.

If the Issuer is required to make an Excess Proceeds Offer, the Issuer will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws and regulations, including the requirements of any applicable securities exchange on which Notes are then listed. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this "*Limitation on Asset Sales*" covenant, the Issuer will comply with such securities laws and regulations and will not be deemed to have breached its obligations described in this "*Limitation on Asset Sales*" covenant by virtue thereof.

Limitation on Guarantees of Debt

(1) The Issuer will not permit any Restricted Subsidiary that is not a Guarantor, directly or indirectly, to guarantee, assume or in any other manner become liable for the payment of any Debt of the Issuer or any Guarantor outstanding under any Credit Facility Incurred under clause (2)(a) of the covenant described under "*—Limitation on Debt*" or any other Public Debt of the Issuer or any Guarantor (other than the Notes), unless such Restricted Subsidiary executes and delivers within five Business Days after such guarantee is Incurred a supplemental indenture to the Indenture providing for a Guarantee of payment of the Notes by such Restricted Subsidiary on the same terms as the guarantee of such other Debt; and with respect to the Guarantee of Subordinated Debt by such Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's Guarantee with respect to the Notes at least to the same extent as such Subordinated Debt is subordinated to the Notes. The Guarantee of payment of the Notes may contain limitations on such Guarantor's liability to the extent reasonably necessary (as determined in good faith by the Issuer) to recognize certain defenses generally available to guarantors or other considerations under applicable law or regulation.

(2) The provisions of the preceding paragraph will not be applicable to the Guarantee of any Restricted Subsidiary existing on the Issue Date or that existed at the time such Person became a Restricted Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary.

(3) Notwithstanding the foregoing, the Issuer will not be obligated to cause such Restricted Subsidiary to guarantee the Notes to the extent such Guarantee would reasonably be expected (as determined in good faith by the Issuer) to give rise to or result in (a) any conflict with or violation of applicable law, rule, regulation or order; (b) any risk of liability (civil, criminal, administrative or other) for the officers, directors, shareholders or partners of such Restricted Subsidiary; or (c) any cost, expense, liability or obligation (including with respect to any Taxes but excluding any reasonable guarantee or similar fee payable to the Issuer or any Restricted Subsidiary) other than reasonable expenses and other than reasonable

governmental expenses Incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to the first paragraph of this covenant undertaken in connection with, such Guarantee.

(4) The Guarantee of a Guarantor will be automatically and unconditionally released (and thereupon will terminate and be discharged and be of no further force and effect):

(a) upon the sale or disposition (including through merger, consolidation, amalgamation or other combination) or conveyance, transfer or lease of the Capital Stock, or all or substantially all of the assets, of that Guarantor to a Person that is not (either before or after giving effect to the transaction) the Issuer or a Restricted Subsidiary, if such sale or other disposition does not violate the covenants described under the caption "*—Certain Covenants—Limitation on Asset Sales*" or "*—Certain Covenants—Merger, Consolidation or Sale of Assets*";

(b) in connection with any sale or other disposition of the Capital Stock of that Guarantor (or Capital Stock of any Holding Company of such Guarantor (other than the Issuer)) (whether by direct sale or through a Holding Company) to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, if the sale or other disposition does not violate the provisions set forth below under "*—Certain Covenants—Limitation on Asset Sales*" and as a result of such disposition such Guarantor no longer qualifies as a Subsidiary of the Issuer;

(c) upon a defeasance or satisfaction and discharge of the Indenture that complies with the provisions under "*—Defeasance*" *or* "*—Satisfaction and Discharge*;"

(d) upon the designation by the Issuer of the Guarantor (or a Holding Company thereof) as an Unrestricted Subsidiary in compliance with the terms of the Indenture;

(e) upon the liquidation or dissolution of the Guarantor; *provided* that no Default or Event of Default has occurred and is continuing;

(f) upon repayment in full of the Notes;

(g) the implementation of a Permitted Reorganization;

(h) in the case of any Restricted Subsidiary that after the Issue Date is required to guarantee the Notes pursuant the first paragraph of this covenant, the release or discharge of the guarantee by such Restricted Subsidiary which resulted in the obligation to guarantee the Notes; or

(i) as described under "*—Amendments and Waivers*."

Upon any occurrence giving rise to a release of any Guarantee as specified above, the Trustee will execute, subject to the receipt of certain Officer's Certificates and an opinion of counsel, any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of the Guarantee. Neither the Issuer nor the Guarantors will be required to make a notation on the Notes to reflect the Guarantees or any such release, termination or discharge. Each of the releases and amendments set forth above shall be effected by the Trustee without any consent of the Holders or any other action or consent on the part of the Trustee.

Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

(a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits;

(b) pay any Debt owed to the Issuer or any other Restricted Subsidiary;

(c) make loans or advances to the Issuer or any other Restricted Subsidiary; or

(d) transfer any of its properties or assets to the Issuer or any other Restricted Subsidiary,

provided that (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (ii) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Debt Incurred by the Issuer or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

(2) The provisions of the "*Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries*" covenant described in paragraph (1) above will not apply to:

(a) encumbrances and restrictions imposed by the Notes and the Indenture;

(b) encumbrances or restrictions imposed by Debt permitted to be Incurred under Credit Facilities or any guarantee thereof in accordance with the "*Limitation on Debt*" covenant or pursuant to paragraph (2) of such "*Limitation on Debt*" covenant; *provided* that in the case of any such encumbrances or restrictions imposed under any Credit Facility, such encumbrances or restrictions taken as a whole are not materially less favorable to the Holders taken as a whole than those imposed by the Notes or any Credit Facility as at the Issue Date, with respect to the Issuer and its Restricted Subsidiaries, or the Completion Date, with respect to the Target Group (as determined in good faith by the Issuer);

(c) encumbrances or restrictions contained in any agreement or instrument in effect (i) with respect to the Issuer and its Restricted Subsidiaries, on the Issue Date and (ii) with respect to the Target Group, on the Completion Date;

(d) with respect to restrictions or encumbrances referred to in clause (1)(d) above, encumbrances and restrictions: (i) that restrict in a customary manner the subletting, assignment or transfer of any properties or assets that are subject to a lease, sublease, license, sublicense, conveyance or other similar agreement to which the Issuer or any Restricted Subsidiary is a party; or (ii) contained in operating leases for real property and restricting only the transfer of such real property upon the occurrence and during the continuance of a default in the payment of rent;

(e) encumbrances or restrictions contained in any agreement or other instrument of a Person or relating to assets acquired by the Issuer or any Restricted Subsidiary in effect at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(f) encumbrances or restrictions contained in contracts for sales of Capital Stock or assets permitted by the "*Limitation on Asset Sales*" covenant with respect to the assets or Capital Stock to be sold pursuant to such contract or in customary merger or acquisition agreements (or any option to enter into such contract) for the purchase or acquisition of Capital Stock or assets or any of the Issuer's Subsidiaries by another Person;

(g) encumbrances or restrictions imposed by applicable law or regulation or by governmental licenses, authorizations, concessions, franchises or permits;

(h) encumbrances or restrictions on cash or other deposits or net worth imposed by customers or suppliers or surety, insurance or bonding companies under contracts entered into the ordinary course of business;

(i) customary limitations on the distribution or disposition of assets or property of a Restricted Subsidiary in joint venture agreements, asset sale agreements, sale and leaseback agreements, shareholder agreements, stock sale agreements and other similar agreements entered into the ordinary course of business and in good faith; *provided* that:

(i) the encumbrance or restriction is not materially less favorable to the Holders taken as a whole than is customary in comparable agreements (as determined in good faith by the Issuer); and

(ii) the Issuer determines in good faith that any such encumbrance or restriction will not materially affect the ability of the Issuer or any Guarantor to make any principal or interest payments on the Notes;

(j) customary encumbrances or restrictions in connection with purchase money obligations, mortgage financings and Capitalized Lease Obligations for property acquired in the ordinary course of business;

(k) any encumbrance or restriction arising by reason of customary non-assignment or similar provisions in agreements;

(l) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Debt not prohibited from being Incurred after the Issue Date pursuant to the provisions of the covenant described under "*—Limitation on Debt*:" (i) if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders taken

as a whole than the encumbrances and restrictions contained in the Indenture (as determined in good faith by the Issuer); or (ii) if such encumbrance or restriction is not materially more disadvantageous to the Holders of the Notes than is customary in comparable financings (as determined in good faith by the Issuer);

(m) with respect to restrictions or encumbrances referred to in clause (1)(d) above, encumbrances or restrictions existing by reason of any Lien permitted under "*—Limitation on Liens*;"

(n) any encumbrance or restriction pursuant to any Hedging Agreements;

(o) any encumbrance or restriction pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easements agreements of the Issuer or any Restricted Subsidiary;

(p) any encumbrance or restriction that arises or is agreed to in the ordinary course of business and does not detract from the value of property or assets of the Issuer or any Restricted Subsidiary in any manner material to the Issuer or such Restricted Subsidiary (as determined in good faith by the Issuer);

(q) restrictions effected in connection with a Qualified Receivables Financing or Permitted Recourse Receivables Financing that, in the good faith determination by the Board of Directors or an Officer of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing or Permitted Recourse Receivables Financing; and

(r) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, extensions, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (q), or in this clause (r), of this paragraph (2); *provided* that such amendments, modifications, restatements, renewals, extension, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive (taken as a whole) with respect to such encumbrances or restrictions than those contained in the encumbrances or restrictions prior to such amendment, modification, restatement, renewal, extension, increase, supplement, refunding, replacement or refinancing.

Designation of Unrestricted and Restricted Subsidiaries

(1) The Issuer's Board of Directors may designate any Subsidiary (including newly acquired or newly established Subsidiaries) to cease to be a "Restricted Subsidiary" and instead to be an "Unrestricted Subsidiary" only if:

(a) no Default has occurred and is continuing at the time of or after giving effect to such designation;

(b) the Issuer would be permitted to make an Investment at the time of designation (assuming the effectiveness of such designation) pursuant to the "*Limitation on Restricted Payments*" covenant (and may classify such amount within its capacity to make Restricted Payments and ability to make payments that would otherwise be Restricted Payments under the "*Limitation on Restricted Payments*" covenant as it sees fit) in an amount equal to the greater of (i) the net book value of the Issuer's interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of the Issuer's interest in such Subsidiary (in each case, as determined by the Issuer in good faith); and

(c) the Issuer would be permitted under the Indenture to Incur at least €1.00 of additional Debt pursuant to the ratio set forth in paragraph (1) of the "*Limitation on Debt*" covenant at the time of such designation (assuming the effectiveness of such designation).

(2) In the event of any such designation, the Issuer will be deemed to have made an Investment constituting a Restricted Payment pursuant to the "*Limitation on Restricted Payments*" covenant for all purposes of the Indenture in an amount equal to the greater of (i) the net book value of the Issuer's interest in such Subsidiary calculated in accordance with IFRS or (ii) the Fair Market Value of the Issuer's interest in such Subsidiary (in each case, as determined by the Issuer in good faith), and may classify such amount within its capacity to make Restricted Payments and permissions to make payments that would otherwise be Restricted Payments under the "*Limitation on Restricted Payments*" covenant as it sees fit.

(3) The Issuer's Board of Directors may designate any Unrestricted Subsidiary as a Restricted Subsidiary:

(a) if no Default or Event of Default has occurred and is continuing at the time of, or will occur and be continuing after giving effect to, such designation; and

(b) unless such designated Unrestricted Subsidiary shall not have any Debt outstanding (other than Debt that would be Permitted Debt), immediately before and after giving effect to such proposed designation, and after giving *pro forma* effect to the Incurrence of any such Debt of such designated Unrestricted Subsidiary as if such Debt was Incurred on the date of its designation as a Restricted Subsidiary, the Issuer could Incur at least €1.00 of additional Debt pursuant to the ratio set forth in paragraph (1) of the "*Limitation on Debt*" covenant.

(4) Any such designation as an Unrestricted Subsidiary or Restricted Subsidiary by the Issuer's Board of Directors will be evidenced to the Trustee by filing a resolution of the Issuer's Board of Directors with the Trustee giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions, and giving the effective date of such designation. Any such filing with the Trustee must occur within 90 days after the end of the Issuer's fiscal semi-annual period in which such designation is made.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to maintain the listing of the Notes on the Official List of the Exchange for so long as the Notes are outstanding; *provided* that, if at any time the Issuer determines that it will not maintain such listing, it will obtain prior to the delisting of the Notes from the Official List of the Exchange, and thereafter use its commercially reasonable efforts to maintain, a listing of the Notes on another recognized stock exchange.

Reports

(1) So long as any Notes are outstanding, the Issuer will furnish to the Trustee:

(a) within 120 days following the end of each fiscal year beginning with the fiscal year ending September 30, 2021, annual reports containing the following information: (1) audited consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the two most recent fiscal years, including complete notes to such financial statements and the report of the independent auditors on the financial statements; (2) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources of the Issuer; (3) unaudited pro forma income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates (unless such pro forma financial information has been provided in a previous report pursuant to clause (b) or (c) below); provided that such pro forma financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financial information; (4) a description of the business of the Issuer; and (5) a description of management and shareholders, material debt instruments, material affiliate transactions, material risk factors and material subsequent events all in substantially the same form as presented in the Offering Memorandum; provided that the information in clause (5) may be provided in the notes to the audited financial statements;

(b) semi-annual financial information of the Issuer on a consolidated basis as of and for the period from the beginning of each year to the close of the first half period, together with comparable information for the corresponding period of the preceding year, and an operating and financial review of the financial statements, including a discussion of the results of operations, financial condition, and material changes in liquidity and financial resources of the Issuer within 90 days following the end of the fiscal half beginning with the fiscal half ending March 31, 2022;

(c) promptly after the occurrence of a material acquisition, disposition or restructuring, any change of the Chief Executive Officer or the Chief Financial Officer of the Issuer or a change in auditors of the Issuer or any other material event, a report containing a description of such event.

(2) No report need include separate financial statements for any Guarantors or non-Guarantor Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in the Offering Memorandum.

(3) At any time that any of the Issuer's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this

"*Reports*" covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the notes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer.

(4) For so long as it remains so listed, the Issuer will furnish to the Trustee such other information that the Issuer is required to make publicly available under the requirements of Euronext Paris as a result of having its ordinary shares admitted for trading on such exchange. Notwithstanding paragraph (1) of this covenant, for so long as the Issuer's ordinary shares are admitted for trading on Euronext Paris, upon the Issuer complying with the public reporting requirements of Euronext Paris, to the extent that such requirements include an obligation to prepare and make publicly available annual reports, information, documents and other reports, the Issuer will be deemed to have complied with the provisions contained in clauses (1)(a), (b) and (c) above.

(5) Notwithstanding the foregoing, the Issuer will be deemed to have provided such information to the Trustee, the Holders of the Notes and prospective purchasers of the Notes if such information referenced above in clauses (1)(a), (b) and (c) and (3) above has been posted on the Issuer's website.

Delivery of any information, documents and reports to the Trustee pursuant to this covenant is for informational purposes only and the Trustee's receipt of such information, documents and reports shall not constitute constructive notice of any information contained therein, including the Issuer's compliance with any of the covenants under the Indenture. The Trustee shall not be deemed to be responsible for monitoring the Issuer's website. All reports made pursuant to this covenant shall be made in, or translated to, the English language.

Statement as to Compliance

The Issuer will deliver to the Trustee no later than the date on which the Issuer is required to deliver annual reports pursuant to the covenant described under "*—Reports*" above, an Officer's Certificate stating that in the course of the performance by the relevant officers of their respective duties as an officer of the Issuer they would normally have knowledge of any Default or Event of Default and whether or not such officers know of any Default or Event of Default that occurred during such period and, if any, specifying such Default or Event of Default, its status and what action the Issuer is taking or proposes to take with respect thereto.

Merger, Consolidation or Sale of Assets

Issuer

(1) The Issuer will not, directly or indirectly, in a single transaction or through a series of transactions, merge, consolidate, amalgamate or otherwise combine with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of with respect to a demerger or division pursuant to which the Issuer would dispose of, all or substantially all of the Issuer's and the Restricted Subsidiaries' properties and assets, taken as a whole, to any other Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

(a) either: (i) the Issuer will be the continuing corporation; or (ii) the Person (if other than the Issuer) formed by or surviving any such merger, consolidation, amalgamation or other combination or to which such sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Issuer and the Restricted Subsidiaries, taken as a whole, has been made (the "**Successor Issuer**"):

(x) will be a corporation duly incorporated and validly existing under the laws of any member state of the European Union as at the Issue Date, the United States of America, any state thereof, or the District of Columbia, Canada or any province of Canada, Norway or Switzerland; and

(y) will expressly assume, by a supplemental indenture, an accession agreement or one or more other documents or instruments, each in a form reasonably satisfactory to the Trustee, the Issuer's obligations under the Notes and the Indenture;

(b) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (and treating any Debt of the Issuer, any Successor Issuer or any Restricted Subsidiary of such Successor Issuer Incurred in connection with or as a result of such transaction or series of transactions as having been Incurred by the Issuer, such Successor Issuer or any Restricted Subsidiary of such Successor Issuer at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(c) immediately after giving effect to such transaction or series of transactions on a *pro forma* basis (on the assumption that the transaction or series of transactions occurred on the first day of the semi-annual period immediately prior to the consummation of such transaction or series of transactions with the appropriate adjustments with respect to the transaction or series of transactions being included in such *pro forma* calculation), (i) the Issuer (or the Successor Issuer) could Incur at least €1.00 of additional Debt pursuant to the ratio set forth in paragraph (1) of the "*Limitation on Debt*" covenant or (ii) the Fixed Charge Coverage Ratio would not be lower than it was immediately prior to giving effect to such transaction; and

(d) the Issuer or the Successor Issuer has delivered to the Trustee an Officer's Certificate and an opinion of counsel in forms satisfactory to the Trustee, each stating that such merger, consolidation, amalgamation or other combination or sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Notes constitute legal, valid and binding obligations of the Issuer or the Successor Issuer, enforceable in accordance with their terms (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability).

(2) The Successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes and the Indenture, *provided, however*, that in the case of a lease of all or substantially all of the Issuer's assets, the Issuer will not be released from the obligation to pay the principal of, premium, if any, and interest, on the Notes.

(3) Nothing in the Indenture will prevent (i) any Restricted Subsidiary from consolidating with, merging into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary of the Issuer, *provided* the requirements of clauses (a)(x) and (d) of paragraph (1) above are satisfied, *mutatis mutandis*.

Guarantors

(1) Subject to the provisions described under "*—Guarantees—Release of the Guarantees*," no Guarantor will, directly or indirectly, in a single transaction or through a series of transactions, merge, consolidate, amalgamate or otherwise combine with or into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of with respect to a demerger or division pursuant to which such Guarantor will dispose of, all or substantially all of such Guarantor's properties and assets to any other Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

(a) either: (i) such Guarantor is the surviving corporation, or (ii) the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation organized or existing under the laws of any member state of the European Union as at the Issue Date, the United Kingdom, the United States of America, any state thereof, or the District of Columbia, Canada or any province of Canada, Norway or Switzerland (such Guarantor or such Person, as the case may be, being herein called the "**Successor Guarantor**");

(b) the Successor Guarantor (if other than such Guarantor), by a supplemental indenture, an accession agreement or one or more other documents or instruments, each in a form reasonably satisfactory to the Trustee, expressly assumes the obligations of such Guarantor under its Guarantee and the Indenture;

(c) immediately after giving *pro forma* effect to such transaction, no Default or Event of Default exists and is continuing; and

(d) the Guarantor or the Successor Guarantor has delivered to the Trustee an Officer's Certificate and an opinion of counsel in forms satisfactory to the Trustee, each stating that such merger, consolidation, amalgamation or other combination or sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Guarantee constitutes a legal, valid and binding obligation of the Guarantor or Successor Guarantor, enforceable in accordance with its terms (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability).

(2) The Successor Guarantor will succeed to, and be substituted for, and may exercise every right and power of, the relevant Guarantor under its Guarantee and the Indenture.

(3) Nothing in the Indenture will prevent any Restricted Subsidiary from consolidating with, merging into or transferring all or substantially all of its properties and assets to the Issuer or any Restricted Subsidiary.

Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Suspension of Covenants on Achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the "**Reversion Date**"), the provisions of the Indenture summarized under the following captions will not apply to the Notes:

(1) "*—Limitation on Restricted Payments*;"

(2) "*—Limitation on Debt*;"

(3) "*—Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries*;"

(4) "*—Limitation on Transactions with Affiliates*;"

(5) "*—Limitation on Guarantees of Debt*;"

(6) clause (1)(c) of "*—Merger, Consolidation or Sale of Assets*" in respect of the Issuer;

(7) "*—Limitation on Asset Sales*;" and

(8) "*—Designation of Unrestricted and Restricted Subsidiaries*."

and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries.

During any period that the foregoing covenants have been suspended, neither the Issuer nor any Restricted Subsidiary may designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described under the caption "*—Designation of Unrestricted and Restricted Subsidiaries*," unless such designation would have complied with the covenant described under the caption "*—Limitation on Restricted Payments*" as if such covenant would have been in effect during such period.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer or its Restricted Subsidiaries properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Default or Event of Default. The "*Limitation on Restricted Payments*" covenant will be interpreted as if it has been in effect since the date of the Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Debt Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (c) of the second paragraph of the covenant described under "*—Limitation on Debt*." In addition, the Indenture will also permit, without causing a Default or Event of Default, the Issuer or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Notes no longer having an Investment Grade Status. Upon the occurrence of a Suspension Event, the amount of Excess Proceeds shall be reset at zero. The Issuer shall notify the Trustee that the conditions set forth in the first paragraph under this caption has been satisfied, *provided* that, no such notification shall be a condition for the suspension of the covenants described under this caption to be effective. The Trustee shall have no duty to monitor the ratings of the Notes, shall not be deemed to have any duty to notify Holders if the Notes achieve Investment Grade Status or upon the occurrence of a Reversion Date. There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Financial Calculations for Limited Condition Transactions

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with a Limited Condition Transaction, the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the definitive agreements for such Limited Condition

Transaction are entered into and such baskets or ratios shall be calculated on a *pro forma* basis after giving effect to such Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Debt and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such Limited Condition Transaction (and not for purposes of any subsequent availability of any basket or ratio).

For the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Total Assets, Consolidated EBITDA or Consolidated Fixed Charges of the Issuer or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Transaction, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Transaction and the related transactions are permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Transaction or related transactions; *provided, further*, that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any Incurrence of Debt and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered into and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Transaction.

Events of Default

Each of the following will be an "**Event of Default**" under the Indenture:

(a) default for 30 days in the payment when due of any interest or any Additional Amounts on any Note;

(b) default in the payment of the principal of or premium, if any, on any Note at its Maturity (upon acceleration, optional or mandatory redemption, if any, required repurchase or otherwise);

(c) failure by the Issuer to comply with the provisions of "*—Certain Covenants—Merger, Consolidation or Sale of Assets*;"

(d) failure to comply with any covenant or agreement of the Issuer or of any Restricted Subsidiary that is contained in the Indenture (other than specified in clauses (a), (b) or (c) (solely as it relates to the Issuer) above) and such failure continues for a period of 60 days after written notice given by the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes;

(e) default under the terms of any instrument evidencing or securing the Debt for borrowed money (other than any such Debt owed to the Issuer or any Restricted Subsidiary) of the Issuer or any Restricted Subsidiary, if that default:

  (i) results in the acceleration of the payment of such Debt; or

  (ii) is caused by the failure to pay such Debt at final maturity thereof after giving effect to the expiration of any applicable grace periods (and other than by regularly scheduled required prepayment) and such failure to make any payment has not been waived or the maturity of such Debt has not been extended (a "**Payment Default**"),

  and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates to €30.0 million or more;

(f) the Guarantee by any Guarantor that is a Significant Subsidiary ceases to be, or shall be asserted in writing by any Guarantor that is a Significant Subsidiary, or any Person acting on behalf of any Guarantor that is a Significant Subsidiary, not to be in full force and effect or enforceable in accordance with its terms (other than as provided for in the Indenture or the Guarantee), if such Default continues for 10 days;

(g) one or more final judgments, orders or decrees (not subject to appeal and not covered by insurance) shall have been rendered against the Issuer or any Restricted Subsidiary for the payment of money either individually or in an aggregate amount, in each case in excess of €30.0 million (after deducting any insurance or indemnity or contribution amounts actually recovered by the Issuer or a Restricted Subsidiary within 60 days of such judgment, order or decree), and either a creditor shall have commenced an enforcement proceeding upon such judgment, order or decree or there shall have been a period of 60 consecutive days or more during which a stay of enforcement of such judgment, order or decree was not (by reason of pending appeal or otherwise) in effect;

(h) the occurrence of certain events of bankruptcy, insolvency, receivership, schemes of arrangement (where any creditors are materially impaired) or reorganization with respect to the Issuer, any Significant

Subsidiary, or of other Restricted Subsidiaries of the Issuer that are not Significant Subsidiaries but would, in the aggregate, when taken together (as of the end of the most recently completed fiscal period) constitute a Significant Subsidiary if considered as a single Person; and

(i) (x) failure by the Issuer to consummate a Special Mandatory Redemption on the Special Mandatory Redemption date as described above under " *—Escrow of Proceeds; Special Mandatory Redemption*" or (y) the Lien granted over the Escrow Account in favor of the Trustee for the benefit of the holders of the Notes pursuant to the Escrow Charge being held in any non-appealable judicial proceeding to be unenforceable or invalid.

However, a Default under clauses (d), (e) or (g) above will not constitute an Event of Default until the Trustee or the Holders of 30% in principal amount of the outstanding Notes under the Indenture notify the Issuer of the Default and, with respect to clauses (d) and (g) the Issuer does not cure such default within the time specified in clauses (d) or (g) above, as applicable, after receipt of such notice.

If an Event of Default (other than as specified in clause (h) above) occurs and is continuing, the Trustee or the Holders of not less than 30% in aggregate principal amount of the Notes then outstanding by written notice to the Issuer (and to the Trustee if such notice is given by the Holders) may, and the Trustee, upon the written request of such Holders, shall, declare the principal of, premium, if any, any Additional Amounts and accrued interest on all of the outstanding Notes immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes will become immediately due and payable. The Trustee shall not be deemed to have notice of any Default or Event of Default unless a written notice of any event which is in fact such a default is received by a Responsible Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and the Indenture.

If an Event of Default specified in clause (h) above occurs and is continuing, then the principal of, premium, if any, Additional Amounts and accrued and unpaid interest on all of the outstanding Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder of Notes.

In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (e) under "*Events of Default*" has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (e) shall be remedied or cured, or waived by the holders of the Debt, or the Debt that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except non-payment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

The Holders of not less than a majority in aggregate principal amount of the outstanding Notes may, on behalf of the Holders of all of the Notes, waive any past defaults under the Indenture (except a default in the payment of the principal of, premium, if any, and Additional Amounts or interest on any Note in which case, the consent of the Holders of 90% of the then outstanding Notes shall be required) and rescind any such acceleration with respect to such Notes and its consequences if such rescission would not conflict with any judgment or decree of a court of competent jurisdiction, and *provided* that the fees and expenses of the Trustee have been paid.

No Holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder unless the Holders of at least 30% in aggregate principal amount of the outstanding Notes have made a written request and offered an indemnity and/or security (including by way of prefunding) satisfactory to the Trustee to institute such proceedings as Trustee under the Notes and the Indenture, the Trustee has failed to institute such proceeding within 60 days after receipt of such written notice and receipt of indemnity and/or security (including by way of prefunding) satisfactory to it and the Trustee within such 60-day period has not received directions inconsistent with such written request by Holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a Holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

If an Event of Default occurs and is continuing and written notice from the Issuer is given to a responsible officer of the Trustee in accordance with the notice provisions of the Indenture, the Trustee will deliver to each Holder of the Notes notice of the Event of Default within 60 Business Days after its occurrence. Except in the case of an Event of Default in the payment of principal of, premium, if any, Additional Amounts or interest on any Notes, the Trustee may withhold the giving of such notice to the Holders of such Notes if it determines in good faith that withholding the giving of such notice is in the best interests of the Holders of the Notes.

The Indenture will provide that (1) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "**Initial Default**") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (2) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*—Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of (prior to acceleration in respect to the relevant breach) any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Trustee may assume without inquiry, in the absence of actual knowledge or written notice, that the Issuer is duly complying with its obligations contained in the Indenture required to be observed and performed by it, and that no Default or Event of Default or other event that would require repayment of the Notes has occurred.

The Trustee is under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Holders of the Notes unless such Holders provide to the Trustee indemnity and/or security (including by way of prefunding) satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred thereby. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for the Holders to take action directly.

Defeasance

The Indenture will provide that the Issuer may, at its option and at any time prior to the Stated Maturity of the Notes, elect to have the obligations of the Issuer and any Guarantor discharged with respect to the outstanding Notes ("**Legal Defeasance**"). Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire Debt represented by the outstanding Notes except as to:

(a) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, Additional Amounts and interest on such Notes when such payments are due from the trust referred to below;

(b) the Issuer's obligations to issue temporary Notes, register, transfer or exchange any Notes, replace mutilated, destroyed, lost or stolen Notes, maintain an office or agency for payments in respect of the Notes and segregate and hold such payments on trust;

(c) the rights, powers, trusts, duties and immunities of the Trustee and the obligations of the Issuer and any Guarantor in connection therewith; and

(d) the Legal Defeasance provisions of the Indenture.

If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default other than an Event of Default under clauses (a) or (b) of the definition thereof.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and any Guarantor released with respect to certain covenants set forth in the Indenture ("**Covenant Defeasance**") and thereafter any failure to comply with such covenants will not constitute a Default or an Event of Default with respect to the Notes. In the event that a Covenant Defeasance occurs, certain events described under "*—Events of Default*" will no longer constitute an Event of Default with respect to the Notes. These events will not include events relating to non-payment, bankruptcy, insolvency, receivership and reorganization. The Issuer may exercise its Legal Defeasance option regardless of whether it has previously exercised any Covenant Defeasance.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer must irrevocably deposit or cause to be deposited on trust with the Trustee, or such other entity as may be designated for this purpose, for the benefit of the Holders of the Notes, cash in euros, European Government Obligations or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants, to pay and discharge the principal of, premium, if any, Additional Amounts and interest, on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer must:

  (i) specify whether the Notes are being defeased to maturity or to a particular redemption date; and

  (ii) if applicable, have delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes;

(b) in the case of Legal Defeasance, the Issuer must have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee stating that: (i) the Issuer has received from, or there has been

published by, the U. S. Internal Revenue Service a ruling; or (ii) since the Issue Date, there has been a change in applicable U. S. federal income tax law, in either case to the effect that (and based thereon such opinion shall confirm that) the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U. S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U. S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U. S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U. S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default will have occurred and be continuing: (i) on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit); or (ii) insofar as bankruptcy or insolvency events described in clause (h) of "*—Events of Default*" above are concerned, at any time during the period ending on the 123rd day after the date of such deposit;

(e) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a Default under (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit), the Indenture or any material agreement or instrument to which the Issuer or any Restricted Subsidiary is a party or by which the Issuer or any Restricted Subsidiary is bound;

(f) the Issuer must have delivered to the Trustee an opinion of counsel (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability) in the country of the Issuer's incorporation to the effect that after the 123rd day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and an opinion of counsel (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability) reasonably acceptable to the Trustee that the Trustee shall have a perfected security interest in such trust funds for the ratable benefit of the Holders of the Notes;

(g) the Issuer must have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of the Notes over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or other creditors, or removing assets beyond the reach of the relevant creditors or increasing debts of the Issuer to the detriment of the relevant creditors;

(h) no event or condition exists that would prevent the Issuer from making payments of the principal of, premium, if any, Additional Amounts and interest on the Notes on the date of such deposit or at any time ending on the 123rd day after the date of such deposit; and

(i) the Issuer must have delivered to the Trustee an Officer's Certificate and an opinion of counsel in forms satisfactory to the Trustee, each stating that all conditions precedent provided for relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

If the funds deposited with the Trustee or such other entity to effect Covenant Defeasance are insufficient to pay the principal of, premium, if any, Additional Amounts and interest on the Notes when due because of any acceleration occurring after an Event of Default, then the Issuer and any Guarantor will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes as expressly provided for in the Indenture) when:

(a) the Issuer has irrevocably deposited or caused to be deposited with the Trustee (or such other entity as is designated for this purpose) as funds on trust for such purpose an amount in euros or European Government Obligations sufficient to pay and discharge the entire Debt on such Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or redemption date, as the case may be, and the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of Notes at Stated Maturity or on the redemption date, as the case may be and either:

(i) all of the Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for which payment money has been deposited on trust or segregated and held on trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture) have been delivered to the Paying Agent for cancellation; or

(ii) all Notes that have not been delivered to the Paying Agent for cancellation: (x) have become due and payable (by reason of the mailing, or delivery to the clearing systems in the case of a Global Note, of a notice of redemption or otherwise); (y) will become due and payable within one year of Stated Maturity; or (z) are to be called for redemption within one year of the proposed discharge date under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Issuer's name and at the Issuer's expense;

(b) the Issuer has paid or caused to be paid all other sums payable by the Issuer under the Indenture; *provided* that if requested by the Issuer in writing to the Trustee and the Paying Agent (which request may be included in the applicable notice of redemption or pursuant to an Officer's Certificate) no later than five (5) Business Days prior to such distribution, the Trustee or the Paying Agent shall distribute any amounts deposited prior to maturity or the redemption date, as the case may be; *provided, further*, that in such case, the payment to each Holder will equal the amount such Holder would have been entitled to receive at maturity or on the relevant redemption date, as the case may be, and, for the avoidance of doubt, the distribution and payment to Holders prior to the maturity or relevant redemption date as set forth above will not include any negative interest, present value adjustment, break cost or any other premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a depositary for a clearing system, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of the clearing system;

(c) the Issuer has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity, on the redemption date or such earlier date as instructed by the Issuer in accordance with clause (b) above, as the case may be; and

(d) the Issuer has delivered to the Trustee (i) an Officer's Certificate and (ii) an opinion of counsel (subject to customary assumptions, exceptions, reservations and qualifications, in each case including as to enforceability), each stating that all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been satisfied.

The Trustee shall be entitled to rely conclusively on such Officer's Certificate and opinion of counsel in forms satisfactory to the Trustee without independent verification, *provided* that any such counsel may rely on an Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (a), (b), (c) and (d)(i)).

Amendments and Waivers

With the consent of the Holders of not less than a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes), the Issuer, the Guarantors and the Trustee are permitted to amend or supplement the Indenture (including the Guarantees), the Notes, the Escrow Agreement or the Escrow Charge, or waive any default or compliance with any provisions thereof (unless a modification or amendment will only affect one series of the Notes, in which case only the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding in such series shall be required); *provided* that no such modification, amendment or waiver may, without the consent of Holders holding not less than 90% of the then outstanding principal amount of the Notes then outstanding (or, if a modification or amendment will only affect one series of the Notes, the consent of the Holders of at least 90% of the aggregate principal amount of the Notes then outstanding in such series):

(a) extend the Stated Maturity of the principal of, or any instalment of or Additional Amounts or interest on, any Note (or change any Default or Event of Default under clause (a) of the definition thereof related thereto);

(b) reduce the principal amount of any Note (or Additional Amounts or premium, if any) or the rate of or extend the stated time for payment of interest on any Note (or change any Default or Event of Default under clause (b) of the definition thereof related thereto);

(c) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "*—Optional Redemption*;"

(d) change the coin or currency in which the principal of any Note or any premium or any Additional Amounts or the interest thereon is payable on or after the due dates thereof;

(e) impair the right to institute suit for the enforcement of any payment of any Note in accordance with the provisions of such Note and the Indenture;

(f) make any change to the amendment or waiver provisions which require the Holders' consent described in this sentence;

(g) release any Guarantee, other than in compliance with the guarantor release provisions of the Indenture; and

(h) change any provision relating to the redemption of the Notes described under "*—Escrow of Proceeds; Special Mandatory Redemption*."

Notwithstanding the foregoing, without the consent of any Holder of the Notes, the Issuer, the Guarantors and the Trustee may modify, amend or supplement the Indenture (including the Guarantees), the Notes, the Escrow Agreement or the Escrow Charge, as applicable, to:

(a) evidence the succession of another Person to the Issuer or a Guarantor and the assumption by any such successor of the covenants in the Indenture, the Notes or any Guarantee, as applicable, in accordance with "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" or Permitted Reorganization;

(b) add to the Issuer's covenants or those of any Guarantor or any other obligor in respect of the Notes for the benefit of the Holders of the Notes or to surrender any right or power conferred upon the Issuer or any Guarantor or any other obligor in respect of the Notes, as applicable, in the Indenture, the Notes or any Guarantee;

(c) cure any ambiguity, omission, defect error or inconsistency;

(d) conform the text of the Indenture, the Notes, any Guarantee, the Escrow Agreement or the Escrow Charge to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a verbatim or substantially verbatim recitation of a provision of the Indenture, the Notes, any Guarantee, the Escrow Agreement or the Escrow Charge;

(e) release any Guarantor in accordance with (and if permitted by) the terms of the Indenture;

(f) provide for any Restricted Subsidiary to provide a Guarantee in accordance with the covenant described under "*—Certain Covenants—Limitation on Debt*" or "*—Certain Covenants—Limitation on Guarantees of Debt*," to add Guarantees, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is not prohibited by the Indenture;

(g) evidence and provide the acceptance of the appointment of a successor Trustee under the Indenture;

(h) make any change that would provide additional rights of or benefits to the Trustee or the Holders or that does not adversely affect the rights of or benefits to the Trustee or any of the Holders in any material respect under the Indenture, the Notes, any Guarantee, the Escrow Agreement or the Escrow Charge (as determined by the Issuer in good faith in respect of Holders); and

(i) provide for the issuance of Additional Notes in accordance with and if permitted by the terms of and limitations set forth in the Indenture.

The Trustee shall be entitled to receive and rely absolutely on an Officer's Certificate and an opinion of counsel in forms satisfactory to the Trustee as to the permissibility of any such amendment, supplement or waiver.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment to the Indenture, the Notes or any Guarantee. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of the Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Currency Indemnity

The euro is the sole currency of account and payment for all sums payable under the Notes, any Guarantee and the Indenture. Any amount received or recovered in respect of the Notes or any Guarantee in a currency other than euro (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer, any Subsidiary or otherwise) by the Trustee and/or a Holder of the Notes in respect of any sum expressed to be due to such Holder from the Issuer or the Guarantors will constitute a discharge of their obligation only to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in such other currency on the date of that receipt or recovery (or, if it is not possible to purchase euro on that date, on the first date on which it is possible to do so). If the euro amount that

could be recovered following such a purchase is less than the euro amount expressed to be due to the recipient under any Note, the Issuer and the Guarantors will jointly and severally indemnify the recipient against the cost of the recipient's making a further purchase of euro in an amount equal to such difference. For the purposes of this paragraph, it will be sufficient for the Trustee and/or Holder to certify that it would have suffered a loss had the actual purchase of euro been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euro on that date had not been possible, on the first date on which it would have been possible). These indemnities, to the extent permitted by law:

(a) constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations;

(b) give rise to a separate and independent cause of action;

(c) apply irrespective of any waiver granted by any Holder of a Note; and

(d) will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Notices

For so long as any Notes are represented by Global Notes, all notices to Holders will be delivered by or on behalf of the Issuer in accordance with the rules and procedures of Euroclear or Clearstream, as applicable.

Each such notice shall be deemed to have been given on the date of publication or, if published more than once on different dates, on the first date on which publication is made. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it. Notices given by mail will be deemed given five calendar days after mailing.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or any Guarantor under the Notes, the Indenture, any Guarantee or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note will waive and release all such liability. The waiver and release will be part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under U. S. federal securities laws.

The Trustee

Citibank, N.A., London Branch is to be appointed as Trustee under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default of which written notice from the Issuer is given to a responsible officer of the Trustee in accordance with the notice provisions of the Indenture, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default, of which written notice from the Issuer is given to a responsible officer of Trustee in accordance with the notice provisions of the Indenture, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty. The Trustee, the Paying Agent, the Registrar and the Transfer Agent will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The Indenture will contain provisions for the indemnification or security of the Trustee for any loss, liability, certain taxes and expenses incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

The Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured (including by way of prefunding) to its satisfaction.

Validity of Claims

The time of validity for a claim for payment of interest, principal, the redemption price or another amount payable under the Indenture is six years from the date on which such payment is due.

Governing Law

The Indenture, the Notes and the Guarantees, if any, will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

"**Acquired Debt**" means Debt of a Person:

(a) existing at the time such Person becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or any Restricted Subsidiary; or

(b) assumed in connection with the acquisition of assets from any such Person,

provided that, in each case, such Debt was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition, as the case may be.

Acquired Debt shall be deemed to be Incurred on the date the acquired Person becomes a Restricted Subsidiary (or is merged into or consolidated with the Issuer or any Restricted Subsidiary, as the case may be) or the date of the related acquisition of assets from any Person.

"**Acquisition**" means the acquisition by Derichebourg Environnement of 100% of the share capital and voting rights of GEH.

"**Acquisition Agreement**" means the sale and purchase agreement in respect of the securities of GEH dated February 26, 2021, as amended from time to time, between Derichebourg Environnement as purchaser and the sellers named therein.

"**Affiliate**" means, with respect to any specified Person any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

For the purposes of this definition, "control," when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling," "controlled" have meanings correlative to the foregoing.

"**Agent**" means the Paying Agent, the Registrar and the Transfer Agent.

"**Applicable Redemption Premium**" means, with respect to any Note on any redemption date, the greater of:

(a) 1.0% of the principal amount of the Note; and

(b) the excess of:

(i) the present value at such redemption date of: (x) the redemption price of such Note at July 15, 2024 (such redemption price being set forth in the table appearing below the caption "*Optional Redemption—Optional Redemption on or after July 15, 2024*") plus (y) all required interest payments that would otherwise be due to be paid on such Note during the period between the redemption date and July 15, 2024 (excluding accrued but unpaid interest), computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points; over

(ii) the outstanding principal amount of the Note.

For the avoidance of doubt, calculation of the Applicable Redemption Premium shall be made by or on behalf of the Issuer and shall not be a duty or obligation of the Trustee or any Agent.

"**Asset Sale**" means any sale, issuance, conveyance, transfer, lease (other than operating leases) or other disposition (including, without limitation, by way of merger, consolidation, amalgamation or other combination or sale and leaseback transaction) (collectively, a "**transfer**"), directly or indirectly, in one or a series of related transactions, of:

(a) any Capital Stock of any Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Subsidiary); or

(b) any of the Issuer's or any Restricted Subsidiary's properties or assets.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(i) any single transaction or series of related transactions that involves assets or Capital Stock having a Fair Market Value of less than the greater of €40.0 million and 1.5% of Total Assets;

(ii) any transfer or disposition of assets (including Capital Stock of any Subsidiary) by the Issuer to any Restricted Subsidiary, or by any Restricted Subsidiary to the Issuer or any Restricted Subsidiary;

(iii) any transfer or disposition of obsolete, damaged, surplus, worn out or permanently retired equipment or facilities or other assets that are no longer useful in the conduct of the Issuer's and any Restricted Subsidiary's business;

(iv) sales, discounts or dispositions of receivables (a) on commercially reasonable terms in the ordinary course of business, (b) in any factoring or supply chain financing transaction or similar transaction in the ordinary course of business or (c) in connection with any Qualified Receivables Financing or Permitted Recourse Receivables Financing;

(v) any transfer or disposition of assets that is governed by the provisions of the Indenture described under "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" or "*—Certain Covenants—Change of Control*;"

(vi) any "fee in lieu" or other disposition of assets to any governmental authority or agency that continue in use by the Issuer or any Restricted Subsidiary, so long as the Issuer or any Restricted Subsidiary may obtain title to such assets upon reasonable notice by paying a nominal fee;

(vii) transfers of Capital Stock in a Restricted Subsidiary to a Person making contributions to such Restricted Subsidiary to fund its capital expenditure, to the extent the Issuer determines in good faith appropriate to reflect the level of such contribution compared to the contribution, if any, made by the Issuer or any Restricted Subsidiary;

(viii) the sale, lease, sublease, assignment or other disposition of any real or personal property or any equipment, inventory, trading stock or other assets in the ordinary course of business, including, without limitation, pursuant to agreements entered into in the ordinary course of business;

(ix) (a) an issuance or transfer of Capital Stock by a Restricted Subsidiary (i) to the Issuer or to another Restricted Subsidiary or (ii) as part of, or pursuant to, an equity incentive or compensation plan approved by the Board of Directors of the Issuer or (b) the issuance of directors' qualifying shares and shares issued to individuals as required by applicable law;

(x) any issuance, sale or disposition of Capital Stock, Debt or other securities of an Unrestricted Subsidiary;

(xi) any making of a Restricted Payment that does not violate the covenant described above under "*—Certain Covenants—Limitation on Restricted Payments*" and the making of any Permitted Investment, or, solely for purposes of paragraphs (1)(b) and (2) under "*—Certain Covenants—Limitation on Asset Sales*," asset sales, in respect of which (but only to the extent that) the proceeds are used to make such Restricted Payments or Permitted Investments;

(xii) any transfer, termination, unwinding or other disposition of Hedging Agreements in the ordinary course of business and not for speculative purposes;

(xiii) sales of assets received by the Issuer or any Restricted Subsidiary upon the foreclosure on a Lien granted in favor of the Issuer or any Restricted Subsidiary or any other transfer of title with respect to any secured investment in default;

(xiv) any disposition in connection with a Permitted Lien;

(xv) the licensing, sub-licensing, lease, sublease, conveyance or assignment of intellectual property or other general intangibles and licenses, sub-licenses, leases, subleases, conveyances or assignments of other property, in each case, in the ordinary course of business;

(xvi) the abandonment or disposition of patents, trademarks or other intellectual property that are, in the good faith opinion of the Issuer, no longer economically practicable to maintain or useful in the conduct of the business of the Issuer and its Subsidiaries taken as a whole;

(xvii) any disposition arising from foreclosure, condemnation or any similar action with respect to any property or other assets;

(xviii) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(xix) any disposition with respect to property, whether tangible or intangible, built by or on behalf of, or owned or otherwise acquired by, the Issuer or any Restricted Subsidiary (a) pursuant to a customary sale and leaseback transaction, asset securitizations and other similar financings permitted by the Indenture or (b) on behalf of, or for the benefit of, a customer, or with the intention to transfer such property to a customer,

in connection with a transaction or series of transactions under which the Issuer or any Restricted Subsidiary earns a fee for, or derives a benefit from, participating in such transaction or series of transactions;

(xx) a disposition of cash or Cash Equivalents;

(xxi) sales, transfers or other disposition of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with the "*—Certain Covenants—Limitation on Asset Sales*" covenant;

(xxii) any sale or other disposition made pursuant to, or as a result of, a final judgment or court order related to a liquidation or unpaid claim;

(xxiii) any disposition in connection with a Tax Sharing Agreement;

(xxiv) discount or disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(xxv) any disposition of assets to any governmental authority or agency pursuant to state asset acquisition laws, regulations or rules;

(xxvi) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person; *provided, however*, that the Issuer shall certify that in its opinion, that the transaction will be economically beneficial to the Issuer and its Restricted Subsidiaries; or

(xxvii) any issuance, transfer or other disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom a Restricted Subsidiary was acquired, or from whom a Restricted Subsidiary acquired its business and assets, made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition.

"**Board of Directors**" means:

(a) with respect to any corporation, the board of directors or managers of the corporation (which, in the case of any corporation having both a supervisory board and an executive or management board, shall be the executive or management board) or any duly authorized committee thereof;

(b) with respect to any partnership, the board of directors of the general partner of the partnership or any duly authorized committee thereof;

(c) with respect to a limited liability company, the managing member or members (or analogous governing body) or any controlling committee of managing members thereof; and

(d) with respect to any other Person, the board or any duly authorized committee thereof or committee of such Person serving a similar function.

"**Bund Rate**" as selected by the Issuer, means the yield to maturity at the time of computation of direct obligations of the Federal Republic of Germany (Bunds or *Bundesanleihen*) with a constant maturity as officially compiled and published in the most recent financial statistics that have become publicly available at least two Business Days (but not more than five Business Days) prior to the repayment date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected in good faith by the Issuer) most nearly equal to the period from the repayment date to July 15, 2024; *provided, however*, that if the period from the repayment date to July 15, 2024 is not equal to the constant maturity of a direct obligation of the Federal Republic of Germany for which a weekly average yield is given, the Bund Rate shall be obtained by linear interpolation (calculated to the nearest one twelfth of a year) from the weekly average yields of direct obligations of the Federal Republic of Germany for which such yields are given, except that if the period from such repayment date to July 15, 2024 is less than one year, the weekly average yield on actually traded direct obligations of the Federal Republic of Germany adjusted to a constant maturity of one year shall be used and provided that "Bund Rate" shall be at least 0.00%.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banking institutions in Paris, France, London, the United Kingdom, New York, the United States or a place of payment under the Indenture are authorized or required by law to close and other than a day which is not a TARGET Settlement Day.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests, partnership interests (whether general or limited), participations, rights in or other equivalents (however designated) of such Person's equity, any other interest or participation that confers the right to receive a share of the profits and losses, or distributions of assets of, such Person and any rights (other than debt securities convertible into or exchangeable for Capital Stock), warrants or options exchangeable for, or convertible into, such Capital Stock, whether now outstanding or issued after the Issue Date.

"**Capitalized Lease Obligation**" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation is required to be capitalized and reflected as a liability on a balance sheet (excluding footnotes thereto) prepared under IFRS and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Cash Equivalents**" means any of the following:

(a) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the Pre-Expansion European Union, the United States of America, Switzerland or Canada (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of the Pre-Expansion European Union or the United States of America, Switzerland, Norway or Canada, as the case may be, and which are not callable or redeemable at the Issuer's or any Restricted Subsidiary's option;

(b) overnight bank deposits, time deposit accounts, certificates of deposit, banker's acceptances and money market deposits (and similar instruments) with maturities of twelve months or less from the date of acquisition issued by a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union or of the United States of America or any state thereof, Switzerland or Canada; *provided* that such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250.0 million (or the foreign currency equivalent thereof as of the date of such investment) and whose long-term debt is rated "Baa3" or higher by Moody's or "BBB-" or higher by S&P or the equivalent rating category of another internationally recognized rating agency;

(c) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and, in each case, maturing within one year after the date of acquisition;

(d) repurchase obligations with a term of not more than thirty days for underlying securities of the type described in clause (a) or (b) above, entered into with any financial institution meeting the qualifications described in clause (b) above; and

(e) interests in any investment company or money market fund at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (d) above.

"**Change of Control**" means the occurrence of any of the following events:

(a) the Issuer becomes aware of any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date) becoming the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided* that for the purposes of this clause, no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent; or

(b) the sale (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all the assets of the Issuer and its Subsidiaries, taken as a whole, to another Person other than a Restricted Subsidiary.

"**Clearing System Business Day**" means Monday to Friday, inclusive, except December 25 and January 1.

"**Clearstream**" means Clearstream Banking S.A. and its successors.

"**Commission**" means the Securities and Exchange Commission.

"**Commodities Agreement**" means any agreement or arrangement designed to protect the relevant Person against fluctuations in commodities prices.

"**Consolidated EBITDA**" means, for any period, Consolidated Net Income for such period plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(a) provision for taxes based on income or profits of the Issuer and its Restricted Subsidiaries for such period, and any charge for such taxes Incurred and any charge for or in respect of any surrender of group relief by the Issuer or a Restricted Subsidiary pursuant to a Tax Sharing Agreement; plus

(b) the Consolidated Fixed Charges of the Issuer and its Restricted Subsidiaries for such period; plus

(c) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees), goodwill and other non-cash charges and expenses (including, without limitation, write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Issuer and its Restricted Subsidiaries for such period) of the Issuer and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) for such period; plus

(d) any expenses, charges or other costs related to the issuance, offer or sale of any Capital Stock, or any Permitted Investment, acquisition, disposition, recapitalization or listing or the Incurrence of Debt, in each case, whether or not successful; plus

(e) the amount of any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any Restricted Subsidiary in such period or any prior period, except to the extent of dividends declared or paid on, or other cash payments in respect of, Capital Stock held by such parties; plus

(f) the proceeds of any business interruption insurance received or that become receivable during such period to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds, or such amount becoming payable, were included in computing Consolidated Net Income; plus

(g) payments received or that become receivable with respect to, expenses that are covered by the indemnification provisions in any agreement entered into by the Issuer or any Restricted Subsidiary to the extent such expenses were included in computing Consolidated Net Income; plus

(h) any income, charge or other expense attributable to post-employment benefit, pension, fund or similar obligation other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme; plus

(i) any Receivables Fees and discounts on the sale of accounts receivable in connection with any Qualified Receivables Financing or Permitted Recourse Receivables Financing or any other receivables financing representing, in the Issuer's reasonable determination, the implied interest component of such discount for such period; minus

(j) non-cash items reducing such Consolidated Net Income for such period, other than the reversal of a reserve for cash charges in a future period in the ordinary course of business.

For the purposes of determining "Consolidated EBITDA", *pro forma* effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries.

"**Consolidated Fixed Charges**" means, for any period, without duplication and in each case determined in accordance with IFRS, the sum of:

(a) consolidated interest expense of the Issuer and its Restricted Subsidiaries to the extent deducted in calculating Consolidated Net Income for such period, plus, to the extent not otherwise included in consolidated interest expense:

  (i) amortization of original issue discount (but not including deferred financing fees, debt issuance costs and premium, commissions, fees and expenses owed or paid with respect to financings);

  (ii) the net payments made or received pursuant to Hedging Agreements (including amortization of fees and discounts);

  (iii) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and similar transactions; and

  (iv) the interest portion of any deferred payment obligation and amortization of debt issuance costs; plus

(b) the interest component of the Issuer's and the Restricted Subsidiaries' Capitalized Lease Obligations accrued and/or scheduled to be paid or accrued during such period other than the interest component of

Capitalized Lease Obligations between or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries; plus

(c) the Issuer's and the Restricted Subsidiaries non-cash interest expenses and interest that was capitalized during such period; plus

(d) the interest expense on Debt of another Person to the extent such Debt is guaranteed by the Issuer or any Restricted Subsidiary or secured by a Lien on the Issuer's or any Restricted Subsidiary's assets, but only to the extent that such interest is actually paid by the Issuer or such Restricted Subsidiary; plus

(e) cash and non-cash dividends due (whether or not declared) on the Issuer's Redeemable Capital Stock and any Restricted Subsidiary's Preferred Stock (to any Person other than the Issuer or any Restricted Subsidiary), in each case for such period,

to the extent included above, minus (i) accretion or accrual of discounted liabilities other than Debt; (ii) any expense resulting from the discounting of any Debt in connection with the application of purchase accounting in connection with any acquisition; (iii) any discounts, commissions, fees, interest, expenses and other charges associated with Qualified Receivables Financing; (iv) interest with respect to Debt of any Holding Company of any Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS; (v) any Additional Amounts with respect to the Notes or other similar tax gross-up on any Debt (including, without limitation, under any Credit Facility), which is included in interest expenses under IFRS; (vi) any capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Debt; and (vii) any interest income of the Issuer and the Restricted Subsidiaries.

"**Consolidated Net Debt**" means, as of any date of determination, the sum of the total amount of Debt of the Issuer and the Restricted Subsidiaries, less cash and Cash Equivalents, in each case that would be stated on the balance sheet of the Issuer and the Restricted Subsidiaries on a consolidated basis on such date. In respect of any applicable period, the exchange rate used to calculate Consolidated Net Debt will be the weighted average exchange rate for the period of the Issuer's most recent two consecutive semi-annual periods for which internal consolidated financial statement are available prior to the date of determination; *provided* that, where applicable, any amount of Debt will be stated so as to take into account the hedging effect of any currency hedging entered into in respect of or by reference to that Debt.

"**Consolidated Net Income**" means, for any period, the Issuer's and the Restricted Subsidiaries' consolidated net income (or loss) for such period as determined in accordance with IFRS, adjusted by excluding (to the extent included in such consolidated net income or loss), without duplication:

(a) the portion of net income (and the loss unless and to the extent funded in cash by the Issuer or a Restricted Subsidiary) of any Person (other than the Issuer or a Restricted Subsidiary), including Unrestricted Subsidiaries, in which the Issuer or any Restricted Subsidiary has an equity ownership interest, except that the Issuer's or a Restricted Subsidiary's equity in the net income of such Person for such period shall be included in such Consolidated Net Income to the extent of the aggregate amount of dividends or other distributions actually paid to the Issuer or any Restricted Subsidiary in cash dividends or other distributions during such period;

(b) solely for the purpose of determining the amount available for Restricted Payments under paragraph (2)(c)(i) of the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," the net income (but not the loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the date of determination permitted, directly or indirectly, by operation of the terms of its articles of incorporation, charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary or its shareholders (other than (i) restrictions that have been waived or otherwise released, (ii) restrictions pursuant to the Indenture, (iii) contractual restrictions in effect on the Issue Date with respect to a Restricted Subsidiary, and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Issue Date, and (iv) restrictions specified in the covenant described under "*—Certain Covenants—Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries*") except that the Issuer's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);

(c) net after-tax gains attributable to the termination of any employee pension benefit plan;

(d) any restoration to net income of any contingency reserve, except to the extent provision for such reserve was made out of income accrued at any time following the Issue Date;

(e) any net gain or loss arising from the acquisition of any securities or extinguishment, under IFRS, of any Debt of such Person;

(f) the net income attributable to discontinued operations (including, without limitation, operations disposed of during such period whether or not such operations were classified as discontinued);

(g) the cumulative effect of a change in accounting principles;

(h) the net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiary (including pursuant to a sale and leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);

(i) any pre-tax special, extraordinary, one-off, irregular, exceptional, unusual or non-recurring gain, loss, expense or charge (including one-off investment in plant, property and equipment), or any charges in respect of any restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the refinancing or any investments), acquisition costs, business optimization, system establishment, software or information technology implementation or development costs, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events);

(j) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions;

(k) any unrealized gains or losses in respect of Hedging Agreements or other derivative instruments or forward contracts or any ineffectiveness recognized in earnings related to a qualifying hedge transaction or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Agreements;

(l) any unrealized foreign currency transaction gains or losses in respect of Debt or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from re-measuring assets and liabilities denominated in foreign currencies;

(m) any unrealized foreign currency translation or transaction gains or losses in respect of Debt or other obligations of the Issuer or any Restricted Subsidiary owing to the Issuer or any Restricted Subsidiary;

(n) any goodwill or other intangible asset impairment charge or write-off or write-down; and

(o) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Debt.

"**Consolidated Net Leverage Ratio**" means, as at any date of determination, the ratio of: (1) the *pro forma* Consolidated Net Debt on such date, to (2) the *pro forma* Consolidated EBITDA for the period of the Issuer's most recent two consecutive semi-annual periods for which internal consolidated financial statements are available prior to the date of determination; *provided* that:

(a) if the Issuer or any Restricted Subsidiary has Incurred any Debt since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is an Incurrence of Debt or both, Consolidated EBITDA and Consolidated Net Debt for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Debt as if such Debt had been Incurred on the first day of such period;

(b) if the Issuer or any Restricted Subsidiary has repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged any Debt (each, a "**Discharge**") since the beginning of such period that is no longer outstanding or if the transaction giving rise to the need to calculate the Consolidated Net Leverage Ratio is a Discharge of Debt or both, Consolidated EBITDA and Consolidated Net Debt for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Discharge as if such Discharge had occurred on the first day of such period;

(c) if, since the beginning of such period, the Issuer or any Restricted Subsidiary shall have made any Asset Sale, Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated

EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period, or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto, for such period and the Consolidated Net Debt for such period shall be reduced by an amount equal to the Consolidated Net Debt directly attributable to any Debt of the Issuer or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and the continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Net Debt for such period directly attributable to the Debt of such Restricted Subsidiary to the extent the Issuer and the continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);

(d) if, since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger, consolidation, amalgamation or other combination or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated EBITDA and Consolidated Net Debt for such period shall be calculated after giving *pro forma* effect thereto as if such Investment or acquisition occurred on the first day of such period; and

(e) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Sale or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (c) or (d) if made by the Issuer or a Restricted Subsidiary during such period, Consolidated EBITDA and Consolidated Net Debt for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Sale or Investment or acquisition occurred on the first day of such period.

If any Debt bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt for a period equal to the remaining term of such Interest Rate Agreement).

For purposes of this definition, without double counting, (1) *pro forma* effect may be given to any transaction referred to in clauses (a) through (e) above, or the amount of income or earnings relating thereto, and the *pro forma* calculations in respect thereof (including, without limitation, in respect of anticipated cost savings or synergies relating to any such transaction projected to be realized within 18 months from the consummation of such transaction (calculated on a *pro forma* basis as though such cost savings or synergies had been realized on the first day of the relevant period) net of the amounts of any actual benefits realized during the relevant period from such actions) shall be as determined in good faith by the Chief Financial Officer of the Issuer or an authorized responsible financial or accounting Officer of the Issuer and (2) when determining *pro forma* Consolidated EBITDA of the Issuer and the Restricted Subsidiaries, the Issuer may adjust Consolidated EBITDA to add an amount equal to the cost savings or synergies projected to be realized as the result of actions taken or to be taken on or prior to the date that is 18 months after the consummation of any operational change (calculated on a *pro forma* basis as though such cost savings or synergies had been realized on the first day of the relevant period), net of the amount of any actual benefits realized during the relevant period from such actions, as determined in good faith by the Chief Financial Officer of the Issuer or an authorized responsible financial or accounting Officer of the Issuer.

"**Contribution Amounts**" means the aggregate amount of capital contributions applied by the Issuer to permit the Incurrence of Contribution Debt pursuant to clause (2)(w) of the covenant described under the caption "*—Certain Covenants—Limitation on Debt*."

"**Contribution Debt**" means Debt of the Issuer or any Guarantor in an aggregate principal amount not greater than 100% of the aggregate amount of net cash contributions (other than the proceeds from the issuance of Redeemable Capital Stock or Preferred Stock or contributions by the Issuer or any Restricted Subsidiary) made to the equity capital of the Issuer or such Guarantor (in each case, other than by a Subsidiary of the Issuer) (whether through the issuance or sale of Capital Stock (other than Redeemable Capital Stock or Preferred Stock) or Subordinated Shareholder Debt or otherwise contributed to equity (other than through Redeemable Capital Stock or Preferred Stock)) in each case after the Issue Date; *provided* that such Contribution Debt:

(a) is Incurred within 180 days after the making of the related cash capital contribution; and

(b) is so designated as "Contribution Debt" pursuant to an Officer's Certificate no later than the date of Incurrence thereof.

"**Credit Facility**" or "**Credit Facilities**" means, one or more debt facilities or indentures, as the case may be, or commercial paper facilities, arrangements, instruments, note purchase agreements or commercial paper facilities

and overdraft facilities, in each case, with banks, insurance companies or other institutional lenders or investors providing for revolving credit loans, term loans, bankers acceptances, receivables or inventory financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables), notes, letters of credit or other Debt, in each case, as amended, supplemented, restated, modified, renewed, refunded, replaced, refinanced, repaid, increased or extended in whole or in part from time to time (each, for purposes of paragraph (2)(a) of "*—Certain Covenants—Limitation on Debt*," a "refinancing") (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under one or more other credit or other agreements, indentures, note purchase agreements, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, charges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (a) changing the maturity of any Debt Incurred thereunder or contemplated thereby, (b) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (c) increasing the amount of Debt Incurred thereunder or available to be borrowed thereunder or (d) otherwise altering the terms and conditions thereof.

"**Currency Agreements**" means, in respect of a Person, any spot or forward foreign exchange agreements and currency swap, currency option or other similar financial agreements or arrangements designed to protect such Person against or manage exposure to fluctuations in foreign currency exchange rates.

"**Debt**" means, with respect to any Person on any date of determination, without duplication:

(a) the principal of indebtedness of such Person for borrowed money (including overdrafts) or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities Incurred in the ordinary course of business;

(b) the principal of obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all reimbursement obligations of such Person in connection with any letters of credit, bankers' acceptances or other similar facilities (the amount of such obligation being equal at any time to the aggregate amount of drawings thereunder that have not then been reimbursed);

(d) all debt of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), which is due more than one year after its Incurrence but excluding trade payables arising in the ordinary course of business;

(e) all Capitalized Lease Obligations of such Person;

(f) all obligations of such Person under or in respect of Hedging Agreements (the amount of any such obligation to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time);

(g) all Debt referred to in (but not excluded from) the preceding clauses (a) through (f) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset and the amount of the obligation so secured);

(h) all guarantees by such Person of Debt referred to in this definition of any other Person;

(i) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed repurchase price and involuntary maximum fixed repurchase price; and

(j) Preferred Stock of any Restricted Subsidiary,

in each case to the extent it appears as a liability on the balance sheet in accordance with IFRS; *provided* that the term "Debt" shall not include: (i) non-interest bearing instalment obligations and accrued liabilities Incurred in the ordinary course of business that are (a) not more than 180 days past due or (b) more than 180 days past due but with the consent of the payee or as the result of a *bona fide* ongoing negotiation over such liabilities; (ii) any pension obligations of the Issuer or a Restricted Subsidiary; (iii) Debt Incurred by the Issuer or one of the Restricted

Subsidiaries in connection with a transaction where (a) such Debt is borrowed from a bank or trust company organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the Pre-Expansion European Union or of the United States of America or any state thereof, Switzerland, Norway or Canada or any commercial banking institution that is a member of the U. S. Federal Reserve System, in each case having a combined capital and surplus and undivided profits of not less than €250.0 million, whose long-term, unsecured, unsubordinated and unguaranteed debt has a rating immediately prior to the time such transaction is entered into, of "BBB-" or higher by S&P, "Baa3" or higher by Moody's or the equivalent rating category of another internationally recognized rating agency and (b) a substantially concurrent Investment is made by the Issuer or a Restricted Subsidiary in the form of cash deposited with the lender of such Debt, or a Subsidiary or affiliate thereof, in amount equal to such Debt; (iv) obligations under a Tax Sharing Agreement, up to an amount not to exceed, with respect to such obligations, the amount of such Taxes that the Issuer and its Restricted Subsidiaries would have been required to pay on a separate company basis, or on a consolidated basis if the Issuer and the Restricted Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Restricted Subsidiaries; (v) any guarantee, indemnity, bond, standby letter of credit or similar instrument in respect of commercial obligations of the Issuer or any Restricted Subsidiary in the ordinary course of business to the extent such guarantees, indemnities, bonds or letters of credit are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if to be reimbursed, are reimbursed no later than the fifth Business Day following receipt by such Person of a demand for reimbursement following payment on the guarantee, indemnity, bond or letter of credit; (vi) Subordinated Shareholder Debt; (vii) in connection with any previous or future purchase by the Issuer of any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not definitively determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 60 days thereafter and (viii) obligations under or in respect of Qualified Receivables Financings.

For purposes of this definition, the "maximum fixed repurchase price" of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Debt will be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the Board of Directors of the Issuer of such Redeemable Capital Stock; *provided*, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person.

"**Default**" means any event that is, or after the giving of notice or passage of time or both would be, an Event of Default.

"**Derichebourg Environnement**" means Derichebourg Environnement, a simplified public limited liability company (*société par actions simplifiée*) organized under the laws of France.

"**Designated Non-cash Consideration**" means the Fair Market Value of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as "Designated Non-cash Consideration" pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"**Disinterested Member**" means, with respect to any transaction or series of related transactions, a member of the Issuer's Board of Directors who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions or is not an Affiliate, or an officer, director, member of a supervisory, executive or management board or employee of any Person (other than the Issuer or a Restricted Subsidiary) who has any direct or indirect financial interest in or with respect to such transaction or series of related transactions, *provided* that the ownership of Capital Stock in a Person that has a direct or indirect financial interest in or with respect to such transactions or series of related transactions will not in itself disqualify a member of the Issuer's Board of Directors from being a Disinterested Member with respect to any transaction or series of related transactions.

"**Equity Offering**" means an issuance or sale of Capital Stock (which is Qualified Capital Stock) of the Issuer, or any Holding Company of the Issuer, other than on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions; *provided* that the net proceeds of such issuance or sale are contributed to the equity capital of, or as Subordinated Shareholder Debt to, the Issuer or any of the Restricted Subsidiaries.

"**euro**" or "**€**" means the euro, the official currency of the European Union member states participating in the European Monetary Union.

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than euro, at any time for the determination thereof, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro with the applicable foreign currency as published under "Currency Rates" in the section of the Financial Times entitled "Currencies, Bonds & Interest Rates" on the date that is two Business Days prior to such determination.

"**Euroclear**" means Euroclear Bank SA/NV and its successors, as operator of the Euroclear System.

"**European Government Obligations**" means any security that is (1) a direct obligation of any country that is a member of the European Monetary Union on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"**Exchange**" means the Luxembourg Stock Exchange and its successors and assigns.

"**Exchange Act**" means the U. S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"**Fair Market Value**" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length free market transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Issuer's Board of Directors, Chief Executive Officer or Chief Financial Officer, in each case whose determination will be conclusive.

"**Fitch**" means Fitch Ratings Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"**Fixed Charge Coverage Ratio**" means, as of any date of determination, the ratio of (1) *pro forma* Consolidated EBITDA to (2) *pro forma* Consolidated Fixed Charges for the Issuer's most recent two consecutive semi-annual periods for which internal consolidated financial statements are available prior to the date of determination; *provided* that:

(a) if the Issuer or any Restricted Subsidiary has Incurred any Debt since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio is an Incurrence of Debt or both, Consolidated EBITDA and Consolidated Fixed Charges for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Debt as if such Debt had been Incurred on the first day of such period;

(b) if the Issuer or any Restricted Subsidiary has Discharged (as defined under the definition of "Consolidated Net Leverage Ratio") any Debt since the beginning of such period that is no longer outstanding or if the transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio is a Discharge of Debt or both (in each case other than Debt Incurred under any revolving credit facility (including the Revolving Credit Facility) unless such Debt has been permanently repaid), Consolidated EBITDA and Consolidated Fixed Charges for such period shall be calculated, without duplication, after giving effect on a *pro forma* basis to such Discharge as if such Discharge had occurred on the first day of such period;

(c) if, since the beginning of such period, the Issuer or any Restricted Subsidiary shall have made any Asset Sale, Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale for such period, or increased by an amount equal to the Consolidated EBITDA (if negative) directly attributable thereto, for such period and the Consolidated Fixed Charges for such period shall be reduced by an amount equal to the Consolidated Fixed Charges directly attributable to any Debt of the Issuer or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and the continuing Restricted Subsidiaries in connection with such Asset Sale for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Fixed Charges for such period directly attributable to the Debt of such Restricted Subsidiary to the extent the Issuer and the continuing Restricted Subsidiaries are no longer liable for such Debt after such sale);

(d) if, since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger, consolidation, amalgamation or other combination or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of an asset occurring in connection with a transaction causing a calculation to be made

hereunder, which constitutes all or substantially all of an operating unit of a business, Consolidated EBITDA and Consolidated Fixed Charges for such period shall be calculated after giving *pro forma* effect thereto as if such Investment or acquisition occurred on the first day of such period; and

(e) if, since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Sale or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (c) or (d) if made by the Issuer or a Restricted Subsidiary during such period, Consolidated EBITDA and Consolidated Fixed Charges for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Sale or Investment or acquisition occurred on the first day of such period,

provided, however, the *pro forma* calculation of the Fixed Charge Coverage Ratio shall not give effect to (i) any Debt Incurred on the date of determination pursuant to paragraph (2) of "*—Certain Covenants—Limitation on Debt*" (other than with respect to clause (t) of such covenant) or (ii) the discharge on the date of determination of any Debt to the extent that such discharge results from the proceeds Incurred pursuant to paragraph (2) of "*—Certain Covenants—Limitation on Debt*."

If any Debt bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Debt for a period equal to the remaining term of such Interest Rate Agreement).

For purposes of this definition, without double counting, (1) *pro forma* effect may be given to any transaction referred to in clauses (a) through (e) above, or the amount of income or earnings relating thereto, and the *pro forma* calculations in respect thereof (including, without limitation, in respect of anticipated cost savings or synergies relating to any such transaction projected to be realized within 18 months from the consummation of such transaction (calculated on a *pro forma* basis as though such cost savings or synergies had been realized on the first day of the relevant period) net of the amounts of any actual benefits realized during the relevant period from such actions) shall be as determined in good faith by the Chief Financial Officer of the Issuer or an authorized responsible financial or accounting Officer of the Issuer and (2) when determining *pro forma* Consolidated EBITDA of the Issuer and the Restricted Subsidiaries, the Issuer may adjust Consolidated EBITDA to add an amount equal to the cost savings or synergies projected to be realized as the result of actions taken or to be taken on or prior to the date that is 18 months after the consummation of any operational change (calculated on a *pro forma* basis as though such cost savings or synergies had been realized on the first day of the relevant period), net of the amount of any actual benefits realized during the relevant period from such actions, as determined in good faith by the Chief Financial Officer of the Issuer or an authorized responsible financial or accounting Officer of the Issuer.

"**GEH**" means Groupe Ecore Holding S.A.S., a simplified public limited liability company (*société par actions simplifiée*) organized under the laws of the Grand Duchy of Luxembourg, with its registered office located at 21, rue de Puits Romain, L-8070 Bertrange, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B228344.

"**Group**" means the Issuer and its Subsidiaries.

"**guarantee**" means, as applied to any obligation:

(a) a guarantee (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation; and

(b) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, by the pledge of assets and the payment of amounts drawn down under letters of credit.

When used as a verb, "guarantee" shall have a corresponding meaning.

"**Guarantee**" means the Guarantee of the Issuer's obligations under the Indenture and the Notes by any of its Restricted Subsidiaries or any other Person in accordance with the provisions of the Indenture. When used as a verb, "Guarantee" shall have a corresponding meaning.

"**Guarantor**" means any Restricted Subsidiary of the Issuer or any other Person that executes a Guarantee in accordance with the provisions of the Indenture and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"**Hedging Agreements**" means non-speculative Currency Agreements, Interest Rate Agreements and Commodities Agreements entered into in the ordinary course of business.

"**Holder**" means the Person in whose name a Note is recorded on the Registrar's books.

"**Holding Company**" of a Person means any other Person (other than a natural person) of which the first Person is a Subsidiary.

"**IFRS**" means International Financial Reporting Standards (formerly International Accounting Standards) as issued by the International Accounting Standard Board (and related interpretations issued by the IASB) or any variation thereof with which the Issuer or its Restricted Subsidiaries are, or may be, required to comply, as in effect on the Issue Date or, with respect to the covenant described under the caption "*Certain Covenants—Reports*," as in effect from time to time. Except as otherwise set forth in the Indenture, all ratios and calculations based on IFRS contained in the Indenture shall be computed in accordance with IFRS as in effect on the Issue Date. At any time after the Issue Date, the Issuer may elect to implement any new measures or other changes to IFRS in effect on or prior to the date of such election; *provided that* any such election, once made, shall be irrevocable.

"**Incur**" has the meaning given to such term in paragraph (1) under the caption "*—Certain Covenants—Limitation on Debt*;" *provided* that any Debt or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary. Accrual of interest, the accretion of accreted value, the payment of interest in the form of additional Debt, and the payment of dividends on Capital Stock constituting Debt in the form of additional shares of the same class of Capital Stock, will not be deemed to be an Incurrence of Debt. Any Debt issued at a discount (including Debt on which interest is payable through the issuance of additional Debt) shall be deemed Incurred at the time of original issuance of the Debt at the initial accreted amount thereof.

"**Initial Purchasers**" means BNP Paribas, Crédit Industriel et Commercial S.A., Société Générale and Crédit Agricole Corporate and Investment Bank.

"**Interest Rate Agreements**" means, in respect of a Person, any interest rate protection agreements and other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) designed to protect such Person against or manage exposure to fluctuations in interest rates.

"**Investment Grade Status**" shall occur when all of the Notes receive two of the following:

(a) a rating of "BBB-" or higher from S&P;

(b) a rating of "Baa3" or higher from Moody's; and/or

(c) a rating of "BBB-" or higher from Fitch,

or the equivalent of such rating by any such rating organization or, if no rating of Moody's, Fitch or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Rating Organization.

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other similar obligations), advances or capital contributions (excluding advances or extension of credit to officers, customers, licensees, leases, suppliers, directors or employees made in the ordinary course of business), or purchases or other acquisitions in consideration of Debt, Capital Stock or other securities, together with all items that are or would be classified as investments on a balance sheet (excluding the notes thereto) prepared in accordance with IFRS. If the Issuer or any Subsidiary of the Issuer sells or otherwise disposes of any Capital Stock of any direct or indirect Subsidiary of the Issuer such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer's Investments in such Subsidiary that were not sold or disposed of in an amount determined as provided in the definition of Fair Market Value. The acquisition by the Issuer or any Subsidiary of the Issuer of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final sentence of paragraph (1) of the covenant described above under the caption "*—Certain Covenants—Limitation on Restricted Payments*." If the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the Fair Market Value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final sentence of paragraph (1) of the covenant described above under the caption *"—Certain Covenants—Limitation on Restricted Payments*." The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option)

by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"**Issue Date**" means June 24, 2021.

"**Issuer**" means Derichebourg SA, a *société anonyme* (limited liability corporation) organized under the laws of France and any successor thereto.

"**Lien**" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), security interest, hypothecation, assignment for or by way of security or encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. A Person will be deemed to own subject to a Lien any property which such Person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"**Limited Condition Transaction**" means (i) any acquisition, including by way of merger, amalgamation or consolidation, by the Issuer or one or more of the Restricted Subsidiaries the consummation of which is not conditioned upon the availability of, or on obtaining, third-party financing; *provided* that Consolidated Net Income (and any other financial term derived therefrom), other than for purposes of calculating any ratios in connection with the Limited Condition Transaction and the related transactions, shall not include any Consolidated Net Income of or attributable to the target company or assets involved in any such Limited Condition Transaction unless and until the closing of such Limited Condition Transaction shall have actually occurred and (ii) any repayment, repurchase or refinancing of Debt with respect to which an irrevocable notice of repayment (or similar irrevocable notice) has been delivered.

"**Management Advances**" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Issuer, any Parent or any Restricted Subsidiary:

(1) (a) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person's purchase of Capital Stock or Subordinated Shareholder Debt (or similar obligations) of the Issuer, its Subsidiaries or any Parent;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding the greater of €10.0 in the aggregate outstanding at any time.

"**Market Capitalization**" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend or distribution or the making of the relevant loan or advance multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive trading days immediately preceding the date of declaration of such dividend or distribution or the making of the relevant loan or advance.

"**Maturity**" means, with respect to any debt, the date on which any principal of such debt becomes due and payable as therein or herein provided, whether at the Stated Maturity with respect to such principal or by declaration of acceleration, call for redemption or purchase or otherwise.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Nationally Recognized Statistical Rating Organization**" means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

"**Net Cash Proceeds**" means:

(a) with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents actually received (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of:

  (i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel, accountants, investment banks and other consultants) related to such Asset Sale;

  (ii) provisions for all taxes paid or payable, or required to be accrued as a liability under IFRS as a result of such Asset Sale;

  (iii) all distributions and other payments required to be made to any Person (other than the Issuer or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale; and

(iv) appropriate amounts required to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve in accordance with IFRS against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations or potential purchase price adjustments associated with such Asset Sale, all as reflected in an Officer's Certificate delivered to the Trustee; and

(b) with respect to any capital contributions, issuance or sale of Capital Stock or options, warrants or rights to purchase Capital Stock, or debt securities or Capital Stock that have been converted into or exchanged for Capital Stock as referred to under "*—Certain Covenants—Limitation on Restricted Payments*," the proceeds of such issuance or sale in the form of cash or Cash Equivalents, payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of thereof.

"**Officer**" means (a) with respect to the Issuer or any Guarantor, the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the General Counsel, the Secretary or a managing director (i) of such Person or (ii) if such Person is owned or managed by a single entity, of such entity, or (b) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors.

"**Officer's Certificate**" means with respect to any Person a certificate signed by an Officer of such Person.

"**Parent**" means any Person of which the Issuer at any time is or becomes a Subsidiary after the Issue Date and any holding companies established for purposes of holding an investment in any Parent.

"***Pari Passu* Debt**" means Senior Debt including, without limitation, (a) any Debt of the Issuer that ranks equally in right of payment with the Notes or (b) with respect to any Guarantee, any Debt that ranks equally in right of payment to such Guarantee.

"**Permitted Asset Swap**" means the substantially concurrent purchase and sale or exchange of assets used or useful in a Permitted Business or a combination of such assets and Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; provided, that any Cash Equivalents received must be applied in accordance with the covenant described under "*—Certain Covenants—Limitation on Asset Sales*."

"**Permitted Business**" means any businesses in which the Issuer or any of its Subsidiaries is engaged on the Issue Date and in which the Target Group is engaged on the Completion Date, or that is similar, related, complementary, enhancing (in the reasonable opinion of the Issuer), incidental, ancillary thereto or an extension, development or expansion thereof.

"**Permitted Debt**" has the meaning given to such term under "*—Certain Covenants—Limitation on Debt*."

"**Permitted Investments**" means any of the following (in each case made by the Issuer or any of its Restricted Subsidiaries):

(a) Investments in cash or Cash Equivalents;

(b) intercompany Debt to the extent permitted under clause (d) of the definition of "Permitted Debt;"

(c) Investments in: (i) the Issuer; (ii) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary); or (iii) another Person (including the Capital Stock of such Person) if as a result of such Investment such other Person becomes a Restricted Subsidiary or such other Person is merged or consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary;

(d) Investments as a result of or retained in connection with an Asset Sale permitted under or made in compliance with *"—Certain Covenants—Limitation on Asset Sales*" to the extent such Investments are non-cash proceeds permitted thereunder;

(e) Investments (i) in payroll, travel, entertainment, moving, other relocation and similar advances to cover matters that are expected at the time of such advances to be treated as expenses in accordance with IFRS and (ii) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangement with customers;

(f) Management Advances;

(g) Investments in the Notes, any Additional Notes and other Debt of the Issuer or any Restricted Subsidiary;

(h) Investments existing, or made pursuant to legally binding commitments in existence, at the Issue Date (with respect to the Issuer and its Restricted Subsidiaries) or the Completion Date (with respect to the Target Group) and any Investment that amends, extends, renews, replaces or refinances such Investment; *provided* that the amount of any such Investment may be increased (i) as required by the terms of such Investment as in existence on the Issue Date (with respect to the Issuer and its Restricted Subsidiaries) or the Completion Date (with respect to the Target Group) or (ii) as otherwise not prohibited under the Indenture;

(i) Investments in Hedging Agreements permitted under clause (2)(h) of "*—Certain Covenants—Limitation on Debt*;"

(j) Investments in a Person to the extent that the consideration therefor consists of the Issuer's Qualified Capital Stock or the net proceeds of the substantially concurrent issue and sale (other than to any Subsidiary) of shares of the Issuer's Qualified Capital Stock or Subordinated Shareholder Debt;

(k) any Investments received (i) in satisfaction of judgments, foreclosure, perfection or enforcement of any liens or settlement of debts, (ii) in compromise of obligations of such persons that were Incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (iii) in compromise or resolution of obligations of trade creditors or customers that were Incurred in the ordinary course of business of the Issuer or any of the Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (iv) litigation, arbitration or other disputes;

(l) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of clauses (a), (g), (h) and (i) of paragraph (2) of the covenant described under "*—Certain Covenants—Limitation on Transactions with Affiliates*;"

(m) lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business;

(n) Investments consisting of purchases and acquisitions of inventory, supplies, trading stock, materials and equipment or licenses or leases of intellectual property, in any case, either in the ordinary course of business or in furtherance of a Permitted Business and, in either case, as not prohibited by the Indenture;

(o) guarantees permitted to be Incurred under the "*Limitation on Debt*" covenant and (other than with respect to, or given in connection with the Incurrence of, Debt) guarantees, keepwells and similar arrangements in the ordinary course of business;

(p) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant "*Limitation on Liens*;"

(q) [*reserved*];

(r) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or any of the Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of the Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption "*—Certain Covenants—Merger, Consolidation or Sale of Assets*" to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(s) (i) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and (ii) advance payments made in relation to capital expenditures in the ordinary course of business;

(t) any acquisition of assets or Capital Stock solely in exchange for the issuance of the Issuer's Capital Stock (other than Redeemable Capital Stock);

(u) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made but net of any distributions, dividends payments or other returns in respect of such Investments), when taken together with all other Investments made pursuant to this clause (u) that are at the time outstanding, not to exceed the greater of €75.0 million and 3.0% of Total Assets; *provided* that, if an Investment is made pursuant to this clause (u) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," such

Investment shall thereafter be deemed to have been made pursuant to clause (c) of the definition of "Permitted Investments" and not this clause (u); and

(v) Investments in receivables made in connection with any Permitted Recourse Receivables Financing and Qualified Receivables Financing, including Investments held in accounts permitted or required by the arrangements governing such Permitted Recourse Receivables Financing or Qualified Receivables Financing or any related Debt.

"**Permitted Liens**" means the following types of Liens:

(a) Liens existing or contemplated by written arrangements as of the Issue Date with respect to the Issuer and its Restricted Subsidiaries and as of the Completion Date with respect to the Target Group;

(b) Liens on any property or assets of a Restricted Subsidiary granted in favor of the Issuer or any Restricted Subsidiary;

(c) Liens securing Debt (including Liens securing any obligations in respect thereof) consisting of the Notes or any Guarantee, as the case may be;

(d) any interest or title of a lessor under any lease or any Capitalized Lease Obligation;

(e) Liens to secure Capitalized Lease Obligations and Productive Asset Financings Incurred in compliance with the Indenture;

(f) Liens arising out of conditional sale, title retention (including prolonged or extended title retention), consignment, deferred payment, supply agreements or similar arrangements for the sale or purchase of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(g) statutory Liens of landlords and carriers, warehousemen, mechanics, suppliers, materialmen, repairmen, employees, pension plan administrators or other like Liens arising in the ordinary course of the Issuer's or any Restricted Subsidiary's business and with respect to amounts not yet delinquent for more than 60 days or being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made;

(h) Liens arising solely by virtue of any statutory or common law provisions relating to attorney's liens or bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depositary institution and liens arising under the general terms and conditions of financial institutions;

(i) Liens for taxes, assessments, government charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with IFRS shall have been made;

(j) Liens Incurred or deposits made to secure the performance of tenders, bids or trade or government contracts, or to secure leases, statutory or regulatory obligations, trade contracts, surety or appeal bonds, performance bonds or other obligations of a like nature Incurred in the ordinary course of business;

(k) zoning restrictions, survey exceptions, easements, licenses, reservations, title defects, rights of others for rights-of-way, utilities, sewers, electrical lines, telephone lines, telegraph wires, restrictions, encroachments and other similar charges, encumbrances or title defects Incurred in the ordinary course of business that do not in the aggregate materially interfere with in any material respect the ordinary conduct of the business of the Issuer and its Restricted Subsidiaries on the properties subject thereto, taken as a whole;

(l) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any real property leased by the Issuer or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(m) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(n) Liens arising by reason of any judgment, decree or order of any court so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(o) Liens on property of, or on shares of Capital Stock or Debt of, any Person existing at the time such Person is acquired by, merged with or into or consolidated with, the Issuer or any Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, Capital Stock or Debt); *provided* that such Liens: (i) do not extend to or cover any property or assets of the Issuer or any Restricted Subsidiary other than the property or assets acquired or than those of the Person merged into or consolidated with the Issuer or Restricted Subsidiary; and (ii) were created prior to, and not in connection with or in contemplation of, such acquisition, merger, consolidation, amalgamation or other combination;

(p) Liens securing the Issuer's or any Restricted Subsidiary's obligations under Hedging Agreements permitted under clause (2)(h) "*—Certain Covenants—Limitation on Debt*" or any collateral for the Debt to which such Hedging Agreements relate;

(q) Liens Incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security or other insurance;

(r) Liens Incurred in connection with any cash management program established in the ordinary course of business for the Issuer's or any Restricted Subsidiary's benefit;

(s) Liens made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Issuer or any Restricted Subsidiary, including rights of offset and set-off;

(t) Liens on assets of a Restricted Subsidiary that is not a Guarantor to secure Debt of such Restricted Subsidiary (or any other Restricted Subsidiary that is not a Guarantor) and that is otherwise not prohibited under the Indenture;

(u) any extension, renewal or replacement, in whole or in part, of any Lien (excluding any Liens pursuant to clause (x) of this definition); *provided* that any such extension, renewal or replacement shall be no more restrictive in any material respect than the Lien so extended, renewed or replaced and shall not extend in any material respect to any additional property or assets;

(v) Liens securing Debt Incurred to refinance Debt that has been secured by a Lien (excluding any Liens pursuant to clause (x) of this definition) permitted by the Indenture; *provided* that: (i) any such Lien shall not extend to or cover any assets of the type not securing the Debt so refinanced; and (ii) the Debt so refinanced shall have been permitted to be Incurred;

(w) purchase money Liens to finance property or assets of the Issuer or any Restricted Subsidiary acquired in the ordinary course of business; *provided* that: (i) the related purchase money Debt shall not exceed the cost of such property or assets and shall not be secured by any property or assets of the Issuer or any Restricted Subsidiary other than the property and assets so acquired; and (ii) the Lien securing such Debt shall be created within 90 days of any such acquisitions;

(x) Liens Incurred by the Issuer or any Restricted Subsidiary with respect to obligations that do not exceed the greater of €75.0 million and 3.0% of Total Assets;

(y) Liens resulting from escrow arrangements, including in respect of software or other intangible assets, entered into in connection with any type of disposition, including by way of license, of assets;

(z) any right of refusal, right of first offer, option or other arrangement to sell or otherwise dispose of an asset of the Issuer or any Restricted Subsidiary;

(aa) leases, subleases, licenses, sublicenses and other conveyances of assets (including real property) entered into in the ordinary course of business;

(bb) any encumbrance or restriction (including, but not limited to, pursuant to put and call agreements or buy/sell arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(cc) Liens (including put and call arrangements) on Capital Stock, Debt or other securities of an Unrestricted Subsidiary or a joint venture that is not a Subsidiary of the Issuer that secure Debt or other obligations of such Unrestricted Subsidiary or joint venture respectively;

(dd) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(ee) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Debt; and

(ff) Liens on receivables and other assets of the type described in the definition of (i) "Qualified Receivables Financing" Incurred in connection with a Qualified Receivables Financing and (ii) "Permitted Recourse

Receivables Financing" Incurred in connection with a Incurred in connection with a Permitted Recourse Receivables Financing.

For purposes of determining compliance with this definition, (i) a Lien need not be Incurred solely by reference to one category of Permitted Liens described in this definition but may be Incurred under any combination of such categories (including in part under one such category and in part under any other such category), (ii) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, the Issuer shall, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition, (iii) the principal amount of Debt secured by a Lien outstanding under any category of Permitted Liens shall be determined after giving effect to the application of proceeds of any such Debt to refinance any such other Debt, (iv) any Lien securing Debt that was permitted to secure such Debt at the time of the Incurrence of such Debt shall also be permitted to secure any increase in the amount of such Debt in connection with the accrual of interest and the accretion of accreted value, (v) if any Debt or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to a percentage of Total Assets at the time of Incurrence of such Debt or other obligations, and is refinanced by any Debt or other obligation secured by any Lien Incurred by reference to such category of Permitted Liens, and such refinancing would cause the percentage of Total Assets to be exceeded if calculated based on the Total Assets on the date of such refinancing, such percentage of Total Assets shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Debt or other obligation does not exceed an amount equal to the principal amount of such Debt or other obligation being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing, (vi) if any Debt or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to an amount in euro, and is refinanced by any Debt or other obligation secured by any Lien Incurred by reference to such category of Permitted Liens, and such refinancing would cause such euro amount to be exceeded, such euro amount shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Debt or other obligation does not exceed an amount equal to the principal amount of such Debt being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing and (vii) if any Debt or other obligation is secured by any Lien outstanding under any category of Permitted Liens measured by reference to an amount in euro, and is refinanced by any Debt or other obligation secured by any Lien Incurred by reference to such category of Permitted Liens, and such refinancing would cause such euro amount to be exceeded, such euro amount shall not be deemed to be exceeded (and such refinancing Lien shall be deemed permitted) so long as the principal amount of such refinancing Debt or other obligation does not exceed an amount equal to the principal amount of such Debt being refinanced, plus the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including accrued and unpaid interest) Incurred or payable in connection with such refinancing.

"**Permitted Refinancing Debt**" means any renewals, extensions, substitutions, defeasances, discharges, refinancings, exchanges or replacements (each, for purposes of this definition and paragraph (2) of "*—Certain Covenants—Limitation on Debt*," a "refinancing") of any Debt of the Issuer or a Restricted Subsidiary or pursuant to this definition, including any successive refinancings, as long as:

(a) such Debt is in an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) not in excess of the sum of: (i) the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding of the Debt being refinanced; and (ii) an amount necessary to pay any fees and expenses, including premiums and defeasance costs, related to such refinancing;

(b) if the Debt being refinanced is Subordinated Debt, the Stated Maturity of such Debt is no earlier than the Stated Maturity of the Debt being refinanced or, if shorter, the Stated Maturity of the Notes; and

(c) if the Debt being renewed, extended, substituted, defeased, discharged, refinanced or replaced is subordinated in right of payment to the Notes or any Guarantee (as applicable), such Permitted Refinancing Debt is subordinated in right of payment to, the Notes or any Guarantee (as applicable) on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Debt being renewed, extended, substituted, defeased, discharged, refinanced or replaced;

provided, however, that Permitted Refinancing Debt shall not include (x) Debt of the Issuer or a Restricted Subsidiary that refinances Debt of an Unrestricted Subsidiary and (y) Debt of a Restricted Subsidiary that is not a Guarantor that refinances Debt of the Issuer, the Issuer or a Guarantor.

Permitted Refinancing Indebtedness in respect of any Credit Facility or any other Debt may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Debt.

"**Permitted Recourse Receivables Financing**" means any financing other than a Qualified Receivables Financing pursuant to which the Issuer or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person, or grant a security interest in, any Securitization Assets (and related assets) of the Issuer or any of its Restricted Subsidiaries in an aggregate principal amount equal to the Fair Market Value of such Securitization Assets (and related assets); *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Issuer's Board of Directors or senior management) at the time such financing is entered into and (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Issuer's Board of Directors or senior management) at the time such financing is entered into.

"**Permitted Reorganization**" means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving any Parent, the Issuer or any of its Restricted Subsidiaries (a "**Reorganization**") that is made on a solvent basis, including where a Restricted Subsidiary becomes the new holding company of the Group, the Issuer becomes a Subsidiary thereof and such new holding company is subsequently deemed to be the "Parent" under the Indenture; *provided* that:

(a) any payments or assets distributed in connection with such Reorganization remain within the Issuer and its Restricted Subsidiaries; and

(b) if any of the Guarantees are released pursuant to "*—Guarantees—Release of the Guarantees*," substantially equivalent Guarantees must be granted by a surviving entity, if any.

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Pre-Expansion European Union**" means the European Union as of January 1, 2004, including the countries of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which became or becomes a member of the European Union after January 1, 2004.

"**Preferred Stock**" means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person, whether now outstanding or issued after the Issue Date and including, without limitation, all classes and series of preferred or preference stock of such Person.

"***pro forma***" means, with respect to any calculation made or required to be made pursuant to the terms of the Notes, a calculation made in good faith by the Issuer's Chief Financial Officer.

"**Property**" means, with respect to any Person, any interest of such Person in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including Capital Stock and other securities of, any other Person. For purposes of any calculation required pursuant to the Indenture, the value of any Property shall be its Fair Market Value.

"**Public Debt**" means any Debt consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the Commission for public resale. The term "Public Debt" shall not include (i) the Notes, (ii) any Debt issued to institutional investors in a direct placement of such Debt that is not underwritten by an intermediary (it being understood that, without limiting the foregoing, a financing that is distributed to not more than ten Persons (*provided* that multiple managed accounts and affiliates of any such Persons shall be treated as one Person for the purposes of this definition) shall be deemed not underwritten), (iii) any bank Debt, commercial bank or similar Debt, Capitalized Lease Obligation or recourse transfer of any financial asset or (iv) any other type of Debt Incurred in a manner not customarily viewed as a "securities offering."

"**Qualified Capital Stock**" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock.

"**Qualified Joint Venture**" means a joint venture in which the Issuer or any of its Restricted Subsidiaries has a direct or indirect ownership interest and that is engaged in a Permitted Business and that is not a Subsidiary of (i) the Issuer or (ii) any of the Restricted Subsidiaries.

"**Qualified Receivables Financing**" means any transaction or series of transactions that may be entered into by the Issuer or any of its Restricted Subsidiaries pursuant to which the Issuer or any of its Restricted Subsidiaries

may sell, convey or otherwise transfer to (a) a Receivables Subsidiary or (b) any other Person, or may grant a security interest in, any receivables (whether now existing or arising in the future) of the Issuer or any of its Restricted Subsidiaries, and any assets related thereto including, without limitation, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables, the bank accounts into which the proceeds of such receivables are collected and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitizations, receivable sale facilities, factoring facilities or invoice discounting facilities involving receivables; *provided* that the Board of Directors will have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the applicable Restricted Subsidiary or Receivables Subsidiary.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Qualified Receivables Financing.

"**Receivables Repurchase Obligation**" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"**Receivables Subsidiary**" means a wholly owned Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Debt or any other obligations (contingent or otherwise) of which (a) is guaranteed by the Issuer or any Restricted Subsidiary (excluding guarantees of obligations (other than the principal of, and interest on, Debt) pursuant to Standard Securitization Undertakings), (b) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any Restricted Subsidiary, (c) is recourse to or obligates the Issuer or any Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings, or (d) subjects any property or asset of the Issuer or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Issuer nor any Restricted Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding (except in connection with a Qualified Receivables Financing) other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(3) to which neither the Issuer nor any Restricted Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"**Redeemable Capital Stock**" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the final Stated Maturity of the Notes or is redeemable at the option of the Holder thereof at any time prior to such final Stated Maturity (other than upon a change of control of the Issuer in circumstances in which the Holders of the Notes would have similar rights), or is convertible into or exchangeable for debt securities at any time prior to such final Stated Maturity; *provided* that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes will not constitute Redeemable Capital Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in "*—Certain Covenants—Limitation on Asset Sales*" and "*—Certain Covenants—Change of Control*" and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer's

repurchase of such Notes as are required to be repurchased pursuant to "*—Certain Covenants—Limitation on Asset Sales*" and "*—Certain Covenants—Change of Control*."

"**Replacement Assets**" means (i) non-current properties and assets (including Capital Stock of a Person that is or becomes a Restricted Subsidiary and such Restricted Subsidiary's property, business or assets are used or useful in a Permitted Business or any and all businesses that in the good faith judgment of the Board of Directors of the Issuer are reasonably related) that replace the properties and assets that were the subject of an Asset Sale, or (ii) non-current properties and assets that are used or useful in a Permitted Business or any and all businesses that in the good faith judgment of the Board of Directors of the Issuer are reasonably related.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Subsidiary**" means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"**Revolving Credit Facility**" means the revolving credit facility provided under the Syndicated Credit Facility Agreement.

"**S&P**" means Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. and its successors.

"**Securities Act**" means the U. S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"**Securitization Asset**" means (1) any accounts receivable, mortgage receivables, loan receivables, royalty, franchise fee, license fee, patent, rent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (2) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitization, factoring or receivable sale transaction.

"**Senior Debt**" means (i) any Debt of the Issuer or any Guarantor that is either secured or not Subordinated Debt and (ii) any Debt of a Restricted Subsidiary of the Issuer that is not a Guarantor or the Issuer other than Debt Incurred pursuant to clause (2)(d) of the covenant described under the heading "*—Certain Covenants—Limitation on Debt*."

"**Significant Subsidiary**" means any Restricted Subsidiary that would be a "significant subsidiary" of the Issuer within the meaning of Rule 1-02 (but excluding clause (1) of the definition of "significant subsidiary") under Regulation S-X promulgated by the SEC, as in effect on the Issue Date.

"**Standard Securitization Undertakings**" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Qualified Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"**Stated Maturity**" means, when used with respect to any Note or any instalment of interest thereon, the date specified in such Note as the fixed date on which the principal of such Note or such instalment of interest, respectively, is due and payable, and, when used with respect to any other debt, means the date specified in the instrument governing such debt as the fixed date on which the principal of such debt, or any instalment of interest thereon, is due and payable.

"**Subordinated Debt**" means Debt of the Issuer or any of the Guarantors that is expressly subordinated in right of payment to the Notes or the Guarantee of such Guarantors, as the case may be.

"**Subordinated Shareholder Debt**" means, collectively, any funds provided to the Issuer by any direct or indirect Parent of the Issuer, or Affiliate of such Parent, pursuant to any security, instrument or agreement, other than Capital Stock, that pursuant to its terms:

(a) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Qualified Capital Stock or for any other security or instrument meeting the requirements of the definition);

(b) does not (including upon the happening of any event) require the payment in cash or otherwise, of interest or any other amounts prior to the first anniversary of the maturity of the Notes (*provided* that interest may accrete while such Subordinated Shareholder Debt is outstanding and accretion interest may become due upon maturity as permitted by clause (a) or acceleration of maturity as permitted by clause (c) below and

any interest may be satisfied at any time by the issue to the holders thereof of additional Subordinated Shareholder Debt);

(c) does not (including upon the happening of any event) provide for the acceleration of its maturity and its holders have no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, prior to the first anniversary of the maturity of the Notes;

(d) is not secured by a Lien or any assets of the Issuer or a Restricted Subsidiary and is not guaranteed by any Subsidiary of the Issuer;

(e) is contractually subordinated and junior in right of payment to the prior payment in full in cash of all obligations (including principal, interest, premium (if any) and Additional Amounts (if any)) of the Issuer under the Notes and the Guarantors under the Guarantees; and

(f) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Qualified Capital Stock of the Issuer;

provided that in any event or circumstance that results in such Debt ceasing to qualify as Subordinated Shareholder Debt, such Debt shall constitute an Incurrence of such Debt by the Issuer, and any and all Restricted Payments made through the use of the net proceeds from the Incurrence of such Debt since the date of the original issuance of such Subordinated Shareholder Debt shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Debt.

"**Subsidiary**" means, with respect to any Person:

(a) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person; and

(b) any other Person (other than a corporation), including, without limitation, a partnership, limited liability company, business trust or joint venture, in which such Person, one or more Subsidiaries of such Person or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, has at least majority ownership interest entitled to vote (including by way of shareholders agreement) in the election of directors, managers or trustees thereof (or other Person performing similar functions).

"**Successor Parent**" with respect to any Person means any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined below) by one or more Persons that "beneficially owned" (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, "beneficially own" has the meaning correlative to the term "beneficial owner," as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date).

"**Syndicated Credit Facility Agreement**" means the syndicated credit facility agreement dated March 19, 2020, as amended from time to time, between, *inter alios*, the Issuer and Banque Européenne du Crédit Mutuel as Agent.

"**Syndicated Term Loan Facility**" means the term loan facility provided under the Syndicated Credit Facility Agreement.

"**Target Group**" means GEH and its consolidated Subsidiaries.

"**TARGET Settlement Day**" means any day on which the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET) System is open.

"**Tax Sharing Agreement**" means any tax consolidation agreement or any similar arrangements in respect of any consolidated, combined, affiliated or unitary tax group or an arrangement relating to the surrender of group relief to which the Issuer or any of the Restricted Subsidiaries is a party.

"**Total Assets**" means the consolidated total assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Issuer, after giving *pro forma* effect to any acquisition, merger, amalgamation, consolidation or Investment, as determined in good faith by a responsible financial or accounting Officer of the Issuer.

"**Transactions**" means the Acquisition, the Offering and the use of proceeds therefrom as described in the Offering Memorandum.

"**Unrestricted Subsidiary**" means any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer's Board of Directors pursuant to the covenant under the caption "*—Certain Covenants—Designation of Unrestricted and Restricted Subsidiaries*") and any Subsidiary thereof.

"**Voting Stock**" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors, managers or trustees (or Persons performing similar functions) of any Person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

BOOK-ENTRY, DELIVERY AND FORM

General

Notes sold within the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Rule 144A Global Notes**"). Notes sold to non-U.S. persons outside the United States pursuant to Regulation S will initially be represented by one or more global notes in registered form without interest coupons attached (the "**Regulation S Global Notes**" and, together with the Rule 144A Global Notes, the "**Global Notes**"). On the date the Notes are delivered in book-entry form, as set forth on the cover page of this Listing Prospectus, the Global Notes will be deposited with, or on behalf of, a common depositary (the "**Common Depositary**") for the accounts of Euroclear Bank SA/NV, as operator of the Euroclear system ("**Euroclear**"), and Clearstream Banking S.A. ("**Clearstream**") and registered in the name of the Common Depositary or its nominee.

Ownership of interests in the Rule 144A Global Notes (the "**Rule 144A Book-Entry Interests**") and ownership of interests in the Regulation S Global Notes (the "**Regulation S Book-Entry Interests**" and, together with the Rule 144A Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants or otherwise in accordance with applicable transfer restrictions set out in the Indenture governing the Notes and any applicable securities laws of any state of the United States or any other jurisdiction. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants. The Book Entry Interests in the Notes will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Except as set forth below under "*—Issuance of Definitive Registered Notes*," the Book-Entry Interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive certified form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, owners of interest in the Global Notes will not have the Notes registered in their names, will not receive physical delivery of the Notes in certificated form and will not be considered the registered owners or "holders" of Notes under the Indenture for any purpose.

So long as the Notes are held in global form, the common depositary for Euroclear and /or Clearstream (or its nominees, as applicable) will be considered the sole holder of Global Notes, and "holders" of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream, as applicable, and indirect participants must rely on the procedures of the participants through which they own Book-Entry Interests in order to transfer their interests in the Notes or to exercise any rights of holders under the Indenture.

None of the Issuer, the Trustee, Paying Agent, Transfer Agent or Registrar or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Issuance of Definitive Registered Notes

Under the terms of the Indenture, to the extent permitted by Euroclear and/or Clearstream, owners of Book-Entry Interests will receive definitive notes in registered form without coupons ("**Definitive Registered Notes**"):

- if the common depositary for Euroclear and/or Clearstream notifies the Issuer that it is unwilling or unable to continue as the common depositary for the Global Notes and a successor depositary is not appointed by the Issuer in 120 days;
- if the Issuer, at its option, notifies the Trustee and the Paying Agent in writing that it elects to exchange in whole, but not in part, the Global Note for Definitive Registered Notes,
- if Euroclear or Clearstream so requests following an event of default under the Indenture,
- if the owner of a Book-Entry Interest requests such exchange in writing delivered through either Euroclear or Clearstream, as applicable, following an event of default under the Indenture, or
- if an Event of Default has occurred and is continuing with respect to the Notes and enforcement action in respect thereof is being taken under the Indenture.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names of the owner and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream, of the Issuer, as

applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend referred to in "*Notice to Investors*," unless that legend is not required by the Indenture or applicable law.

In the case of the issuance of Definitive Registered Notes, payment of principal of, and premium, if any, and interest on the Notes shall be payable at the place of payment designated by the Issuer pursuant to the Indenture; provided that, at the Issuer's option, payment of interest on a Note may be made by check mailed to the person entitled thereto at such address as shall appear on the note register.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the Registrar or at the office of a transfer agent, the Issuer will issue and the Trustee or an authenticating agent will authenticate a replacement Definitive Registered Note if the Trustee's and the Issuer's requirements are met. The Issuer or the Trustee may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect ourselves, the Trustee, the Registrar the Paying Agent or the Transfer Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer may charge for any expenses incurred by it in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Indenture, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

So long as the Notes are listed on The International Stock Exchange and the rules of such exchange so require, we will notify The International Stock Exchange of any issuance of Definitive Registered Notes.

To the extent permitted by law, the Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar, or any of their respective agents, shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such.

We will not impose any fees or other charges in respect of the Notes, however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

Redemption of Global Notes

In the event any Global Note, or any portion thereof, is redeemed, the Common Depositary will distribute the amount received by it in respect of the Global Note so redeemed to Euroclear and/or Clearstream, as applicable, who will distribute such amount to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The Common Depositary will surrender such Global Note to the Paying Agent for a cancellation or, in the case of a partial redemption, the Common Depositary will request the Paying Agent to markdown, endorse and return the applicable Global Note to reflect the reduction in the principal amount of such Global Note as a result of such partial redemption. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by the Common Depositary, Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that under existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate, *provided, however*, that, subject to applicable procedures of Euroclear and Clearstream, no Book-Entry Interest of less than €100,000 principal amount at maturity, or less, may be redeemed in part.

Payments on Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest, additional interest and additional amounts, if any) will be made by the Issuer in euro to the Paying Agent. The paying agent will, in turn, make such payments to the Common Depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, the Issuer, the Trustee, the Registrar, the Paying Agent, the Transfer Agent and any of our or their respective agents will treat the registered holders of the Global Notes (i.e., the nominee for the

Common Depositary of Euroclear or Clearstream) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to payments made on account of a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to payments made on account of a Book-Entry Interest;
- payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest;
- Euroclear, Clearstream or any participant or indirect participant; or
- the records of the common depositary.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in "street name."

Currency of Payment for the Global Note

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Note, will be paid to holders of interests in such Notes through Euroclear and/or Clearstream, as applicable, in euros.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto, Neither the Issuer nor the Trustee nor the Initial Purchasers nor any of their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Issuer that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. If there is an Event of Default under the Indenture, however, each of Euroclear and Clearstream reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to their respective participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds.

The Global Notes will bear a legend to the effect set forth under "*Notice to Investors*" Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed under "*Notice to Investors*."

Book-Entry Interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Note only upon delivery by the transferor of a written certification (in the forms provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act or Rule 144A or any other exemption (if available). See "*Notice to U.S. Investors*" and "*Notice to Investors*."

Subject to the foregoing, Book-Entry Interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Rule 144A Global Note only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Notice to U.S. Investors*" and "*Notice to Investors*," and in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction.

Subject to the foregoing, and as set forth in "*Notice to Investors*," Book-Entry Interests may be transferred and exchanged as described under the Indenture. Any Book-Entry Interest in a Global Note that is transferred to a person who takes delivery in the form of a Book-Entry Interest in another Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it retains such a Book-Entry Interest.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such Note by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note will be issued to the transferee in respect of the part transferred and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed will be issued to the transferor or the holder, as applicable; provided that no Definitive Registered Note in a denomination less than €100,000 will be issued. The Issuer will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

Global Clearance and Settlement under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on The International Stock Exchange and admitted to trading on the Official List of The International Stock. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Initial Purchasers, the Trustee, the Registrar, the Transfer Agent or the Paying Agent, or any of their respective agents, will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euros. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear or Clearstream, and will settle in same-day funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear or Clearstream on days when those systems are open for business.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We have provided the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time.

We understand as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and

Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Issuer, the Trustee, the Paying Agent, the Transfer Agent, the Registrar, the Initial Purchasers or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to Book-Entry Interests.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

CERTAIN TAX CONSIDERATIONS

Certain French Tax Considerations

The following is a summary of certain French withholding tax considerations relating to the ownership of the Notes. Comments which are included therein are reported only for information purposes and do not aim at giving a complete analysis of the tax rules that may affect the Issuers of the Notes or the investors. This summary is based on the provisions of French tax laws and regulations, as in force and applied by the French tax authorities on the date of the Offering Memorandum, all of which are subject to change, possibly with retrospective effect, or to different interpretations. Accordingly, no opinion is expressed herein with regard to any system of law other than the laws of France as applied by French courts as of the date of the Offering Memorandum. Any investor contemplating to acquire the Notes should therefore consult its own tax adviser about the tax consequences that may arise for it as a result of the acquisition, the ownership, the disposal or the redemption of the Notes.

Withholding Taxes on Payments Made Outside France

Holders of the Notes who concurrently hold shares of the Issuer may also be impacted by other rules not described in this section.

Payments of interest and assimilated revenues made by the relevant Issuer with respect to the relevant Notes, as applicable, will not be subject to the withholding tax set out under Article 125 A III of the French Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French Tax Code (a "**Non-Cooperative State**") other than those States or territories mentioned in 2° of 2 *bis* of the same Article 238-0 A, irrespective of the holder's fiscal domicile or registered headquarters. If such payments are made outside France in a Non-Cooperative State other than those States or territories mentioned in 2° of 2 *bis* of Article 238-0 A of the French Tax Code, a 75% withholding tax is applicable to such payments (subject to certain exceptions and to more favorable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French Tax Code. The list of Non-Cooperative States is published by a ministerial executive order (*arrêté*) which is updated each year.

Furthermore, according to the third and fourth paragraphs of Article 238 A of the French Tax Code, interest and assimilated revenues with respect to the Notes will not be deductible from the relevant Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account held in a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and assimilated revenues may be re-characterized as constructive dividends pursuant to Articles 109 *et seq.* of the French Tax Code, in which case they may be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code, at (i) the standard corporate income tax rate set forth in the first sentence of the second paragraph of Article 219-I of the French Tax Code, 26.5% for fiscal years beginning as from January 1, 2021 and 25% for fiscal years beginning as from January 1, 2022) for payments benefiting legal persons who are not French tax residents, (ii) a rate of 12.8% for payments benefiting individuals who are not French tax residents or (iii) a rate of 75% for payments made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French Tax Code (in each case subject to certain exceptions and to more favorable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French Tax Code nor, to the extent that the relevant interest and assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion and the related withholding tax set out under Article 119 *bis* 2 of the French Tax Code that may be levied as a result of such Deductibility Exclusion will apply in respect of the Notes if the relevant Issuer can prove that the main purpose and effect of the issue of the Notes was not that of locating the interest and assimilated revenues in a Non-Cooperative State (the "**Exception**")Pursuant to the guidelines published by the French tax authorities regarding this legislation (BOI-INT-DG-20-50-30 dated February 24, 2021, § 150 and BOI-INT-DG-20-50-20 dated February 24, 2021, § 290 (the "**BOFIP**")), the Notes will benefit from the Exception without the relevant Issuer having to provide any evidence supporting the main purpose and effect of the issue of the Notes, and accordingly will be able to automatically benefit from the Exception (the "**Safe Harbor**"), if the Notes are:

(i) offered by means of a public offering within the meaning of Article L.411-1 of the French Monetary and Financial Code for which the publication of a prospectus is mandatory or pursuant to an equivalent offer in a state other than a Non-Cooperative State (for this purpose, an "equivalent offering" means any offering requiring the registration or submission of an offering document by or with a foreign securities market authority); and/or

(ii) admitted to trading on a French or foreign regulated market or multilateral financial instruments trading facility, *provided* that such market or facility is not located in a Non-Cooperative State and that such market is operated by a market operator, an investment services provider, or by such other similar foreign entity that is not located in a Non-Cooperative State; and/or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities delivery and payment systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators *provided* that such depositary or operator is not located in a Non-Cooperative State.

The Notes qualify as debt securities under French commercial law. To the extent that the Notes are (i) listed on the Official List of the Exchange and (ii) admitted, at the time of their issue, to the operations of Euroclear and Clearstream, *i.e.,* both securities delivery and payment systems operators within the meaning of Article L. 561-2 of the French Monetary and Financial Code which are not located in a Non-Cooperative State, payments made by the relevant Issuer in respect of the Notes to their holders will fall under the Safe Harbor and will thus not be subject to the withholding tax set out under Article 125 A III of the French Tax Code, as construed by the French tax authorities under the BOFIP. Moreover, under the same conditions, pursuant to the BOFIP and to the extent that the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, interest and assimilated revenues paid by the relevant Issuer on the Notes should not be subject to the Deductibility Exclusion and, as a result, should not be subject to the withholding tax set out under Article 119 *bis* 2 of the French Tax Code solely on account of their being paid on an account held in a financial institution established in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Withholding Taxes on Payments Made to Individuals Fiscally Domiciled in France

Pursuant to Article 125 A I of the French Tax Code, when the paying agent (*établissement payeur*) is established in France and subject to certain exceptions, interest and similar income received by individuals fiscally domiciled (*domiciliés fiscalement*) in France may be subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at an aggregate rate of 17.2% on such interest and similar income received by individuals fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

Certain United States Federal Income Tax Considerations

The following is a discussion of certain U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. This discussion is based upon the United States Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury regulations issued thereunder (the "**Treasury Regulations**"), and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This discussion is limited to consequences relevant to a U.S. holder (as defined below). This discussion does not address the impact of the unearned income Medicare contribution tax or the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. No rulings from the U.S. Internal Revenue Service (the "**IRS**") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special rules, such as financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the U.S. dollar, tax-exempt organizations, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities or arrangements (or investors in such entities or arrangements), persons liable for alternative minimum tax, persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement and persons holding the Notes as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction. In addition, this discussion is limited to persons who purchase the Notes for cash at original issue and at their "issue price" (the first price at which a substantial amount of Notes is sold for money, not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters,

placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of section 1221 of the Code.

For purposes of this discussion, a "**U.S. holder**" is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity classified as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Notes.

Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of U.S. federal estate and gift tax laws, the U.S. federal Medicare tax on net investment income, and state, local, non-U.S. or other tax laws.

Additional Payments

In certain circumstances, we may be obligated to make payments on the Notes in excess of stated principal and interest. We intend to take the position that the foregoing contingencies should not cause the Notes to be treated as contingent payment debt instruments under the applicable Treasury Regulations. Assuming such position is respected, a U.S. holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes. Our position is binding on a holder, unless the holder discloses in the proper manner to the IRS that it is taking a different position. If the IRS successfully challenged our position, and the Notes were treated as contingent payment debt instruments, U.S. holders would be required to accrue interest income at a rate higher than their yield to maturity, regardless of the holder's method of accounting, and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement or redemption of a Note. The remainder of this discussion assumes that the Notes will not be considered contingent payment debt instruments. U.S. holders are urged to consult their tax advisors regarding the potential application to the Notes of the contingent payment debt instrument rules and the consequences thereof.

Payments of Stated Interest

Payments of stated interest on a Note generally will be includible in the gross income of a U.S. holder as ordinary interest income at the time the interest is received or accrued, in accordance with the U.S. holder's regular method of accounting for U.S. federal income tax purposes. Interest generally will be income from sources outside the United States and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income.

A U.S. holder that uses the cash method of accounting for tax purposes will recognize interest income equal to the U.S. dollar value of the interest payment, based on the spot rate on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars at that time. A cash basis U.S. holder will not realize foreign currency exchange gain or loss on the receipt of stated interest income but may recognize exchange gain or loss attributable to the actual disposal of the foreign currency received.

A U.S. holder that uses the accrual method of accounting for U.S. federal income tax purposes, or who otherwise is required to accrue interest prior to receipt, may determine the amount recognized with respect to such interest in accordance with either of two methods. Under the first method, such holder will recognize income for each taxable year equal to the U.S. dollar value of the foreign currency accrued for such year determined by translating such amount into U.S. dollars at the average spot rate in effect during the relevant interest accrual period (or portion thereof within the U.S. holder's taxable year) (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. holder's taxable year). Alternatively, an accrual method U.S. holder may make an election (which must be applied consistently to all debt instruments held by the electing U.S. holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. holder, and cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate on the last day of the accrual period (or the last day of the taxable year in the case of a partial accrual period), or at the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. A U.S. holder that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss, on the date such interest is received, equal to the difference between the U.S. dollar value of such payment,

translated at the spot rate on the date the payment is received, and the U.S. dollar value of the interest income previously included in respect of such payment. This exchange gain or loss will be treated as ordinary income or loss, generally will be treated as U.S.-source and generally will not be treated as an adjustment to interest income or expense.

Any non-U.S. withholding tax paid (or deemed paid) by a U.S. holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations. The calculation of foreign tax credits involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their tax advisors regarding the availability of foreign tax credits.

Sale, Exchange, Retirement or other Taxable Disposition of Notes

A U.S. holder's adjusted tax basis in a Note generally will equal the cost of the Note to the U.S. holder. The cost of a Note purchased with foreign currency will be the U.S. dollar value of the foreign currency purchase price on the date of the purchase, calculated at the spot rate in effect on that date.

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued and unpaid stated interest, which will be includible in income as ordinary interest income in accordance with the U.S. holder's method of tax accounting as described above) and the U.S. holder's adjusted tax basis in the Note. The amount realized on the sale, exchange, retirement or other taxable disposition of a Note for an amount of foreign currency will generally be the U.S. dollar value of that amount translated at the spot rate on the date of taxable disposition. If the Note is traded on an established securities market, a cash basis taxpayer (and, if it elects, an accrual method taxpayer) will determine the U.S. dollar value of the amount realized on the settlement date of the disposition. If an accrual method taxpayer makes the election described above, such election must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS. An accrual method U.S. holder that cannot or does not make the special election will recognize foreign currency exchange gain or loss to the extent attributable to the difference between the exchange rates on the trade date and settlement date.

U.S. holders will recognize exchange gain or loss upon the sale, exchange, retirement or other taxable disposition of a Note to the extent that the gain or loss is attributable to changes in currency exchange during the period in which the U.S. holder held such notes. Such foreign currency gain or loss will generally be equal to the difference between the U.S. dollar value of the U.S. holder's purchase price of the Note in foreign currency determined (1) using the spot rate on the date of the sale, exchange, retirement or other taxable disposition, and (2) using the spot rate on the date the U.S. holder acquired the Note. The exchange gain or loss with respect to principal and with respect to accrued and unpaid stated interest (which will be treated as discussed above under "*—Payments of Stated Interest*") will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange, retirement or other taxable disposition of the Note, and will be treated as ordinary income generally from sources within the United States for U.S. foreign tax credit limitation purposes.

All foreign currency gain or loss generally will be treated as ordinary income or loss and not as an adjustment of interest income.

Any gain or loss recognized by a U.S. holder in excess of foreign currency gain or loss recognized on the sale, exchange, retirement or other taxable disposition of a Note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if the U.S. holder has held the Note for more than one year at the time of the sale, exchange, retirement or other taxable disposition. In the case of a non-corporate U.S. holder (including an individual), any such gain may be eligible for preferential U.S. federal income tax rates if the U.S. holder satisfies certain prescribed minimum holding periods. The deductibility of capital losses is subject to limitations.

U.S. holders should consult their tax advisors regarding how to account for payments made in a foreign currency with respect to the acquisition, sale, exchange, retirement or other taxable disposition of a Note and the foreign currency received upon a sale, exchange, retirement or other taxable disposition of a Note.

Tax Return Disclosure Requirements

Treasury Regulations require the reporting to the IRS of certain foreign currency transactions giving rise to losses in excess of a certain minimum amount, such as losses upon the receipt or accrual of interest on, or the sale, exchange, retirement or other taxable disposition of a Note or foreign currency received in respect of a Note. U.S. holders should consult their tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Information Reporting and Backup Withholding

In general, payments of interest and the proceeds from sales or other dispositions (including retirements or redemptions) of Notes held by a U.S. holder may be required to be reported to the IRS unless the U.S. holder is an exempt recipient and, when required, demonstrates this fact. In addition, a U.S. holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements. U.S. holders may be required to provide such certification on IRS Form W-9.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the appropriate information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. holders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the Notes) are required to report information (on IRS Form 8938) relating to such assets, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. U.S. holders should consult their tax advisors regarding the effect, if any, of this requirement on their ownership and disposition of the Notes.

CERTAIN INSOLVENCY LAW CONSIDERATIONS

Set out below is a summary of certain insolvency law considerations in each of the jurisdictions in which the Issuer (as of the date hereof) is organized. It is a summary only. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes.

European Union

Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast), as amended, in particular by Regulation (EU) 2018/946 of the European Parliament and of the Council of 4 July 2018, published in the Official Gazette of the European Union on 6 July 2018 (the **"EU Insolvency Regulation**") was published in the Official Gazette of the European Union on 5 June 2015 and applies to insolvencies which commenced after 26 June 2017 (subject to certain exceptions).

The EU Insolvency Regulation applies within the European Union (other than Denmark), to public collective insolvency proceedings as defined therein and listed in its Annex A. It provides that the courts of the Member State in which a debtor's "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation) is situated have jurisdiction to commence main insolvency proceedings relating to such debtor. The determination of where a debtor has its centre of main interests is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Pursuant to Article 4 of the EU Insolvency Regulation, a court requested to open insolvency proceedings is required to examine whether it has jurisdiction pursuant to Article 3 and, pursuant to Article 5, such decision may be challenged by the debtor or any creditor on grounds of international jurisdiction.

Article 3(1) of the EU Insolvency Regulation provides that the centre of main interests, or "**COMI**" of a "debtor shall be the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties." It sets forth, as explained by Recital (30), a rebuttable presumption that a debtor has its COMI in the Member State in which it has its registered office in the absence of proof to the contrary. This presumption shall only apply if the registered office of the legal person has not been moved to another Member State within the 3-month period prior to the request for the opening of insolvency proceedings. Recital (30) provides that it should be possible to rebut this presumption if a debtor's central administration is located in a Member State other than that of its registered office and a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the debtor's actual centre of management and supervision and the management of its interests is located in that other Member State. Under the previous EU insolvency regulation (Council Regulation (EC) 1346/2000 of 29 May 2000), which defined the COMI in similar terms, the courts have taken into consideration a number of factors in determining a debtor's COMI, including in particular where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established. A debtor's COMI is not a static concept and may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to commence insolvency proceedings at the time of the filing of the insolvency petition.

If a debtor's COMI is and will remain located in the Member State (other than Denmark) in which it has its registered office, the main insolvency proceedings in respect of the debtor under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings commenced in one Member State under the EU Insolvency Regulation are to be recognized in the other EU Member States (other than Denmark), although secondary proceedings may be commenced in another Member State.

If a debtor's COMI is in a Member State (other than Denmark), under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to commence secondary (territorial) insolvency proceedings against that debtor only if such debtor has an "establishment" (within the meaning and as defined in Article 2(10) of the EU Insolvency Regulation) in the territory of such other Member State or had an establishment in such EU Member State in the 3-month period prior to the request for commencement of main insolvency proceedings. An "establishment" is defined to mean "any place of operations where the debtor carries out or has carried out in the 3-month period prior to the request to commence main insolvency proceedings a non-transitory economic activity with human means and assets."

Where main proceedings have been commenced in the Member State in which the debtor has its COMI, any proceedings commenced subsequently in another Member State in which the debtor has an establishment shall be secondary insolvency proceedings. The effects of such secondary proceedings are restricted to the assets of the

debtor situated in the territory of such other Member State. Where main proceedings in the Member State in which the debtor has its COMI have not yet been commenced, pursuant to Article 3 (4) of the EU Insolvency Regulation, territorial insolvency proceedings may only be commenced in another Member State where the debtor has an establishment where either (a) insolvency proceedings cannot be commenced in the Member State in which the debtor's COMI is situated under that Member State's law; or (b) the territorial insolvency proceedings are commenced at the request of (i) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the Member State where the commencement of territorial proceedings is requested or (ii) a public authority that has the right to make such a request under the law of the Member State in which the establishment is located. Irrespective of whether the insolvency proceedings are main or territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the lex fori concursus, i.e., the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the debtor. Furthermore, pursuant to Article 6 of the EU Insolvency Regulation, the courts of the Member State within the territory of which insolvency proceedings have been opened in accordance with its Article 3 shall have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked with them, such as avoidance actions.

The opening of insolvency proceedings in a Member State pursuant to the EU Insolvency Regulation shall not affect the rights in rem of creditors or third parties in respect of tangible or intangible, moveable or immoveable assets, both specific assets and collections of indefinite assets as a whole that change from time to time, belonging to the debtor that are situated within the territory of another Member State at the time of the opening of proceedings. Rights in rem include:

- the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income from those assets, in particular by virtue of a lien or a mortgage;
- the exclusive right to have a claim met, in particular a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee;
- the right to demand assets from, and/or to require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled;
- a right in rem to the beneficial use of assets.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings that will be given the same effect in the other Member States so long as no secondary proceedings have been commenced there. Pursuant to Article 21 of the EU Insolvency Regulation, the insolvency practitioner appointed by a court in a Member State that has jurisdiction to commence main proceedings (because the debtor's COMI is located there) may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the debtor from that other Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other Member State where the debtor has assets.

However, under Article 36 of the EU Insolvency Regulation, the insolvency practitioner in the main insolvency proceedings may attempt to avoid the opening of secondary insolvency proceedings in another Member State by giving a unilateral undertaking in respect of the assets located in the Member State in which secondary insolvency proceedings could be opened that the distribution of those assets or of the proceeds received as a result of their realization, will comply with the distribution and priority rights that would apply under the relevant national law if secondary insolvency proceedings were opened in such other Member State. Such undertaking must be made in writing and is subject to approval by a qualified majority of known local creditors, determined in accordance with the local law of such other Member State. If approved, the undertaking is binding on the insolvency estate and if a court is requested to open secondary insolvency proceedings, it shall, at the request of the insolvency practitioner in the main insolvency proceedings, refuse to open such proceedings if it is satisfied that the undertaking adequately protects the general interests of local creditors.

Additionally, under Article 38 of the EU Insolvency Regulation, where a temporary stay of individual enforcement proceedings has been granted in order to allow for negotiations between a company and its creditors, the court, at the request of the company or of the insolvency practitioner in the main insolvency proceedings, may stay the opening of secondary insolvency proceedings for a period not exceeding three months, provided that suitable measures are in place to protect the interests of local creditors.

Under Article 46 of the EU Insolvency Regulation, the court that opened the secondary insolvency proceedings will also stay the process of realization of assets in whole or in part upon receipt of a request from the insolvency practitioner in the main insolvency proceedings, for a period of up to three months, unless such a request is

manifestly of no interest to the creditors in the main insolvency proceedings. Such stay may be continued or renewed for similar periods. Where the court stays the process of realization of the assets, the court may require the insolvency practitioner in the main insolvency proceedings to take any suitable measure to guarantee the interests of the creditors in the secondary insolvency proceedings and of individual classes of creditors.

The EU Insolvency Regulation provides:

a. for cooperation and communication between insolvency practitioners of the main insolvency proceedings and of the secondary insolvency proceedings and, in order to facilitate the coordination of main, territorial and secondary insolvency proceedings concerning the same debtor for cooperation and communication between (i) courts and (ii) insolvency practitioners and courts;

b. for specific cooperation, communication and coordination measures in order to ensure the efficient administration of insolvency proceedings relating to different companies forming part of the same group;

c. that the Member States shall establish and maintain a register of insolvency proceedings; and

d. that the European Commission shall establish a decentralised system for the interconnection of such insolvency registers.

The United Kingdom ceased to be a member of the EU on January 31, 2020 at 11.00 p.m. ("exit day") and therefore is no longer a Member State. The EUWA (as amended by the European Union (Withdrawal Agreement) Act 2020) provides that direct EU legislation (which term includes any EU regulation as it had effect in EU law immediately before exit day (subject to certain exceptions)) converts directly applicable EU law (which includes regulations) as it stood at the end of the transition period into UK domestic law. However, while direct EU legislation may continue to form a part of domestic law of the United Kingdom after the end of the transition period, it may be subject to a number of amendments. The Insolvency (Amendment) (EU Exit) Regulations 2019 (SI 2019/146) set out a number of amendments to be made to the Insolvency Regulation, as it will apply in the United Kingdom after the end of the transition period. On December 30, 2020 the European Union and the United Kingdom formally signed the EU UK Trade and Cooperation Agreement. This agreement provisionally applies as from January 1, 2021, but is still subject to formal approval by the European Parliament. At this stage, there remains considerable political, legislative and regulatory uncertainty throughout the region and the extent to which Brexit could adversely affect business activity, restrict the movement of capital and the mobility of personnel and goods, and otherwise impair political stability and economic conditions in the United Kingdom, the Eurozone, the EU and elsewhere. Any of these developments could have a material adverse effect on business activity in the United Kingdom, the Eurozone, or the EU. Further, the Trade and Cooperation Agreement does not include a replacement for the current automatic recognition of UK insolvency procedures across the EU and vice versa. In the absence of an agreement allowing automatic recognition, it will be harder for UK office holders and UK restructuring and insolvency proceedings to be recognized in EU member states and to effectively deal with assets located in EU member states. Much will then depend upon the private international law rules in the particular EU member state and the need may well arise to open parallel proceedings, increasing the element of risk. In particular in cases where the appointment of a UK office holder has been made in reliance on a UK domestic approach rather than the COMI rules, it is much less certain that there will be recognition in the relevant EU member state.

EU Directive on Preventive Restructuring Frameworks

The EU directive 2019/1023 of the European Parliament and the Council of June 20, 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (the "**EU Restructuring Directive**") was published on June 26, 2019.

The objectives of the EU Restructuring Directive are to ensure that (i) viable enterprises and entrepreneurs that are in financial difficulties have access to effective national preventive restructuring frameworks that enable them to continue operating (ii) honest insolvent or over-indebted entrepreneurs (i.e. individuals) can benefit from a full discharge of debt after a reasonable period of time, thereby affording them a second chance; and (iii) the effectiveness of procedures concerning restructuring, insolvency and discharge of debt is improved, in particular with a view to shortening their length.

The EU Restructuring Directive aims to achieve a higher degree of harmonization in the field of restructuring, insolvency, discharge of debt and disqualifications by establishing substantive minimum standards for preventive restructuring procedures as well as for procedures leading to a discharge of debt for entrepreneurs in order to promote a culture that encourages early preventive restructuring to address financial difficulties at an early stage, when it appears likely that insolvency can be prevented and the viability of the business can be ensured. Most notably, the Restructuring Directive provides for a framework pursuant to which (a) a stay of individual enforcement actions by creditors against debtors must be introduced by Member States national legislation, (b) all

creditor claims shall be grouped into separate classes each of which shall reflect a commonality of interests (at minimum, creditors of secured and unsecured claims shall be treated in separate classes), (c) creditor claims may be restructured in a restructuring plan by majority vote with a majority of not more than 75% of the amount of the claims in each class and, where the Member State so requires, a majority in number of affected parties in each class and (d) a cross-class cram-down is introduced whereby a restructuring plan may, under certain conditions, be adopted and bind dissenting creditors even if the creditors of one or more classes do not consent to the restructuring plan with the required majority. In order to be adopted the plan will have to be confirmed by a judicial or administrative authority that will in particular ensure the protection of each type of creditors' rights and compliance with the priority rules governing the adoption of the plan. The transposition of the EU Restructuring Directive into national legislation shall protect new financing and interim financing and may also provide priority ranking to new or interim financing granted in the context of the restructuring.

The EU Restructuring Directive shall be transposed into national laws or regulations by Member States by 17 July 2021 (with the exception of the provisions relating to the use of electronic means of communication for which the time period for the transposition expires in certain respects on 17 July 2024 or, in others, on 17 July 2026), subject to a maximum 1 year extension of the transposition period for Member States encountering particular difficulties in implementing the EU Restructuring Directive.

Although which proceedings will be affected by the transposition of the EU Restructuring Directive into French law has not yet been determined, it seems likely that safeguard, accelerated safeguard, accelerated financial safeguard and judicial reorganization proceedings will be substantially amended to take into consideration the provisions of the EU Restructuring Directive.

The major differences between the EU Restructuring Directive and current French insolvency law lie in:

- the introduction of classes of "affected parties" (i.e., including notably creditors and therefore the Noteholders) into French law which shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of interest based on verifiable criteria (as a minimum, secured and unsecured claims shall be treated in separate classes for the purpose of adopting a restructuring plan) based on a commonality of interests as opposed to the current classification of creditors in accordance with the nature of their contractual relationship with the debtor and irrespective of their actual chances of repayment, i.e. as credit institutions, main suppliers or bondholders;
- the possibility to set up shareholders as one specific class when their rights may be impaired, allowing other classes of creditors to impose a plan on shareholders, which can only occur in very restrictive circumstances under current French law;
- the possibility to have the restructuring plan confirmed by a judicial or administrative authority by applying a cross-class cram-down, providing notably that:
  - creditors that share enough commonality of interest within a class benefit from equality of treatment and are treated in proportion to their claim;
  - the plan has been notified to all affected parties;
  - the plan complies with the best interest of creditors test (i.e., no dissenting creditor would be worse off under the restructuring plan than they would be in the event of liquidation, whether in the event of a piecemeal sale or a sale as a going concern or in the event of the next-best-alternative scenario if the restructuring plan were not to be confirmed);
  - as the case may be, any new financing necessary to implement the restructuring plan does not unfairly prejudice the interest of creditors;
  - the plan has a reasonable prospect of preventing the insolvency of the debtor or ensuring the viability of the business;
  - the plan has been approved:
    - by a majority of the voting classes of affected parties, provided that at least one of those classes is a secured creditors class or is senior to the ordinary unsecured creditors class; or, failing that,
    - by at least one of the voting classes of affected parties or, where so provided under national law, impaired parties, other than an equity-holders class or any other class which, upon a valuation of the debtor company as a going-concern, would not receive any payment or keep any interest, or, where so provided under national law, which could be reasonably presumed not to receive any payment or keep any interest, if the normal ranking of liquidation priorities were applied

under national law; it is specified that member states may increase the minimum number of voting classes of affected parties or, where so provided under national law, of impaired parties;

- the plan complies with the relative priority rule (i.e., dissenting voting classes of affected creditors are treated at least as favorably as any other class of the same rank and more favorably than any junior class); by way of derogation, Member States may instead provide that the plan shall comply with the absolute priority rule (i.e., a dissenting voting class of creditors must be satisfied in full before a more junior class may receive any distribution or keep any interest under the restructuring plan); and
- no class of affected parties can, under the restructuring plan, receive or keep more than the full amount of its claims or interests.

- Member States may maintain or introduce provisions derogating from the conditions above when necessary in order to achieve the aims of the restructuring plan and where the restructuring plan does not unfairly prejudice the rights or interests of any affected parties.

France

We conduct part of our business activity in France and, to the extent that the registered office of the Issuer or its main centre of interests within the meaning of Article R. 600-1 of the French Commercial Code is deemed to be in France, the entities could be subject to French court-assisted proceedings affecting creditors, i.e. *mandat ad hoc* or conciliation proceedings (*procédure de conciliation*) (which do not fall within the scope of the EU Insolvency Regulation). In addition, to the extent that (i) their COMI is deemed to be in France or they have an establishment in France or, (ii) in cases where the EU Insolvency Regulation does not apply, their registered office or their main centre of interests within the meaning of article R. 600-1 of the French Commercial Code, is deemed to be in France, they could also be subject to French court administered proceedings (which would qualify as main insolvency proceedings under the EU Insolvency Regulation) affecting creditors, i.e. either safeguard proceedings, accelerated safeguard proceedings or accelerated financial safeguard proceedings (*procédures de sauvegarde, sauvegarde accélérée* or *sauvegarde financière accélérée*), judicial reorganization proceedings (*redressement judiciaire*) or judicial liquidation proceedings (*liquidation judiciaire*).

Annex A of the EU Insolvency Regulation lists safeguard, accelerated safeguard, accelerated financial safeguard, judicial reorganization and judicial liquidation proceedings as insolvency proceedings within the meaning of the EU Insolvency Regulation. Any company of our group having its COMI in France would be subject to French main insolvency proceedings within the meaning of the EU Insolvency Regulation and any company of our group having an establishment in France and its COMI in another EU Member State (other than Denmark) could be subject to French secondary insolvency proceedings within the meaning of the EU Insolvency Regulation.

Law No. 2015 990 dated August 6, 2015 (the "**Macron Law**") introduced specialized courts for conciliation or insolvency proceedings with respect to: (i) debtors that exceed (on a stand-alone basis or through the companies under their control) (y) €20 million of turnover and 250 employees or (z) €40 million of turnover or (ii) commencement of proceedings pursuant to the EU Insolvency Regulation or (iii) in cases where the EU Insolvency Regulation does not apply, the debtor having its main center of interest within the jurisdiction of such specialized courts.

The court that commences insolvency proceedings with respect to the member of a corporate group has jurisdiction over all the other members of this group. Accordingly, a court can supervise the insolvency proceedings of the whole group (subject to French courts having international jurisdiction with respect to such entities, in accordance with the rules outlined above, and to specific control thresholds) and may, for this purpose, appoint the same administrator and creditors' representative (*mandataire judiciaire*) for all proceedings in respect of members of the group. In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes. This is even more relevant within the temporary framework to amend Book VI of the French Commercial Code enacted by the French Government in the context of the COVID-19 crisis.

The following is a general discussion of preventive and insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes, although such proceedings will likely be amended in the context of the transposition of the Restructuring Directive into French law. In this latter regard, French law n° 2019-486 dated May 22, 2019 ("*Loi Pacte*") grants the French government twenty-four months to enact appropriate measures through ordinances for the transposition of the EU Restructuring Directive.

Temporary measures in the context of the COVID-19 pandemic

Due to the COVID-19 pandemic, certain temporary measures have recently been enacted by the French Government to adapt French insolvency law to the health crisis (Ordinance No. 2020-1443 dated November 25, 2020, in force as from 26 November 2020 and Law n°2020-1525 dated 7 December 2020, in force as from 8 December 8 2020). In particular, until December 31, 2021, pursuant to Article 1 of Ordinance n°2020-1443 dated November 25, 2020, in force as from November 26, 2020, at the request of the conciliator, the duration of conciliation proceedings may be extended one or more times, by a reasoned decision of the president of the court, up to a maximum of ten months (see conciliation proceedings related provisions in "*—Court-Assisted Proceedings*" below).

In addition, Article 124 of Law n°2020-1525 dated December 7, 2020, in force as from December 8, 2020 extends until December 31, 2021 the following measures that were initially adopted by Ordinance n°2020-596 dated May 20, 2020, in force as from May 21, 2020 that were due to expire on December 31, 2020:

- additional specific measures aimed at protecting debtors and an adaptation of the provisions governing grace periods in the context of conciliation proceedings (see "*—Court-Assisted Proceedings*" and "*—Grace Periods*" below);
- the loosening of the conditions for eligibility to Accelerated Safeguard Proceedings and Accelerated Financial Safeguard Proceedings (see "*—Court-Administered Proceedings—Accelerated Safeguard and Accelerated Financial Safeguard*" below);
- the supervising judge's right, at the request of the court-appointed administrator or the creditors' representative, to reduce from 30 to 15 days of receipt of the debt settlement proposal the deadline during which creditors can respond to a debt settlement proposal in the context of a standard consultation for the approval of a safeguard or reorganization plan;
- the possible up to two-year extension of the duration of the safeguard or reorganization plan, as a result of which such a plan can now last up to 12 years; and
- the grant of a special privilege for creditors that make new cash contributions to the debtor during the observation period of safeguard proceedings, the accelerated safeguard proceedings, the accelerated financial safeguard proceedings or the reorganization proceedings in order to ensure the continuation of the company's business and its survival and for those who undertake to make such contribution for the execution of the safeguard or reorganization plan ordered or modified by the court (the "**S/R Lien**").

Due to the COVID-19 pandemic, these rules may be further adapted and additional measures may be put in place within the following weeks or months, which may have an impact on French insolvency law.

Grace Periods

In addition and independently from the specific provisions of pre-insolvency and insolvency laws discussed below, you may, like any other creditors, be subject to Article 1343-5 and seq. of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil or commercial proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate, as published semi-annually by administrative decree of the French Ministry of Economy) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1343-5 of the French Civil Code will suspend any pending enforcement measures, and any contractual default interest or penalty for late payment will not accrue or be due during the grace periods ordered by the relevant judge.

If the debtor is engaged in conciliation proceedings or has reached a conciliation agreement that is in the course of being executed, special rules apply to the grant of grace periods (see "*—Court-Assisted Proceedings*" below).

Warning Procedure (procédure d'alerte)

In order to anticipate a debtor's difficulties to the extent possible, French law provides for certain warning procedures. Pursuant to the provisions of Article L .234-1 of the French Commercial Code, when there are elements which the statutory auditors of a company believe put the company's existence as a going concern in jeopardy, they can request the management to provide an explanation for the situation (Stage 1 of the warning procedure). Failing satisfactory explanations or corrective measures by management, the auditors can demand a meeting of the board of directors (or the equivalent body) be convened and may request to be heard by the president

of the relevant commercial court (Stage 2 of the warning procedure). The minutes of the board of directors' meeting are sent to the employee representatives during Stage 2, as Stage 1 proceedings are confidential.

If, despite of the statutory auditor's request, the board of directors (or an equivalent body) has not been convened, if the statutory auditor has not been summoned to the meeting of the board, or if the statutory auditor concludes that in the context of this meeting satisfactory explanations have not been given and appropriate corrective measures have not been not taken by management, then management must convene a shareholders' meeting at which the auditors present a special report on the state of the company. This report is also sent to the employee representatives (Stage 3 of the warning procedure). In practice, the statutory auditor commonly invites the management to convene a shareholders' meeting. If management fails to act, then the statutory auditor convenes the shareholders' meeting himself/herself and sets the agenda. If the statutory auditor considers that decisions made by the shareholders during the shareholders' meeting do not ensure the company's existence as a going concern, he or she must inform the president of the relevant commercial court of the warning procedure and may also request to be heard on the matter (Stage 4 of the warning procedure).

Similar warning procedures exist for companies not registered as a société anonyme, with minor differences in technical details of the procedure. Shareholders representing at least 5% of the share capital and the workers' committee, or, in their absence, the employees' representatives have similar rights pursuant to article L. 225-232 of the French Commercial Code.

The president of the Commercial Court can also himself request the management to provide explanations on elements which the president of the court believes put the company's existence as a going concern in jeopardy, or when the company has not filed its financial statements within the statutory timeframe, despite his injunction.

Due to the COVID-19 pandemic and the public health state of emergency that was imposed by the French government, Ordinance n° 2020-341 of March 27, 2020 and Ordinance n° 2020-596 dated May 20, 2020, as amended by Law No. 2020-1525 dated December 7, 2020 (see article 124), have amended the warning procedure to provide that, until and including December 31, 2021, if the statutory auditor considers the state of the relevant company to require immediate action, and has determined that the director is refusing to take such action or is taking insufficient measures, the statutory auditors may inform the president of the relevant commercial court concurrently with his or her initial report made to the director, the chairman of the board of directors (conseil d'administration) or of the supervisory board (conseil de surveillance), as the case may be.

In such case, the statutory auditor may communicate by any means and without delay to the president of the court his or her findings and proceedings, and may produce copies of any relevant documents. The statutory auditor is released from his or her obligation of professional secrecy towards the president of the relevant commercial court under these circumstances.

This exceptional procedure does not preclude the application of the ordinary warning procedure detailed above.

Insolvency Test

Under French law, a debtor is considered to be insolvent (*en état de cessation des paiements*) when it is unable to pay its due debts (*passif exigible*) with its immediately available assets taking into account available credit lines (*actif disponible*), existing debt rescheduling agreements and moratoria.

The date of insolvency (*état de cessation des paiements*) is generally deemed to be the date of the court order commencing the judicial reorganization or judicial liquidation proceedings, unless the court sets an earlier date, which may be carried back up to 18 months before the date of such court order. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings. The date of insolvency marks the beginning of the hardening period (see below).

Court-Assisted Proceedings

A French debtor facing difficulties may in certain conditions request the commencement of court-assisted proceedings (*mandat ad hoc* or *conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders *e.g.*, an agreement to reduce or reschedule its indebtedness.

Mandat ad hoc proceedings may only be initiated by the debtor itself, in its sole discretion. In practice, *mandat ad hoc* proceedings are used by debtors that are facing any type of difficulties but are not insolvent (see "*—Insolvency Test*" above). The proceedings are informal and confidential by law (save for the disclosure of the court decision appointing the mandataire ad hoc to the statutory auditors if any). They are carried out under the aegis of a court-appointed officer (*mandataire ad hoc*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings are not limited in time. The duties of the *mandataire ad hoc* are

determined by the competent court (usually the commercial court) that appoints him or her, usually to facilitate negotiations with creditors. Any agreement between the debtor and its creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. *Mandat ad hoc* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so for their duration. In any event, the debtor retains the right to petition the relevant judge for a grace period under Article 1343 5 of the French Civil Code (see "*—Grace Periods*" above). The agreement reached is reported to the president of the court but is not formally approved by it.

Conciliation proceedings may only be initiated by the debtor itself if it faces actual or foreseeable difficulties of a legal, economic or financial nature and is not insolvent (see "*—Insolvency Test*" above) or has not been insolvent for more than 45 calendar days. The proceedings are confidential by law (save for the disclosure of the court decision commencing the proceedings to the statutory auditors, if any). They are carried out under the aegis of a court-appointed conciliator (*conciliateur*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The proceedings may last up to five months (after an initial period of a maximum of four months, upon request of the conciliator, the court may extend the conciliation period of up to the absolute maximum of five months).

In case the debtor intends to have the conciliation agreement approved (homologué) or acknowledged (constaté), its request must be filed by the end of this five-month period, even though the hearing can take place afterwards, in which case the conciliation period will be extended until the decision of the president of the court or the court itself.

Pursuant to article 1 of Ordinance n°2020-1443 dated 25 November 2020 adopted in the context of the COVID-19 pandemic, in force as from 26 November 2020, until 31 December 2021, at the request of the conciliator, the duration of conciliation proceedings commenced up to and including 31 December 2021 may be extended, one or more times, by a reasoned decision of the president of the court up to a maximum of ten months.

The duties of the conciliator are to assist the debtor in negotiating an agreement with all or part of its creditors and/or other stakeholders that puts an end to its difficulties, *e.g.*, providing for the restructuring of its indebtedness. Any agreement between the debtor and its creditors/stakeholders will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. *Conciliation* proceedings do not automatically stay any pending proceedings and creditors are not barred from taking legal action against the debtor to recover their claims but those that have accepted to take part in the proceedings usually accept not to do so for their duration and creditors may not request the opening of insolvency proceedings (*redressement judiciaire* or *liquidation judiciaire*) against the debtor fir the duration of the conciliation proceedings. Pursuant to article L. 611-7 of the French Commercial Code, during the proceedings, the debtor retains the right to petition the judge that commenced them for a grace period under Article 1343-5 of the French Civil Code (see "*—Grace Periods*" above) provided that a creditor has formally put the debtor on notice to pay, or is suing for payment: the judge will take its decision after having heard the conciliator and may condition the duration of the measures it orders to reaching an agreement in the conciliation proceedings.

Due to the COVID-19 epidemic and state of health emergency that was imposed by the French government, Ordinance n° 2020-341 of 27 March 2020, Ordinance n° 2020-596 of 20 May 2020, Ordinance n° 2020-1443 of 25 November 2020 and Law n° 2020-1525 dated 7 December 2020 have, in addition to their duration (see above), further modified conciliation proceedings to provide that, until 31 December 2021:

1. if a creditor does not accept, by the deadline set by the conciliator, a request made by the conciliator to defer payment of his claim for the duration of the conciliation proceedings, the debtor may request from the President of the Commercial Court in ex-parte proceedings, for the duration of the conciliation proceedings:
    - the stay or prohibition of any legal action for payment or for termination of a contract for a payment default;
    - the stay or prohibition of any judicial enforcement measure against the debtor's movable or immovable property as well as any judicial procedure relating to the distribution of the debtor's assets that would not have already transferred ownership away from the debtor; or
    - the deferral or rescheduling of the creditor's claim;
2. the debtor may petition the judge that commenced conciliation proceedings for a grace period in accordance with Article 1343-5 of the French Civil Code (see "*—Grace Periods*" above) even before the

creditor sends any notice to pay or initiates any suit for payment if a creditor does not accept, by the deadline set by the conciliator, a request made by the conciliator to suspend payment of his claim.

The conciliation agreement reached between the parties may be acknowledged (*constaté*) by the president of the Commercial Court at the request of the parties, which makes the agreement binding upon them (in particular, performance of the conciliation agreement prevents any action by the creditors party thereto against the debtor to obtain payment of claims governed by the conciliation agreement) and enforceable without further recourse to a judge (*force exécutoire)*, but the conciliation proceedings remain confidential.

Alternatively, the conciliation agreement may be approved (*homologué*) by the Commercial Court at the request of the debtor following a hearing held for that purpose and to which the works council or employee representatives, as the case may be, shall be convened if (i) the debtor is not insolvent or the conciliation agreement has the effect of putting an end to the debtor's insolvency, (ii) the conciliation agreement effectively ensures that the company will survive as a going concern and (iii) the conciliation agreement does not impair the rights of the non-signatory creditors. Such approval will have the same effect as its acknowledgement (*constatation*) as described above, and in addition:

- the decision of approval by the relevant Civil or Commercial Court, which should only disclose the amount of any New Money Lien (see below) and the guarantees and security interests granted to secure the same, will be public but the agreement itself should otherwise remain confidential except vis-à-vis the works council or employee representatives that are informed of the content of the conciliation agreement and may have access to the full conciliation agreement at the clerk's office (*greffe*) of the Court;

- creditors that, in the context of the conciliation proceedings, provide new money, goods or services designed to ensure the continuation of the business of the debtor (other than shareholders providing new equity in the context of a capital increase) will enjoy a priority of payment over all pre-commencement and post-commencement claims (except with respect to certain pre-commencement or post-commencement employment claims and procedural costs) (the "**New Money Lien**"), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings;
- in the event of subsequent safeguard, accelerated safeguard, accelerated financial safeguard, judicial reorganization or judicial liquidation proceedings, the claims benefiting from the New Money Lien may not be rescheduled or written off without their holders' consent (whether such a debt reduction or payment deferral may be imposed by the noteholders general meeting to noteholders having provided new money is the subject of debate);
- when the debtor is submitted to statutory auditing, the conciliation agreement is transmitted to its statutory auditors; and
- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of insolvency (see "*—Insolvency Test*" above), and therefore the starting date of the hardening period (as defined below—see "*—The "Hardening Period" (période suspecte) in Judicial Reorganization and Liquidation Proceedings*"), cannot be set by the court as of a date earlier than the date of the approval (*homologation*) of the agreement by the court (except in case of fraud).

Whether the conciliation agreement is acknowledged or approved, the court may, at the request of the debtor, appoint the conciliator to monitor the implementation of the agreement (*mandataire à l'exécution de l'accord*) during its execution and, while the agreement is in force:

- interest accruing on the claims that are the subject to the conciliation agreement may not be compounded;
- in accordance with Article L. 611-10-1 of the French Commercial Code, the debtor retains the right to petition the judge that commenced the conciliation proceedings to impose grace periods on creditors who were asked to participate in the conciliation proceedings (other than the tax and social security administrations) and have formally put the debtor on notice to pay or are suing for payment of claims that were not dealt with in the conciliation agreement, such decision being taken after hearing the conciliator if he/she has been appointed to monitor the implementation of the agreement and, taking into account the conditions of its performance; and
- a joint-debtor and a third-party which had previously granted credit support (a guarantee or security interest) with respect to the debtor's obligations may benefit from the provisions of the conciliation agreement as well as from grace periods granted to the debtor in the context of conciliation proceedings.

If the debtor breaches the terms of the *conciliation* agreement, any party to it may petition the president of the court or the court (depending on whether the agreement was acknowledged or approved) for its termination. If such termination is granted, grace periods granted in relation to the conciliation proceedings may be revoked.

Conversely, provided the conciliation agreement is duly performed, any individual proceedings by creditors with respect to obtaining payment of the claims dealt with by the *conciliation* agreement are suspended and/or forbidden. The commencement of subsequent safeguard or insolvency proceedings will automatically put an end to the *conciliation* agreement, in which case the creditors will recover their claims (decreased by the payments already received) and pre-existing security interests or guarantees.

Conciliation proceedings in which a draft plan is supported by a large majority of creditors that is likely to meet the threshold requirements for creditors' consent in safeguard is a mandatory preliminary step of accelerated safeguard proceedings or accelerated financial safeguard proceedings, as described below.

At the request of the debtor and after the creditors taking part in the *mandat ad hoc* or conciliation proceedings have been consulted on the matter, the *mandataire ad hoc* or the *conciliateur* may be appointed with a mission to organize the partial or total sale of the debtor, in particular through a "plan for the disposal of the business" (Prepack sale - *plan de cession*) that could be implemented in the context of subsequent safeguard, judicial reorganization or liquidation proceedings. Provided that they comply with certain requirements, any offers received in this context by the *mandataire ad hoc* or the conciliator may be directly considered by the court in the context of safeguard, judicial reorganization or judicial liquidation proceedings after consultation of the Public Prosecutor.

As a matter of law, any contractual provision that (i) modifies the conditions for the continuation of an ongoing contract by reducing the debtors' rights or increasing its obligations simply by reason of the designation of a *mandataire ad hoc* or of the commencement of conciliation proceedings or of a request submitted to this end or (ii) requires the debtor to bear, by reason only of the appointment of a *mandataire ad hoc* or of the commencement of conciliation proceedings, more than three quarters of the fees of the professional advisers retained by creditors in connection with these proceedings, is deemed null and void.

Where the maximum time period allotted to court-assisted proceedings expires without an agreement being reached, the proceedings will end. The termination of such proceedings does not, in and of itself entail any specific legal consequences for the debtor, in particular it does not result in the automatic commencement of insolvency proceedings. New conciliation proceedings cannot be commenced before 3 months have elapsed as from the end of the previous ones.

Court-Administered Proceedings—Safeguard

A debtor that experiences difficulties that it is not able to overcome may, in its sole discretion, initiate safeguard proceedings (*procédure de sauvegarde*) with respect to itself, *provided* that it is not insolvent (*état de cessation des paiements*).

Creditors of the debtor are not notified of, nor invited to attend the hearing before the court at which the commencement of safeguard proceedings is requested even if they have a limited right to challenge the court decision commencing the proceedings. Following the commencement of safeguard proceedings, a court-appointed administrator (*administrateur judiciaire*) is (except for small companies where the court considers that such appointment is not necessary) appointed to investigate the business of the debtor during an "observation period" (being the period starting on the date of the court decision commencing the proceedings and ending on the date on which the court takes a decision on the outcome of the proceedings), which may last up to 18 months. The role of the court-appointed administrator is also to assist the debtor in preparing a draft safeguard plan (*projet de plan de sauvegarde*) that it will circularize to its creditors that may include a partial sale of the business. Creditors do not have effective control over the proceedings, which remain in the hands of the debtor assisted by the court-appointed administrator. The court-appointed administrator will, in accordance with the terms of the judgment appointing him or her, exercise *ex post facto* control over decisions made by the debtor ("*mission de surveillance*") or assist the debtor to make all or some of the management decisions ("*mission d'assistance*"), all under the supervision of the court.

A supervisory judge (*juge-commissaire*) and a creditors' representative (*mandataire judiciaire*) are also appointed at the beginning of the proceedings, alongside the court-appointed administrator. Management decisions that fall outside the scope of the ordinary course of business, as well as decisions considered to be important under statute, require the prior approval of the supervisory judge (e.g. granting security interests or settling disputes).

If, after commencement of the proceedings, it appears that the debtor was insolvent (*en état de cessation des paiements*) before their commencement, at the request of the debtor, the administrator, the creditors' representative or the Public Prosecutor but, in any event, after having heard the debtor, the court may convert the safeguard proceedings into judicial reorganization proceedings.

In addition, pursuant to Article L. 622-10 of the French Commercial Code, the court may convert safeguard proceedings into (i) judicial reorganization proceedings (a) at any time during the observation period if the debtor

is insolvent or, (b) if the approval of a safeguard plan is manifestly impossible and if the company would shortly become insolvent should safeguard proceedings end or (ii) judicial liquidation proceedings at any time during the observation period if the debtor is insolvent and its recovery is manifestly impossible. In all such cases:

- the court may decide at the request of the debtor, the court-appointed administrator, the creditors' representative or the Public Prosecutor or on its own initiative except in the case of (i) (b) above where:
  - the court may not act upon its own initiative, and
  - the court-appointed administrator, the creditors' representative or the Public Prosecutor may only act in the event that no plan has been adopted by the relevant creditors committee and, if any, the bondholders general meeting (as described below);
- the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the creditors of the debtor appointed by the court as controller ("*Contrôleurs*") (if any), the State prosecutor and the workers' representatives (if any).

As soon as safeguard proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

Due to the COVID-19 epidemic and state of health emergency that was imposed by the French government, Ordinance n° 2020-596 dated 20 May 2020 and Law n° 2020-1525 dated 7 December 2020 modified safeguard proceedings to provide that:

- as an incentive for new financings granted to debtors in the context of safeguard or reorganization proceedings a new safeguard or reorganization privilege is created, applicable exclusively to proceedings commenced between 22 May 2020 and 31 December 2021. The S/R Lien is distinct from the existing statutory preference enjoyed by financing granted, with the approval of the supervisory judge, after commencement of the proceedings, for the needs of the proceedings or of the observation period.
- The S/R Lien applies to all new cash contributions made, with the exception of those made through a share capital increase, by any person:
  - during the observation period, in order to ensure the continuity of debtor's business and its sustainability, in which case such cash contributions must be authorized by the supervisory judge, or
  - for the implementation of the safeguard or reorganization plan, i.e. within the plan as approved or modified by the court, and for the purposes of its execution, it being specified that the judgment must mention all claims benefiting from the privilege, as well as the relevant amounts.
- Claims benefiting from the S/R Lien enjoy a priority of payment over pre-commencement and post-commencement claims except with respect to (i) employees' super-privilege claims, (ii) procedural costs and the New Money Lien (iii) pre-commencement claims secured by security interests over real estate assets (only in the context of commencement of judicial liquidation proceedings) and (iv) post-commencement wages claims not advanced by the French wages fund under provisions of article L. 3253-8 to L. 3253-13 of the French Labor Code in the event of on-going or subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings.
- Such claims may not be termed-out or written-off without the consent of the relevant creditors.

Once safeguard proceedings have been commenced, there will be an automatic stay on certain claims. Payment by the debtor of any debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor, is prohibited, subject to very limited exceptions. For example, the supervisory judge can authorize payments for prior debts in order to discharge a lien on property needed for the continued operation of the debtor's business or to recover goods or rights transferred as collateral in a fiduciary estate (*patrimoine fiduciaire*) (see "*—Status of Creditors During Safeguard, Accelerated Safeguard, Accelerated Financial Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings*").

Creditors must be consulted on the manner in which the debtor's liabilities will be settled under the safeguard plan (debt write offs, payment terms or debt-for-equity-swaps) prior to the plan being approved by the court. The rules governing consultation will vary depending on the size of the business.

Standard consultation

Standard consultation applies in respect of debtors whose accounts are not certified by a statutory auditor or prepared by a chartered accountant or, if they are, who have 150 employees or less or a turnover of €20 million or less unless upon their or the administrators' request and with the consent of the court, they are subject to the committee-based consultation (see below).

In such case, the administrator notifies the proposals for the settlement of debts to the court-appointed creditors' representative, who seeks the agreement of each creditor who filed a claim, regarding the debt write-offs and payment schedules proposed. Creditors are consulted individually or collectively.

French law does not state whether the debt settlement proposals can vary according to the creditor and whether the principle of equal treatment of creditors is applicable at this consultation stage. According to legal commentaries and established practice, differing treatment as between creditors is possible, *provided* that it is justified by the difference in situation of the creditors and approved by the court-appointed creditors' representative. In practice, it is also possible at the consultation stage to make a proposal for a partial payment of claims over a shorter time period instead of a full payment of such claims over the maximum possible length of the plan (ten years except for agricultural business where it is fifteen years).

Pursuant to Article 5 of Ordinance No. 2020-596 dated May 20, 2020 adopted in the context of the COVID-19 pandemic, in force from May 21, 2021 and Law n° 2020-1525 dated December 7, 2020 until December 31, 2021, the maximum length of a plan can be extended to 12 years, or 17 years for agricultural businesses:

- this extension does not require to go through the process of the substantial modification of the plan (*modification substantielle du plan*); and
- the payment instalment deadlines initially set by the president of the court or the court would be adapted to the duration of the plan so extended, with possible deviation from the provisions of Article L. 626-8 (including the obligation to pay an annual instalment of 5% minimum as from year 3) and application of grace periods provisions within the limit of the new term of the plan so extended.

Creditors whose payment terms are not affected by the plan or who are paid in cash in full as soon as the plan is approved are not required to be consulted.

Creditors that do not respond within 30 days of their receipt of the debt settlement proposal (other than debt-for-equity-swap) made to them are deemed to have accepted it. The creditors' representative keeps a list of the responses from creditors, which is notified to the debtor, the court-appointed administrator and the controllers.

Pursuant to Article 4 of Ordinance No. 2020-596 dated May 20, 2020 adopted in the context of the COVID-19 pandemic, in force from May 21, 2021 and Law n° 2020-1525 dated December 7, 2020, until December 31, 2021, the abovementioned 30-day delay may be reduced to 15 days, at the request of the court-appointed administrator or the court-appointed creditors' representative.

Within the framework of a standard consultation, the court that approves the safeguard plan (*plan de sauvegarde*) can impose on them a uniform rescheduling of the claims of creditors having refused the proposals that were submitted to them (subject to specific regimes such as the one applicable to claims benefiting from the New Money Lien or the S/R Lien) over a maximum period of ten years, subject to the COVID-19 exceptional period as detailed above (except for agricultural businesses where the maximum if fifteen years and for claims with maturity dates of more than the deferral period set by the court, in which case the maturity date shall remain the same), but no write off of any claim or debt-for-equity swap may be imposed without the relevant creditor's individual acceptance.

Following a court imposed rescheduling, the first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual instalment must be of at least 5% of the amount of each debt claim (except for agricultural businesses)) or on the first payment date following the initial maturity of the claim if it is later than the first payment date provided for by the plan, in which case the amount of such first payment is equal to what the creditor would have received had he been paid in accordance with the uniform payment rescheduling applying to the other creditors.

Committee-based consultation

Committee-based consultation applies to large companies, whose accounts are certified by a statutory auditor (*commissaire aux comptes)* or established by a chartered-accountant (*expert-comptable)* and with more than 150 employees or a turnover greater than €20 million, or upon the debtor's or the administrator's request and with the consent of the court in the case of debtors that do not meet the aforementioned thresholds.

The consultation involves the submission of a proposed safeguard plan for consideration by two creditors' committees that are established by the court-appointed administrator on the basis of the claims that arose prior to the judgment commencing the proceedings:

- one for credit institutions or assimilated institutions and entities having granted credit or advances in favor of the debtor (or their successors or assignees of a claim acquired from a supplier) (the "credit institutions committee"); and

- the other one for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers and other suppliers invited to participate in such committee by the court-appointed administrator (the "major suppliers committee").

If there are any outstanding debt securities in the form of *obligations* (such as bonds or notes and including capital market debt instruments such as the Notes), a single general meeting of all holders of such debt securities will be established (the "noteholders general meeting"), in which all such holders are to take part irrespective of whether or not there are different issuances or of the governing law(s) of those *obligations*.

As a general matter, only the legal owner of the debt claim will be invited onto the committee or the bondholders general meeting. Accordingly, a person holding only an economic interest therein will not itself be a member of the committee or the bondholders general meeting.

The proposed plan:

- must "take into account" subordination agreements entered into by the creditors before the commencement of the proceedings;
- may treat creditors differently if it is justified by their differences in situation; and
- may, *inter alia*, include a rescheduling or cancellation of debts (subject to the specific regime of claims benefiting from the New Money Lien or the S/R Lien), and/or debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent).

If the plan provides for a share capital increase, the shareholders may subscribe to such share capital increase by way of a set-off against their claims against the debtor (as reduced according to the provisions of the plan, where applicable).

Creditors that are members of the credit institutions committee or of the major suppliers committee may also prepare, in accordance with the above principles, an alternative safeguard plan that will also be put to the vote of the committees and of the general noteholders meeting, it being specified that approval of any such alternative plan is subject to the same two-thirds majority vote in each committee and in the noteholders general meeting and gives rise to a report by the court-appointed administrator (*administrateur judiciaire*). Noteholders are not permitted to present their own alternative plan.

The committees must approve or reject the safeguard plan within 20 to 30 days of its submission. The period may be extended or shortened but may never be shorter than 15 days. The plan must be approved by a majority vote of each committee (two-thirds of the outstanding claims of the creditors casting a vote).

Each member of a creditors committee or of the noteholders general meeting must, if applicable, inform the court-appointed administrator of the existence of any agreement relating to (i) the exercise of its vote or (ii) the full or total payment of its claim by a third-party as well as of any subordination agreement. The court-appointed administrator shall then submit to such person a proposal for the computation of its voting rights in the creditors committee/noteholders general meeting. In the event of disagreement, the matter may be ruled upon by the president of the Commercial Court in summary proceedings at the request of the creditor or of the court-appointed administrator.

Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the bondholders general meeting at the same two-thirds majority vote. The same rules as set forth in the paragraph above apply to the bondholders general meeting.

Creditors whose repayment schedule is not modified by the plan, or for which the plan provides for a payment of their claims in cash in full as soon as the plan is adopted or as soon as their claims are admitted do not take part in the vote at the creditors committees or the bondholders general meeting.

The rescheduling of the claims of creditors that are not members of the committees or bondholders shall be determined in accordance with the standard consultation process referred to above. Creditors secured by a trust (*fiducie*) granted by a debtor are not members of the creditors' committee and are consulted in accordance with such standard consultation process.

Once the treatment of the creditors has been determined, the plan has to be approved (*arrêté*) by the court. The court must verify that the interests of all creditors are "sufficiently protected" and that required shareholder consent (if applicable) has been obtained. Once so approved by the relevant court, the safeguard plan will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan).

If the debtor's proposed plan is not approved by both committees and the noteholders general meeting within the first six months of the observation period (either because they do not vote on the plan or because they reject it), this six month period may be extended by the court at the request of the court-appointed administrator for a period not exceeding the duration of the observation period, in order for the plan to be approved through the committee-based consultation process. Absent such extension, the court can still adopt a safeguard plan within the time remaining until the end of the observation period. In such a case, the rules are the same as the ones applicable for the standard consultation process described above.

If the draft plan provides for a modification of the share capital or the bylaws, the court may decide that the cooperative members' general meeting and, as the case may be, the general meetings of the cooperative members giving access to the share capital of the company shall vote, the first time the relevant meeting is convened, at a simple majority of the votes of the shareholders attending, or represented at, the meeting, provided that they hold at least half of the shares with voting rights. The second time the meeting is convened, the usual provisions relating to quorum and majority shall apply.

If no proposed safeguard plan whatsoever is adopted by the committees, at the request of the debtor, the court-appointed administrator, the *mandataire judiciaire* or the Public Prosecutor, the court may convert the safeguard proceedings into judicial reorganization proceedings if it appears that the adoption of a safeguard plan is impossible and if the end of the safeguard proceedings would certainly lead to the debtor shortly becoming insolvent.

If the court adopts a safeguard plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent.

If no proposed safeguard plan whatsoever is adopted by the committees and, if applicable, the bondholders general meeting, the court may at the request of the debtor, the court-appointed administrator, the mandataire judiciaire or the State prosecutor, convert the safeguard proceedings into judicial reorganization proceedings if it appears that the adoption of a safeguard plan is impossible and if the end of the safeguard proceedings would certainly lead to the debtor shortly becoming insolvent.

Specific case—Creditors that are public institutions

Public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt write-offs under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors examine possible write-offs within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax authorities may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

Court-Administered Proceedings—Accelerated Safeguard and Accelerated Financial Safeguard

A debtor that is engaged in conciliation proceedings may request the commencement of accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) or accelerated financial safeguard proceedings (*procédure de sauvegarde financière accélérée*) enabling it to implement a restructuring plan in an expedited fashion through the vote of its creditors gathered in its relevant creditors' committees and the bondholders' general meeting (as applicable) at a two-thirds majority.

To be eligible to accelerated safeguard proceedings or accelerated financial safeguard proceedings, the debtor must fulfil the following conditions:

- the debtor must be subject to ongoing conciliation proceedings when it applies for the commencement of the proceedings;
- the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern that is supported by enough of its creditors involved in the conciliation proceedings to render likely its adoption by the relevant committees (credit institutions' committee only for financial accelerated safeguard proceedings) and bondholders general meeting, if any, within a maximum of three months following the commencement of accelerated safeguard proceedings, or within a maximum of two months following the commencement of accelerated financial safeguard proceedings;

- the debtor must not have been insolvent for more than 45 days when it initially applied for commencement of conciliation proceedings; and
- as is the case for regular safeguard proceedings, the debtor must face difficulties that it is not in a position to overcome.

The accelerated safeguard proceedings and accelerated financial safeguard proceedings have been designed to "fast-track" the treatment of difficulties faced by large companies, *i.e.*, those:

- that publish consolidated accounts in accordance with Article L. 233-16 of the French Commercial Code; or
- whose accounts are certified by a statutory auditor or established by a certified public accountant and who have (i) more than 20 employees or (ii) a turnover greater than €3 million (excluding VAT) or (iii) whose aggregate balance sheet exceeds €1.5 million.

However, Ordinance n° 2020-596 dated 20 May 2020 and Law n° 2020-1525 dated 7 December 2020 provide that these thresholds will no longer be required for proceedings commenced between 22 May 2020 and 31 December 2021.

If the debtor does not meet the conditions that require creditors' committees (see above) to be constituted, the court shall authorize such constitution in the opening decision.

While accelerated safeguard proceedings apply to all creditors (except employees), accelerated financial safeguard proceedings apply only to "financial creditors" (i.e., creditors that belong to the credit institutions committee and bondholders general meeting), the payment of whose debt is suspended until adoption of a plan through accelerated financial safeguard proceedings. The debtor will be prohibited from paying, to any creditor to whom the accelerated safeguard or accelerated financial safeguard proceedings (as the case may be) apply, any amounts (including interest) in respect of debts incurred (i) prior to the commencement of the proceedings or (ii) after the commencement of the proceedings if not incurred for the purposes of the proceedings or the observation period or in consideration of services rendered/goods delivered to the debtor (post-commencement non-privileged debts). Such amounts may be paid only after the judgment of the court approving the safeguard plan and in accordance with its terms. Creditors other than financial creditors (such as public creditors, the tax or social security administration and suppliers) are not directly impacted by accelerated financial safeguard proceedings. Their debts will continue to be due and payable in the ordinary course of business according to their contractual or legal terms.

The regime applicable to standard safeguard proceedings is broadly applicable to accelerated safeguard or accelerated financial safeguard proceedings (for example, creditors will be consulted by way of a committee-based consultation on, as the case may be, a draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*) or a draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) and creditors that are members of the credit institutions committee or the major suppliers committee, but not bondholders, may also prepare alternative draft plans as described above (see "*—Court-Administered Proceedings—Safeguard—Committee-based consultation*")), to the extent compatible with the accelerated timing, since the total duration of accelerated safeguard proceedings is three months and the duration of accelerated financial safeguard proceedings is only one month (unless the court decides to extend it by an additional month).

In particular, the creditors' committees and the noteholders general meeting are required to vote on the proposed safeguard plan within a minimum period of 15 days of its being notified to them in the case of accelerated safeguard proceedings, or within eight days in the case of accelerated financial safeguard proceedings. However, certain provisions relating to ongoing contracts and to the recovery of assets by their owners do not apply in accelerated safeguard or accelerated financial safeguard proceedings.

The plan in the context of accelerated safeguard proceedings or accelerated financial safeguard proceedings is adopted following the same majority rules as in standard safeguard proceedings and may notably provide for rescheduling, debt cancellation and conversion of debt into equity capital of the debtor (debt for equity swaps requiring relevant shareholder consent).

No debt rescheduling or cancellation may be imposed, without their consent, on creditors that do not belong to one of the committees or are not bondholders.

If a plan is not adopted by the creditors and approved by the court within the applicable deadline, the court shall terminate the proceedings. The court cannot reschedule amounts owed to the creditors outside of the committee process. Ordinance n° 2020-596 dated May 20, 2020 and Law n°2020-1525 dated December 7, 2020 provide that for proceedings commenced between May 22, 2020 and December 31, 2021, if a plan is not adopted by the creditors and approved by the court within the applicable deadline the debtor, the judicial administrator, the

creditors representative or the Public Prosecutor may request, without any delay, that reorganization or liquidation proceedings (as the case may be) be opened.

The list of claims of creditors party to the *conciliation* proceedings certified by the statutory auditor shall be deemed to constitute the filing of such claims for the purpose of accelerated safeguard proceedings or, as applicable, accelerated financial safeguard proceedings unless the creditors otherwise elect to make such a filing.

Judicial Reorganization or Liquidation Proceedings

Judicial reorganization (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) proceedings may be initiated against or by a debtor only if it is insolvent and, in the case of liquidation proceedings only, if the debtor's recovery is manifestly impossible. The debtor is required to petition for judicial reorganization or liquidation proceedings within 45 days of becoming insolvent if it does not file for conciliation proceedings (as discussed above); *de jure* managers (including directors) and, as the case may be, *de facto* managers that would have failed to file such a petition within the deadline are exposed to civil liability.

Where the debtor requested the commencement of judicial reorganization proceedings and the court, after having heard the debtor, considers that judicial liquidation proceedings would be more appropriate, it may order the commencement of the proceedings that it determines to be most appropriate. The same would apply if the debtor requested the commencement of judicial liquidation proceedings and the court considered that judicial reorganization proceedings would be more appropriate. In addition, at any time during the observation period, upon request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), a controller, the State Prosecutor or upon its own initiative, the court may convert the judicial reorganization proceedings into judicial liquidation proceedings if it appears that the debtor's recovery is manifestly impossible The court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the Public Prosecutor, the controllers and the workers' representatives (if any).

The objectives of judicial reorganization proceedings are the sustainability of the business, the preservation of employment and the payment of creditors, in that order.

As soon as judicial reorganization or judicial liquidation proceedings are commenced, any unpaid amount of share capital of the debtor becomes immediately due and payable.

In the event of judicial reorganization proceedings, an administrator (*administrateur judiciaire*) is usually appointed by the court to investigate the business of the debtor during an observation period, which may last up to 18 months, and make proposals either for the reorganization of the debtor (by helping the debtor to elaborate a draft judicial reorganization plan, which is similar to a draft safeguard plan and may include a partial the sale of the business), the partial or total sale or the liquidation of the debtor. The court-appointed administrator will assist the debtor in making management decisions (*mission d'assistance*) or may be empowered by the court to take over the management and control of the debtor *(mission d'administration*). Judicial reorganization proceedings broadly take place in a manner that is similar to safeguard proceedings (see above, subject to certain specificities). In particular, the rules relating to creditor consultation, especially the powers of the court adopting the judicial reorganization plan (*plan de redressement)* in the event of rejection by the creditors of proposals made to them, are the same (see above). At any time during the observation period, the court can, at the request of the debtor, the court-appointed administrator, the creditors' representative (*mandataire judiciaire*), the State prosecutor or at its own initiative, order the partial stop of the activity (*cessation partielle de l'activité*) or order the liquidation of the debtor if its recovery is manifestly impossible. At the end of the observation period, the outcome of the proceedings is decided by the court.

In addition, Ordinance n° 2020-596 dated May 20, 2020 and Act n°2020-1525 of December 7, 2020 modified, until December 31, 2021, the judicial reorganization proceedings to provide for the new S/R Lien (as defined and detailed above; see "*—Court-Administered Proceedings—Safeguard*").

In judicial reorganization proceedings, in case a shareholders' meeting needs to vote to bring the shareholders' net equity to a level equal to at least one half of the share capital as required by Article L. 626-3 of the French Commercial Code, the administrator may appoint a court officer (*mandataire de justice*) to convene a shareholders' meeting and to vote the restoration of the shareholders' equity up to the amount proposed by the court-appointed administrator on behalf of the shareholders that refuse to vote in favor of such a resolution if the draft restructuring plan provides for a modification of the equity to the benefit of a third-party(ies) undertaking to comply with the reorganization plan.

In judicial reorganization proceedings if (i) the company has of least 150 employees, or if it controls (within the meaning of the French labor code) one or more companies having together at least 150 employees, (ii) the disappearance of the company is likely to cause serious harm to the national or regional economy and (iii) the modification of the company's share capital seems to be the only credible way to avoid harm to the national or

regional economy and allows the continued operation of the business as a going concern, then following (x) the review of the options for a total or partial sale of the business and at the request of the court-appointed administrator or of the Public Prosecutor and (y) if at least 3 months have elapsed as from the court decision commencing the proceedings, provided that the shareholders meetings required to approve the modification of the company's share capital required for adoption of the reorganization plan have refused such modification, the insolvency court may either:

- appoint a court officer (*mandataire*) in order to convene the shareholders meeting and vote the share capital increase in lieu of the shareholders having refused to do so, up to the amount provided for in the reorganization plan; or
- order, in favor of the persons who have undertaken to perform the reorganization plan, the sale of all or part of the share capital held by the shareholders having refused the share capital modification and holding, directly or indirectly a portion of the share capital providing them with a majority of the voting rights (including as a result of an agreement with other shareholders) or a blocking minority in the company's shareholder meetings, any consent clause being deemed unwritten; the other shareholders have the right to withdraw from the company and request that their shares be purchased simultaneously by the transferees.

In the event of a sale ordered by the court, the price of the shares shall, failing agreement between the parties, be set by an expert designated by the court in summary proceedings.

In either of the above cases, the reorganization plan shall be subject to the undertaking of the new shareholders to hold their shares for a certain time period set by the court that may not exceed the duration of the reorganization plan.

If the proposed reorganization plans are manifestly not likely to ensure that the debtor will recover or if no reorganization plan is proposed, the court upon the request of the administrator, can order the total or partial transfer of the business.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator, which is generally the former creditors' representative (*mandataire judiciaire*). There is no observation period in judicial liquidation proceedings nor does the law limit their duration (except for simplified judicial liquidation proceedings). The liquidator is vested with the power to represent the debtor and perform the liquidation operations (mainly liquidate the assets and settle the liabilities to the extent the proceeds from the liquidated assets are sufficient, in accordance with the creditors' priority order of payment). The liquidator will take over the management and control of the debtor and the managers of the debtor are no longer in charge of its management.

Concerning the liquidation of the assets of the debtor, there are two possible outcomes, both of which are decided by the court without a vote of the creditors:

- a sale of the business (*cession d'entreprise*) (in which case a court-appointed administrator (*administrateur judiciaire*) will usually be appointed to manage the debtor during a temporary period of continuation of the business operations ordered by the court (three months, renewable once) and organize such sale of the business as a going-concern via an asset sale, a.k.a. a "sale plan" (*plan de cession*)), any third party (as construed under French insolvency law) being entitled to present a bid on all or part of the debtor's business;

As part of the bids submitted to the court, the third-party purchaser can cherry-pick assets (including the real estate assets)/jobs/contracts without the liabilities pertaining to them (save exceptions). The price offered for the transferred assets (including the real estate assets) is usually at a significant discount compared to their *in bonis* market value. The court will tend to favor a credible sale plan, that ensures the sustainability of the business as a going concern, and the preservation of jobs, over the payment of creditors.

Subject to certain exceptions, the court can judicially impose such a sale plan on creditors, including secured creditors and mortgagees as a general principle, the payment of the purchase price operating to release their security interests. By way of exception:

- a purchaser is obliged to continue to pay the remaining instalments due to creditors having granted financing for the acquisition of assets, used as collateral for such creditors and included in the sale of the business plan; and
- only those secured creditors benefitting from a retention right (which is the case for pledges over inventory or certain types of pledges over shares, but not mortgages over real estate assets) would be entitled to retain their security interest over the asset on which they have such right (and

therefore in practice prevent its sale) until repaid in full of their claim so secured or unless reaching an agreement with the relevant parties.

Third-party purchasers may also submit combined bids in respect of all or part of the business of several debtors subject to insolvency proceedings, in particular when the key assets are located in different legal entities subject to insolvency proceedings. Again, the price offered for the transferred assets could be significantly less than their in bonis market value:

- a sale of the individual assets of the debtor, in which case the liquidator may decide to:
  - launch auction sales (*vente aux enchères* (or *adjudication amiable* for real estate assets only));
  - sell on an amicable basis (*vente de gré à gré*) each asset for which spontaneous purchase offers have been received, (the formal authorization of the supervisory judge being necessary to conclude the sale agreement with the bidder); or
  - request, under the supervision of the supervisory judge, all potential interested purchasers to bid on each asset, as the case may be, by way of a private competitive process whereby the bidders submit their offers only at the hearing without the proposed prices being disclosed before such hearing (*procédure des plis cachetés*). However the possibility to implement such process is questioned by certain legal authors and case-law in this respect has varied.

If the court adopts a reorganization or sale plan, it can set a time-period during which the assets that it deems to be essential to the continuation of the business of the debtor may not be sold without its consent.

The court will end the proceedings when either no due liabilities remain, the liquidator has sufficient funds to pay off the creditors (*extinction du passif*), or continuation of the liquidation process becomes impossible due to insufficiency of assets (*insuffisance d'actif*).

The court may also terminate the proceedings:

- when the interest of the continuation of the liquidation process is disproportionate compared to the difficulty of selling the assets;
- in the event where there are insufficient funds to pay off the creditors, by appointing a *mandataire* in charge of continuing ongoing lawsuits and allocating the amounts received from these lawsuits between the remaining creditors.

The Observation Period and the Outcome of the Proceedings

The period from the date of the court decision commencing the insolvency proceedings and until the court makes a decision on the outcome of the proceedings is called the observation period (*période d'observation*) and may last up to twelve months (with six additional months under exceptional circumstances and upon request of the Public Prosecutor) under safeguard or judicial reorganization proceedings. During the observation period, the court-appointed administrator investigates the business of the company.

At the end of the observation period of safeguard proceedings, if it concludes that the company can survive as a going concern, the court will adopt a safeguard plan, which will essentially provide for a restructuring and/or rescheduling of debts which may only entail the partial divesture of asset proceedings. At the end of the observation period of judicial reorganization proceedings and alternatively to a reorganization plan, the court may determine that all or part of the business should be sold to purchasers who have submitted bids. In such a case, the court orders such a (partial or entire) sale in the framework of a so-called "asset sale plan" (*plan de cession*), which consists of transferring assets, contracts and employees cherry-picked by the purchaser thereto, for a lump sum, in accordance with the bid submitted by the purchaser during the observation period.

If the court adopts a safeguard plan, a reorganization plan or an asset sale plan, it can set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent. The sales that have been pre-packed in *mandat ad hoc* or *conciliation* proceedings and that are deemed satisfactory will be implemented in the framework of subsequent court-administrated proceedings through an expeditious and derogatory process. Such sales can only relate to part (but not all) of the business of the debtor in safeguard proceedings.

The "Hardening Period" (période suspecte) in Judicial Reorganization and Liquidation Proceedings

The date of insolvency (*cessation des paiements*) of a debtor is deemed to be the date of the court order commencing the proceedings, unless the court sets an earlier date, which may be no earlier than 18 months before

the date of such court order. Also, except in the case of fraud, the insolvency date may not be set at a date earlier than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings (see above). The insolvency date is important because it marks the beginning of the hardening period ("*période suspecte*"), being the period from the insolvency date of the debtor to the court decision commencing the judicial reorganization or liquidation proceedings affecting it.

Certain transactions entered into during the hardening period are automatically void or voidable by the court.

Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration or for a nominal consideration, contracts under which the obligations of the debtor significantly exceed the reciprocal obligations of the other party, payments of debts not due at the time of payment, payments of debts that are due made in a manner that is not commonly used in the ordinary course of business deposits of cash or monetary instruments ordered by a court decision that has not yet become final to serve as bond or as a precautionary measure in accordance with Article 2350 of the French Civil Code and security granted for debts (including a security to secure a guarantee obligation) previously incurred, provisional attachment or seizure measures (*mesures conservatoires*) (unless the attachment or seizure predates the date of insolvency), operations relating to stock options, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as security for a debt simultaneously incurred), any amendment to a trust arrangement (*fiducie*) that affects assets or rights already transferred in the trust as security for debt incurred prior to such amendment, and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code.

Transactions that are voidable by the court include payments made on debts that are due, transactions for consideration, administrative seizure and measures, and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the hardening period, in each case if the court determines that the party dealing with the debtor knew that the debtor was insolvent at the relevant time. Transactions relating to the transfer of assets for no consideration and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*) pursuant to Article L. 526-1 of the French Commercial Code are also voidable when entered into during the six-month period prior to the beginning of the hardening period. Unlike automatically void transactions, which must be set aside by the court if so requested, the court has discretion to decide whether or not it is appropriate to set aside transactions that are only "voidable."

There is no hardening period prior to safeguard proceedings or to successful accelerated safeguard or accelerated financial safeguard proceedings.

Status of Creditors during Safeguard, Accelerated Safeguard, Accelerated Financial Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings

Contractual provisions pursuant to which the commencement the proceedings triggers the acceleration of the debt (except with respect to judicial liquidation proceedings in which the court does not order the continued operation of the business) or the termination or cancellation of an ongoing contract (*contrats en cours*) are not enforceable against the debtor. Nor are "contractual provisions modifying the conditions of continuation of an ongoing contract, diminishing the rights or increasing the obligations of the debtor solely upon the opening of reorganization proceedings" (in accordance with a decision of the French Supreme Court (*Cour de Cassation*) dated January 14, 2014, n° 12-22.909, which case law is likely to be extended to safeguard, accelerated safeguard or accelerated financial safeguard proceedings). However, the court-appointed administrator can unilaterally decide to terminate ongoing contracts (*contrats en cours*) that it believes the debtor will not be able to continue to perform.

Conversely, the court-appointed administrator can require that other parties to a contract continue to perform their obligations even though the debtor may have been in default, but on the condition that the debtor fully performs its post-commencement contractual obligations (and provided that, in the case of reorganization or liquidation proceedings, absent consent to other terms of payment, the debtor pays cash on delivery). The commencement of judicial liquidation proceedings, however, automatically accelerates the maturity of all of a debtor's obligations unless the court orders the continued operation of the business with a view to the adoption of a "sale plan" (*plan de cession*) (as described above); in such case, the acceleration of the obligations will only occur on the date of the court decision adopting the "sale plan" or on the date on that the continued operation of the business ends.

As from the court decision commencing the proceedings:

- accrual of interest is suspended, except in respect of loans for a term of at least one year, or of contracts providing for a payment that is deferred by at least one year (however, accrued interest can no longer be compounded);

- the debtor is prohibited from paying debts incurred prior to the commencement of the proceedings, subject to specified exceptions (which essentially cover the set-off of related (*connexes*) debts and payments authorized by the supervisory judge (*juge commissaire*) to recover assets required by the continued operation of the business);
- the debtor is prohibited from paying debts having arisen after the commencement of the proceedings unless they were incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/goods provided to the debtor;
- debts duly arising after the commencement of the proceedings and that were incurred for the purposes of the proceedings or of the observation period, or in consideration of services rendered/goods provided to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the proceedings (with certain limited exceptions, such as claims secured by a New Money Lien or a S/R Lien), provided that they are duly brought to the attention of the judicial administrator or, failing one, the mandataire judiciaire or, should they both have ceased to be in office, the plan commissioner or the judicial liquidator within one year of the end of the observation period;
- creditors (only financial creditors in the case of accelerated financial safeguard proceedings) may not initiate or pursue any individual legal action against the debtor (or against a guarantor of the debtor where such guarantor is a natural person and the proceedings are safeguard, accelerated safeguard or accelerated financial safeguard proceedings or judicial reorganization proceedings (during the observation period only with respect to judicial reorganization proceedings)) with respect to any claim arising prior to the court decision commencing the proceedings, if the objective of such legal action is:
    - to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due in order to file a proof of claim, as described below);
    - to terminate a contract for non-payment of amounts owed to the creditor; or to enforce the creditor's rights against any assets of the debtor except (i) in judicial liquidation proceedings, by way of the applicable specific process for judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such asset- whether tangible or intangible, movable or immovable-is located in another Member State within the European Union, in which case the rights in rem of creditors thereon would not be affected by the insolvency proceedings commenced in France, in accordance with the terms of Article 8 of the EU Insolvency Regulation (provided no secondary proceedings are commenced in such Member State). Similarly, the rights of a creditor on the debtor's assets located outside France and the EU would only be affected by the French insolvency proceedings if they were to be recognized by the local courts where the assets at stake are located (unless provided otherwise in a treaty to which France is a party).
- in the context of reorganization or liquidation proceedings only, absent consent to other terms of payment, immediate cash payment for services rendered pursuant to an ongoing contract (*contrat en cours*), will be required.

A natural person that is the guarantor of the debtor may avail itself of the provisions of a safeguard plan ("*plan de sauvegarde*") adopted by the Court but not of the provisions of a judicial reorganization plan ("*plan de redressement*").

In accelerated financial safeguard proceedings, the above rules only apply to the creditors that fall within the scope of the proceedings (see above). Debts owed to other creditors, such as suppliers, continue to be payable in the ordinary course of business.

As a general rule, creditors domiciled in metropolitan France whose claims arose prior to the commencement of the proceedings must file a claim with the court-appointed creditors' representative within two months of the publication of the court decision in an official gazette (*Bulletin Officiel des annonces civiles et commerciales*); this period is extended to four months for creditors domiciled outside metropolitan France. Creditors must also file a claim for the post-commencement non-privileged debts, with respect to which the two or four month period referred to above starts to run as from their maturity date. Creditors whose claims have not been submitted during the relevant period are, except for limited exceptions, barred from receiving distributions made in connection with the proceedings. Employees are not subject to such limitations and are preferred creditors under French law.

At the beginning of the proceedings, the debtor must provide the court-appointed administrator and the creditors' representative with the list of all its creditors and all of their claims. Where the debtor has informed the creditors' representative of the existence of a claim, the claim as reported by the debtor is deemed to be a filing of the claim

with the creditors' representative on behalf of the creditor. Creditors are allowed to ratify or amend a proof of claim so made on their behalf until the supervisory judge rules on the admissibility of the claim. They may also file their own proof of claim, within the deadlines described above.

In accelerated safeguard and accelerated financial safeguard proceedings however, the debtor draws a list of the claims of its creditors having taken part in the conciliation proceedings, which is certified by its statutory auditors or accountant. Although such creditors may file proofs of claim as part of the regular process, they may also avail themselves of this simplified alternative and merely adjust if necessary the amounts of their claims as set forth in the list prepared by the debtor (within the above two or four months' time limit). Creditors that did not take part in the conciliation proceedings must file their proofs of claim within the aforementioned deadlines.

If the court adopts a safeguard plan, accelerated safeguard plan, accelerated financial safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan.

If the court adopts a sale plan (*plan de cession*) of the debtor in judicial reorganization or judicial liquidation proceedings, the proceeds of the sale will be allocated towards the repayment of its creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator (usually the former creditor's representative) in charge of selling the assets of the debtor and settling the relevant debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, post-commencement legal costs (essentially, court officials fees), creditors who benefit from a New Money Lien or a S/R Lien (see above), post-commencement privileged creditors and the French State (taxes and social charges). In the event of judicial liquidation proceedings only, certain pre-commencement secured creditors whose claim is secured by real estate are paid prior to post-commencement privileged creditors. This order of priority does not apply to all creditors, for example it does not apply to creditors benefiting from a retention right over assets with respect to their claim related to such asset.

Creditors' Liability

Pursuant to Article L. 650-1 of the French Commercial Code (as interpreted by case law), where safeguard, judicial reorganization or judicial liquidation proceedings have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor, if the granting of such facilities was wrongful and if the relevant creditor (i) committed a fraud or (ii) manifestly interfered with the management of the debtor or (iii) obtained securities or guarantees that are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

Fraudulent Conveyance

French law contains specific, "*action paulienne*" provisions dealing with fraudulent conveyance both in and outside insolvency proceedings. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a debtor (including, without limitation, an agreement pursuant to which such debtor guarantees the performance of the obligations of a third-party or agrees to provide or provides security for any of such debtor's or a third-party's obligations, enters into additional agreements benefiting from existing security or any other legal act having similar effect) can be challenged in or outside of the context of the insolvency proceedings of the relevant debtor by the creditors' representative (*mandataire judiciaire*), the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) or by any of the creditors of the relevant debtor outside the insolvency proceedings or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings. Any such legal act may be declared unenforceable against all the creditors of the relevant debtor (if the claim was lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*)) or the concerned creditor (if the claim was lodged by such creditor) if: (i) the debtor performed such act without an obligation to do so; (ii) the relevant creditor or (in the case of a claim lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*)) any creditor was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the legal act was performed, both the debtor and the counterparty to the transaction knew or should have known that one or more of such debtor's creditors (existing or future) would be prejudiced in their means of recovery (where the legal act was entered into for no consideration (*à titre gratuit*), no such knowledge of the counterparty is necessary). If a court found that the issuance of the Notes or the granting of a guarantee in respect thereof involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes or the granting

of a guarantee in respect thereof could be (i) declared unenforceable against all the creditors if the claim was lodged by the creditors' representative (*mandataire judiciaire*) or the court-appointed commissioner in charge of overseeing the implementation of the safeguard or reorganization plan (*commissaire à l'exécution du plan*) or (ii) declared unenforceable against the creditor who lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes and the value of any consideration that holders of the Notes received with respect to the Notes could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer as a result of the fraudulent conveyance.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement (the "**Purchase Agreement**") by and between the Issuer and BNP Paribas, Crédit Industriel et Commercial S.A., Société Générale and Crédit Agricole Corporate and Investment Bank (together the "**Initial Purchasers**") dated the date of the Offering Memorandum, the Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed, severally and not jointly, to purchase the Notes from the Issuer.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The Initial Purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. Sales of the Notes by the Initial Purchasers in the United States may be made through affiliates of the Initial Purchasers who are qualified broker-dealers under applicable law. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

We have agreed to provide the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses. Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Purchase Agreement provides that the Issuer will indemnify and, upon accession to the Purchase Agreement, hold harmless the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. The Issuer has agreed, upon accession to the Purchase Agreement, will agree, subject to certain limited exceptions, not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any securities of, or guaranteed by, the Issuer that are substantially similar to the Notes during the period from the date of the Purchase Agreement through and including the date that is 45 days after the date of the Purchase Agreement, without the prior written consent of the representatives of the Initial Purchasers.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States to non-U.S. persons except to QIBs in reliance on Rule 144A and to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under "*Transfer Restrictions*."

Each Initial Purchaser, severally and not jointly, has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II;
- a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- not a qualified investor as defined in the Prospectus Regulation.

Each Initial Purchaser, severally and not jointly, has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;
- a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- not a qualified investor as defined in the UK Prospectus Regulation.

In the Purchase Agreement, the Initial Purchasers have, severally and not jointly, represented, warranted and agreed that they:

- have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by them in connection with the issuance or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- have complied and will comply with all applicable provisions of the FSMA and the Financial Services Act 2012 with respect to anything done by them in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States, France and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Listing Prospectus or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Listing Prospectus nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Listing Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase Notes in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Listing Prospectus comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Listing Prospectus and resale of the Notes. See "*Important Information*" and "*Notice to Investors*."

The Notes are a new issue of securities for which there currently is no market. We have applied to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Euro MTF Market thereof.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchasers without notice. In addition, any such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you.

In connection with the Offering, the Stabilizing Manager, or a person acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Manager may bid for and purchase Notes in the open markets for the purpose of pegging, fixing or maintaining the price of the Notes. The Stabilizing Manager may also over-allot the Offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Manager may bid for and purchase Notes in market-making transactions as permitted by applicable laws and regulations. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

These stabilizing transactions and covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions may begin on or after the date on which adequate public disclosure of the terms of the Offering is made and, if commenced, may be discontinued at any time at the sole discretion of the Stabilizing Manager. If these activities are commenced, they must end no later than the earlier of 30 days after the Issue Date of the Notes and 60 days after the date of the allotment of the Notes. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchasers and/or their respective affiliates from time to time have provided, currently provide and/or may in the future provide, commercial lending, investment banking, hedging, cash management, consulting and financial advisory services and/or other banking or financing related facilities (including factoring and/or receivables financing) and services to the Issuer and/or its subsidiaries and/or affiliates for which they have received, currently receive and/or in the future may receive, customary revenues, fees and expenses. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. The Initial Purchasers and/or their affiliates have a lending relationship with us and may hedge their credit exposure to us consistent with their customary risk management policies. Moreover, the Initial Purchasers and/or their affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Any offer or sale in the United States of the Notes will be made by affiliates of the Initial Purchasers who are broker-dealers registered under the Exchange Act. To the extent that any Initial Purchaser intends to effect any sales of the Notes in the United States, it will do so through one or more U.S. registered broker-dealers as permitted by FINRA regulations. In addition, until 40 days after the commencement of the Offering, an offer or sale of Notes within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the Securities Act and in connection with any applicable state securities laws.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes thereof have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to persons reasonably believed to be "qualified institutional buyers," commonly referred to as "**QIBs**," (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A and to non-U.S. persons in offshore transactions in reliance on Regulation S (and only to investors who, if in a Member State of the EEA are not retail investors, and if in the United Kingdom, are not retail investors. A "retail investor" in relation to a Member State of the EEA means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II); or (iii) not a qualified investor as defined in the Prospectus Regulation. A "retail investor" in relation to the UK means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

The Issuer has not registered and will not register the Notes under the Securities Act and, therefore, the Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Issuer is offering and selling the Notes to the Initial Purchasers for reoffer and resale only:

- in the United States, to QIBs, as defined in Rule 144A in compliance with Rule 144A; and
- to investors who are non-U.S. persons outside the United States in offshore transactions in accordance with Regulation S.

The Issuer uses the terms "offshore transaction," "U.S. person" and "United States" with the meanings given to them in Regulation S.

In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Each purchaser of Notes (other than each of the Initial Purchasers), by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer and the Initial Purchasers as follows:

(1) It understands and acknowledges that the Notes have not been registered under the Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (5) and (6) below.

(2) It is neither the Issuer's "affiliate" (as defined in Rule 144), nor acting on its behalf and that either:

  (a) it is a QIB, within the meaning of Rule 144A and is aware that any sale of these Notes to it will be made in reliance on Rule 144A, and such acquisition will be for its own account or for the account of another person that it reasonably believes is a QIB;

  (b) it is a non-U.S. person purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S;

  (c) if it is in a Member State of the EEA, it is not a retail investor (as defined above in relation to the EEA); or

  (d) if it is in the United Kingdom, it is not a retail investor (as defined above in relation to the United Kingdom).

(3) It acknowledges that none of the Issuer or the Initial Purchasers, nor any person representing any of them, has made any representation to it with respect to the Issuer and its subsidiaries or the offer or sale of any of the Notes, other than the information contained in this Listing Prospectus, which Listing Prospectus has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It acknowledges that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this Listing Prospectus. It has had access to such financial and other information concerning the Issuer and its subsidiaries and the Notes that it deems necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers.

(4) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act, or in any transaction not subject to the Securities Act.

(5) It agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "**Resale Restriction Termination Date**") that is, in the case of the Notes issued in reliance on Rule 144A, one year after the later of the date of the original issue, the original issue date of any additional Notes and the last date on which the Issuer or any of its affiliates were the owner of such Notes (or any predecessor thereof) or, in the case of the Notes issued in reliance on Regulation S, 40 days after the later of the original issue date (or, if later, the issue date of any additional Notes) and the last date on which the Notes were first offered to persons other than "distributors" (as defined in Rule 902 of Regulation S), only (i) to the Issuer; (ii) pursuant to a registration statement that has been declared effective under the Securities Act; (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A; (iv) pursuant to offers and sales to non-U.S. persons that occur outside the United States in offshore transactions in compliance with Regulation S; or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) above to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IT IS A NON-U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S"), AND (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, WHICH IS [*IN THE CASE OF REGULATION S NOTES*: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR IF LATER, THE ISSUE DATE OF ANY ADDITIONAL NOTES) AND THE DATE ON WHICH THIS SECURITY

WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF THE REGULATION S)] [*IN THE CASE OF RULE 144A NOTES*: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)], ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S, THE TRUSTEE'S AND THE TRANSFER AGENT'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE REVERSE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRANSFER AGENT; AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "U.S. PERSON," "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANING GIVEN TO THEM BY REGULATION S.

A purchaser of Notes will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(6) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on the transfer of such Notes.

(7) It acknowledges that until 40 days after the commencement of the Offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

(8) It acknowledges that the Registrar will not be required to accept for registration or transfer any Notes acquired by it except upon presentation of evidence satisfactory to the Issuer and the Registrar that the restrictions set out therein have been complied with.

(9) It acknowledges that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of the acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes are no longer accurate, it shall promptly notify the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

(10) It understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Listing Prospectus or any other material relating to the Issuer or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "*Plan of Distribution*," "*Notice to European Economic Area,*" "*Notice to Investors in France*," "*Notice to U.S. Investors*" and "*Notice to United Kingdom Investors*."

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for the Issuer by Latham & Watkins (London) LLP as to U.S. federal and New York state law and Latham & Watkins AARPI as to French law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by Shearman & Sterling (London) LLP, as to matters of U.S. federal, New York state law and French law.

INDEPENDENT STATUTORY AUDITORS

The audited consolidated financial statements of the Issuer as of and for financial the years ended September 30, 2020, 2019 and 2018 have been audited by BM&A, Denjean & Associés Audit and Ernst & Young Audit, independent statutory auditors of the Issuer, as set forth in their audit reports, a free English translation of which is included therein.

The unaudited interim consolidated financial statements of the Issuer as of and for the six months ended March 31, 2021 have been subject to a limited review by BM&A, Denjean & Associés Audit and Ernst & Young Audit (as stated in their report thereon, a free English translation of which is included therein) in accordance with IAS 34, the international accounting standard relating to the establishment of interim financial statements, as adopted by the European Union and in force on March 31, 2021.

The audited consolidated financial statements of GEH as of and for financial the years ended September 30, 2020 and 2019 have been audited by BDO Paris Audit & Advisory, independent statutory auditors of GEH, as set forth in their audit reports, a free English translation of which is included therein.

The unaudited interim consolidated financial statements of GEH as of and for the six months ended March 31, 2021 have been subject to a limited review by BDO Paris Audit & Advisory (as stated in their report thereon, a free English translation of which is included therein) in accordance with IAS 34, the international accounting standard relating to the establishment of interim financial statements, as adopted by the European Union and in force on March 31, 2021.

SERVICE OF PROCESS AND ENFORCEMENT OF JUDGMENTS

The Issuer is a French publicly listed limited liability company with a board of directors (*société anonyme à conseil d'administration*) organized under the laws of France, whose shares are traded on Euronext Paris (ISIN code: FR0000053381), and most of the members of the board of directors of the Issuer reside outside the United States. In addition, a substantial portion of the Issuer's assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States on such persons.

It may also be difficult to enforce against the Issuer, either inside or outside the United States, judgments obtained against them in U.S. courts, or to enforce in U.S. courts, judgments obtained against them in courts in jurisdictions outside the United States, in any action based on civil liabilities under the U.S. federal securities laws. There is some doubt as to the enforceability against such persons in France, whether in original actions or in actions to enforce judgments of U.S. courts, of liabilities based solely on the U.S. federal securities laws. Actions in the United States under the U.S. federal securities laws could be affected under certain circumstances by the French law No. 68-678 of July 26, 1968, as modified by the French law No. 80-538 of July 16, 1980 (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons) which may preclude or restrict the obtaining of evidence in France or from French persons in connection with a judicial or administrative U.S. action. Additionally, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in France.

The following is a summary of certain legal aspects of French law regarding the enforcement of civil law claims connected with the Notes against the Issuer and/or its directors, officers and other executives ("**French Individuals**").

The United States and France are not parties to a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal or state securities laws, would not directly be recognized or enforceable in France.

A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal de Grande Instance*) that has exclusive jurisdiction over such matter.

Enforcement in France of such U.S. judgment could be obtained following proper (*i.e., non ex parte*) proceedings if such U.S. Judgment is enforceable in the United States and if the French civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French civil court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter because the dispute is clearly connected to the jurisdiction of such court (*i.e.*, there was no international forum shopping), the choice of the U.S. court was not fraudulent and the French courts did not have exclusive jurisdiction over the matter;
- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case, including fair trial rights; and
- such U.S. judgment is not tainted with fraud under French law.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (*i.e.*, those having *a res judicata* effect) can benefit from an exequatur under French law, that such U.S. judgment should not conflict with a French judgment or a foreign judgment that has become effective in France, and there is no proceedings pending before French courts at the time enforcement of the U.S. judgment is sought and having the same or similar subject matter as such U.S. judgment.

If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res judicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France after all remedies have been exhausted. The decision granting the exequatur is subject to appeal.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French criminal law No. 68 678 of July 26, 1968, as modified by French law No. 80 538 of July 16, 1980 and French Ordinance No. 2000 916 of September 19, 2000 (relating to the communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (the 1970 Hague Convention on the Taking of Evidence Abroad) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (Law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as modified) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context.

Furthermore, if an original action is brought in France, French courts may refuse to apply foreign law designated by the applicable French rules of conflict (including the law chosen by the parties to govern their contract) if the application of such law (in the case at hand) is deemed to contravene French international public policy (as determined on a case by case basis by French courts) or in case of overriding mandatory rules. Furthermore, in an action brought in France on the basis of U.S. federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Pursuant to Article 14 of the French Civil Code, a French national (either a company or an individual) can sue a foreign defendant before French courts in connection with the performance of obligations contracted by the foreign defendant in France with a French person or in a foreign country with French Individuals. Pursuant to Article 15 of the French Civil Code, a French national can be sued by a foreign claimant before French courts in connection with the performance of obligations contracted by the French national in a foreign country with the foreign claimant. For a long time, case law has interpreted these provisions as meaning that a French national, either claimant or defendant, could not be forced against its will to appear before a jurisdiction other than French courts. However, in accordance with case law, the French courts' jurisdiction over French nationals is not mandatory to the extent an action has been commenced before a court in a jurisdiction that has sufficient contacts with the dispute and the choice of jurisdiction is not fraudulent. In addition, a French national may waive its rights to benefit from the provisions of Articles 14 and 15 of the French Civil Code, including by way of conduct by voluntarily appearing before the foreign court.

It must be noted that under Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of December 12, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) (the "**Brussels I Regulation (Recast)**"), the privileges granted to French nationals pursuant to Articles 14 and 15 of the French Civil Code may not be invoked against a person domiciled in a Member State where the legal actions fall within the scope of Brussels I Regulation (Recast). Conversely, pursuant to Article 6.2 of Brussels I Regulation (Recast), the privilege granted by Article 14 of the French Civil Code may be invoked by a claimant domiciled in France, regardless of the claimant's nationality, to sue before French courts a defendant domiciled outside the EU. Moreover, three decisions of the civil chamber of the French Supreme Court (*Cour de cassation*) dated September 26, 2012, March 25, 2015 and October 7, 2015 and a decision of the commercial chamber of the French Supreme Court permit that contractual provisions submitting one party to the exclusive jurisdiction of a court and giving another party an additional option to choose another jurisdiction (one-sided jurisdiction clauses) may only be effective if they set out an objective basis for the alternative jurisdictions that one party could choose. Accordingly, any one-sided jurisdiction clauses which do not set out an objective basis (as a reference to a ground of jurisdiction or to legal rules) in any relevant documents would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts. However, note that these decisions were made on the basis of Council Regulation (EC) No 44/2001 of December 22, 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters or on the basis of the Convention on jurisdiction and the enforcement of judgments in civil and commercial matters signed in Lugano on October 30, 2007 and that such decisions have yet to be confirmed in the context of Brussels I Regulation (Recast).

LISTING AND GENERAL INFORMATION

The Issuer is a French publicly listed limited liability company with a board of directors (*société anonyme à conseil d'administration*) organized under the laws of France, whose shares are traded on Euronext Paris (ISIN code: FR0000053381). The Issuer is registered with the *Registre du commerce et des sociétés* of Paris (France) under number 352 980 601. As of March 31, 2021, the Issuer's issued share capital amounted to €39,849,372.25 represented by 159,397,489 ordinary shares fully subscribed and paid-up of €0.25 nominal value each. The Issuer's registered office is located at 119, avenue du Général Michel Bizot, 75012 Paris (France) and its phone number is + 33 (0)1 44 75 40 40. As described in article 3 of the Issuer's bylaws, its corporate purpose is to, in France and in all countries:

- acquire, subscribe, and manage all securities;
- acquire investments or interests in all commercial, industrial, financial, or real estate companies and enterprises;
- provide all administrative, financial, accounting, or management services to the Issuer's subsidiaries or to all other companies in which the Issuer may hold an interest;
- acquire, operate, manage, and administer, pursuant to a lease, rental or otherwise, all developed or undeveloped real property, and, in general, all real or personal property, commercial, industrial or financial transactions that may directly or indirectly relate to such purposes or to all similar or related purposes that may promote the operation or development thereof;

all of the foregoing both on its own behalf and on behalf of all third parties or by acquiring ownership interests, in any form whatsoever, by creating companies, by subscriptions, by limited partnerships, by mergers, by absorptions, by advances, by the purchase or sale of securities and corporate rights, by the purchase, sale or rental of its personal and real property or its rights therein, or by any other method.

The Issuer may carry out any transactions that are compatible with these purposes, that are related thereto or that contribute to the accomplishment thereof.

Application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to admit them for trading on the Euro MTF Market thereof, in accordance with the rules and regulations of that exchange.

So long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market tof that exchange and the rules and regulations of the Luxembourg Stock Exchange so require, copies of the following documents may be inspected and obtained free of charge at the offices of the Listing Agent during normal business hours on any weekday (public holidays excluded):

- the organizational documents of the Issuer;
- the consolidated financial statements included in this Listing Prospectus;
- our most recent audited consolidated financial statements, and any interim condensed consolidated financial statements published by the Issuer; and
- the Indenture, which includes the form of the Notes.

The Issuer will maintain a transfer agent in Luxembourg for so long as any of the Notes are listed on Official List of the Luxembourg Stock Exchange. The Issuer reserves the right to vary such appointment and will publish notice of such change of appointment on the website of the Luxembourg Stock Exchange (www.bourse.lu). The issuance of the Notes offered hereby was authorized by the board of directors of the Issuer on June 2, 2021.

As of the date of this Listing Prospectus, the most recent audited consolidated financial statements available for the Issuer were as of and for the year ended September 30, 2020. Except as disclosed in this Listing Prospectus, there has been no significant or material adverse change in our financial condition since September 30, 2020 (being the last day of the period in respect of which the Issuer published its latest audited consolidated financial statements) and we are not involved and have not been involved during the 12 months preceding the date of this Listing Prospectus in any litigation, arbitration or administrative proceedings which would, individually or in the aggregate, have a material adverse effect on our results of obligations, condition (financial or other) or general affairs and, so far as we are aware, having made all reasonable inquiries, there are no such litigation, arbitration or administrative proceedings pending or threatened.

The Trustee is Citibank, N.A., London Branch and its address is Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom. The Trustee will be acting in its capacity of trustee for the holders of the Notes and will provide such services to the holders of the Notes as described in the Indenture.

Clearing Information

The Notes are expected to be accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Notes is set forth below.

	ISIN	Common Code
Rule 144A Global Notes	XS2351382556	235138255
Regulation S Global Notes	XS2351382473	235138247

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DERICHEBOURG S.A.

STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION OF DERICHEBOURG S.A. FOR THE PERIOD FROM OCTOBER 1ST, 2020 TO MARCH 31ST, 2021

Derichebourg

Period from October 1st, 2020 to March 31st, 2021

Statutory Auditors' Review Report on the Half-yearly Financial Information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

DENJEAN ET ASSOCIES Audit
19, rue de Presbourg
75116 Paris
S.A.S. au capital de € 300 000
539 769 729 R.C.S Paris

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

BM&A
11, rue de Laborde
75008 Paris
S.A.S. au capital de € 1 200 000
348 461 443 R.C.S Paris

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

Derichebourg

Period from October 1st, 2020 to March 31st, 2021

Statutory Auditors' Review Report on the Half-yearly Financial Information

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meetings and in accordance with the requirements of Article L. 451-1-2-III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed consolidated half-yearly financial statements of Derichebourg, for the period from October 1st, 2020 to March 31st, 2021,

- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed consolidated half-yearly financial statements for this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of our procedures.

These condensed consolidated half-yearly financial statements have been prepared under the responsibility of your Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated half-yearly financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed consolidated half-yearly financial statements subject to our review.

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

Paris and Paris-La-Défense, May 20, 2021

The Statutory Auditors
French original signed by

DENJEAN & ASSOCIES Audit	BM&A	ERNST & YOUNG Audit
Clarence Vergote	Gilles Rabier	Pierre Abily

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF DERICHEBOURG S.A.
FOR THE PERIOD FROM OCTOBER 1ST, 2020 TO MARCH 31ST, 2021

CONSOLIDATED BALANCE SHEET OF THE DERICHEBOURG GROUP AT MARCH 31, 2021

Assets *(in millions of euros)*	Notes to the financial statements	03-31-2021	09-30-2020
Goodwill	4.1	261.1	261.1
Intangible assets	4.1	6.7	7.5
Property, plant and equipment	4.2	496.9	497.7
Rights of use	4.2	202.8	190.2
Financial assets	4.3	10.3	10.0
Investments in associates and joint ventures	4.4	11.8	12.6
Deferred taxes	4.23	32.4	31.1
Other assets	4.5	0.0	0.0
Total non-current assets		1,022.0	1,010.1
Inventories	4.6	136.7	105.3
Trade receivables	4.7	399.6	309.9
Tax receivables	4.7	4.6	4.1
Other assets	4.7	90.4	68.3
Financial assets	4.7	20.0	15.4
Cash and cash equivalents	4.8	403.7	361.9
Financial instruments	4.12	1.4	0.0
Total current assets		1,056.4	865.0
Total non-current assets and groups of assets held for sale		0.0	0.0
Total assets		2,078.3	1,875.1

Liabilities *(in millions of euros)*	Notes to the financial statements	03-31-2021	09-30-2020
Share capital	4.9	39.9	39.9
Share premiums		0.8	0.8
Reserves		482.1	459.6
Net profit/(loss) for the year		73.6	21.3
Group shareholders' equity		596.3	521.6
Non-controlling interests	4.10	3.4	2.6
Total shareholders' equity		599.7	524.2
Financial borrowings and debts	4.11	541.5	572.2
Provision for pensions and similar benefits	4.13	52.0	50.8
Other provisions	4.13	32.8	33.4
Deferred taxes	4.23	22.6	23.2
Other liabilities	4.16	4.5	3.2
Total non-current liabilities		653.4	682.6
Financial borrowings and debts	4.11	182.9	130.9
Provisions	4.14	2.6	4.6
Trade payables	4.15	346.0	254.5
Tax payables	4.15	27.1	4.7
Other liabilities	4.15	264.8	271.2
Financial instruments	4.12	1.9	2.3
Total current liabilities		825.3	668.2
Discontinued and liabilities held for sale		0.0	0.0
Total liabilities		2,078.3	1,875.1

CONSOLIDATED INCOME OF THE DERICHEBOURG GROUP AT MARCH 31, 2021

(in millions of euros)	Notes to the financial statements	2021 6 months	2020 6 months
Revenue	4.17	1,649.9	1,302.3
Other revenues from operations		2.8	2.0
Cost of raw materials		(828.5)	(580.1)
External charges		(192.5)	(175.7)
Personnel expenses	4.29	(431.6)	(427.9)
Taxes and duties		(28.8)	(28.1)
Depreciation		(60.4)	(58.2)
Change in provisions	4.18	(7.2)	(2.0)
Change in inventory: work-in-progress and finished products		0.6	0.8
Other operating expenses	4.19	(5.5)	(5.8)
Other operating income	4.19	13.5	6.0
Recurring operating profit (loss)		112.3	33.4
Other non-recurring expenses	4.20	(0.6)	(0.6)
Other non-recurring income	4.20	3.8	3.7
Gain/loss on disposal of consolidated companies	4.21		5.3
Operating profit (loss)		115.5	41.9
Net financial expenses	4.22	(7.2)	(5.7)
Foreign exchange and other gains and losses	4.22	0.6	(0.3)
Profit (loss) before tax	4.23	108.9	35.9
Income tax	4.23	(33.4)	(13.1)
Group share of income from associates and joint ventures	4.4	(0.8)	0.2
Net profit (loss)		74.7	23.1
Income net of tax from discontinued activities			
Consolidated net income		74.7	23.1
Attributable:			
– to shareholders		73.6	22.4
– to non-controlling interests		1.1	0.7
Earnings per share: earnings attributable to Company shareholders (in euros/share)	4.25		
– basic		0.46	0.14
– diluted		0.46	0.14
Earnings per share: earnings attributable to the Company's shareholders after earnings from discontinued or sold operations (in € per share)			
– basic		0.46	0.14
– diluted		0.46	0.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE DERICHEBOURG GROUP

(in millions of euros)	Notes to the financial statements	2021 6 months	2020 6 months
Consolidated net income		74.7	23.1
Exchange rate changes		1.1	(3.0)
Cash flow hedging			0.1
Restatement of liabilities linked to commitments from defined benefit plans			
Taxes on other comprehensive income			(0.0)
Income and expenses for the period recognized directly in shareholders' equity		1.1	(2.9)
Comprehensive income for the period		75.8	20.2
Of which			
– attributable to Company shareholders		74.7	19.5
– attributable to non-controlling interests		1.1	0.7

TABLE OF CONSOLIDATED CASH FLOWS OF THE DERICHEBOURG GROUP AT MARCH 31, 2021

(in millions of euros)	Notes to the financial statements	2021 6 months	2020 6 months
Total consolidated net profit (loss)		74.7	23.1
Consolidated net profit (loss) from held for sale or discontinued operations		0.0	0.0
Consolidated net income (loss) from continuing operations		74.7	23.1
Adjustments for:			
Elimination of profit (loss) from associates and joint ventures		0.8	(0.3)
Provisions and depreciation		58.9	57.9
Fair value gains (losses)		(1.7)	(0.6)
Elimination of gains (loss) on asset disposals		3.0	(4.5)
Elimination of profit from dividends		(0.0)	(0.0)
Other non-cash income and expenses		(0.2)	0.0
Operating cash flow after financing costs and income tax		135.4	75.6
Net interest expense		7.2	5.7
Income tax		33.4	13.1
Operating cash flow before financing costs and income tax		176.0	94.4
Changes in working capital requirement related to operations		(52.8)	(32.7)
Income tax paid		(12.9)	(12.4)
Cash flows from operations generated by discontinued activities		0.0	0.0
NET CASH FLOW FROM OPERATING ACTIVITIES		110.3	49.3
Impact of changes in scope		0.0	(145.4)
Acquisition of tangible and intangible assets		(38.6)	(51.4)
Acquisition of financial assets		(0.2)	0.0
Change in loans and advances granted		(5.1)	1.0
Disposal of property plant and equipment and intangible assets		3.4	0.7
Disposal of financial assets		0.0	0.0
Dividends received		0.0	0.1
Cash flow related to investment activities for discontinued operations		0.0	0.0
NET CASH FLOW FROM INVESTMENT ACTIVITIES		(40.6)	(195.1)
Capital increase		0.0	0.0
Proceeds from borrowings		6.8	256.9
Repayment of borrowings		(75.0)	(101.7)
Net financial interests paid		(6.2)	(4.9)
Dividends paid to group shareholders		0.0	(17.5)
Dividends paid to non-controlling interests		(0.0)	(0.8)
Factoring		29.4	5.0
Cash flow related to finance activities for discontinued operations		0.0	0.0
NET CASH FLOW FROM FINANCE ACTIVITIES		(45.0)	137.0
Impact of foreign exchange rate fluctuations		0.2	(0.4)
Impact of foreign exchange rate fluctuations on discontinued activities			
CHANGE IN CASH AND CASH EQUIVALENTS		25.0	(9.2)
Cash and cash equivalents at beginning of the period	4.8	353.5	277.8
Cash and cash equivalents at close of the period	4.8	378.4	268.7
Net cash position reclassified following the application of IFRS 5		0.0	0.0
CHANGE IN CASH AND CASH EQUIVALENTS		25.0	(9.2)

CHANGE IN THE CONSOLIDATED SHAREHOLDERS' EQUITY OF THE DERICHEBOURG GROUP AT MARCH 31, 2021

(in millions of euros)	Capital	Share premiums	Own shares	Reserves	Currency translation reserves	Net profit/(loss) for the year	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Position at September 30, 2019	39.9	0.8	(0.0)	418.7	8.3	55.6	523.1	2.9	526.0
Appropriation of prior-year profit				55.6		(55.6)	0.0		0.0
Dividends payments				(17.5)			(17.5)	(0.8)	(18.3)
Net profit for the year attributable to the Group						22.4	22.4	0.7	23.1
Income and expenses recognized directly through equity				0.1	(3.0)		(2.9)		(2.9)
Other variation							0.0	1.1	1.1
Position at March 31, 2020	39.9	0.8	(0.0)	456.9	5.3	22.4	525.2	3.8	529.0
Appropriation of prior-year profit							0.0		
Dividends payments							0.0		
Own shares							0.0		
Net profit for the year attributable to the Group						(1.1)	(1.1)	0.4	(0.7)
Income and expenses recognized directly through equity				1.0	(3.5)		(2.5)		(2.5)
Other variation								(1.6)	(1.6)
Position at September 30, 2020	39.9	0.8	0.0	457.9	1.8	21.3	521.6	2.6	524.2
Appropriation of prior-year profit				21.3		(21.3)	0.0		
Dividends payments								(0.3)	(0.3)
Net profit for the year attributable to the Group						73.6	73.6	1.1	74.7
Income and expenses recognized directly through equity					1.1		1.1		1.1
Other variation									
Position at March 31, 2021	39.9	0.8	0.0	479.2	2.9	73.6	596.3	3.4	599.7

1. PRESENTATION OF THE GROUP

1.1 Issuer identification

DERICHEBOURG is a public limited company (*société anonyme*) created and domiciled in France with its registered headquarters at 119, avenue du général Michel Bizot, 75012 PARIS. DERICHEBOURG is listed in compartment B of the Euronext market. The Group's business activities are as follows:

- Environmental Services;
- Business Services;
- Holding companies.

Many of Derichebourg's operating properties are owned through a real estate investment company.

The consolidated financial statements for the period from October 1, 2020 to March 31, 2021 were approved by Derichebourg SA's Board of Directors on May 20, 2021 and were the subject of a limited review by our Statutory Auditors.

They reflect the financial position of the Company and its subsidiaries and the Group's interests in associated companies.

The financial statements are presented in millions of euros, unless otherwise stated. The amounts are rounded to the nearest hundred thousand euros.

1.2 Significant events of the period

1.2.1 Sanitary context

Despite the difficult health context due to the outbreak of covid 19 in France (2nd and 3rd waves), Group's activity taken as a whole was not materially disrupted during this half-year, even if some of the businesses have been facing a lower activity for one year now.

1.2.2 Signature of the contract for the acquisition of the ECORE group

On December 30, 2020, Derichebourg Environnement submitted a firm and irrevocable offer for the acquisition of 100% of the capital of Groupe Ecore Holding to the shareholders of Group Ecore Holding based on which the latter agreed to a period of exclusive negotiation.

On February 26, 2021, Derichebourg Environnement and the shareholders of Groupe Ecore Holding signed the acquisition contract, the conclusion of which is subject to the authorization of the competent authorities responsible for concentration.

During the financial year ended September 30, 2020, the Ecore Group generated revenue of €881m and a published EBITDA (after application of IFRS 16) of €53m. The company employs 1,300 people and conducts its metal waste recycling business (92% of its revenue) at 68 sites in France, Belgium, Switzerland, Romania and Hungary.

The volumes handled by Ecore during the financial year ended September 30, 2020 are as follows:

- Scrap: 2,238 kt (of which 518 kt from trading)
- Non-ferrous metals: 216 Kt (of which 37 Kt of batteries)

The Derichebourg Group has secured the financing required for this acquisition.

2. ACCOUNTING POLICIES, RULES AND METHODS

2.1 General policies

In accordance with European regulation 1606/2002 of July 19, 2002 on international standards, the Derichebourg Group's financial statements at March 31, 2021 were prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.

These standards and interpretations are available on the European Commission's website (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32002R1606) and include International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and Interpretations issued by the Standing Interpretations Committee (SIC) and by the International Financial Reporting Interpretations Committee (IFRIC).

The half-year consolidated financial statements, presented in condensed form, were prepared in accordance with the international standard on financial reporting, IAS 34 ("Interim financial reporting") as adopted by the European Union. The rules and methods are the same as those applied to the consolidated financial statements approved at September 30, 2020.

The half-year financial statements do not include all the information and notes presented in the annual financial statements. Accordingly, they should be read in conjunction with the Derichebourg Group's consolidated financial statements at September 30, 2020.

The financial statements were drawn up in accordance with the going concern principle.

The consolidated financial statements of the Derichebourg Group for the year ended September 30, 2020 are available upon request from the Company's registered office located at 119, avenue du général Michel Bizot, Paris, or on its website, www.derichebourg.com.

2.1.1 Standards and interpretations applicable to the fiscal year beginning on October 1, 2020

The standards and interpretations adopted by the European Union and which are applicable to the Derichebourg Group's consolidated financial statements starting on or after October 1, 2020 are as follows:

- Amendments to IFRS 3 "Business Combinations";
- Amendments to IFRS 9, IAS 39, and IFRS 7 "Benchmark Interest Rate Reforms";
- Amendments to IAS 1 and IAS 8 "Definitions of the term significant";
- Amendments to references to the conceptual framework in IFRS standards.

2.1.2 Standards and interpretations published but not yet effective

The Group has not adopted any standards or interpretations which were not mandatory early as of October 1, 2020 (the application dates are those recognized by EFRAG):

- Amendments to IFRS 16 "Reductions in rents related to Covid-19";
- Amendments to IFRS 4 "Insurance contracts - Extension of the temporary exemption from the application of IFRS 9";
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Reform of benchmark interest rates - Phase 2".

2.2 Accounting principles, valuation rules and methods

The accounting methods and calculation procedures used for the interim financial statements are identical to those used for the consolidated financial statements for the year ended September 30, 2020. The accounting principles are described in the Universal Registration Document for 2019-2020 in notes 2.2 and 2.3 to the consolidated financial statements.

3. CHANGES IN CONSOLIDATION SCOPE

3.1 Newly consolidated

Environmental Services division

Entry of Dechetinvest into the consolidation scope

Business Services division

None

3.2 Change in percentage of control

None

3.3 Internal restructuring

Environmental Services division

- Universal transfer of the assets of SCI de la Gare, SCI Inotera, SCI Purfollioules, SCI Routaboule and SCI Roux to Derichebourg Immobilier on October 1, 2020;
- Universal transfer of Polycorot's assets to Poly-Environnement on October 1, 2020;
- Merger of Derichebourg Canada Multiservices, not included in the consolidation scope, with Derichebourg Canada, Inc on December 4, 2020.

Business Services division

- Universal transfer of Polyance's assets to Derichebourg Multiservices Holding on October 1, 2020;
- Universal transfer of the assets of Derichebourg Automobiles Services to Derichebourg Multiservices Holding on February 2, 2021.

3.4 Deconsolidated

Environmental Services division

None

Business Services division

None

4. NOTES TO THE FINANCIAL STATEMENTS

4.1 Intangible assets and goodwill

In millions of euros	09-30-2020	Increases	Decreases	Other variation	03-31-2021
Goodwill	363.2				363.2
Concessions, patents, licenses	24.2	0.2	(0.1)	0.3	24.7
Other intangible assets	7.7	0.1		(0.3)	7.4
Total gross value	395.1	0.3	(0.1)		395.4
Goodwill	(102.1)				(102.1)
Concessions, patents, licenses	(18.0)	(1.0)	0.1	(0.3)	(19.3)
Other intangible assets	(6.4)	(0.1)		0.3	(6.2)
Total amortization & depreciation	(126.5)	(1.1)	0.1		(127.6)
Total net value	268.6	(0.8)			267.8

4.1.1 Change in the scope of goodwill

None

4.1.2 Impairment tests

At each year-end closing, the Group carries out impairment tests on all of its cash generating units (CGUs), in accordance with the procedures described in note 2.3.6 on accounting policies to the consolidated financial statements in the 2019-2020 Universal Registration Document.

No impairment indicators were identified on cash-generating units as at March 31, 2021. No impairment test was performed at March 31, 2021.

4.2 Property, plant and equipment and right-of-use assets

4.2.1 Property, plant and equipment

In millions of euros	09-30-2020	Increases	Decreases	Change in scope [1]	Other variation	Foreign exchange difference	03-31-2021
Land	240.7	0.4			0.3	0.2	241.7
Buildings	366.5	3.2	(0.6)		4.0	0.3	373.4
Technical installations, machinery & equipment	674.0	10.2	(6.5)		(2.1)	0.8	676.4
Other tangible assets	200.1	5.8	(6.3)	5.3	(0.2)	0.9	205.5
Tangible assets under construction	23.5	14.9	(0.5)		(7.3)		30.6
Advances and deposits	0.1	0.1	(0.1)				0.1
Total gross value	1,504.9	34.6	(14.1)	5.3	(5.3)	2.4	1,527.8
Land	(44.2)	(1.5)					(45.8)
Buildings	(212.2)	(7.4)	0.3		0.1	(0.1)	(219.3)
Technical installations, machinery & equipment	(581.2)	(15.1)	6.4		1.1	(0.6)	(589.5)
Other tangible assets	(169.6)	(6.2)	5.1	(5.3)	0.2	(0.4)	(176.3)
Total amortization & depreciation	1,007.3	(30.2)	11.8	(5.3)	1.3	(1.2)	1,030.8
Total net value	497.7	4.3	(2.2)		(3.9)	1.1	496.9

(1) See Note 3 – Change in consolidation scope.

4.2.2 Rights of use

In millions of euros	09-30-2020	Increases	Decreases	Other changes [1]	Foreign exchange difference	03-31-2021
Land, buildings and real estate complexes	78.2	10.9	(2.3)	(3.8)	0.1	83.1
Machinery & equipment	310.5	21.0	(6.6)	(140.1)		184.8
Other tangible assets	74.7	8.6	(0.3)	(10.8)		72.3
Total gross value	463.4	40.5	(9.1)	(154.7)	0.1	340.2
Land, buildings and real estate complexes	(22.7)	(6.9)	1.1	3.8		(24.7)
Machinery & equipment	(209.5)	(13.9)	4.8	144.0		(74.7)
Other tangible assets	(41.0)	(8.1)	0.3	10.9		(38.0)
Total amortization & depreciation	(273.2)	(28.9)	6.2	158.7		(137.4)
Total net value	190.2	11.6	(2.9)	3.9		202.8

(1) The Group disposed of fully depreciated fixed assets in the amount of €160 million.

4.3 Financial assets

4.3.1 Change during the fiscal year

In millions of euros	09-30-2020	Increases	Decreases	Change in scope[1]	03-31-2021
Equity interests	2.6				2.6
Loans, securities and other non-current financial assets	8.4	1.0	(0.2)	(0.5)	8.7
Total gross value	11.1	1.0	(0.2)	(0.5)	11.3
Impairment loss on investments	(0.9)				(0.9)
Impairment loss on loans, securities and other receivables	(0.1)				(0.1)
Total amortization & depreciation	(1.0)				(1.0)
Total net value	10.0	1.0	(0.2)	(0.5)	10.3

(1) See Note 3 – Change in consolidation scope.

4.3.2 Non-current financial assets by maturity date (excluding investment securities)

In millions of euros	03-31-2021	More than 1 year	More than 5 years
Loans, securities and other non-current financial assets	8.6	4.0	4.6
Total	8.6	4.0	4.6

4.3.3 Equity interests and receivables related to equity participations by type

In millions of euros	Country	% holding	Gross values	Provisions	Net values	
Equity interests						
ENVIRONMENTAL SERVICES						
DOHMEN	Belgium	100%	1.4		1.4	In liquidation
Other companies (less than €0.1 million)	France		0.3		0.3	
BUSINESS SERVICES						
DERICHEBOURG ATIS MAINTENANCE SERVICES	France	100%	0.9	(0.9)	0.0	In liquidation
Total			2.6	(0.9)	1.7	

4.4 Investments in associates and joint ventures

4.4.1 By type

			Share of shareholders' equity		
In millions of euros	Country	% holding	Share of net profit (loss)	03-31-2021	09-30-2020
ASSOCIATED COMPANIES					
ALLO CASSE AUTO	France	48%	(0.3)	1.8	2.1
CAETANO LYRSA	Portugal	50%			
DAC	France	50%		1.0	1.0
DREYFUS	France	43%		5.8	5.8
ROHR ENVIRONNEMENT	France	50%		1.8	1.8
SAUR DERICHEBOURG AQUA	France	49%	(0.4)	(0.6)	(0.2)
JOINT VENTURES					
ALSAFER	France	50%	0.1	0.3	0.2
COLOMER	Spain	50%	0.1	1.1	1.0
ENVIE AFM SUD OUEST	France	50%	(0.2)	0.5	0.7
VALERCO	France	50%	(0.1)	0.1	0.2
Total			(0.8)	11.8	12.6

In millions of euros	Balance sheet date Country	ALSAFER 03-31-2021 France	COLOMER 03-31-2021 Spain	ENVIE AFM SUD OUEST 03-31-2021 France	VALERCO 03-31-2021 France
Financial position					
Non-current assets		0.0	1.9	0.4	0.0
Current assets		0.8	2.4	1.7	0.3
Total assets		0.8	4.3	2.1	0.3
Non-current liabilities		0.0	0.2	0.0	0.0
Current liabilities		0.3	0.7	1.0	0.1
Total liabilities		0.3	0.9	1.0	0.1
Net assets		0.5	3.4	1.1	0.2
Income statement					
Revenue		0.9	1.1	1.2	0.0
Net profit (loss)		0.1	0.2	(0.3)	0.0
Cash flow statement					
Net cash flow from operating activities		(0.1)	0.2	0.4	0.0
Net cash flow from investment activities		0.0	0.0	(0.1)	0.0
Net cash flow from finance activities		0.0	(0.1)	0.0	0.0
of which dividends received by the subsidiary		0.0	0.0	0.0	0.0
Impact of exchange rate fluctuations		0.0	0.0	0.0	0.0
Impact of changes in method		0.0	0.0	0.0	0.0
Cash and cash equivalents at beginning of the period		0.3	(0.5)	0.8	0.2
Cash and cash equivalents at close of the period		0.2	(0.3)	1.0	0.2
Change in cash and cash equivalents		(0.1)	0.1	0.3	0.0

4.4.2 Change during the fiscal year

In millions of euros	09-30-2020	Share of net profit (loss)	03-31-2021
Equity interests in associated companies	12.6	(0.8)	11.8

4.5 Other non-current assets

In millions of euros	Gross values at 03-31-2021	Provisions	Net values at 03-31-2021
Other receivables	0.4	(0.4)	
Total	0.4	(0.4)	

4.6 Inventories

4.6.1 By type

In millions of euros	Gross value at 03-31-2021	Gross value at 09-30-2020
Raw materials	5.1	5.5
Other consumables	13.8	13.4
Work in progress	0.8	0.8
Finished and semi-finished goods	7.6	7.0
Goods for resale	110.7	79.7
Total	138.0	106.5

4.6.2 Change during the fiscal year

In millions of euros	Net value at 09-30-2020	Variation	Change in impairment	Net value at 03-31-2021
Raw materials	5.5	(0.4)		5.1
Other consumables	12.7	0.4	(0.1)	13.0
Work in progress	0.7			0.7
Finished and semi-finished goods	7.0	0.5		7.6
Goods for resale	79.3	30.9		110.3
Total	105.3	31.4	(0.1)	136.7

In millions of euros	09-30-2020	Provisions	03-31-2021
Impairment of inventory	(1.2)	(0.1)	(1.3)

4.7 Trade receivables, other receivables and current financial assets

In millions of euros	03-31-2021 Gross values	03-31-2021 Impairment	03-31-2021 Net values	09-30-2020 Gross values	09-30-2020 Impairment	09-30-2020 Net values
Trade receivables	409.7	(10.1)	399.6	318.8	(9.0)	309.9
Tax receivables	4.6		4.6	4.1		4.1
Advances and deposits	25.3		25.3	13.9		13.9
Employee-related receivables	10.1		10.1	6.5		6.5
Tax receivables	36.4		36.4	29.3		29.3
Other receivables	15.0	(5.1)	9.9	17.8	(5.1)	12.7
Prepaid expenses	8.7		8.7	5.9		5.9
Other current assets	95.5	(5.1)	90.4	73.4	(5.1)	68.3
Dividends due						
Loans, deposits and securities	23.7	(3.7)	20.0	19.1	(3.7)	15.4
Current financial assets	23.7	(3.7)	20.0	19.1	(3.7)	15.4

In millions of euros	09-30-2020	Provisions	Reversals	03-31-2021
Impairment of trade receivables	(9.0)	(1.8)	0.7	(10.1)

4.8 Cash and cash equivalents

By type

Cash and cash equivalents include investment securities, current account balances due by banks and cash.

In millions of euros	Gross value at 03-31-2021	Provisions	Net value at 03-31-2021	Net value at 09-30-2020
Marketable securities	0.7		0.7	1.0
Cash	403.0		403.0	360.9
Total	403.7		403.7	361.9

In millions of euros	Net value at 03-31-2021	Net value at 09-30-2020
Cash and cash equivalents	403.7	361.9
Bank overdrafts	25.3	8.5
Total	378.4	353.4

The cash pooling system, which the Group has implemented mainly in France, centralizes all subsidiary cash flows on a daily basis to reduce finance costs.

The Group reports cash and cash equivalents according to the accounting balance of each bank account, whereas these accounts can be aggregated with other accounts that could have a different balance in the context of the merger of interests and overall overdraft authorizations granted to the Group.

4.9 Consolidated shareholders' equity

At March 31, 2021, the Company's share capital consisted of 159,397,489 shares with a nominal value of €0.25 each, corresponding to a total of €39,849,372.25.

4.10 Non-controlling interests

In millions of euros	03-31-2021	09-30-2020
Non-controlling interests at the beginning of the year	2.6	2.9
Changes in consolidation scope		(0.5)
Consolidated company earnings attributable to non-controlling interests	1.1	1.1
Share of dividends from consolidated companies	(0.3)	(0.8)
Other variation	0.0	0.0
Non-controlling interests at year-end	3.4	2.6

4.11 Indebtedness

4.11.1 Financial borrowings and debts

4.11.1.1 Change in financial indebtedness

In millions of euros	09-30-2020	Increases	Decreases	Other variation	Foreign exchange difference	03-31-2021
Loans from financial institutions	424.5	4.2	(0.7)	(43.3)	0.4	385.1
Miscellaneous financial debt	1.4	0.4	(0.3)		0.1	1.6
Debts linked to finance leases	107.4	24.2		(20.6)		111.1
Debts linked to operating leases	38.9	17.4		(12.6)		43.7
Non-current financial debt	572.2	46.1	(1.0)	(76.4)	0.6	541.5
Loans from financial institutions	74.9	34.4	(45.9)	43.3	0.1	106.8
Miscellaneous financial debt	0.5	0.5				1.0
Debts linked to finance leases	32.3		(17.9)	20.6		34.9
Debts linked to operating leases	14.8		(12.4)	12.6		15.0
Bank overdrafts	8.5	16.8				25.3
Current financial debt	130.9	51.7	(76.3)	76.4	0.1	182.9
Total financial debt	703.1	97.8	(77.3)		0.7	724.3

4.11.1.2 Maturity of loans and non-current financial debt

Maturity profile of non-discounted contractual cash flows from financial debt excluding amortized cost, factoring debt and bank overdrafts

In millions of euros	Book value 03-31-2021	03-31-2022	02-31-2023	03-31-2024	03-31-2025	03-31-2026	03-31-2027 and beyond
Syndicated loan	210.0	30.0	30.0	30.0	120.0		
EIB Loan	130.0		13.0	13.0	13.0	13.0	78.0
Lease debt	204.7	49.9	40.9	34.2	27.1	19.7	33.0
Other medium- and long-term lines	108.7	30.1	24.0	21.3	14.9	7.0	11.4
Miscellaneous financial debt	2.5	1.0				1.2	0.4
Total financial debt excluding amortized cost, factoring, and bank overdrafts	655.9	110.9	107.9	98.5	175.0	40.9	122.7
Amortized cost	(3.5)						
Factoring debt	46.7						
Bank overdrafts	25.3						
Total financial debt	724.3						

(1) The detail of other medium- and long-term credit lines can be found in note 4.11.1.4.

4.11.1.3 Financial debt by main currencies

In millions of euros	03-31-2021	Euro	American dollar	Canadian dollar
Loans from financial institutions	385.1	377.8		7.2
Miscellaneous financial debt	1.6	1.4		0.2
Debts linked to finance leases	111.1	109.9	1.2	
Debts linked to operating leases	43.7	42.9		0.9
Non-current financial debt	541.5	532.0	1.2	8.3
Loans from financial institutions	106.8	103.0	1.3	2.5
Miscellaneous financial debt	1.0	1.0		
Debts linked to finance leases	34.9	34.4	0.5	
Debts linked to operating leases	15.0	14.8		0.2
Bank overdrafts	25.3	24.6	0.7	
Current financial debt	182.9	177.7	2.6	2.6
Total financial debt	724.3	709.7	3.8	10.9

4.11.1.4 Characteristics of the main credit lines

Denomination	Currency	Nominal amount *(in millions of currencies)*	Rate/Index	Final maturity date	Book value at 03-31-2021 *(in millions of euros)*	Book value at 09-30-2020 *(in millions of euros)*
Syndicated loan [1]	EUR	240.0	6M Euribor	03/31/2025	210.0	240.0
Revolving credit [1]	EUR	100.0	6M Euribor	03/31/2025		
EIB Loan	EUR	130,0	1.13%	08/02/2031	130.0	130.0
Canada Borrowing - 2020 - 1	CAD	2.8	4.08%	07/06/2024	1.8	
Canada Borrowing - 2020 - 2	CAD	4.9	3.89%	12/09/2027	3.2	
Canada Borrowing - 2017 - 1	CAD	9.0	3.34%	04/01/2024	2.8	3.2
France Borrowing - 2020 - 1	EUR	10.0	1.45%	08/25/2032	9.2	10.0
France Borrowing - 2020 - 2	EUR	3.0	0,48%	06/30/2027	2.7	2.9
France Borrowing - 2020 - 3	EUR	3.0	0,48%	06/30/2027	2.7	2.9
France Borrowing - 2020 - 4	EUR	5.0	0.63%	08/25/2025	4.5	5.0
France Borrowing - 2019 - 1	EUR	20.0	3M Euribor	09/02/2024	14.0	16.0
France Borrowing - 2019 - 2	EUR	3.3	1.42%	12/30/2029	3.0	3.1
France Borrowing - 2019 - 3	EUR	3.0	0.98%	02/20/2026	2.1	2.4
France Borrowing - 2019 - 4	EUR	5.0	0.96%	05/31/2026	5.0	5.0
France Borrowing - 2019 - 5	EUR	4.0	1.25%	12/01/2025	3.2	3.5
France Borrowing - 2018 - 1	EUR	5.0	1.36%	04/30/2025	4.3	4.8
France Borrowing - 2018 - 2	EUR	5.5	1.65%	06/05/2030	4.3	4.5
France Borrowing - 2017 - 1	EUR	5.0	2.19%	10/30/2024	3.8	4.3
France Borrowing - 2017 - 3	EUR	5.0	2.19%	10/30/2024	3.8	4.3
France Borrowing - 2017 - 4	EUR	6.0	1.20%	10/30/2022	2.1	2.7
France Borrowing - 2017 - 5	EUR	4.0	1.20%	10/30/2022	1.3	1.7
France Borrowing - 2017 - 6	EUR	10.0	0.85%	09/30/2024	5.1	5.8
France Borrowing - 2016 - 1	EUR	5.0	0.61%	06/22/2024	2.4	2.7
France Borrowing - 2016 - 2	EUR	5.0	0.61%	06/22/2024	2.4	2.7
France Borrowing - 2016 - 3	EUR	8.0	1.25%	10/30/2021	1.2	2.0
Other borrowings - Outstandings <€1.5M					23.6	25.7
Non-current lease debts					154.8	146.3
Current lease debts					49.9	47.0
Miscellaneous financial debt	EUR				2.6	1.8
Amortized cost of syndicated credit	EUR				(3.5)	(3.0)
Factor in syndication [2]	EUR	300.0		12/31/2021	46.7	17.3
Confirmed and unconfirmed bilateral line	EUR	141.0			25.3	8.5
Total financial debt					724.3	703.1

(1) The Derichebourg group is party to a syndicated loan which, along with the EIB loan and factoring contracts, is the Group's main sources of financing.
(2) Including €260.2 million from non-recourse factoring of receivables for €280.8 million in financing received at March 31, 2021

4.11.1.5 Loan agreement 2020

On March 19, 2020, the Group entered into a loan agreement with twelve financial institutions, for the sum of €340 million, comprising a €100 million revolving credit and a €240 million repayment loan. The agreement was concluded for a term of five years, and the Group has the option to twice request extensions of the final repayment date by one year from the banks.

Concerning the amortizing loan, the outstanding amount was €210 million as at March 31, 2021. The annual amortization schedule is €30 million (and €120 million at the final repayment date, if this occurs at the end of the fifth year, €90 million at the end of the sixth year, €60 million if it takes place at the end of the seventh year).

The revolving loan of €100 million had not been drawn as of March 31, 2021.

There are no sureties guaranteeing the repayment of the loan.

Interest rate

The amounts drawn on these credit lines carry interest at the Euribor rate, plus a margin which is adjusted periodically based on the ratio of consolidated net financial indebtedness to consolidated Ebitda.

Early repayment obligations - Event of default

The loan agreement allows the lenders to require early repayment of the entire amount due, should a majority of the lenders request it, following the occurrence of certain common default events, particularly where an event has a significant adverse effect on the business or the financial situation of the Derichebourg Group, or on the ability of Derichebourg to service its debt.

A change of control or delisting of Derichebourg shares would constitute an event warranting mandatory early repayment.

In addition, the loan agreement provides for an obligation to make early partial repayment of the sums owing in the event of a capital increase, the issuance of shares giving access to capital or debt securities (if its maturity precedes that of the syndicated loan).

Covenants

The loan agreement also includes covenants limiting the ability of Group companies to do the following except with the lenders' consent:

- to take out additional debts;
- to grant sureties and guarantees;
- to undertake mergers, demergers or restructurings;
- to undertake certain acquisitions, beyond a certain threshold;
- to make investments over the course of a given company fiscal year that exceed the amounts set by the agreement;
- to sell assets or equity interests, except for those specified in the loan agreements;
- to redeem and/or reduce their share capital, with certain exceptions.

The loan agreement also contains commitments requiring the purchase and maintenance of insurance policies in line with practices generally accepted in the businesses of the Derichebourg Group.

4.11.1.6 Factoring agreement

On January 1, 2015, the Derichebourg Group entered into a non-recourse factoring agreement for a maximum financing amount of €300 million. The agreement covers the French, Belgian, German, and Italian Environmental Services and Business Services entities. The term of this agreement is confirmed at three years, due to expire on December 31, 2021.

The receivables covered by this agreement correspond to deliveries made or services rendered to private customers or to French public sector customers.

Each time receivables are sold, the receivables approved by the credit insurer (after deduction of any outstanding receivables previously sold without recourse) are sold without recourse. The other receivables are sold with recourse. The receivables retain their status (factored with or without initial recourse) until payment takes place.

The factor is co-insured with the Group by two different credit insurers. They are responsible for paying out any compensation under the credit insurance policy.

Interest is deducted when the receivable is sold based on the average contractual payment terms. The risk of late payment is transferred to the factors.

The dilution rate (credits, cancellation of receivables) is low.

Receivables derecognized under factoring agreements totaled €248.8 million at March 31, 2021.

The Group derecognizes 95% of receivables without recourse because of the 5% unguaranteed residual amount.

4.11.1.7 EIB Loan

The amount of the loan is €130 million. It is backed by a Group investment program for the period 2019-2022.

The agreement is for a period of 12 years, with a two-year grace period; it is then repayable in 10 equal annual installments.

The text of the EIB agreement is similar to that of the syndicated loan agreement. It includes a commitment to maintain the EIB *pari passu* with the Group's other lenders, and an undertaking to inform the EIB if a new credit agreement contains stricter terms, so that it can assess whether it is necessary to modify the agreement.

4.11.2 Net financial position

In millions of euros	03-31-2021	09-30-2020
Financial debt	724.3	703.1
Cash and cash equivalents	403.7	361.9
Total net debt	320.7	341.1

4.11.3 Liquidity risk

The Group uses a cash-flow management tool to ensure that it maintains sufficient cash at all times. This tool keeps track of the maturity of financial investments and financial assets (*e.g.*, accounts receivable, other financial assets) and the estimated future cash flow from operations.

At March 31, 2021, the Group's main sources of funding were:

- a €340 million syndicated loan agreement signed in March 2020, with an authorized outstanding amount of €310 million. It includes a five-year amortizing loan for €210 million, repayable in equal annual installments (outstanding amount authorized and drawn of €210 million as at March 31, 2021), and a five-year revolving loan for the sum of €100 million, repayable at maturity in five years. The next installment for the amortizing loan is due on March 31, 2022 and amounts to €30 million. At March 31, 2021, there was no drawdown under the revolving loan;
- a two-year non-recourse factoring agreement went into effect on January 1, 2015. It has a €300 million credit line (depending on the receivables available), and from an initial two-year term, it was renewed twice, in April 2016 and November 2018, extending the maturity to the end of December 2021. The factor purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse thereafter. The amount of receivables that the Group is likely to derecognize therefore depends on the amount of receivables available and the approvals issued by credit insurers. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by the Group. The amount drawn down from this line as at March 31, 2021 was €280.8 million, for a contribution to net debt of €46.7 million;
- €118.7 million in medium-term borrowings, of which €108.7 million had been drawn down;
- a loan agreement with the European Investment Bank for an amount of €130 million;
- leases, for which the outstanding amount at March 31, 2021 was €204.7 million;
- bilateral lines, confirmed or not, for a cumulative amount of €141 million, which were not used as the Group's net cash is €378.4 million at March 31, 2021.

Financial ratios

The loan agreement requires the Group to maintain the following financial ratios:

- the annual leverage ratio, *i.e.* the ratio of (a) consolidated net financial debt to (b) consolidated Ebitda (proforma of completed acquisitions), at each calculation date and for the rolling 12-month period ending on each calculation date, must be less than 3.00.

At March 31, 2021, the leverage ratio stood at 1.22.

- the debt service coverage ratio, *i.e.* the ratio of (a) consolidated Ebitda to (b) consolidated net financial debt, on each calculation date and for the rolling 12-month period ending on each calculation date, must be greater than 5.

At March 31, 2021, the coverage ratio stood at 18.97.

The Group was in compliance with its financial covenants on March 31, 2021.

In view of the liquidity margin of €630 million recorded at March 31, 2021, and on the basis of its business and investment forecasts, the Group believes that its lines of credit are sufficient to enable it to meet its maturities over the 12 months following the date on which the Board of Directors reviews the half year financial statements.

4.12 Financial instruments

The Group uses certain financial instruments to reduce risks related to interest rates, exchange rates affecting its commercial activities and raw material prices.

4.12.1 Market value of financial instruments

To determine the fair value of financial instruments, the Group uses the following fair value hierarchy, according to the valuation methods used:

- Level 1: the prices listed for identical assets or liabilities in active markets (not adjusted);
- Level 2: directly or indirectly observable inputs concerning the asset or liability other than the quoted prices used at Level 1;
- Level 3: methods that use inputs that have a significant impact on the recognized fair value and is not based on observable market data.

At March 31, 2021, all the Group's financial assets and liabilities measured at their fair value were classified in Level 2.

During the first half of 2021, there was no change in fair-value valuations between Level 1 and Level 2 and no transfer to, or from, Level 3.

		Breakdown by type of instrument				
In millions of euros	03-31-2021	Fair value through profit and loss	Fair value through equity	Loans and receivables	Debt at amortized cost	Derivative instruments
Non-consolidated equity interests	1.7			1.7		
Other non-current financial assets	8.6			8.6		
Other non-current assets						
Trade receivables	399.6			399.6		
Other current assets	90.4			90.4		
Derivative financial instruments	1.4					1.4
Other current financial assets	20.0	20.0				
Cash and cash equivalents	403.7	403.7				
ASSETS	925.3	423.7		500.3		1.4
Borrowings - portion greater than one year	541.5				541.5	
Other non-current liabilities						
Borrowings - portion less than one year	182.9				182.9	
Debts trade payables	346.0			346.0		
Other current liabilities	264.8			264.8		
Derivative financial instruments	1.9					1.9
LIABILITIES	1,337.1			610.8	724.3	1.9

In millions of euros	09-30-2020	Breakdown by type of instrument				
		Fair value through profit and loss	Fair value through equity	Loans and receivables	Debt at amortized cost	Derivative instruments
Non-consolidated equity interests	1.7			1.7		
Other non-current financial assets	8.3			8.3		
Other non-current assets						
Trade receivables	309.9			309.9		
Other current assets	68.3			68.3		
Derivative financial instruments	0.0					0.0
Other current financial assets	15.4	15.4				
Cash and cash equivalents	361.9	361.9				
ASSETS	765.6	377.3		388.2		
Borrowings - portion greater than one year	572.2				572.2	
Other non-current liabilities						
Borrowings - portion less than one year	130.9				130.9	
Debts trade payables	254.5			254.5		
Other current liabilities	271.2			271.2		
Derivative financial instruments	2.3					2.3
LIABILITIES	1,231.0			525.7	703.1	2.3

4.12.2 Market value of derivative instruments

In millions of euros		03-31-2021		09-30-2020	
		Assets	Liabilities	Assets	Liabilities
Derivatives for interest-rate risks	Cash flow hedge	0.5	1.9		2.2
Derivatives for exchange-rate risk	Cash flow hedge	0.9		0.0	0.1
Amount of derivatives in the consolidated balance sheet		1.4	1.9	0.0	2.3

4.12.3 Interest rate risks

The Group determines the desired split of debt between fixed and variable rates based on forecast trends for interest rates and the hedging requirement set forth in the syndicated loan agreement. At March 31, 2021, 41% of the debt was at floating rate.

Breakdown of debt between fixed and variable rates

In millions of euros	03-31-2021			09-30-2020		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Financial liabilities	429.2	269.8	699.0	421.2	273.4	694.6
Cash and cash equivalents		25.3	25.3		8.5	8.5
Total financial liabilities	429.2	295.1	724.3	421.2	281.9	703.1
%	59%	41%	100%	60%	40%	100%

Net financial position after hedging

In millions of euros	03-31-2021			09-30-2020		
	< 1 year	< 5 years	> 5 years	< 1 year	< 5 years	> 5 years
Non-current financial debt		418.8	122.7		445.1	127.1
Current financial debt	182.9			130.9		
Financial liabilities	182.9	418.8	122.7	130.9	445.1	127.1
Non-current financial assets (excluding investment securities)		(4.0)	(4.6)		(4.3)	(4.0)
Current financial assets	(20.0)			(15.4)		
Cash and cash equivalents	(403.7)			(361.9)		
Financial assets	(423.7)	(4.0)	(4.6)	(377.3)	(4.3)	(4.0)
Net position before hedging	(240.8)	414.8	118.1	(246.4)	440.7	123.1
Swaps		(170.0)	(300.0)		(170.0)	
Net position after hedging	(240.8)	244.8	(181.9)	(246.4)	270.7	123.1

Derivative interest rate instruments by maturity

In millions of euros	Initial rate	< 1 year	<2 years	< 5 years	> 5 years
Swap variable rate -> fixed rate:					
IRS BNP	(0.15%)				150.0
IRS SGN	(0.158%)				150.0
SWAP ARKEA EUR	0.56%			50.0	
CAP BNP EUR	0.00%			40.0	
CAP CMUT EUR	0.00%			20.0	
CAP LCL EUR	0.00%			20.0	
CAP SGN EUR	0.00%			40.0	
Total nominal value EUR				170.0	300.0

4.12.4 Foreign exchange risk

		2021		2020	
In euros	Foreign currencies	Closing	Average	Closing	Average
Canada	CAD	1.4782	1.5407	1.5676	1.4713
China	CNY	7.6812	7.8552	7.9720	7.7467
United States	USD	1.1725	1.1992	1.1708	1.1048
Mexico	MXN	24.0506	24.5095	26.1848	21.6844
United Kingdom	GBP			0.9124	0.8609
Turkey	TRY			9.0990	6.5773

Generally, the Group's revenue is generated in the same currency as the related costs. Accordingly, the Group has little exposure to foreign exchange risk and business transactions made in a non-local currency (mostly dollar-denominated exports from France) are generally hedged with forward contracts. Euro movements against the US dollar do, however, have a significant impact on the translation of Environmental Services division revenue and operating income into euros.

The Group uses foreign exchange forward contracts to hedge its foreign exchange risk.

In millions of currency	USD
Forward purchases	4.4
Forward sales	39.3

Accounts receivable, tax receivables and other current assets by currency

	Receivables at 03-31-21			Receivables at 09-30-20		
In millions of currency	Local currency	Euro	%	Local currency	Euro	%
CAD	5.7	3.8	1%	3.9	2.7	1%
CNY	1.1	0.1	0%	0.5	0.1	0%
EUR	460.0	460.0	93%	368.9	368.9	96%
MXN	80.0	3.3	1%	42.5	2.0	1%
USD	32.1	27.4	5%	9.5	8.6	2%
TOTAL		494.6	100%		382.3	100%

Trade payables, tax liabilities and other current liabilities

	Debts at 03-31-2021			Debts at 09-30-2020		
In millions of currency	Local currency	Euro	%	Local currency	Euro	%
CAD	2.7	1.8	0%	1.7	1.1	0%
CNY	0.7	0.1	0%	0.2		0%
EUR	628.3	628.3	99%	523.0	523.0	99%
MXN	52.4	2.2	0%	26.6	1.3	0%
USD	6.6	5.6	1%	5.5	5.0	1%
TOTAL		637.9	100%		530.4	100%

The following table shows the sensitivity of profit before tax, before and after hedging, to a reasonable change in the US and Canadian dollar exchange rates, all other variables being constant.

		03-31-2021		09-30-2020	
In millions of euros		Before hedging	After hedging	Before hedging	After hedging
CAD	5%	(0.2)	(0.2)	(0.1)	(0.1)
	-5%	0.2	0.2	0.1	0.1
USD	5%	(1.5)	(0.1)	(0.5)	0.4
	-5%	1.7	0.1	0.5	(0.4)
TOTAL	5%	(1.7)	(0.3)	(0.6)	0.2
	-5%	1.9	0.3	0.6	(0.2)

4.12.5 Credit or counterparty risk

Financial transactions (*i.e.* loans, hedges on currencies, interest rates and raw materials) are carried out with leading financial institutions for the purpose of reducing risk.

To reduce counterparty risk on domestic, export and foreign accounts receivable, the Environmental Services and Business Services businesses systematically apply for credit insurance, both for domestic as well as foreign export receivables (to cover 95% of this risk). The credit insurer may however sometimes refuse coverage based on its assessment of a customer's solvency. Exposure to customer risk is regularly compared to the credit insurer's authorized limits.

For several years now, the divisions have implemented a very strict policy of monitoring customer outstandings and systematically issuing reminders for overdue outstandings.

The Business Services business has a very large portfolio of customers that represents all sectors of the French economy. Its credit risk is therefore proportionate to French economic risk, and without the risk that the default of any single customer could threaten the Group's survival.

In millions of euros	Total outstanding 03-31-2021	Not due	<1 month	<4 months	>4 months
ENVIRONMENTAL SERVICES	264.3	207.8	50.6	1.9	4.1
BUSINESS SERVICES	133.0	80.2	17.4	23.2	12.3
HOLDING	2.1	1.8			0.2
TOTAL	399.4	289.8	68.0	25.1	16.6

The Group has not experienced a significant deterioration in payment terms and the cost of customer risk is €1.3 million. Moreover, the Group does not consider that receivables represent a specific risk.

4.12.6 Commodity risk

In the normal course of its business, the Group enters into few forward supply contracts to buy or sell ferrous or non-ferrous metals and these contracts generally do not require a firm price commitment beyond one month. Depending on whether metal prices rise or fall, the Group may have to purchase or sell at a price less favorable than when the contract was entered into to honor a contract. However, the Group's risk practice is to only enter into a contract to sell when a purchase has been made. Three specialist companies, aluminum refiner Refinal, and non-ferrous metals traders Inorec and Coframetal, may make buy or sell commitments before finding a counterparty for the transaction. They may hedge these transactions on the London Metal Exchange (other Group companies may also hedge transactions on the LME, but this is exceptional).

The Group may therefore have to sell its inventories of processed metal goods to its customers for less than the initial purchase price if the market price for these goods declines between the time of purchase and the time of sale. To limit this risk, which cannot be completely eliminated, the Group tries to limit its inventories of ferrous and non-ferrous metals.

4.13 Non-current provisions and provisions for commitments to employees

In millions of euros	09-30-2020	Provisions	Reversals used	Write backs not used	Foreign exchange differences	Other variation	03-31-2021
Provisions for labor disputes	5.0	1.1	(0.2)	(0.9)			5.0
Provisions for other disputes	9.6	2.0	(0.2)	(0.7)			10.7
Provisions for URSSAF disputes	9.0	0.3		(4.2)			5.1
Provisions for guarantees	0.1	0.6					0.7
Provisions for service awards	2.6						2.6
Provisions for tax audits	0.1						0.1
Provisions for restructuring	0.2		(0.1)				0.1
Environmental provisions	6.7	2.0	(0.3)				8.4
Other non-current provisions	0.0						0.0
Total	33.4	6.0	(0.8)	(5.8)			32.8

In millions of euros	09-30-2020	Provisions	Reversals used	Write backs not used	Foreign exchange differences	Items of comprehensive income	03-31-2021
Employee benefits	50.8	1.9	(0.7)				52.0

4.14 Current provisions

In millions of euros	09-30-2020	Provisions	Reversals used	Write backs not used	Foreign exchange differences	Changes in scope	Other variation	03-31-2021
Provisions for disputes	3.5	0.1	(0.5)	(0.4)			(0.9)	1.8
Provisions on current account and liability guarantees	0.1		(0.1)					0.0
Provisions for restructuring	0.9		(1.2)				0.9	0.5
Environmental provisions	0.1							0.1
Other provisions	0.0	0.1						0.1
Total	4.6	0.2	(1.8)	(0.4)			(0.0)	2.6

4.15 Other current liabilities

In millions of euros	03-31-2021	09-30-2020
Trade payables	346.0	254.5
Tax payables	27.1	4.7
State and payroll taxes	224.4	224.1
Advances and payments on account received on orders	11.7	14.8
Current account credit balances	0.5	0.6
Miscellaneous liabilities	10.1	14.2
Deferred income	18.1	17.5
Other current liabilities	264.8	271.2

4.16 Other non-current liabilities

In millions of euros	03-31-2021	09-30-2020
Trade payables	1.7	1.7
Deferred income	2.8	1.5
Other non-current liabilities	4.5	3.2

4.17 Segment reporting

The Group's segment breakdown is according to its business segments.

4.17.1 By business segment

4.17.1.1 Revenue

In millions of euros	03-31-2021	03-31-2020	Change in %
Environmental Services	1,220.3	857.6	42.3%
Business Services	429.2	444.4	(3.4%)
Holding companies	0.5	0.4	27.0%
Total	1,649.9	1,302.3	26.7%

4.17.1.2 Revenue by service family

In thousands of tonnes	03-31-2021	03-31-2020	Change in %
Ferrous metals	1,998.3	1,654.8	20.8%
Non-ferrous metals	322.1	297.7	8.2%
Environmental Services - Total volumes	2,320.4	1,952.5	18.8%

In millions of euros	03-31-2021	03-31-2020	Change in %
Ferrous metals	578.7	361.0	60.3%
Non-ferrous metals	505.6	368.7	37.1%
Services	135.9	128.0	6.2%
Environmental Services - Total revenue	1, 220.3	857.6	42.3%

In millions of euros	03-31-2021	03-31-2020	Change in %
Services	312.2	273.2	14.3%
Industry	40.8	67.2	(39.3%)
HR Sourcing	52.9	77.4	(31.6%)
Urban areas	23.4	26.5	(12.0%)
Business Services - Total revenue	429.2	444.4	(3.4%)

4.17.1.3 Consolidated income statement items

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total as of 03-31
2021					
External revenue	1,222.3	436.5	18.2	(27.1)	1,649.9
Inter-segment revenue	(2.0)	(7.3)	(17.7)	27.1	
Revenue	1,220.3	429.2	0.5		1,649.9
Recurring operating profit (loss)	107.1	11.6	(6.3)		112.3
Operating profit (loss)	108.0	11.6	(4.0)		115.5
Net income from associates	(0.8)				(0.8)
2020					
External revenue	859.7	451.5	16.9	(25.8)	1,302.3
Inter-segment revenue	(2.1)	(7.2)	(16.5)	25.8	
Revenue	857.6	444.3	0.4		1,302.3
Recurring operating profit (loss)	26.6	9.7	(3.0)		33.4
Operating profit (loss)	35.4	9.4	(3.0)		41.9
Net income from associates	0.2				0.2

4.17.1.4 Other segment reporting

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total
03-31-2021					
Total balance sheet assets (current and non-current)	1,467.9	545.8	522,1	(457.5)	2,078.3
Total balance sheet assets (current and non-current)	1,467.9	545.8	522,1	(457.5)	2,078.3
Total balance sheet liabilities (current and non-current excluding shareholders' equity) of continuing operations	947.7	372.7	615,7	(457.5)	1,478.9
Total balance sheet liabilities (current and non-current excluding shareholders' equity)	947.7	372.7	615,7	(457.5)	1,478.9
Flows at 03-31-2021					
Tangible and intangible capital investments	28.4	5.2	1.3		34.9
Rights of use	24.1	11.5	4.9		40.5
Tangible and intangible amortization	(25.3)	(4.9)	(1.2)		(31.4)
Amortization of rights of use	(20.9)	(7.6)	(0.5)		(29.0)
Impairment					
09-30-2020					
Total balance sheet assets (current and non-current) from continuing operations	1,246.8	570.1	562.3	(504.0)	1,875.1
Total balance sheet assets (current and non-current)	1,246.8	570.1	562.3	(504.0)	1,875.1
Total balance sheet liabilities (current and non-current excluding shareholders' equity) of continuing operations	800.5	405.7	648.7	(504.4)	1,350.9
Total balance sheet liabilities (current and non-current excluding shareholders' equity)	800.5	405.7	648.7	(504.0)	1,350.9
Flows at 03-31-2020					
Tangible and intangible capital investments	42.9	5.8	1.0		50.4
Rights of use	10.2	4.1	0.1		14.4
Tangible and intangible amortization	(25.3)	(5.2)	(1.1)		(31.6)
Amortization of rights of use	(19.3)	(7.4)	(0.3)		(27.0)
Impairment					

4.17.2 By geographical area

In millions of euros	at the	European Continent	France	American Continent	Middle East	Total
2021						
Revenue (sales origin)	03-31	418.2	1,146.3	85.3		1,649.8
Tangible and intangible capital investments	03-31	12.7	57.4	5.3		75.4
Tangible and intangible amortization	03-31	(7.4)	(37.7)	(4.8)		(49.9)
Total net property, plant and equipment	03-31	142.1	310.8	44.0		496.9
2020						
Revenue (sales origin)	03-31	259.1	963.5	78.1	1.5	1,302.3
Tangible and intangible capital investments	03-31	5.0	50.7	2.6		58.4
Tangible and intangible amortization	03-31	(6.0)	(37.2)	(5.3)		(48.5)
Total net property, plant and equipment	09-30	144.8	310.5	44.2		499.5

4.18 Change in provisions

In millions of euros	03-31-2021	03-31-2020
Provisions on current assets	(1.9)	(0.3)
Provisions for liabilities and charges	(5.3)	(1.6)
Total	(7.2)	(2.0)

4.19 Other operating income and expenses

In millions of euros	03-31-2021	03-31-2020
Proceeds from sale of property, plant and equipment	2.1	0.7
Production of assets for own use	0.3	0.3
Write backs of provisions on property, plant and equipment	0.1	0.1
Write backs of provisions on current assets	0.7	0.2
Write backs of provisions for liabilities and charges	4.6	2.8
Transfers of operating expenses	1.8	1.3
Operating and investment subsidiaries	2.2	0.3
Others	1.8	0.4
Total other operating income	13.5	6.0
Carrying amount of non-current assets sold	(2.6)	(0.7)
Losses from irrecoverable and written-off receivables	(0.1)	(0.1)
Duties and licenses	(1.6)	(3.2)
Board members/attendance fees paid		(0.1)
Others	(1.2)	(1.7)
Total other operating expenses	(5.5)	(5.8)

4.20 Other non-recurring expenses and income

In millions of euros	03-31-2021	03-31-2020	
Provision for liability guarantees	(0.6)	(0.3)	Losses on Turkey - Multiservices contracts
		(0.3)	Restructuring of Derichebourg España (formerly LYRSA)
Total Other non-recurring expenses	(0.6)	(0.6)	
Cleaning business - end of a dispute over social security contributions	2.9	3.7	Collection activity - Veolia litigation appeal win
Other	0.9		
Total Other non-recurring income	3.8	3.7	

4.21 Gain (loss) on disposal of consolidated companies

In millions of euros	03-31-2021	03-31-2020	
		7.7	Spain - Reyfra, change of consolidation method
		(2.3)	AEP Multiservizi Spa
Gain (loss) on disposal of consolidated companies	0.0	5.4	

4.22 Net financial expenses

For a better assessment of the cost of debt, net financial expenses are calculated by reconciling the financial expenses paid with the financial income received from realized investments and taking into account the impact of interest rate hedges.

Any amounts not falling within the above definition are, where applicable, shown on a separate line.

In millions of euros	03-31-2021	03-31-2020
Interest on loans, bank overdrafts and factoring	(5.6)	(4.2)
Lease interest	(1.2)	(1.1)
Interest-rate hedges and other financial income and expenses	(0.5)	(0.5)
Net financial expenses	(7.2)	(5.7)
Interest expense on retirement and pension plans	(0.1)	(0.1)
Other	0.7	(0.2)
Foreign exchange and other gains and losses	0.6	(0.3)

4.23 Income taxes

4.23.1 By type

In millions of euros	03-31-2021	03-31-2020
Income before tax from consolidated companies	108.9	35.9
Current income tax	(34.6)	(11.2)
Deferred tax	1.2	(1.9)
Total income tax expense	(33.4)	(13.1)
Effective tax rate	30.68%	(36.40%)

4.23.2 Actual income tax expense

In millions of euros	2021 6 months	2020 6 months
Theoretical tax income or expense	(34.9)	(12.3)
Impact of tax rate changes	0.0	(0.2)
Recognition/Limitation of deferred tax assets	0.0	(0.4)
Permanent tax differences	0.1	(0.3)
Permanent differences linked to consolidation adjustments	(0.9)	0.0
Differences in tax rates applicable to foreign companies	2.3	0.2
Actual tax income	(33.4)	(13.1)

The Group's actual income tax expense was calculated on the basis of income from continuing operations before tax, restated for the Group's share of income from associated companies.

For the half-year financial statements for 2021, the Group's actual income tax expense was reconciled on the basis of a tax rate of 32.02%.

4.23.3 Tax consolidation

The Derichebourg Group has opted in France for the tax consolidation regime which allows it to offset the taxable results of its French subsidiaries where the direct or indirect holding is greater than 95%. The consolidated companies affected by this regime have signed an agreement setting out the methods for applying the tax consolidation, in accordance with the rules established by the tax administration.

4.23.4 Analysis of deferred tax assets and liabilities

In millions of euros	03-31-2021	09-30-2020
Capitalized deficits	11.0	11.3
Temporary differences	3.5	4.3
Restatement of regulated provisions	(5.6)	(5.6)
Social benefits	11.5	12.0
Finance leases and operating leases	1.9	(1.4)
Elimination of intra-Group profits	1.9	1.7
Valuation differences	(15.5)	(16.0)
IFRS restatements	(0.2)	0.6
Other types	1.1	0.9
Net deferred taxes	9.7	7.9
Of which		
Deferred tax assets	32.4	31.1
Deferred tax liabilities	22.6	23.2
Net deferred taxes	9.7	7.9

In France, the Group has recognized €2.9 million in deferred tax assets relating to one entity that is not part of the tax consolidation grouping, in light of the outlook for future taxable profits.

The Group also has tax loss carryforwards for which no deferred taxes have been recognized in the amount of €10.5 million in France and €49.4 million abroad.

4.24 Discontinued or held-for-sale operations

None

4.25 Earnings per share

		03-31-2021	03-31-2020
Net profit (loss) attributable to company shareholders (in € millions)	(A)	73.6	22.4
Income net of tax from discontinued or held-for-sale operations (in € millions)	(B)	0.0	0.0
Net Group profit (loss) after elimination of discontinued or held-for-sale operations (in € millions)	(C) = (A)-(B)	73.6	22.4
Impact of dilution on net income	(D)	0.0	0.0
Profit after dilution	(E)	73.6	22.4
Number of ordinary shares at year-end		159,397,489	159,397,489
Own shares		0	0
Number of ordinary shares at year-end, excluding own shares		159,397,489	159,397,489
Weighted average number of ordinary shares at year-end, excluding own shares	(F)	159,397,489	159,397,489
Number of ordinary shares at year-end after dilution, excluding own shares	(G)	159,397,489	159,397,489
Basic earnings per share for continuing operations (in €)	(C)/(F)	0.46	0.14
Basic earnings per share after dilution (in €)	(E)/(G)	0.46	0.14
Earnings per share after net income from discontinued or held-for-sale operations	(A)/(F)	0.46	0.14
Earnings per share after net income from discontinued or held-for-sale operations after dilution	(A+D)/(G)	0.46	0.14

4.26 Commitments

4.26.1 Details of commitments given

Details of off-balance sheet commitments *(in millions of euros)*	Bonds	Guarantees	03-31-2021	09-30-2020
Rent	0.6	0.1	0.7	0.8
Financial institutions - Markets[1]	27.0	27.4	54.4	53.5
Environmental commitments	1.5	9.1	10.6	10.1
Temporary work[2]	14.2	0.3	14.5	14.2
Tax commitments	0.6	1.1	1.7	1.1
Others		9.1	9.1	4.1
Total	43.9	47.1	91.0	83.8

(1) Bonds given by the parent company to the financial institution issuing the legal guarantee for the temporary employment activity.
(2) Bonds given in accordance with the specifications for certain contracts.

4.26.2 Details of commitments received

- Unused confirmed credit lines at March 31, 2021:
  - Bilateral lines - Germany: €6 million,
  - Bilateral lines - Belgium: €12.5 million,
  - Bilateral lines - Spain: €29 million,
  - Bilateral lines - United States: $7 million,
  - Bilateral lines – Portugal: €4.5 million,
  - Revolving loan (syndicated loan): €100 million;
- Retention bonds on market transactions: €1.8 million.

4.27 Significant litigation

4.27.1 Belgium

- A tax audit was conducted on the Belgian subsidiary Derichebourg Belgium relating to the identification of suppliers of metals and ferrous scraps for the years 2006 to 2010. In November 2017, the Mons Court of Appeal ruled that the company had not complied with suppliers' VAT

identification legislation and rejected the deductibility of purchase invoices deemed non-compliant. This resulted in the provisional payment of tax increases amounting to €6 million, recognized as expenses during the fiscal year 2016/2017. The Company has appealed to the Court of Cassation. The Belgian Court of Cassation overturned the ruling of the Mons Court of Appeal on September 17, 2020 and referred the case to the Court of Appeal of Liège. No conclusions were drawn in the financial statements, pending the decision of the Court of Appeal of Liège.

4.27.2 France

- In June 2018, several subsidiaries in the household waste collection business were jointly ordered by the lower court to pay €3.7 million to entities in the Veolia Group, after a judgment by the Paris Commercial Court in proceedings relating to the terms of personnel transfer in 2014 after the Veolia Group took over household waste collection in the 11th and 19th arrondissements of Paris from the subsidiary Polyurbaine. The Group appealed against this ruling. The ruling in appeal of March 2020 is favorable to the Group. The amount of €3.7 million, paid in 2018 to Veolia, was repaid in the fiscal year 2019/2020, recorded in non-recurring income. Veolia appealed to the Court of Cassation.
- The Group is often subject to Urssaf (French social security body) audits on its services activities. The Derichebourg Aeronautics Service France subsidiary was audited during the fiscal year 2017/2018. Following this audit, the subsidiary made a provision in the amount of €1.5 million corresponding to a likely adjustment. It is contesting an unfunded amount of €3.2 million for meal allowances that were not subjected to social security charges, because it considers this adjustment to be unfounded.
- Derichebourg SA and the AFM Recyclage subsidiary (as the last operator) signed a memorandum of understanding in 2012 with a semi-public company acting on behalf of a municipality, which was repeated in 2018 and 2019, under which they were to release land, sell it to the semi-public company, and move its business to a nearby site. Contractually, the financial obligation for decontamination was limited to non-sensitive decontamination for industrial use, the amount of which was estimated on the basis of preliminary studies showing a low cost. On the basis of more in-depth sampling, an estimate was made of the cost of this clean-up, the amount of which calls into question the economics of the operation. Discussions have begun with stakeholders in order to see whether it is possible to find a solution that is acceptable to everyone. Should this not be the case, AFM Recyclage would seek to continue its activity at the site.
- Dispute with the purchaser of DSIN: On September 27, 2019, Derichebourg Multiservices Holding sold, with effect from October 1, 2019, the shares of DSIN to DNUC, specialized in the field of services to the nuclear sector. The sale involved the sale of the securities and the sale of a current account receivable, the price of which depended on the balances of certain balance sheet items at September 30, 2019. The transferee disputes the transfer price proposed by the transferor. The parties did not reach an agreement on the establishment of the sale price of the current account receivable, given the disagreement relating mainly to the value of certain trade receivables. The company DSIN requested the benefit of a safeguard procedure in December 2020 to protect itself against the possible consequences of a client's claims for partial non-performance or poor performance of contractual services and subsequent damage. Subsequent to the decree of March 31, 2021, the Transferee brought legal action claiming that the Transferor had withheld certain information relating to a commercial contract. It is claiming from the assignor the amount of the receivable declared by the third party in question in the context of the safeguard procedure, *i.e.* €6.5 million, plus a certain number of costs. The assignor maintains that it provided the Assignee with the information it had on the contract in question as part of the due diligence that it carried out, that the damage established by this third party is not substantiated, and that this receivable should have therefore be rejected by the procedure opened in favor of DSIN. The first hearings will take place in May 2021. No other consequences than those related to the opening of the safeguard procedure on the various receivables held by Group companies (depreciation of receivables in the amount of 1.1 M €) were drawn in the financial statements at March 31, 2021, as the Group considers the claims to be unfounded.
- Legal action brought by the owner of land next to a site operated by the Group in Condette: In June 2020, the Revival subsidiary, representing the rights of STRAP, was sued by SCI, owner of land close to the site that it operates in Condette (Pas de Calais), which claims that the latter illegally buried waste there. It is claiming €27 million for the alleged clean-up costs (including

the related landfill taxes). This claim is based on an appraisal report (which concluded the opposite before the certificate below), the conclusions of which are based on a certificate provided by a former Chief Executive Officer and former shareholder of STRAP, on poor terms with the Derichebourg Group since their dismissal in 2003, who subsequently became an employee of the owner of the SCI. Revival, representing the rights of STRAP, maintains that it is in no way involved with this pollution, that it never used the plots on which the waste is buried, that the type of waste buried does not correspond to that generated by its activity, and that if the former CEO (also the son-in-law of the former owner of STRAP who owned the plots at the time of the pollution) buried waste on this land belonging to his parents-in-law, that it would be a personal fault, separable from his office as Chief Executive Officer. In addition, Revival has evidence that the owner of SCI was informed of the state of pollution of the land before they acquired it and leased it to a competitor of Derichebourg, against whom it took legal action, to no avail, for the same grievances as those currently brought against Revival. Revival believes that these claims are totally unfounded and an attempt to falsify the facts and reserves all possibilities to protect its interests.

A hearing on a request for payment of funds was held on May 11, 2021 and the decision was deferred until July 6, 2021. No provision was made in the financial statements at March 31, 2021.

4.28 Related party transactions

4.28.1 Transactions with non-consolidated related parties

The Group is controlled by CFER, which holds 41.25% of the Company's share capital. The ultimate parent company is DBG FINANCES, incorporated in Belgium.

In millions of euros	03-31-2021	09-30-2020
DBG FINANCES	0.0	0.0
Related party receivables	0.0	0.0
DBG FINANCES	0.0	0.0
TBD FINANCES	1.4	0.9
Mrs. IDA DERICHEBOURG	0.0	0.1
Related party payables	1.4	1.0

In millions of euros	03-31-2021	03-31-2020
TBD FINANCES	(1.5)	(1.1)
Non-recurring expenses	(1.5)	(1.1)
DBG FINANCES	(0.7)	(0.7)
SCI IDA I	(0.2)	
SCI FONDEYRE	0.0	NS
SCI DEMUYES	0.0	NS
Operating expenses	(0.7)	(0.7)
DBG FINANCES	0.0	0.0
Revenue	0.0	0.0

4.28.2 Transactions between the Group and its partners in equity-accounted companies

In millions of euros	*03-31-2021* Trade receivables	*03-31-2021* Debts trade payables	*03-31-2021* Financial borrowings and debts	*03-31-2021* Revenue	*03-31-2021* Cost of raw materials	*03-31-2021* External charges
ALSAFER		0.3			(1.0)	
ALLO CASSE AUTO				0.2		
EASO				0.2	(1.0)	
VALERCO				0.1		(0.6)
TOTAL		0.3		0.5	(2.0)	(0.6)

4.29 Employee information

Personnel expenses by type

In millions of euros	03-31-2021	03-31-2020
Wages and salaries	339.3	336.5
Social charges	91.9	93.4
Employee profit sharing	6.3	2.0
Partial employment compensation	(5.8)	(3.0)

Other personnel expenses	(0.1)	(1.0)
Total	431.6	427.9

4.30 Post-closing events

None.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF DERICHEBOURG S.A. FOR THE PERIOD FROM OCTOBER 1ST, 2019 TO SEPTEMBER 30, 2020

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Derichebourg
Fiscal year ended September 30, 2020

Statutory Auditors' report on the consolidated financial statements

BM&A
11, rue de Laborde
75008 Paris
S.A.S. au capital de €
1.200.000
Paris
348 461 443 RCS Paris

Commissaire aux Comptes
Membre de la compagnie
Régionale de Paris

DENJEAN ET ASSOCIES AUDIT
19, rue de Presbourg
75116 S.A.S au capital de
€30.000
Paris
539 769 729 RCS PARIS

Commissaire aux Comptes
Membre de la compagnie
Régionale de Paris

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense
S.A.S. à capital variable
344 Commissaire aux
Comptes

Commissaire aux Comptes
Membre de la compagnie
Régionale de Versailles

Derichebourg
Fiscal year ended September 30, 2020

Statutory Auditors' report on the consolidated financial statements

To Derichebourg shareholders' meeting,

Opinion

In performance of the engagement entrusted to us by your shareholders' meetings, we have conducted an audit of Derichebourg's consolidated financial statements for the fiscal year ended September 30, 2020, as attached to this report. These financial statements were approved by the Board of Directors on December 3, 2020, on the basis of the information available on that date in the evolving context of the COVID-19 crisis and difficulties in understanding its impact and future outlook.

In our opinion, the consolidated financial statements for the fiscal year prepared in accordance with IFRS standards as adopted in the European Union give a true and fair view of the results of the profits, losses and transactions of the past fiscal year as well as the financial position and assets at year-end of the group consisting of the persons and entities included in the consolidation.

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

Basis of the opinion

- Auditing 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 audit opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the independent auditors related to the audit of the consolidated financial statements" section of this report.

- Independence

We conducted our audit mission in accordance with the independence rules applicable to us, from October 1, 2019 to the date of our report, and we did not, in particular, provide any services prohibited by Article 5 (1) of regulation (EU) No. 537/2014 or the code of ethics for the independent auditor profession.

Emphasis of matter

Without qualifying the opinion expressed above, we draw your attention to note 2.1 .1 " Standards and interpretations applicable as of the fiscal year beginning October 1, 2019" to the consolidated financial statements, which sets out the effects of the first-time application of IFRS 16 " Leases".

Justification of our assessments — Key audit matters

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, please note the key audit matters relating to the risks of material misstatement, which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the fiscal year, as well as the responses we provided to those risks.

These matters were addressed in the context of our audit of the 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.

- Goodwill testing

Identified risk

As of September 30, 2020, the Group's goodwill totaled €261,1 million, compared with a consolidated balance sheet of €1,87.1 million. The Group performs impairment tests on those assets, the terms of which are described in Notes 2.3.6 "Impairment of non-current assets other than financial non-current assets" and 4.1.2 "Impairment tests" to the consolidated financial statements. Assets tested for impairment are grouped into cash-generating units ("CGUs").

When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU can itself be determined by applying the discounted future cash flow method, which is based on assumptions about the change in each activity over a five-year period, and the use, notably, of a growth rate to infinity and discount rates.

We therefore considered that the valuation of goodwill was a key audit matter given the significant nature of the goodwill, and that it relies on estimates by management, as indicated in note 2.2.2 "Use of estimates" to the consolidated financial statements.

Our response

We examined the procedures that the Group put in place relating to impairment tests on goodwill.

Our audit team included specialists to assess the discount rates and the growth rate to infinity used for the various CGUs.

We also analyzed the consistency of cash flow forecasts with past performance and market outlooks, including any potential impacts of the Covid-19 crisis.

Lastly, we conducted sensitivity analyses on the following assumptions: discount rate, growth rate to infinity and recurring operating profit (loss) of each CGU.

Specific verifications

As required by law and regulations, and In accordance with professional standards applicable in France, we have also conducted the specific verifications of the information relating to the Group provided in the management report of the Board of Directors drawn up on December 3, 2020. With regard to the events that have occurred and information which comes to light on the effects of the COVID-19 crisis after the date of approval of the financial statements, management has informed us that a communication on this subject will be made to the shareholders' meeting called to approve the financial statements.

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

We certify that the Consolidated Non-Financial Statement required by Article L. 225-102-1 of the French Commercial Code is included in the information provided about the Group given in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have not conducted verifications of fairness and consistency of the information contained in this Statement with the consolidated financial statements. The information should therefore be covered by an independent third party report.

Information resulting from other legal and regulatory requirements

- Appointment of the statutory auditors

We were appointed statutory auditors of Derichebourg by your shareholders' meeting of February 7, 2018 for BM&A, of February 19, 2014 for DENJEAN ET ASSOCIÉS AUDIT and of March 15, 2007 for ERNST & YOUNG Audit.

As of September 30, 2020, BM&A was in the third uninterrupted year of its engagement, DENJEAN ET ASSOCIÉS AUDIT was in the seventh uninterrupted year of its engagement and ERNST & YOUNG Audit in the fourteenth uninterrupted year, including fourteen since the Company’s securities were admitted to trading on a regulated market.

Responsibilities of management and persons comprising the corporate governance with respect to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union and to implement the internal controls that it deems necessary for the preparation of consolidated financial statements with no material misstatements, whether due to fraud or error.

In the preparation of the consolidated financial statements, management is responsible for evaluating whether the Company can continue to operate, for presenting in these financial statements, where appropriate, the necessary information relating to the continuity of operations and applying the going concern accounting convention unless there are plans to liquidate the Company or cease operations.

The Audit Committee is responsible for monitoring the financial information preparation process and for monitoring the effectiveness of the internal control and risk management systems and, as needed, of the internal audit systems as regards to the procedures relating to the preparation and processing of accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the independent auditors related to the audit of the consolidated financial statements

Purpose of audit and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatements. Misstatements may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or cumulatively, may influence the economic decisions that users of the financial statements make based on them.

As stated in Article L. 823-10-1 of the French Commercial Code, our engagement to certify the consolidated financial statements does not consist of guaranteeing the viability or quality of the Company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, an independent auditor shall exercise his or her professional judgment throughout this audit. Moreover:

- it shall identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks and collect information it considers sufficient and appropriate to form its opinion. The risk that a significant anomaly due to fraud will not be detected is higher than for a significant anomaly due to an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumvention of internal controls;
- it shall review the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, not to express an opinion on the effectiveness of the internal controls;
- it shall assess the appropriateness of accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- it shall assess the appropriateness of management's application of the going concern basis and, depending on the evidence gathered, the existence or non-existence of significant uncertainty related to events or circumstances that may call into question the Company's ability to continue as a going concern. Such assessment shall be based on the information gathered up to the date of its report, but it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If he or she concludes that there is a significant uncertainty, he or she shall draw the attention of his or her report's readers to the information provided in the consolidated financial statements about this uncertainty or, if this information is not provided or is not relevant, he or she formulates a qualified certification or a refusal to certify;
- it shall assess the overall presentation of the consolidated financial statements and evaluate whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof;
- concerning the financial information of the persons or entities included in the scope of consolidation, it shall collect information that he or she deems sufficient and appropriate to express an opinion on the consolidated financial statements. He or she shall be responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on said financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report that outlines the scope of the audit and the working program put in place, as well as the conclusions resulting from our work. We also disclose, where appropriate, the significant weaknesses in the internal controls that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit Committee are the risks of material misstatement, which we deem to have been most significant for the audit of the consolidated financial statements for the year and, as a result, constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration described in Article 6 of regulation (EU) No. 537-2014 confirming our independence, as described in the rules applicable in France as set forth in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the code of ethics for the independent auditor profession. As needed, we discuss with the Audit Committee the risks that may affect our independence and the safeguarding measures applied.

Pans, Paris and Paris-La Défense, December 10, 2020

The statutory auditors
French original signed by

BM&A	DENJEAN ET ASSOCIES AUDIT	ERNST & YOUNG Audit
Eric Seyvos	Clarence Vergote	Pierre Abily

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF DERICHEBOURG S.A.
FOR THE PERIOD FROM OCTOBER 1ST, 2019 TO SEPTEMBER 30, 2020

CONSOLIDATED BALANCE SHEET OF THE DERICHEBOURG GROUP AS AT SEPTEMBER 30, 2020

Assets *(in millions of euros)*	Notes	09-30-20	09-30-19
Goodwill	4.1	261.1	227.7
Intangible assets	4.1	7.5	8.0
Property, plant and equipment	4.2	499.5	539.2
Rights of use	4.2	190.2	
Financial assets	4.3	10.0	8.8
Investments in associates and joint ventures	4.4	12.6	18.5
Deferred taxes	4.23	31.1	26.5
Other assets	4.5	0.0	0.0
Total non-current assets		1,010.1	828.5
Inventories	4.6	105.3	67.8
Trade receivables	4.7	309.9	284.1
Tax receivables	4.7	4.1	3.8
Other assets	4.7	68.3	62.5
Financial assets	4.7	15.4	20.2
Cash and cash equivalents	4.8	361.9	284.6
Financial instruments	4.12	0.0	0.0
Total current assets		865.0	723.0
Total non-current assets and groups of assets held for sale	4.24	0.0	5.8
Total assets		1,875.1	1,557.4

Liabilities *(in millions of euros)*	Notes	09-30-20	09-30-19
Share capital	4.9	39.9	39.9
Share premiums		0.8	0.8
Reserves		459.6	427.0
Net income for the year		21.3	55.6
Group shareholders' equity		521.6	523.1
Non-controlling interests	4.10	2.6	2.9
Total shareholders' equity		524.2	526.0
Financial borrowings and debts	4.11	572.2	324.8
Provision for pensions and similar benefits	4.13	50.8	49.6
Other provisions	4.13	33.4	23.7
Deferred taxes	4.23	23.2	17.1
Other liabilities	4.16	3.2	3.2
Total non-current liabilities		682.6	418.4
Financial borrowings and debts	4.11	130.9	84.8
Provisions	4.14	4.6	2.6
Trade payables	4.15	254.5	257.1
Tax payables	4.15	4.7	7.7
Other liabilities	4.15	271.2	252.7
Financial instruments	4.12	2.3	2.7
Total current liabilities		668.2	607.6
Total liabilities related to a group of assets held for sale	4.24	0.0	5.4
Total liabilities		1,875.1	1,557.4

CONSOLIDATED INCOME OF THE DERICHEBOURG GROUP AT SEPTEMBER 30, 2020

In millions of euros	Notes	2020	2019
Revenue	4.17	2,464.1	2,705.0
Other revenues from operations		1.5	3.2
Cost of raw materials		(1,085.7)	(1,210.7)
External charges		(328.7)	(398.3)
Personnel expenses	4.29	(812.9)	(856.0)
Taxes and duties		(50.0)	(51.1)
Depreciation		(118.9)	(88.5)
Change in provisions	4.18	(11.0)	(6.5)
Change in inventory: work-in-progress and finished products		1.1	(2.0)
Other operating expenses	4.19	(12.5)	(17.6)
Other operating income	4.19	15.4	25.7
Recurring operating profit (loss)		62.4	103.1
Other non-recurring expenses	4.20	(10.9)	(5.0)
Other non-recurring income	4.20	3.7	0.1
Gain/loss on disposal of consolidated companies	4.21	1.0	(0.8)
Operating profit (loss)		56.2	97.5
Net financial expenses	4.22	(12.3)	(9.7)
Foreign exchange and other gains and losses	4.22	(2.3)	(0.7)
Profit (loss) before tax		41.5	87.0
Income tax	4.23	(19.5)	(30.5)
Group share of income from associates and joint ventures	4.4	0.4	2.4
Net profit (loss)		22.4	58.9
Income net of tax from discontinued activities			
Consolidated net profit (loss)		22.4	58.9
Attributable:			
– to shareholders		21.3	55.6
– to non-controlling interests		1.1	3.3
Earnings per share: earnings attributable to Company shareholders (in euros/share)	4.25		
– basic		0.13	0.35
– diluted		0.13	0.35
Earnings per share: attributable to shareholders after net income from discontinued or held-for-sale operations (in euros/share)			
– basic		0.13	0.35
– diluted		0.13	0.35

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE DERICHEBOURG GROUP

(in millions of euros)	2020	2019
Consolidated net profit (loss)	22.4	58.9
Exchange rate changes	(6.5)	3.8
Cash flow hedging	0.2	(0.1)
Restatement of liabilities linked to commitments from defined benefit plans	1.9	(6.8)
Taxes on other comprehensive income	(1.0)	2.2
Income and expenses for the period recognized directly in shareholders' equity	(5.4)	(1.0)
Comprehensive income for the period	17.0	57.9
Of which		
– attributable to Company shareholders	15.9	54.6
– attributable to non-controlling interests	1.1	3.3

TABLE OF CONSOLIDATED STATEMENT OF CASH FLOWS OF THE DERICHEBOURG GROUP AT SEPTEMBER 30, 2020

In millions of euros	Notes	2020	2019
Total consolidated net profit (loss)		22.4	58.9
Consolidated net profit (loss) from held for sale or discontinued operations		0.0	0.0
Consolidated net profit (loss) from continuing operations		22.4	58.9
Adjustments for:			
Elimination of profit (loss) from associates and joint ventures		(0.4)	(2.4)
Provisions and depreciation		132.9	86.2
Fair value gains (losses)		(0.3)	1.5
Elimination of gains (loss) on asset disposals		(8.3)	0.6
Elimination of profit (loss) from dividends		(0.0)	(0.0)
Other non-cash income and expenses		(0.1)	(0.1)
Operating cash flow after financing costs and income tax		144.7	144.6
Net interest expense		12.3	9.8
Income tax		19.5	30.5
Operating cash flow before financing costs and income tax		176.6	184.9
Changes in working capital requirement related to operations		27.3	0.9
Income tax paid		(27.5)	(20.7)
Cash flows from operations generated by discontinued activities		0.0	0.0
Net cash flow from operating activities		176.4	165.1
Impact of changes in scope		(161.8)	(4.6)
Acquisition of property, plant and equipment and intangible assets		(70.1)	(89.5)
Acquisition of financial assets		(0.1)	(0.4)
Change in loans and advances granted		3.0	0.2
Disposal of tangible and intangible assets		8.3	16.9
Disposal of financial assets		0.0	0.0
Dividends received		0.4	1.1
Cash flow related to investment activities for discontinued operations		0.0	0.0
Net cash flow from investment activities		(220.3)	(76.4)
Capital increase		(0.1)	0.0
Proceeds from borrowings		270.7	167.2
Repayment of borrowings		(120.8)	(54.9)
Net financial interests paid		(11.2)	(9.1)
Dividends paid to Group shareholders		(17.5)	(22.4)
Dividends paid to non-controlling interests		(0.8)	(0.7)
Own shares		0.0	(16.9)
Factoring		1.3	(6.1)
Cash flow related to finance activities for discontinued operations		0.0	0.0
Net cash flow from finance activities		121.6	57.1
Impact of foreign exchange rate fluctuations		(2.1)	1.6
Change in cash and cash equivalents		75.6	147.4
Cash and cash equivalents at beginning of the period	4.8	277.8	131.6
Cash and cash equivalents at close of the period	4.8	353.5	277.8
Net cash and cash equivalents reclassified following the application of IFRS 5		0.0	1.2
Change in cash and cash equivalents		75.6	147.4

CHANGE IN THE CONSOLIDATED SHAREHOLDERS' EQUITY OF THE DERICHEBOURG GROUP AT SEPTEMBER 30, 2020

In millions of euros	Capital	Share premiums	Own shares	Reserves	Currency translation reserves	Net income for the year	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Position at September 30, 2018	41.0	16.5	0.0	374.9	4.5	71.1	507.9	3.8	511.7
Appropriation of prior-year profit				71.1		(71.1)	0.0		
Dividends payments				(22.4)			(22.4)	(0.7)	(23.2)
Own shares	(1.1)	(15.8)					(16.9)		0.0
Net profit for the year attributable to the Group						55.6	55.6	3.3	58.9
Income and expenses recognized directly through equity				(4.8)	3.8		(1.0)		(1.0)
Other changes[1]								(3.5)	(3.5)
Position at September 30, 2019	39.9	0.8	0.0	418.7	8.3	55.6	523.1	2.9	526.0
Appropriation of prior-year profit				55.6		(55.6)	0.0		0.0
Dividends payments				(17.5)			(17.5)	(0.8)	(18.3)
Own shares									
Net profit for the year attributable to the Group						21.3	21.3	1.1	22.4
Income and expenses recognized directly through equity				1.1	(6.5)		(5.4)	0.0	(5.4)
Other variation								(0.5)	(0.5)
Position at September 30, 2020	39.9	0.8	0.0	457.9	1.8	21.3	521.6	2.6	524.2

(1) Of which (€3.2) million related to the sale of household waste collection and treatment activities in Morocco.

1. Presentation of the Group

1.1 Identity of the Issuer

Derichebourg is a public limited company created and domiciled in France with its registered headquarters at 119, avenue du Général Michel Bizot, 75012 Paris. Derichebourg is listed in compartment B of the Euronext market. The Group's business activities are as follows:

- Environmental Services;
- Business Services;
- Holding companies.

Many of Derichebourg's Environmental Services' operating properties are owned through a real estate investment company.

The consolidated financial statements for the period from October 1, 2019 to September 30, 2020 were approved by Derichebourg's Board of Directors on December 3, 2020.

They reflect the financial position of the Company and its subsidiaries, and the Group's interests in joint ventures and associated companies.

The financial statements are presented in millions of euros, unless otherwise stated. The amounts are rounded to the nearest hundred thousand euros.

All companies close their accounts on September 30, except for Dreyfus, SCEA du Château Guiteronde, SCI La Futaie, Derichebourg Recycling Mexico, SCI Elisa, SCI Angela, SCI des Chênes, SCI Garalter, SCI des Peupliers, SCI des Varennes, SCI des Châtelets, SCI de Saint Jean, SCI des Tilleuls, Servicios Integrales de Limpiezas Net, Grupo Net and Centro especial de servicios de limpieza Madrid, which close their accounts on December 31.

1.2 Material events occurring over the fiscal year

1.2.1 Acquisition of the Lyrsa Group (renamed Derichebourg España on September 1, 2020)

On December 20, 2019, Derichebourg Environnement completed the acquisition of the Lyrsa Group, Spain's leading independent player in scrap metal recycling. The acquisition was completed following the signing of the acquisition agreement on September 19, 2019.

Derichebourg Environnement acquired 100% of the investments held by Layro SA in Lajo y Rodriguez SA (Lyrsa), Aragonesa de Chatarras y Metales SA (Archamesa) and Recuperaciones Díaz SA (Redisa). Lyrsa also owned 50% of Reyfra (a company that operates a scrap metal shredder in Madrid), whose joint shareholder was Derichebourg Environnement.

In the calendar year 2019, the Lyrsa Group's operations covered by this acquisition generated revenue of €450 million (with the full consolidation of Reyfra) and an Ebitda of €17.3 million. Lyrsa processes approximately 1 million metric tons of metal waste per year, including around 160,000 metric tons of non-ferrous metals. The Group has around 650 employees.

Lyrsa was founded in 1939. It operates 18 recycling centers (17 in Spain and 1 in Portugal). It operates 3 shredders (including one from prior to the Lyrsa acquisition, jointly owned with the Derichebourg Group through Reyfra), a center for the sorting of the metals derived from the crushing process, an aluminum refinery and a lead refinery.

The Derichebourg Group made this acquisition using its available cash and existing credit lines. A new syndicated loan was set up following this acquisition.

Lyrsa's activity is consolidated in the Group's financial statements as of January 1, 2020 (nine months of activity over the fiscal year).

The Derichebourg Group's strategy pursued through this acquisition is to duplicate the vertical integration strategy it is already implementing in France. This covers general recycling of scrap metal, as well as the development of niche businesses (flotation, refining), with high added value, made possible by dense regional coverage.

Derichebourg's objective is for Lyrsa's Ebitda (approximately 4% in 2019) to move closer towards, over several years, the France Group's Ebitda (approximately 8%). This will be achieved through the following actions:

- sales synergies: pooling of customer contacts to ensure that the Group benefits from the best sales opportunities at all times and cross-procurement of the two subsidiaries' specialized tools;
- developing Lyrsa's supplier base to improve unit margins, in particular by targeting smaller suppliers in addition to the existing network;
- some cost synergies.

Spain is a dynamic market for the production of electrical steel. While steel production is at around the same level as in France (around 15 MT), the share of steel produced by the electrical industry is close to 70%, whereas it is only 40% in France. Spain has a ferrous metals deficit, and imports scrap metal from France in particular.

1.2.2 Covid-19 health crisis and the economic consequences

Until mid-March 2020, the Group's activities saw very little disruption from the Coronavirus health crisis.

The lockdown measures announced on March 16, 2020 with effect from March 17, 2020 had a sudden impact on the Group's business in France, its main country of operation.

Faced with this unprecedented health and economic shock, the Group took the following measures:

Measures to protect employees

- Equipment for employees (social distancing, gel, masks, ventilation) in accordance with the instructions of the public authorities and according to individual work situations.
- Use of home working for office staff wherever possible during the lockdown period.

Economic measures

- Use of the furlough scheme for staff whose job is no longer needed or whose hours have been reduced as a result of the Covid-19 crisis.
- Identifying savings opportunities: sponsorship, fees and travel (*de facto*).
- Postponing investments.

The impact on the Group's various businesses was as follows:

Environmental Services

The following changes occurred in the Recycling business:

- In France, business activity fell sharply and progressively from March 17, 2020 under the combined effect of the temporary closure of several scrap metal-consuming plants, and a scarcity of scrap metal supply (shutdown of the automotive industry, lower overall consumption, ban on travel by private individuals), and as of April 10 had flattened to around 15% of the usual business volume. The Group was forced to close most of its small retail sites due to the lack of footfall. All industrial sites remained open and used the furlough scheme. As anticipated, there was a gradual upward trend in footfall after the Easter weekend. The increase continued and was more pronounced from May 11, 2020, when lockdown easing began. By September 2020, the Group had returned to a level of business activity comparable to that of last year.
- In Spain, the drop was also pronounced and happened a little later, falling to 20% of the usual volume before rapidly rising to 40% of its pre-health crisis level. By September 2020, it had returned to a normal level of business activity. It should be noted that the lead refinery had to shut down for one month during the summer due to a lack of battery supplies.

- Business volume was more resilient in Germany, where it never fell below 50%. In the United States and Mexico, it had almost returned to 100% by June.

In Public Sector Services, the volume of activity remained close to nominal volume throughout the fiscal year, as this is an essential service to the population. Thanks to the commitment of employees, a high level of service quality was maintained on all of the various contracts throughout the year.

Multiservices business

The following changes occurred in the Multiservices business:

- Cleaning business (approximately 60% of the revenue of the Multiservices division). This business operates on a very fragmented basis over thousands of customer sites. The business activity rate had fallen to about 55% of its nominal volume by April 10, 2020, due to the closure of many customer sites. It gradually rose to 80% at the end of May and 100% in July. It should be pointed out that this business activity is not particularly exposed to the Hotel and Catering, Tourism and Airport markets. Derichebourg Propreté used the furlough scheme for closed sites and support services, which experienced lower levels of activity. The company was able to meet additional customer requirements for masks, hand sanitizer gel, and disinfection of premises. There is pressure on the level of services required by some customers, where not all employees have returned to work face-to-face.
- Urban Area business: This business follows the same patterns as the advertising billboard business, which was almost at a standstill during lockdown. However, the customers of this business pay a contractual share of fixed costs, regardless of the level of activity, which has limited the impact on results.
- General Temporary Work business: Agencies have operated using home working. Activity for the Retail sectors disappeared during the lockdown, while activity for low-volume customers and aeronautics also fell sharply. The distribution, logistics and banking sectors held up better. The business activity rate was 30% in April, and 50% by the end of May. It gradually rose to 90% at the end of the fiscal year, with, however, a major effort to modify the customer base to move towards sectors such as logistics and health.
- Temporary Work business for aeronautics: This is the Group's activity that has suffered the most in terms of business volume, since the activity fell to 30% of the usual revenue from April, and to date has only recovered to 35%. Given the difficulties that most customers have in providing work for their own employees, this business sector will experience a low volume of activity in the coming year. A Business Safeguard Plan (BSP) has been implemented in this subsidiary in order to close branches that no longer had critical volumes, and to adapt costs to the new environment.
- Industry business (for the aeronautics sector): In France, the business activity rate fell to around 30% of nominal activity in April, before rising to 50% in June. This figure has changed little since then. Faced with a lack of workload for around 700 employees, the subsidiary had two options:
  - immediately implement a BSP for 700 people;
  - give itself time, given the support provided by the State through the Long-Term Furlough scheme, and hope that business activity will recover within 2 years. It is worth noting the high level of qualification of the employees, which would be difficult to rebuild if business recovered and these employees had left the company *en masse*. This is the route that has been chosen. A Collective Performance Agreement was negotiated and signed by the representative trade union organizations. This agreement, which is offered individually to all employees, sets out:
    - a commitment to refrain from dismissal on economic grounds as long as the long-term furlough plan provided by the State continues on the same basis,
    - part-time working of 40% for all employees, during which employees will carry out training,
    - an average reduction of around 15% in gross remuneration, to offset the remainder to be paid by the Company for the long-term furlough scheme.

    90% of employees have accepted this agreement, which has protected more than 500 threatened jobs in the aeronautics sector. 163 people refused this agreement and left the company under individual redundancy agreements. In the other countries where this

business activity operates (Germany, Spain, United States, Canada and China), in which it does not have the same critical size, the impact is even more significant. We have therefore closed the subsidiary in Canada, adopted a BSP in Spain and adopted a restructuring plan in Germany.

1.2.3 First-time adoption of IFRS 16 (replacing IAS 17)

The comparability of the financial statements for the current year with those of the previous year is affected by the first-time adoption of IFRS 16, which replaces IAS 17, and which is applied by the Group using the simplified retrospective approach as proposed by the standard.

Certain provisions of the standard do not modify IAS 17. For example, finance leases and financial leases appear on the balance sheet, with a financial debt corresponding to the outstanding capital, and are amortized.

Other arrangements have led to changes compared with the previous framework. These include lease commitments with a term of more than one year, which did not meet the criteria for classification as financial leases under IAS 17, but which, under the provisions of IFRS 16, must be the subject of recognition of a right of use (classified as a non-current asset), with a corresponding financial debt. This asset is itself amortized.

The entry into force of this standard mainly modifies the recurring Ebitda and net financial debt aggregates.

The tables below detail the impacts of the entry into force of this standard:

In millions of euros	09-30-20	Impact of IAS 17-IFRS 16	Restated 09-30-20
Environmental Services	142.2	8.8	133.4
Multiservices	44.0	12.0	32.0
Holding companies	(5.3)	0.1	(5.3)
Total recurring Ebitda	180.9	20.8	160.1

In millions of euros	09-30-20	Impact of IAS 17-IFRS 16	Restated 09-30-20
Net financial debt	341.1	53.6	287.5
Recurring Ebitda[(1)]	185.9	20.8	165.1
Leverage ratio[(1)]	1.84	2.58	1.74

(1) Proforma of acquisitions, impact over 12 months on a rolling basis.

1.2.4 Strategic partnership with SAUR for services to local governments in the water and sanitation sector

On August 6, 2020, Derichebourg and Saur announced the conclusion of a strategic partnership focusing on services to local governments in the water and sanitation sector. This partnership aims at the reciprocal development of the business activities of both groups. Under the terms of this partnership, Saur acquired 51% of the capital of Derichebourg Aqua, which also owns the subsidiary Derichebourg Aqua Océan Indien.

1.3 Events occurring after year-end

On October 31, 2020, a second lockdown (less strict than the first), started, for an initial duration of one month. As of the date of the Board of directors' meeting, the impact of the second lockdown on economic activity in general and on that of the Group is relatively small.

2. Accounting policies, rules and methods

2.1 General policies

In accordance with European regulation 1606/2002 of July 19, 2002 on international standards, the Derichebourg Group's financial statements on September 30, 2020 were prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The above standards and interpretations are available on the European Commission's website (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32002R1606) and include International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and interpretations issued

by the Standing Interpretations Committee (SIC) and by the International Financial Reporting Interpretations Committee (IFRIC).

The accounting policies used are identical to the previous year, except for the impact of the first-time adoption of IFRS 16.

Segment data is also unchanged from the previous year.

The financial statements were drawn up in accordance with the going concern principle.

The consolidated financial statements of the Derichebourg Group for the year ended September 30, 2020 are available upon request from the Company's registered office located at 119, avenue du Général Michel Bizot, Paris, or on its website, www.derichebourg.com.

2.1.1 Standards and interpretations applicable to the fiscal year beginning October 1, 2019

The standards and interpretations adopted by the European Union and which are required to be applied to the Derichebourg Group consolidated financial statements starting on or after October 1, 2019 are as follows:

- annual improvements to IFRS cycle 2015-2017;
- amendments to IAS 19 "Plan Amendment, Curtailment or Settlement";
- amendments to IAS 28 "Long-term interests in associates and joint ventures";
- amendments to IFRS 9 "Prepayment features with negative compensation" applicable to fiscal years beginning on or after January 1, 2019;
- amendments to IFRS 16 "Covid-19-related rent concessions";
- IFRIC 23 "Uncertainty over income tax treatments" applicable to fiscal years beginning on or after January 1, 2019;
- IFRS 16 "Leases".

IFRS 16 "Leases", applicable to fiscal years beginning on or after January 1, 2019

IFRS 16 "Leases" comes into force for the Group as of October 1, 2019. It replaces IAS 17 and the associated IFRIC and SIC interpretations. Under IFRS 16, the definition of a lease is based on the right of use. Henceforth, a lease is considered to be any lease, contract, or part of a contract, giving the right to use a specified asset for a given period of time in exchange for periodic payment.

The lessee must recognize:

- non-current assets which represent the right to use the leased asset;
- a financial debt representing the obligation to pay rent;
- depreciation of the right of use and interest on the rental liability.

For the first-time application of IFRS 16, the Derichebourg Group has decided to apply the simplified retrospective approach, as proposed by the standard. The restatement of leases falling within the scope of the standard consists of recognizing the right to use the leased asset and a lease liability, adjusted for the amount of rent paid in advance and benefits received from lessors. The Group has decided to apply the following exemptions, as provided for in the standard:

- leases of less than 12 months;
- leases of low-value assets.

Rents from contracts excluded from the IFRS 16 scope are recognized under non-recurring expenses.

Having laid down the framework of its IFRS 16 project in 2018, the Group continued its work in 2019 with the listing of its lease agreements, followed by their gathering together.

To assess the impacts of the leases and for their operational follow-up, the Group opted for an IT solution allowing:

- centralization of lease data;

- continuation of initial conditions;
- addition of lease lifecycle events;
- generation of the statement of asset depreciation and statement of accounting depreciation of the liability.

Real estate leases

The Group has identified those of its real estate leases that meet the criteria defining a lease under IFRS 16. The term of real estate leases corresponds to the non-cancellable period, to which may be added lease renewal options, which are deemed reasonably certain to be exercised by the Group. With regard to the issue of French commercial leases under IFRS 16, the Group has taken into account recent changes and positions in standards, in particular those relating to enforceable lengths of contracts. The assumption used for the duration of type 3/6/9 French commercial leases is three years for the Multiservices division and nine years for the Environmental Services division. These useful lives correspond to the best estimate of the useful life of the lease. The discount rate used for the measurement of the right-of-use asset and the lease liability is determined according to the residual term:

- Residual maturity less than 10 years: 1.5%
- Residual maturity of 10 years or more: 3.0%

Equipment leases

The Group has analyzed all of its equipment leases in order to determine those that fall under the scope of IFRS 16. Following this work, the main leases identified were leases for site vehicles, household waste dumpsters and cleaning equipment. The Group has made use of the exemptions permitted by the standard and thus excluded small construction equipment, parking spaces and short-term vehicle rentals from the scope.

The right of use of the asset and its liability must be discounted to take into account the following situations:

- the review of the rental period;
- any change related to the assessment of whether the exercise of an option is reasonably certain (or not);
- review of the rates or indices on which rents are based;
- rent adjustments.

The estimated impact of the application of IFRS 16 as of October 1, 2019:

In millions of euros	First application IFRS 16
Property, plant and equipment (formerly IAS 17)	(133.5)
Rights of use (ex-IAS 17)	133.5
Rights of use under operating leases	65.1
Total assets	65.1
Non-current financial debt	45.9
Current financial debt	19.2
Total liabilities	65.1

The reconciliation between the off-balance sheet commitments for future minimum lease payments under operating leases at September 30, 2019 and the lease liability recognized under IFRS 16 at October 1, 2019 is as follows:

In millions of euros	10-01-19
Off-balance sheet operating lease commitments as lessee at 09-30-19	46.0
Contracts not accounted for under IFRS 16 exemptions	(9.2)
Differences in the durations used and discounting effect	29.0
Contracts signed prior to closing for an asset available after October 1, 2019	(0.2)
Others	(0.5)
Rental liabilities under IFRS 16 at 10-01-19	65.1

The main impacts related to the application of IFRS 16 are as follows:

In millions of euros	09-30-20
Rights of use	54.3
Total assets	54.3
Non-current financial debt	38.9
Non-current liabilities	38.9
Current financial debt	14.7

Current liabilities	14.7
Total liabilities	53.6

At September 30, 2020, the impacts of the application of IFRS 16 on the income statement are as follows:

In millions of euros	10-01-19
External charges	20.9
Other operating expenses	(0.1)
Depreciation	(20.4)
Recurring operating profit (loss)	0.4
Operating profit (loss)	0.4
Net financial expenses	(1.1)
Profit (loss) before tax	(0.7)

2.1.2 Standards and interpretations published but not yet effective

The Group has undertaken no early application of standards or interpretations that were not mandatory as of October 1, 2019 (the application dates are those recognized by EFRAG):

- amendments to IFRS 3 "Business Combinations";
- amendments to IFRS 9, IAS 39 and IFRS 7 "Benchmark Interest Rate Reforms";
- amendments to IAS 1 and IAS 8 "Definitions of Material".
- amendments to references to the conceptual framework in IFRS.

2.2 Accounting policies

2.2.1 Consolidation methods

In accordance with the provisions of IFRS 10, companies over which the Group directly or indirectly exercises control are fully consolidated. The Group exercises control when it controls the entity and has an exposure or right to this entity's variable returns, while also having the capacity to act on these returns.

In accordance with IFRS 11, joint arrangements are classified into two categories, joint ventures and joint operations, according to the type of rights and obligations held by each of the parties.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control involves the contractually agreed sharing of control of the entity, which only exists in cases where decisions concerning the relevant activities require the unanimous consent of the parties sharing control.

An associate is a company over which the Group exercises significant influence. Significant influence exists when the Group has the power to participate in decisions regarding the entity's financial and operational policies but does not control or jointly control these policies.

The results, assets and liabilities of equity interests in associated companies or joint ventures are included in the Group's consolidated financial statements, according to the equity method.

2.2.2 Use of estimates

To prepare the Group's consolidated financial statements, its management must make judgments and estimates that could have a significant effect on some of the assets, liabilities, income and expense items presented in these statements and in the notes thereto. The Group regularly revises its judgments and estimates on the basis of past experience and other factors it deems relevant based on economic conditions. Given the uncertainty that underlies these judgments and estimates, actual business activity could require a significant adjustment to the amounts recognized for a given period.

Judgments

In preparing the financial statements for the period ending September 30, 2020, there were no particular situations for which management was called upon to exercise specific judgment.

Estimates

Key estimates regarding future events and other major sources of uncertainty at the reporting date are:

- assessment of the recoverability of trade receivables (see note 4.7 – Trade receivables, other receivables and current financial assets), exposure to credit risk, as well as the risk profile;
- provisions for risks and for employee benefits (see note 4.13 – Non-current provisions and provisions for commitments to employees, and note 4.14 – Current provisions);
- income tax and assessment of deferred tax assets (see note 4.23 – Income tax);
- potential impairment of goodwill and intangible assets (see note 4.1 – Intangible assets and goodwill).

With regard to the issue of French commercial leases under IFRS 16, the Group has taken into account recent changes and positions in standards, in particular those relating to enforceable lengths of contracts. The assumption used for the duration of type 3/6/9 French commercial leases is three years for the Multiservices division and nine years for the Environmental Services division. The useful lives selected correspond to the best estimate of the useful life of the lease.

2.2.3 Non-controlling Interests

Non-controlling interests are presented separately from the Group's shareholder equity on the balance sheet.

When the share of the non-controlling interests in the losses of a fully consolidated Group company is more than their share in equity, the excess, and any further losses applicable to the non-controlling interests, are allocated against the majority interests, unless the minority shareholders have a binding obligation to cover these losses.

2.2.4 Translation of the financial statements of foreign companies and firms

In most cases, the functional currency of the Group's foreign companies and firms is the same as their local currency. The financial statements of foreign companies prepared in a currency different from that of the Group consolidated financial statements are translated in accordance with the "closing rate" method. Their balance sheets are translated at the exchange rates applicable on the closing date and their income statements are translated at the average rate for the period. The resulting translation differences are recognized as translation differences in consolidated reserves. Goodwill relating to foreign companies is considered as being part of the acquired assets and liabilities and, as such, is translated at the rate of exchange in effect on the closing date.

A loan to a foreign subsidiary, the settlement of which is neither planned nor probable in the foreseeable future, constitutes part of the Group's net investment in this foreign subsidiary. Translation adjustments arising from a monetary item that forms part of a net investment are recorded directly in other comprehensive income under currency translation reserves and recognized in income on disposal of the net investment.

2.2.5 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are converted into euros at the exchange rate in effect on the transaction date. At year-end, trade receivable and payable accounts denominated in a foreign currency are converted into euros at the year-end exchange rate. The resulting gains and losses are recognized in the income statement for the year.

2.3 Valuation rules and methods

2.3.1 Income from ordinary activities (revenue)

Consolidated revenue represents, for Business Services, the amount of services invoiced to customers outside the Group when the services are supplied.

For Environmental Services, revenue is recognized when control of the products manufactured is transferred, usually upon shipping.

It includes, after elimination of intra-Group transactions, the revenue of fully consolidated companies.

2.3.2 Deferred taxes

In accordance with IAS 12, deferred taxes are recognized on the temporary differences between the carrying amounts of assets and liabilities and their tax base. In accordance with the liability method, they are calculated based on the expected tax rate for the period when the carrying amount of the asset or liability is recovered or settled. The effects of changes in tax rates from one period to another are recognized in the income statement or in equity, according to the symmetry principle, for the period during which the change occurred.

Deferred taxes relating to items recognized directly in shareholders' equity are also recognized in shareholders' equity.

Deferred tax assets resulting from temporary differences, tax losses and tax credits carried forward are limited to the estimated amount of tax recoverable.

This is evaluated at year-end, based on the profit forecasts of the tax entities concerned. Deferred tax assets and liabilities are not discounted.

2.3.3 Earnings per share

Basic earnings per share are defined as the Group share of net income, divided by the weighted average number of shares outstanding during the year, after deduction of shares bought back.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted to take into account the dilutive effect of equity capital instruments issued by the Group that are likely to increase the number of shares outstanding, such as options to subscribe for or purchase shares.

2.3.4 Intangible assets

Intangible assets that are identifiable or separately controlled by the Group are recognized as assets on the balance sheet. They mainly include computer software and are amortized on a straight line basis over their useful life, which is generally between twelve months and five years, depending on their significance. Intangible assets acquired are recognized on the balance sheet at their acquisition cost.

2.3.5 Goodwill

Goodwill represents the difference recognized, on the date a company enters into the consolidation scope, between the acquisition cost of its shares, and the Group's share of the fair value on the acquisition date of the assets, liabilities and contingent liabilities attributable to the Company acquired on the date of purchase of the shares.

Positive goodwill is recognized as assets on the balance sheet under the heading "Goodwill". Negative goodwill is recognized directly in the income statement in the year of acquisition under the item "Other non-recurring expenses".

Goodwill is not amortized.

2.3.6 Impairment of non-current assets other than financial non-current assets

Goodwill, intangible assets and property, plant and equipment are subjected to impairment testing in certain circumstances:

- for non-current assets whose useful life is indefinite (as in the case of goodwill), impairment testing is carried out at least once per year, and any time there is an indicator of impairment;
- for other non-current assets, testing is only carried out when there is an indicator of impairment.

Assets subjected to impairment tests are grouped into cash generating units (CGUs) which are groupings of similar assets whose utilization generates identifiable cash flows. When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU is the higher of the fair value less the costs to sell and the value in use. The value in use is determined by discounting the future cash flows likely to arise from an asset or a CGU. These future cash flows are estimated

over a period of five years. Beyond that period, cash flows are extrapolated by applying a growth rate to infinity. The CGUs defined by the Group relate to the following businesses:

- Environmental Services;
- Business Services.

These impairment tests are conducted annually at September 30.

2.3.7 Property, plant and equipment

Property, plant and equipment are recognized at their acquisition or production cost, reduced by the cumulative depreciation and any potential impairment provisions.

Depreciation charges are normally applied on a straight line basis over the useful life of the asset; nevertheless, accelerated depreciation may be used where it appears more appropriate for the conditions in which the equipment is used.

The useful lives generally applied are as follows:

Buildings	10 to 30 years
Equipment and technical installation	3 to 10 years
Airport equipment	5 to 10 years
Other tangible assets	4 to 10 years

Maintenance and repair costs are charged to income, with the exception of those incurred to increase productivity or prolong the useful life of an asset.

2.3.8 Investment grants

Investment grants are treated as deferred income. They are brought into income over the estimated useful life of the asset concerned.

2.3.9 Leases

The assumptions and estimates made to determine the value of lease rights of use and the related liabilities are primarily based on the calculation of discount rates and lease durations. The assumptions made and the methods used to determine them are described in note 2.1.1 IFRS 16 "Leases" applicable to fiscal years beginning on or after January 1, 2019.

2.3.10 Equity interests in associates and joint ventures

The Group’s equity investments accounted for using the equity method are initially recognized at acquisition cost including any goodwill arising, where applicable. Subsequently, their carrying amount is increased or decreased to take into account the Group’s share of profits or losses made after the acquisition date. When the losses are greater than the value of the Group’s net investment in the entity, they are recognized only if the Group has a contractual commitment to recapitalize the entity or has made payments on its behalf. If there is any indication of impairment, the recoverable amount of the investments consolidated using the equity method is tested in accordance with the methods described in the note on impairment of non-current assets, other than financial assets.

2.3.11 Other non-current financial assets

This category includes receivables related to equity investments, loans and receivables and assets available for sale (mainly investment securities).

In accordance with IFRS 9 “Financial Instruments”, equity interests in non-consolidated companies are considered by their nature to be assets available for sale and as such are recognized at their fair value.

Where the shares are listed, the fair value is the price quoted on the stock market. If the fair value cannot be determined reliably, the shares are recognized at cost price. Changes in fair value are recognized directly in shareholders’ equity in an account created for this purpose.

Where there is an objective indication of impairment, an irreversible provision for impairment is recognized in the income statement. This provision may be reversed only when the relevant shares are sold.

Loans are recognized at amortized cost. An impairment provision may be recognized if there is an objective indication of such impairment. The amount corresponding to the difference between the net carrying amount and the recoverable amount is recognized in the income statement. It may be reversed if the recoverable amount increases subsequently.

2.3.12 Inventory and work-in-progress

Inventories of raw materials and goods purchased for resale are recognized using the weighted average cost method. The work-in-progress and finished goods of Environmental Services are valued at cost price, including the cost of materials and labor and other costs directly related to production.

At each closing date, inventories are valued at the lower of cost or net realizable value.

2.3.13 Trade and other operating receivables

Trade and other operating receivables are recognized at nominal value, discounted when necessary, and adjusted for any impairment considering any potential risk of non-payment. Provisions for impairment are determined on a case-by-case basis.

A specific impairment provision is made for doubtful receivables.

2.3.14 Cash and cash equivalents

Cash includes demand deposits and current accounts but excludes bank overdrafts which are included in financial liabilities. Cash equivalents include investments held with a view to meeting short term cash commitments. Securities include cash deposits, money-market mutual funds and negotiable debt securities which can be realized or sold at any time. They are valued at their market value. Any change in the fair value of these assets is recognized in the income statement.

To be considered as a cash equivalent, they must be easily convertible and subject to only negligible risk of loss in capital.

2.3.15 Treasury shares

Company shares held by the Group are recognized as a deduction from shareholders' equity at their acquisition cost. Any profits or losses related to the purchase, sale, issue or cancellation of treasury shares are recognized directly in shareholders' equity without impacting the income statement.

2.3.16 Pension commitments and other employee benefits

Pension commitment

The Group applies revised IAS 19.

Commitments arising from defined benefit pension plans for both active and retired employees are indicated on the balance sheet. They are determined according to the projected unit credit method based on annual evaluations. The actuarial assumptions used to determine these commitments vary in accordance with the economic conditions of the country in which the plan is in effect.

For externally managed and funded defined benefit plans (pension funds or insurance contracts), the fair value surplus or deficit in relation to the present value of the obligations is recognized as a balance sheet asset or liability. Surplus assets are only recognized on the balance sheet if they represent a future economic benefit for the Group.

The past service cost represents benefits granted either when the business adopts a new defined benefit plan or when it modifies the level of benefits from an existing plan. Once new benefit rights are vested following the adoption of a new plan, the past service cost is immediately recognized in the income statement. Conversely, when the adoption of a new plan gives rise to the vesting of rights subsequent to its implementation date, the past service

cost is recognized as an expense, on a straight line basis, over the average period left to run until the corresponding rights are fully vested.

Actuarial gains and losses result mainly from the effects of changes to the actuarial assumptions and adjustments related to experience (differences between the actuarial assumptions used and the reality observed). They are recognized in other comprehensive income.

Expenses recognized over the fiscal year include additional rights vested for an additional year of service, changes to existing rights at opening due to financial discounting, the expected return on plan assets, past service costs and the effect of any curtailments or settlements. The portion relating to additional rights is recognized under personnel expenses and the financial cost of net liabilities is recognized in the income statement.

2.3.17 Provisions

Provisions are liabilities whose due date or amount cannot be precisely determined. They are calculated based on the discounted amount corresponding to the best estimate of the resources required to meet the obligation.

Provisions for business disputes concern, for the most part, employment disputes. They are calculated on a case-by-case basis in Environmental Services and, considering the number, on a statistical but nominal basis in Business Services.

Provisions for restructuring include the cost of the plans and measures decided on, where these have been announced before the year-end date.

2.3.17.1 Provisions for service awards

In Environmental Services, a bonus linked to service awards is given to employees after a certain number of years of service. The service awards are determined based on a discounted calculation taking into account assumptions about the probability of employees remaining with the Company, as well as a 0.6% discount rate.

The bonuses are paid according to the service period required for the service awards:

silver 20 years:	€500
vermeil 30 years:	€800
gold 35 years:	€1,100
grand gold 40 years:	€1,500

2.3.17.2 Current provisions

Current provisions represent provisions directly related to the operating cycle of each business line, whatever the term required for their reversal.

The provisions for other current risks are mainly provisions for late-delivery penalties, provisions for individual redundancies and other risks arising from business operations.

2.3.17.3 Non-current provisions

Non-current provisions represent provisions not directly related to the operating cycle and whose term is generally greater than one year. They are mostly provisions for litigation.

Non-current provisions for a term of less than one year are recognized on the balance sheet under current provisions.

2.3.17.4 Provisions for environmental risks

Provisions for environmental risks are established whenever there is a legal or contractual requirement to restore an operating site, or whenever the Company is deemed liable for a quantifiable environmental risk. These provisions are measured on a site-by-site basis by estimating the cost of the work (see section 1.5.2.1).

Business Services

By its very nature, Business Services has a very low environmental impact. Environmental issues are managed by the Quality, Safety and Environment (QSE) Department and form an integral part of each entity's general policies. QSE contacts within the various entities are responsible for implementing environmental initiatives and have the role of:

- ensuring compliance with regulations;
- responding to client demands such as external evaluation questionnaires required by some of our major clients (such as Ecovadis and Carbon Disclosure Project assessments). External audits are also conducted by clients;
- drawing up CSR diagnostics and implementing action plans. These impacts are taken into consideration within the context of the global Corporate Social Responsibility initiative defined as a result of a diagnosis conducted using the approach described by the French Federation of Cleaning Companies (FEP).

Environmental Services

Due to the very nature of its Environmental Services operations, which involve recycling metals, the Derichebourg Group is helping to preserve the planet's natural resources (iron ore, copper, bauxite, etc.). Recycling metals saves a significant amount of energy compared with the primary production of such metals, with up to 94.8% for aluminum and 16.5% for steel (source: Report on the economical benefit of recycling, Bureau of International Recycling). In this way, the Group is helping to reduce greenhouse gas emissions, as detailed in section 1.6 of Chapter 1 of this Universal Registration Document.

For almost ten years, each regional subsidiary has had an Environmental Officer (reporting to the Environmental Services director), who liaises with the relevant authorities (DREAL, prefectures, water agencies, local councils, waterways, associations, etc.) in order to:

- check that the Group's business activities are conducted in accordance with current legislation and regulations (operating licenses), as poorly managed recycling activities can cause pollution;
- learn about regulatory changes;
- ensure that facilities are supervised and releases to the environment are monitored and controlled;
- train and inform colleagues about best practice.

Likewise, operations are often conducted on land with an industrial past, whose history is not always available. Where necessary, soil surveys are conducted in application of regulatory changes.

To the Group's knowledge, no pollution hazards have been revealed for which a provision has not been made or for which a solution has not been found.

2.3.18 Financial debt (current and non-current)

Financial debt includes:

- the syndicated loan agreement set up in March 2020 including a five-year refinancing loan;
- the non-recourse factoring agreement signed on January 1, 2015, renewed twice in April 2016 and November 2018;
- leases;
- other borrowings and bilateral lines.

These debts are valued and recognized at amortized cost using the effective interest rate method. According to this method, the cost of the debt includes issuance costs, originally deducted from the nominal value of the debt as a liability. Also in this method, interest expenses are recognized on an actuarial basis.

In the event that the terms of a loan agreement are modified, if the cash flows discounted at the initial effective interest rate under the new terms, including any fees paid and negotiation costs, exceed the discounted value of the flows anticipated under the agreement by more than 10%, the issuance costs and negotiation fees are recognized as expenses.

Financial debt with a term of less than one year is recorded under Current financial debt.

2.3.19 Fair value of derivative assets and liabilities (IAS 32–IFRS 9)

The Group uses derivatives to hedge its exposure to market risks (interest rates, exchange rates and raw material prices).

According to IFRS 9, all derivatives must be recognized on the balance sheet at their "fair value". If derivatives do not meet the criteria for hedge accounting, fluctuations in their fair value are recognized in the income statement.

Derivatives may be considered hedging instruments in three situations:

- hedging of fair value;
- hedging of future cash flows;
- hedging of a net investment in a foreign operation.

A fair value hedge covers exposure to the risk of changes in the fair value of an asset, liability or non-recognized firm commitment arising from changes in financial variables (interest rates, exchange rates, share prices, raw material costs, etc.).

A future cash flow hedge covers changes in the value of future cash flows related to existing assets or liabilities or to a highly probable forecasted transaction.

A hedge of a net investment in foreign currency covers the foreign exchange risk related to a net investment in a consolidated foreign subsidiary.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses, to hedge the foreign exchange risk related to loans in foreign currencies and to manage the fixed/variable rate split of its debt.

Interest rate swap agreements enable the Group to borrow long-term at variable rates and to exchange the interest rate on the debt incurred, either at the outset or during the term of the loan, against a fixed or variable rate. The Group may purchase interest-rate options, caps and floors as part of its strategy to hedge its debt and financial instruments.

Interest rate and foreign exchange derivatives used by the Group to hedge changes in its debt denominated in foreign currencies qualify as hedges in accordance with IFRS 9 because:

- the hedging relationship is clearly defined and documented from the date of implementation;
- the efficiency of the hedging relationship is clearly demonstrated in the beginning and on a regular basis for as long as it lasts.

The application of hedge accounting has the following consequences, the derivative always being measured on the balance sheet at its fair value:

- for fair value hedges of existing assets or liabilities, the change in fair value of the derivative is recognized in the income statement. This change is offset in the income statement by re-measuring the hedged item on the balance sheet. Any difference between the two changes in value represents the inefficiency of the hedging relationship;

- for hedges of future cash flows, the "efficient" portion of the change in fair value of the hedging instrument is recognized directly in shareholders' equity in a specific reserve account, and the portion of the change in fair value considered "inefficient" is recognized in the income statement. The amounts recognized in the reserve account are entered in the income statement once the hedged cash flows are recognized;
- for hedges covering net investments in a foreign country, the "efficient" portion of the changes in fair value of the derivative instrument is recognized in shareholders' equity under the heading "translation reserve" and the portion considered "inefficient" is recognized in the income statement. The profit or loss on the derivative that was recognized in the translation reserve must be transferred to the income statement in the event of the sale of the foreign entity that was the subject of the initial investment.

As part of its trading business in non-ferrous metals, the Group uses forward purchase and sale agreements concluded on the London Metal Exchange (LME) in order to reduce its exposure to the risk of fluctuations in non-ferrous metal prices (copper, aluminum, nickel). Changes in the fair value of the derivative instruments (forward purchases and sales of metals on the LME) are recognized in the income statement.

Financial instrument	Subsequent valuation method	Recognition of the change in value
Equity interests	Fair value	In shareholders' equity, unless the impairment observed is long-term, in which case it would be recognized in the income statement *via* an impairment
Marketable securities	Fair value	On the income statement
Loans and receivables	Amortized cost	On the income statement
Financial debt	Amortized cost	
Other liabilities	Amortized cost	

2.3.20 Held-for-sale and discontinued operations

Assets and liabilities classified as held for sale are measured at the lower of their carrying value or their fair value less selling costs.

The profit (loss) from discontinued operations is recorded on a separate line of the income statement.

A discontinued operation is a component of an entity 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;
- is 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 to be sold.

2.3.21 Other non-recurring expenses and income

Other non-recurring expenses and income" includes income items which, due to their nature, amount or frequency, cannot be considered as part of the Group's non-recurring activities and operational profit. This relates in particular to impairment of goodwill. It also includes, if material, the effects of certain unusual transactions such as restructuring costs, expenses related to litigation, or any other non-recurring income or expenses that may affect the comparability of recurring operating profit from one year to the next.

3. Changes in consolidation scope

3.1 New companies included in the consolidation scope

Environmental Services division

Derichebourg España (formerly Lyrsa Group)

The Group completed its acquisition of Lyrsa, the Spanish leader in scrap metal recycling, on December 20, 2019.

Through this acquisition, the two companies Colomer SL and Caetano Lyrsa are consolidated using the equity method. The amount of goodwill recognized in the accounts amounts to €27.1 million.

Fair value of net assets acquired breaks down as follows:

Derichebourg España

In millions of euros	
Non-current assets	137.8
Current assets	116.7
Total assets	254.5
Non-current liabilities	16.6
Current liabilities	78.7
Total liabilities	95.3

Derichebourg España's contribution to the Group's results at September 30, 2020 is as follows:

In millions of euros	9 months	*Pro forma* 12 months
Revenue	265.9	358
Recurring Ebitda	14.5	20
Operating profit (loss)	15.0	20
Net profit (loss)	12.5	17

Business Services

Immedia Services

The Group acquired the temporary employment agency Immedia Services on October 17, 2019.

The amount of goodwill recognized in the accounts amounts to €5.0 million.

Fair value of net assets acquired breaks down as follows:

Immedia Services

In millions of euros	
Non-current assets	0.1
Current assets	3.8
Total assets	3.9
Non-current liabilities	0.0
Current liabilities	1.8
Total liabilities	1.8

The contribution to the Group’s results at September 30, 2020 is as follows:

In millions of euros	
Revenue	10.0
Recurring Ebitda	0.4
Operating profit (loss)	0.3
Net profit (loss)	0.1

- Ausgael by Derichebourg, Derichebourg Aviation Service Inc. and Derichebourg Aeronautics Services USA are now consolidated.

Holding Companies

- None.

3.2 Companies excluded from the consolidation scope

Business Services

- Disposal of Derichebourg Service Ingénierie Nucléaire on October 1, 2019. The financial consequences of this sale were recognized in the fiscal year ended September 30, 2019
- Sale of Derichebourg Aviation & Energy Resources on July 9, 2020
- Sale of Derichebourg Tesis Yonetimi (Turkey) on July 30, 2020
- Liquidation of SAM Derichebourg MC on March 31, 2020

Environmental Services division

- Disposal of AEP Multiservizi Spa on December 28, 2019

Holding Companies

- None.

3.3 Internal restructuring

Business Services

- Universal transfer of assets of Aquitaine Nettoyage, ASP, ASP 85, DML and Net Services to Derichebourg Propreté on October 1, 2019
- Merger of Selmar SA and Derichebourg Multiservicios España into SILNET on January 1, 2020
- Universal transfer of assets from the Proverre company to the Derichebourg Propreté company on April 2, 2020

Environmental Services division

- Universal transfer of assets from Purfer Transport and Purmet Transport to Purfer on October 1, 2019

Holding Companies

- Universal transfer of Derichebourg Logistique et Maintenance assets to Derichebourg Multiservices Holding on April 2, 2020

3.4 Change in percentage of control

Environmental Services division

- The Group's investment in Reyfra reaches 100% through the acquisition of Derichebourg España (formerly Lyrsa Group) on December 20, 2019

Business Services

- Acquisition of 50% from LSL, increasing the Group's investment to 100%.

3.5 Change in consolidation method

Environmental Services division

- Sale to SAUR on August 6, 2020 of 51% of Derichebourg Aqua and 51% of Derichebourg Aqua Océan Indien *via* this transaction, respectively renamed SAUR Derichebourg Aqua and SAUR Derichebourg Aqua Océan Indien. As a result of the loss of exclusive control, an overall gain/loss on disposal was recognized. The residual investment in these subsidiaries has been accounted for at fair value using the equity method.

4. Notes

4.1 Intangible assets and goodwill

In millions of euros	09-30-19	Increases	Decreases	Change in consolidation scope[1]	Foreign exchange differences	Other variation	09-30-20
Goodwill	329.1	0.7		33.1	(0.3)	0.6	363.2
Concessions, patents, licenses	20.1	0.9	(0.2)	1.1		2.3	24.2
Other intangible assets	9.1	0.3		0.3		(2.0)	7.7
Advances and deposits				0.8		(0.8)	
Total gross value	358.4	1.9	(0.2)	35.3	(0.3)	0.0	395.1
Goodwill	(101.5)					(0.6)	(102.1)
Concessions, patents, licenses	(14.9)	(2.0)		(1.1)			(18.0)
Other intangible assets	(6.4)	(0.9)		0.3		0.6	(6.4)
Total amortization & depreciation	(122.8)	(2.9)		(0.8)		(0.0)	(126.5)
Total net value	235.6	(1.0)	(0.2)	34.5		(0.0)	268.6

(1) See note 3 – Changes in consolidation scope.

4.1.1 Change in the scope of goodwill

In millions of euros	09-30-20
Derichebourg España (formerly Lyrsa Group)	27.7
Immedia Services	5.0
LSL	1.0
AEP Multiservizi Spa	(0.6)
Total change	33.1

See note 3 – Changes in consolidation scope.

4.1.2 Impairment tests

Impairment tests were carried out on the Environmental Services and Business Services activities at September 30, 2020.

No impairment indicators were identified on cash-generating units as at September 30, 2020.

The information concerning the cash generating units, to which significant amounts of goodwill have been attributed as part of the impairment tests, is as follows:

Net carrying amounts of goodwill impacted

In millions of euros	09-30-20	09-30-19
CGU – Business Services	184	179
CGU – Environmental Services	76	49
Total	260	228

The valuation method used to determine the recoverable amount of these cash-generating units is the value in use. The data and the assumptions used for the impairment tests of the assets included in the cash generating units (CGUs) are as follows:

In millions of euros	Discount rate 2019/2020[1]	Growth rate to infinity 2019/2020	Discount rate 2018/2019[1]	Growth rate to infinity 2018/2019	Valuation method
CGU – Environmental Services	9.50%	1.00%	9.00%	1.00%	Discounted cash flow and terminal value
CGU – Business Services	8.75%	1.00%	8.00%	1.00%	Discounted cash flow and terminal value

(1) The discount rate used is the weighted average cost of capital (WACC).

The value in use of the cash generating units (CGUs) determined by business segment is calculated by discounting the forecast operating cash flows at the rates mentioned above. These cash flows are after tax (operating profit + amortization and depreciation – tax – change in working capital requirement – operating investments) and are based on a five-year business plan.

These impairment tests are conducted annually at September 30.

The key assumptions to which the impairment tests of Environmental Services and Business Services are sensitive are the following:

- the discount rate, calculated by breaking down the Weighted Average Cost of Capital: this rate is 9.5% for Environmental Services and 8.75% for Business Services;
- Ebitda for the final year of the explicit forecast. This Ebitda has been determined on the basis of business plans;
- impact on enterprise value the long-term growth rate of the businesses. This was estimated at 1% for all businesses. This was calculated based on the following factors:
- Environmental Services: demand for recycling in developed countries and growth in demand in emerging countries,
- Business Services: to perform the impairment test on the Business Services CGU, the business plan used expects revenue growth of around 2% per year and 1% in the final year, driven by the Cleaning businesses. In addition, a recovery assumption of 10% in 2022-2023 and 20% in 2023-2024 in outsourced aeronautical services and temporary work for the aeronautics and aviation sector has been made, which does not, however, bring the level of activity back to pre-crisis levels. Modest growth in the ratio of Ebitda to revenue is also anticipated over the period, reaching 5% during the final year. This growth will stem primarily from projected business developments, without any major modifications to the division's structure. The Ebitda margin during the final year is close to that of other major players in the industry.

The enterprise values thus determined for the CGUs of the two segments are higher than their book value.

Impact on enterprise value

	Environmental Services			Business Services		
In millions of euros	Discount rate +0.5%	Discount rate -0.5%	% Change in Ebitda	Discount rate +0.5%	Discount rate -0.5%	% Change in Ebitda
Impact on enterprise value	(61)	69		(18)	20	
Change in EBITDA for the final year where value in use = recoverable amount			(31%)			(28%)

	Environmental Services		Business Services	
In millions of euros	Growth rate +0.5%	Growth rate -0.5%	Growth rate +0.5%	Growth rate -0.5%
Impact on enterprise value	(43)	48	(13)	15

These stress tests did not result in the recognition of any impairment losses on goodwill.

4.2 Property, plant and equipment and rights of use

4.2.1 Property, plant and equipment

In millions of euros	09-30-19	Increases	Decreases	Change in consolidation scope[1]	Transfer IAS 17[2]	Other variation[3]	Foreign exchange differences	09-30-20
Land	188.8	11.7		45.7	(2.7)	0.1	(2.9)	240.7
Buildings	327.7	14.0	(1.1)	44.0	(18.0)	1.5	(1.4)	366.5
Machinery & equipment	809.7	16.9	(8.2)	135.5	(270.9)	(0.2)	(8.8)	674.0
Other tangible assets	258.2	7.5	(11.5)	20.2	(72.1)	0.6	(2.8)	200.1
Tangible assets under construction	11.5	18.5	(4.3)	2.8		(5.0)		23.5
Advances and deposits	3.9	0.1	(0.5)	0.1		(3.5)		0.1
Total gross value	1,599.8	68.9	(25.6)	248.2	(363.8)	(6.5)	(15.9)	1,504.9
Land	(41.6)	(3.5)					0.9	(44.2)
Buildings	(188.7)	(14.2)	0.4	(21.1)	10.7		0.6	(212.3)
Machinery & equipment	(642.2)	(31.6)	12.4	(112.1)	184.5	(0.1)	7.9	(581.2)
Other tangible assets	(188.1)	(11.8)	10.8	(17.4)	35.1	0.1	1.7	(169.6)
Total amortization & depreciation	(1,060.6)	(61.1)	23.6	(150.7)	230.3		11.1	(1,007.3)
Total net value	539.2	7.7	(2.0)	97.5	(133.5)	(6.5)	(4.8)	497.7

(1) See note 3 – Change in consolidation scope.
(2) See note 2.1.1 - Standards and interpretations applicable to the fiscal year beginning October 1, 2019.
(3) The Group refinanced technical installations acquired during the previous fiscal year through sale and leaseback contracts for an amount of €6.4 million, presented in other variation.

4.2.2 Rights of use

In millions of euros	Transfer IAS 17[2]	Increases	Decreases	Change in consolidation scope[1]	IFRS 16[3]	Other variation[4]	Foreign exchange differences	09-30-20
Land, buildings and real estate complexes	20.7	5.4		(0.3)	52.3			78.2
Machinery & equipment	270.9	24.0	(1.5)		11.3	6.4	(0.6)	310.5
Other tangible assets	72.1	9.9	(9.9)	1.1	1.5	0.1		74.7
Total gross value	363.8	39.3	(11.5)	0.8	65.1	6.5	(0.6)	463.4
Land, buildings and real estate complexes	(10.7)	(11.9)	(0.1)					(22.7)
Machinery & equipment	(184.5)	(26.6)	1.6			(0.1)		(209.5)
Other tangible assets	(35.1)	(16.0)	9.9	0.1				(41.0)
Total amortization & depreciation	(230.2)	(54.5)	11.4	0.1		(0.1)		(273,2)
Total net value	133.5	(15.2)	(0.1)	0.9	65.1	6.4	(0.6)	190.2

(1) See note 3 – Change in consolidation scope.
(2) See note 2.1.1 - Standards and interpretations applicable to the fiscal year beginning October 1, 2019.
(3) First-time adoption of IFRS 16.
(4) The Group refinanced technical installations acquired during the previous fiscal year through sale and leaseback contracts for an amount of €6.4 million, presented in other variation.

4.3 Financial assets

4.3.1 Change during the fiscal year

In millions of euros	09-30-19	Increases	Decreases	Change in consolidation scope[1]	Other variation	Foreign exchange differences	09-30-20
Equity interests	2.8	0.1		(0.3)			2.6
Loans, securities and other non-current financial assets	7.2	0.8	(1.4)	1.8			8.4
Total gross value	10.0	0.9	(1.4)	1.5			11.0
Impairment loss on equity interests	(1.1)			0.2			(0.9)
Impairment loss on loans, securities and other financial assets	(0.1)						(0.1)
Total impairment	(1.2)			0.2			(1.0)
Total net value	8.8	0.9	(1.4)	1.7			10.0

(1) See note 3 – Changes in consolidation scope.

4.3.2 Non-current financial assets by maturity date (excluding investment securities)

In millions of euros	09-30-20	More than 1 year	More than 5 years
Loans, securities and other non-current financial assets	8.4	4.4	4.0
Total net value	8.4	4.4	4.0

4.3.3 Investment securities and receivables related to equity investments by type

In millions of euros	Country	% holding	Gross value	Provisions	Net value	
Equity interests						
ENVIRONMENTAL SERVICES						
DOHMEN	Belgium	100%	1.4		1.4	Under liquidation
Other companies (less than €0.1 million)	France		0.3		0.3	
BUSINESS SERVICES						
DERICHEBOURG ATIS MAINTENANCE SERVICES	France	100%	0.9	(0.9)	0.0	Under liquidation
Total			2.6	(0.9)	1.7	

4.4 Investments in associates and joint ventures

4.4.1 By type

In millions of euros	Country	% holding	Share of income	Share of shareholders' equity 09-30-20	Share of shareholders' equity 09-30-19
ASSOCIATES					
ALLO CASSE AUTO	France	48%	(0.1)	2.1	2.3
CAETANO LYRSA [1]	Portugal	50%			
DAC	France	50%	0.1	1.0	0.9
DREYFUS	France	43%	0.3	5.8	5.6
ROHR ENVIRONNEMENT	France	50%	0.2	1.8	1.8
JOINT-VENTURES					
ALSAFER ENVIRONNEMENT	France	50%		0.2	0.2
COLOMER[1]	Spain	50%		1.0	
SAUR DERICHEBOURG AQUA[1]	France	49%	(0.2)	(0.2)	
ENVIE AFM SUD OUEST	France	50%		0.7	0.7
REYFRA[1]	Spain	50%			6.8
VALERCO	France	50%		0.2	0.1
Total			0.4	12.6	18.5

(1) See note 3 – Changes in consolidation scope.

Condensed financial information for Environmental Services' joint ventures

In millions of euros	Balance sheet date / Country	ALSAFER 09-30-20 France	COLOMER 09-30-20 Spain	ENVIE AFM SUD OUEST 09-30-20 France	SAUR DERICHEBOURG AQUA 09-30-20 France	VALERCO 09-30-20 France
Financial position						
Non-current assets		0.0	1.9	0.3	5.7	0.0
Current assets		0.7	2.4	2.5	4.5	0.4
Total assets		0.7	4.3	2.8	10.2	0.4
Non-current liabilities		0.0	0.2	0.0	0.3	0.0
Current liabilities		0.2	0.9	1.4	10.1	0.1
Total liabilities		0.2	1.1	1.4	10.4	0.1
Net assets		0.5	3.3	1.4	(0.2)	0.3
Income statement						
Revenue		1.3	1.4	4.1	0.9	0.6
Net profit (loss)		0.1	0.1	0.1	(0.2)	0.0
Statement of cash flow						
Net cash flow from operating activities		0.1	0.1	(0.2)	1.3	0.0
Net cash flow from investment activities		0.0	0.0	(0.1)	(0.0)	0.0
Net cash flow from finance activities		(0.1)	0.1	0.0	0.0	0.0
Cash and cash equivalents at beginning of the period		0.4	(0.7)	1.1	0.0	0.3
Cash and cash equivalents at close of the period		0.3	(0.5)	0.8	1.3	0.3
Change in cash and cash equivalents		(0.0)	0.2	(0.4)	1.2	0.0

4.4.2 Change during the fiscal year

In millions of euros	09-30-19	Share of profit	Dividends	Change in consolidation scope[1]	09-30-20
Equity interests in associated companies	18.5	0.4	(0.4)	(5.8)	12.6

(1) See note 3 – Change in consolidation scope.

4.5 Other non-current assets

In millions of euros	Gross value on 09-30-20	Provisions	Net value on 09-30-20
Other receivables	0.4	(0.4)	0.0
Total	0.4	(0.4)	0.0

4.6 Inventories

4.6.1 By type

In millions of euros	Gross value on 09-30-20	Gross value on 09-30-19
Raw materials	5.5	3.8
Other consumables	13.4	10.8
Work-in-progress	0.8	1.7
Finished and semi-finished goods	7.0	1.5
Goods for resale	79.7	50.7
Total	106.5	68.6

4.6.2 Change during the fiscal year

In millions of euros	Net value at 09-30-19	Variation	Change in consolidation scope[1]	Foreign exchange differences	Change in impairment[2]	Net value at 09-30-20
Raw materials	3.8	0.5	1.3			5.6
Other consumables	10.4	0.9	1.8	(0.1)	(0.3)	12.7
Work-in-progress	1.7	(0.9)			(0.1)	0.7
Finished and semi-finished goods	1.5	2.0	3.5			7.0
Goods for resale	50.4	(5.2)	34.8	(0.6)	(0.1)	79.3
Total	67.8	(2.7)	41.4	(0.7)	(0.5)	105.3

(1) See note 3 – Changes in consolidation scope.
(2) Change in impairment of inventory.

In millions of euros	09-30-19	Provisions	Reversals	09-30-20
Impairment of inventory	(0.8)	(0.7)	0.2	(1.2)

4.7 Trade receivables, other receivables and current financial assets

In millions of euros	09-30-20 Gross value	09-30-20 Impairment	09-30-20 Net value	09-30-19 Gross value	09-30-19 Impairment	09-30-19 Net value
Trade receivables	318.8	(9.0)	309.9	293.9	(9.8)	284.1
Tax receivables	4.1		4.1	3.8		3.8
Advances and deposits	13.9		13.9	8.3		8.3
Employee-related receivables	6.5		6.5	8.5		8.5
Tax receivables	29.3		29.3	26.0		26.0
Other receivables	17.8	(5.1)	12.7	13.3	(3.0)	10.3
Prepaid expenses	5.9		5.9	9.3		9.3
Other current assets	73.4	(5.1)	68.3	65.4	(3.0)	62.5
Dividends due						
Loans, deposits and securities	19.1	(3.7)	15.4	20.3	(0.1)	20.2
Current financial assets	19.1	(3.7)	15.4	20.3	(0.1)	20.2

Change in impairment of trade receivables

In millions of euros	09-30-19	Provisions	Reversals	Change in consolidation scope[1]	09-30-20
Change in impairment of trade receivables	(9.8)	(1.3)	1.1	1.0	(9.0)

(1) See note 3 – Change in consolidation scope.

4.8 Cash and cash equivalents

By type

Cash and cash equivalents include investment securities, current account balances due by banks and cash.

In millions of euros	Gross value on 09-30-20	Net value at 09-30-20	Net value at 09-30-19
Marketable securities	1.0	1.0	1.1
Cash	360.9	360.9	283.5
Total	361.9	361.9	284.6

In millions of euros	09-30-20	09-30-19
Cash and cash equivalents	361.9	284.6
Bank overdrafts	8.5	7.0
Net cash	353.4	277.6

The cash pooling system, which the Group has implemented mainly in France, centralizes all subsidiary cash flows on a daily basis to reduce finance costs.

The Group reports cash and cash equivalents according to the accounting balance of each bank account, whereas these accounts can be aggregated with other accounts that could have a different balance in the context of the merger of interests and overall overdraft authorizations granted to the Group.

4.9 Consolidated shareholders' equity

As of September 30, 2020, the Company's share capital consisted of 159,397,489 shares with a nominal value of €0.25 each, corresponding to a total nominal value of €39,849,372.25.

Analysis of the share capital and voting rights

	Shares		Voting rights	
Shareholders	Number of shares	% of share capital	Number	%
CFER*	65,745,648	41.25	131,491,296	57.80
Financière DBG*	65,894	0.04	65,894	0.03
Employees	1,787,215	1.12	1,787,215	0.79
Treasury shares	0	0	0	0
Public	91,798,732	57.59	94,139,879	41.38
Total	159,397,489	100.00	227,484,284	100.00

** CFER and Financière DBG are ultimately controlled by the family of Mr. Daniel Derichebourg.*

Dividends

In millions of euros	For the fiscal year 2019/2020[1]	For the fiscal year 2018/2019	For the fiscal year 2017/2018
Net dividends in euros	0.0	0.11	0.14
Total net distribution	0.0	17.5	22.9

(1) Subject to approval by the shareholders' meeting.

4.10 Non-controlling interests

In millions of euros	09-30-20	09-30-19
Non-controlling interests at the beginning of the year	2.9	3.8
Change in consolidation scope[1]	(0.5)	(3.6)
Consolidated company earnings attributable to non-controlling interests	1.1	3.3
Share of dividends from consolidated companies	(0.8)	(0.7)
Impact of foreign exchange rate fluctuations on non-controlling interests	0.0	0.0
Other variation	0.0	0.1
Non-controlling interests at year-end	2.6	2.9

(1) Related to the acquisition of non-Group interests in LSL.

4.11 Indebtedness

4.11.1 Loans and financial debts

4.11.1.1 Changes in financial indebtedness

In millions of euros	09-30-19	Increases	Decreases	Change in consolidation scope[2]	IFRS 16[3]	Other variation	Foreign exchange differences	09-30-20
Loans from financial institutions[1]	229.7	235.6	(0.3)	0.9		(40.8)	(0.6)	424.5
Miscellaneous financial debt	1.4	0.2	0.1				(0.2)	1.4
Debts linked to finance leases	93.7	37.3		1.9		(25.4)	(0.1)	107.4
Operating lease liabilities		8.8		0.6	45.9	16.4		38.9
Non-current financial debt	324.8	281.9	(0.2)	3.4	45.9	(82.6)	(0.9)	572.2
Loans from financial institutions[1]	49.7	36.8	(77.6)	25.4		40.8	(0.3)	74.9
Miscellaneous financial debt	0.2	0.2	(0.2)	0.2				0.4
Debts linked to finance leases	27.8		(21.7)	0.9		25.4	(0.1)	32.3
Operating lease liabilities			(21.2)	0.4	19.2	16.4		14.8
Bank overdrafts	7.0		(15.2)	16.7				8.5
Current financial debt	84.7	37.0	(135.9)	43.6	19.2	82.6	(0.4)	130.9
Total financial debt	409.5	318.9	(136.2)	46.9	65.1		(1.2)	703.1

(1) See notes 4.11.1.4 to 4.11.1.7 inclusive for details on the main credit lines.
(2) See note 3 – Change in consolidation scope.
(3) First-time adoption of IFRS 16.

4.11.1.2 Maturity profile of loans and financial debt

Maturity profile of non-discounted contractual cash flows from financial debt excluding amortized cost, factoring debt and bank overdrafts

In millions of euros	09-30-20	09-30-21	09-30-22	09-30-23	09-30-24	09-30-25	09-30-26 and beyond
Syndicated loan	240.0	30.0	30.0	30.0	30.0	120.0	
EIB loan	130.0		13.0	13.0	13.0	13.0	78.0
Lease liabilities	193.3	47.0	38.6	30.5	24.3	18.6	34.3
Other medium- and long-term lines	115.1	27.7	24.0	21.0	18.8	9.0	14.6
Miscellaneous financial debt	1.8	0.4				1.2	0.2
Total financial debt excluding amortized cost, factoring, and bank overdrafts	680.3	105.1	105.7	94.5	86.1	161.8	127.1
Amortized cost of syndicated credit	(3.0)						
Factoring debt	17.3						
Bank overdrafts	8.5						
Total financial debt	703.1						

The detail of other medium- and long-term lines can be found in notes 4.11.1.4 to 4.11.1.7 inclusive.

4.11.1.3 Financial debt by main currencies

In millions of euros	09-30-20	Euro	American dollar	Canadian dollar
Loans from financial institutions	424.5	418.7		5.8
Miscellaneous financial debt	1.4	1.3		0.1
Debts linked to finance leases	107.4	105.9	1.5	
Operating lease liabilities	38.9	38.9		
Non-current financial debt	572.2	564.8	1.5	5.9
Loans from financial institutions	74.9	71.1	1.9	1.9
Miscellaneous financial debt	0.5	0.5		
Debts linked to finance leases	32.3	31.7	0.6	
Operating lease liabilities	14.8	14.8		
Bank overdrafts	8.5	7.9	0.6	
Current financial debt	130.9	125.9	3.1	1.9
Total financial debt	703.1	690.7	4.6	7.8

4.11.1.4 Characteristics of main credit lines

Denomination	Currency	Nominal amount *In millions of currency*	Rate/Index	Final maturity date	Book value at 09-30-20 *In millions of euros*	Book value at 09-30-19 *In millions of euros*
Syndicated loan[(1)]	EUR	240.0	Euribor 6M	03/31/2025	240.0	31.8
Revolving credit[(1)]	EUR	100.0	Euribor 6M	03/31/2025		
EIB loan	EUR	130.0	1.127%	08/02/2031	130.0	130.0
Canada Loan - 2018 - 1	CAD	5.2	4.080%	07/06/2025	2.4	3.0
Canada Loan - 2017 - 1	CAD	9.0	3.340%	04/01/2024	3.2	4.2
United States Loan - 2018 - 1	USD	3.0	Libor USD 3M	06/01/2021	0.6	1.6
France Loan - 2020 - 1	EUR	10.0	1.45%	08/25/2032	10.0	20.0
France Loan - 2020 - 2	EUR	3.0	0.48%	06/30/2027	2.9	20.0
France Loan - 2020 - 3	EUR	3.0	0.48%	06/30/2027	2.9	20.0
France Loan - 2020 - 4	EUR	5.0	0.63%	08/25/2025	5.0	20.0
France Loan - 2019 - 1	EUR	20.0	Euribor 3M	09/02/2024	16.0	20.0
France Loan - 2019 - 2	EUR	3.3	1.419%	12/30/2029	3.1	3.3
France Loan - 2019 - 3	EUR	3.0	0.980%	02/20/2026	2.4	2.8
France Loan - 2019 - 4	EUR	5.0	0.960%	05/31/2026	5.0	5.0
France Loan - 2019 - 5	EUR	4.0	1.250%	12/01/2025	3.5	3.8
France Loan - 2018 - 1	EUR	5.0	1.360%	04/30/2025	4.8	5.0
France Loan - 2018 - 2	EUR	5.5	1.650%	06/05/2030	4.5	5.0
France Loan - 2017 - 1	EUR	5.0	2.190%	10/30/2024	4.3	4.8
France Loan - 2017 - 2	EUR	3.0	1.250%	06/01/2022	1.4	1.7
France Loan - 2017 - 3	EUR	5.0	2.190%	10/30/2024	4.3	4.8
France Loan - 2017 - 4	EUR	6.0	1.200%	10/30/2022	2.7	3.3
France Loan - 2017 - 5	EUR	4.0	1.200%	10/30/2022	1.7	2.1
France Loan - 2017 - 6	EUR	10.0	0.850%	09/30/2024	5.8	7.2
France Loan - 2017 - 7	EUR	2.1	2.410%	09/08/2024	1.2	1.5
France Loan - 2016 - 1	EUR	5.0	0.610%	06/22/2024	2.7	3.1
France Loan - 2016 - 2	EUR	5.0	0.610%	06/22/2024	2.7	3.1
France Loan - 2016 - 3	EUR	8.0	1.250%	10/30/2021	2.0	2.9
France Loan - 2013 - 1	EUR	4.0	Euribor 3M	05/05/2023	1.3	1.5
Other borrowings - Outstandings < 1.5m EUR					20.0	12.5
Non-recurring lease liabilities					146.3	93.7
Recurring lease liabilities					47.0	27.8
Miscellaneous financial debt	EUR				1.8	1.6
Amortized cost of syndicated credit	EUR				(3.0)	(0.6)
Syndicated factoring[(2)]	EUR	300.0		12/31/2021	17.3	16.0
Confirmed and unconfirmed bilateral lines	EUR	158.2			8.5	7.0
Total financial debt					703.1	409.5

(1) The Derichebourg Group has contracted a syndicated loan agreement, which, along with the EIB loan and its factoring agreements, constitutes its main sources of funding.
(2) Including €202 million from non-recourse factoring of receivables for €197.6 million in financing received as at September 30, 2020.

4.11.1.5 2020 loan agreement

On March 19, 2020, the Group entered into a loan agreement with 12 financial institutions, for the amount of €340 million and comprising a €100 million revolving loan and a €240 million repayment loan. The agreement was entered into for a five-year term, and the Group has the option of twice asking the banks to extend the final repayment date by one year.

Regarding the repayment loan, the outstanding balance at September 30, 2020 was €240 million. The annual amortization schedule is €30 million (and €120 million on the final repayment date if it occurs at the end of year 5, €90 million if it occurs at the end of year 6, €60 million if it occurs at the end of year 7).

The €100 million revolving loan had not been drawn as of September 30, 2020.

There are no securities guaranteeing the repayment of the loan.

Interest rate

The amounts drawn on these credit lines carry interest at the Euribor rate, plus a margin which is adjusted periodically based on the ratio of consolidated net financial indebtedness to consolidated Ebitda.

Early repayment obligations – Event of default

The loan agreement allows the lenders to require early repayment of the entire amount due, should a majority of the lenders request it, following the occurrence of certain common default events, particularly where an event has a significant adverse effect on the business or the financial situation of the Derichebourg Group, or on the ability of Derichebourg to service its debt.

A change of control or delisting of Derichebourg shares would constitute an event warranting mandatory early repayment.

In addition, the loan agreement provides for an obligation to make early partial repayment of the sums owing in the event of a capital increase, the issuance of shares giving access to capital or debt securities (if its maturity precedes that of the syndicated loan).

Covenants

The loan agreement also includes covenants that could theoretically limit the ability of Group companies to do the following without the lenders' consent:

- to take out additional debts;
- to grant sureties and guarantees;
- to undertake mergers, demergers or restructurings;
- to undertake certain acquisitions, beyond a certain threshold;
- to make investments over the course of a given company fiscal year that exceed the amounts set by the agreement;
- to sell assets or equity interests, except for those specified in the loan agreements;
- to redeem and/or reduce their share capital, with certain exceptions.

The loan agreement also contains commitments requiring the purchase and maintenance of insurance policies in line with practices generally accepted in the businesses of the Derichebourg Group.

4.11.1.6 Factoring agreement

The Derichebourg Group entered into a non-recourse factoring agreement with effect from January 1, 2015 for a maximum financing amount of €300 million, covering the French, Belgian, German and Italian entities of the Environmental Services and Business Services divisions. This agreement has a confirmed term of three years expiring on December 31, 2021.

The receivables covered by this agreement correspond to deliveries made or services rendered to private customers or to French public sector customers.

Each time receivables are sold, the receivables approved by the credit insurer (after deduction of any outstanding receivables previously sold without recourse) are sold without recourse. The other receivables are sold with recourse. The receivables retain their status (factored with or without initial recourse) until payment takes place.

The factor is co-insured with the Group by two different credit insurers. They are responsible for paying out any compensation under the credit insurance policy.

Interest is deducted when the receivable is sold based on the average contractual payment terms. The risk of late payment is transferred to the factors.

The dilution rate (credits, cancellation of receivables) is low.

The total receivables derecognized under factoring agreements amounted to €191.9 million as at September 30, 2020.

The Group derecognizes 95% of receivables without recourse because of the 5% unguaranteed residual amount.

4.11.1.7 EIB loan

The amount of the loan is €130 million. It is backed by the Group's investment program for the period 2019-2022.

The agreement is set to run for 12 years, with a grace period of two years, following which the loan is repayable in 10 equal annual installments.

The terms of the EIB agreement are similar to those of the syndicated loan agreement. It includes a commitment to rank the EIB on a *pari passu* basis with the Group's other lenders, and a commitment to inform the EIB if a new loan agreement comprises stricter clauses, so it can assess whether it needs to amend the agreement.

4.11.2 Net financial position

In millions of euros	09-30-20	09-30-19
Financial debt	703.1	409.5
Cash and cash equivalents	361.9	284.6
Total net debt	341.1	124.9

4.11.3 Liquidity risk

The Group uses a cash-flow management tool. This tool keeps track of the maturity of financial investments and financial assets (e.g., accounts receivable) and the estimated future cash flow from operations.

At September 30, 2020, the Group's main sources of funding were:

- a €340 million syndicated loan agreement signed in March 2020, with an authorized outstanding amount of €340 million. It includes a five-year loan for €240 million, repayable in equal annual installments (outstanding amount authorized and drawn of €240 million as at September 30, 2020), and a five-year usable revolving loan in the sum of €100 million, repayable at maturity. The next installment for the repayment loan is due on March 31, 2021 and amounts to €30 million. At September 30, 2020, there was no drawdown being made under the revolving credit;
- a non-recourse factoring agreement came into effect on January 1, 2015. Its initial two-year term was renewed twice, in April 2016 and November 2018, extending the maturity to the end of December 2021 and its limit to €300 million (subject to receivables available). The factor purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse beyond that amount. The total receivables that may be derecognized by the Group is thus dependent on the total receivables available and the credit insurers' authorized limits. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by the Group. The amount drawn down from this line as at September 30, 2020 is €197.6 million, for a contribution to net debt of €17.3 million;
- €125 million in medium-term borrowings, of which €115.1 million had been drawn down;
- a loan agreement with the European Investment Bank for €130 million;
- leasing agreements, for which the amount outstanding as at September 30, 2020 was €193.3 million;
- bilateral credit lines, whether confirmed or not, totaling €158.2 million, which are not used since the Group's net cash position is €353.4 million at September 30, 2020.

Financial ratios

The syndicated loan agreement requires the Group to maintain the following financial ratios:

- the annual leverage ratio, being the ratio of (a) consolidated net financial debt to (b) consolidated Ebitda, on each calculation date and over a rolling 12-month period ending on each calculation date, must be less than 3.00.

At September 30, 2020, the leverage ratio was 1.84;

- the debt service coverage ratio, i.e. the ratio of (a) consolidated cash flow before debt service to (b) net financial expenses on each calculation date and over a rolling 12-month period ending on each calculation date considered, must be greater than 5.

At September 30, 2020, the coverage ratio stood at 15.08.

The Group was in compliance with its financial covenants on September 30, 2020.

Given the liquidity margin of €621 million at September 30, 2020, and based on business and investment forecasts, the Group estimates that it has sufficient financial lines to meet its payments over the 12 months from September 30, 2020.

4.12 Financial instruments

The Group uses certain financial instruments to reduce risks related to interest rates, exchange rates affecting its commercial activities and raw material prices.

4.12.1 Market value of financial instruments

To determine the fair value of financial instruments, the Group uses the following fair value hierarchy, according to the valuation methods used:

- level 1: the prices listed for identical assets or liabilities in active markets (not adjusted);
- level 2: directly or indirectly observable inputs concerning the asset or liability other than the quoted prices used at level 1;
- level 3: methods that use inputs that have a significant impact on the recognized fair value and are not based on observable market data.

On September 30, 2020, all of the Group's assets and liabilities measured at fair value are classified as level 2.

During the 2020 fiscal year, there was no change in fair-value valuations between level 1 and level 2 and no transfer to, or from, level 3.

In millions of euros	09-30-20	09-30-19
Assets at fair value through profit or loss		
Derivative instruments – assets	0.0	0.0
Assets at fair value through equity		
Derivative instruments – assets	0.0	0.0
Loans and receivables		
Non-current loans	0.0	0.0
Non-current deposits and securities	8.2	6.9
Other non-current financial assets	0.2	0.2
Current trade receivables	309.9	284.1
Current loans	0.0	0.0
Current deposits and securities	15.4	20.2
Cash and cash equivalents	361.9	284.6
Held-to-maturity investments		
None	0.0	0.0
Available-for-sale assets		
Equity interests	1.7	1.7
Liabilities at fair value through profit or loss		
Derivative instruments – liabilities	2.2	1.2
Liabilities at fair value through equity		
Derivative instruments – liabilities	0.1	1.6
Other liabilities		
Syndicated loan	237.0	31.2
Other non-current financial debt	365.2	304.3
Debts trade payables	256.1	258.7
Other current financial liabilities	0.4	0.4
Short-term loans and bank overdrafts	100.5	73.8

4.12.2 Market value of derivative instruments

		09-30-20		09-30-19	
In millions of euros		Assets	Liabilities	Assets	Liabilities
Derivatives for interest-rate risks	Cash flow hedge		2.2		2.5
Derivatives for exchange-rate risk	Cash flow hedge	0.0	0.1	0.0	0.2
Amount of derivatives in the consolidated balance sheet		0.0	2.3	0.0	2.7

4.12.3 Interest rate risks

The Group determines the desired split of debt between fixed and variable rates based on forecast trends for interest rates and the hedging requirement set forth in the syndicated loan agreement. At September 30, 2020, 40% of the debt was under a variable rate.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses and manage the fixed/variable rate split of its debt.

The Group's variable-rate debt is fully hedged. A 1% change in the three month Euribor would have no impact on the Group's financial statements.

Breakdown of debt between fixed and variable rates

	09-30-20			09-30-19		
In millions of euros	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Financial liabilities	421.2	273.4	694.6	326.6	75.9	402.5
Cash and cash equivalents		8.5	8.5		7.0	7.0
Total financial liabilities	421.2	281.9	703.1	326.6	82.9	409.5
%	60%	40%	100%	80%	20%	100%

Net financial position after hedging

	09-30-20			09-30-19		
In millions of euros	Less than 1 year	From 1 to 5 years	Beyond that period	Less than 1 year	From 1 to 5 years	Beyond that period
Non-current financial debt		445.1	127.1		207.7	117.0
Current financial debt	130.9			84.8		
Financial liabilities	130.9	445.1	127.1	84.8	207.7	117.0
Non-current financial assets (excluding investment securities)		(4.3)	(4.0)		(5.0)	(2.1)
Current financial assets	(15.4)			(20.2)		
Cash and cash equivalents	(361.9)			(7.0)		
Financial assets	(377.3)	(4.3)	(4.0)	(27.2)	(5.0)	(2.1)
Net position before hedging	(246.4)	440.7	123.1	57.6	202.7	114.9
Interest rate derivatives		(170.0)			(50.0)	
Net position after hedging	(246.4)	270.7	123.1	57.6	152.7	114.9

Derivative interest rate instruments by maturity

In millions of euros	Initial rate	Less than 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Variable rate -> fixed rate derivative instruments:					
SWAP ARKEA EUR	0.56%			50.0	
CAP BNP EUR	0.00%			40.0	
CAP CMUT EUR	0.00%			20.0	
CAP LCL EUR	0.00%			20.0	
CAP SGN EUR	0.00%			40.0	
Total derivative interest rate				170.0	

4.12.4 Foreign exchange risk

Exchange rates used

		2020		2019	
In euros	Foreign currencies	Year-end	Average	Year-end	Average
Canada	CAD	1.5676	1.5063	1.4426	1.4971
China	CNY	7.9720	7.8460	7.7784	7.7957
United States	USD	1.1708	1.1199	1.0889	1.1281
Mexico	MXN	26.1848	23.7171	21.4522	21.8837
United Kingdom	GBP	0.9124	0.8785	0.8857	0.8841
Turkey	TRY	9.0990	7.2972	6.1491	6.3239

Generally, the Group's revenue is generated in the same currency as the related costs. Accordingly, the Group has little exposure to foreign exchange risk, and business transactions made in a non-local currency (mostly dollar-denominated exports from France) are generally hedged with forward contracts. Euro movements against the US dollar do, however, have a significant impact on the translation of Environmental Services division revenue and operating income into euros.

The Group uses foreign exchange forward contracts to hedge its foreign exchange risk.

In millions of currency	USD
Forward purchases	
Forward sales	19.5

Accounts receivable, tax receivables and other current assets by currency

	Receivables at 09-30-20			Receivables at 09-30-19		
In millions of currency	Local currency	Euro	%	Local currency	Euro	%
CAD	4.2	2.7	1%	6.3	4.4	1%
CNY	0.5	0.1	0%			0%
EUR	369.0	369.0	97%	329.9	329.9	95%
GBP			0%	0.2	0.3	0%
MXN	54.8	2.1	1%	85.0	4.0	1%
TRY			0%	4.8	0.8	0%
USD	9.9	8.4	2%	12.1	11.1	3%
Total		382.3	100%		350.4	100%

Trade payables, tax liabilities and other current liabilities

	Payables at 09-30-20			Payables at 09-30-19		
In millions of currency	Local currency	Euro	%	Local currency	Euro	%
CAD	1.8	1.1	0%	2.2	1.5	0%
CNY	0.2		0%			0%
EUR	523.0	523.0	99%	508.2	508.2	99%
GBP			0%	0.2	0.2	0%
MXN	33.5	1.3	0%	40.3	1.9	0%
TRY			0%	2.4	0.4	0%
USD	5.8	5.0	1%	5.8	5.4	1%
Total		530.4	100%		517.5	100%

The following table shows the sensitivity of profit before tax, before and after hedging, to a reasonable change in the US dollar exchange rate, all other variables being constant.

		09-30-20		09-30-19	
In millions of euros		Before hedging	After hedging	Before hedging	After hedging
CAD	+5%	(0.1)	(0.1)	(0.2)	(0.2)
	-5%	0.1	0.1	0.2	0.2
USD	+5%	(0.5)	0.3	(0.8)	(0.3)
	-5%	0.5	(0.4)	0.9	0.4
Total	+5%	(0.6)	0.2	(1.0)	(0.6)
	-5%	0.6	(0.2)	1.1	0.6

4.12.5 Credit or counterparty risk

Financial transactions (i.e. loans, hedges on currencies, interest rates and raw materials) are carried out with leading financial institutions for the purpose of reducing risk.

To reduce counterparty risk on domestic, export and foreign accounts receivable, Environmental Services and Business Services systematically apply for credit insurance to cover 95% of this risk on these receivables, excluding taxes. The credit insurer may however sometimes refuse coverage based on its assessment of a customer's solvency. Exposure to customer risk is regularly compared to the credit insurer's authorized limits.

For several years now, the Group has implemented a very strict policy of monitoring customer outstandings and systematically issuing routine reminders for overdue outstandings.

The Business Services business has a very large portfolio of customers that represents all sectors of the French economy. Its credit risk is therefore proportionate to the risk that the French economy itself will fail, and without the risk that the default of any single customer could threaten the Group's survival.

Aging of accounts receivable (gross values excluding doubtful receivables)

In millions of euros	Total outstanding 09-30-20	Not due	<1 month	<4 months	>4 months
Environmental Services	159.4	124.6	15.3	6.4	13.1
Business Services	148.0	84.6	20.9	24.3	18.2
Holding companies	2.6	2.3			0.3

Total	310.0	211.5	36.2	30.7	31.6

Despite the turbulent environment, the Group has not yet observed any significant increase in payment delays and customer credit risk is €1.4 million. The Group considers that its other loans do not constitute a substantial risk, except for certain receivables more than four months overdue.

4.12.6 Raw materials risk

In the normal course of its business, the Group enters into few forward contracts to buy or sell ferrous or non-ferrous metals, and these contracts generally do not require a firm price commitment beyond one month. Depending on whether metal prices rise or fall, the Group may have to purchase or sell at a price less favorable than when the contract was entered into to honor a contract. However, the Group's risk practice is to only enter into a contract to sell when a purchase has been made. Three specialist companies, aluminum refiner Refinal, and non-ferrous metals traders Inorec and Coframétal, may make buy or sell commitments before finding a counterparty for the transaction. They may hedge these transactions on the London Metal Exchange. (Other Group companies may also hedge transactions on the LME, but this is exceptional).

The Group may therefore have to sell its inventories of processed metal goods to its customers for less than the initial purchase price if the market price for these goods declines between the time of purchase and the time of sale. The volatility of the prices of different metals may create exceptional "price effects" which the Group endeavors to limit by holding low levels of stock.

4.13 Non-current provisions and provisions for employee benefits

4.13.1 Change in non-current provisions

In millions of euros	09-30-19	Provisions	Reversals used	Write backs not used	Change in consolidation scope[1]	Other variation	Foreign exchange differences	09-30-20
Provisions for labor disputes	5.0	1.9	(1.2)	(0.6)		0.0		5.1
Provisions for other disputes	2.8	3.3	(0.4)	(0.1)	3.8	0.3	0.0	9.6
Provisions for Urssaf disputes	8.9	0.5				(0.3)		9.1
Provisions for guarantees	0.6	0.0	(0.5)					0.1
Provisions for service awards	2.6	0.3	(0.1)	(0.2)	0.0			2.6
Provisions for tax audit					0.1			0.1
Provisions for restructuring	0.3	0.2	(0.3)					0.2
Environmental provisions[2]	3.7	3.7	(0.7)				(0.1)	6.6
Other non-current provisions	0.0					0.0	0.0	0.0
Total	23.7	10.0	(3.2)	(0.9)	3.9	0.0	(0.1)	33.4

(1) See note 3 – Change in consolidation scope.
(2) Provisions for the year include an additional provision of €2.3 million for the monitoring of a former landfill site in Italy.

4.13.2 Provisions for employee benefit obligations

In France, Group employees benefit from State pension plans and from retirement benefits paid by the employer in accordance with the collective agreements in force at each subsidiary.

In other countries, the plans depend on local legislation, the type of business and the past practices of the subsidiary concerned.

The projected costs and obligations recognized in the consolidated financial statements have been determined based on the following actuarial assumptions:

Actuarial assumptions for Business Services	Euro zone 2019/2020	Euro zone 2018/2019
Discount rate	0.60%	0.50%
Rate of inflation	2.00%	2.00%
Long-term forecast salary growth rate	2.00%	2.00%
Expected return on assets		
– shares		
– fixed assets		
– liquidity		
– bonds		
– hedge funds		
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	Internal to the Company, applied to each employee	Internal to the Company, applied to each employee
Retirement age	Voluntary departure at 62 years of age for non-executives	Voluntary departure at 62 years of age for non-executives
	Voluntary departure at 62 years of age for executives	Voluntary departure at 62 years of age for executives

Actuarial assumptions for Environmental Services and Holding companies	Euro zone 2019-2020	Euro zone 2018-2019
Discount rate	0.60% to 1.20%	0.50% to 0.70%
Long-term forecast salary growth rate	0% to 2%	0% to 2%
Expected return on assets		
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	Insee tables adapted to the Group's turnover	Insee tables adapted to the Group's turnover
Retirement age	Voluntary departure at 62 years of age for non-executives	Voluntary departure at 62 years of age for non-executives
	Voluntary departure at 62 years of age for executives	Voluntary departure at 62 years of age for executives

For Environmental Services and Business Services in France, the discount rate used in this measurement is 0.60%.

IAS 19 specifies that the discount rate must be equal to the yield paid on high-quality corporate bonds having the same maturity as the commitment.

In the euro zone, the yield on high-quality corporate bonds (AA) at the measurement date was 0.47% according to the IBOXX benchmark

The discount rate actually used in this valuation complies with IAS 19.

In millions of euros	09-30-19	Provisions	Reversals used	Write backs not used	Changes in consolidation scope	Other variation	09-30-20
Employee benefits	49.6	4.0	(0.8)		(0.1)	(1.9)	50.8

In millions of euros	2020	2019	2018
Actuarial value of commitments at opening	49.6	42.6	43.2
Current service cost	3.7	3.4	3.2
Interest expense	0.3	0.7	0.7
Actuarial gains and losses related to experience	(1.3)	1.6	1.5
Actuarial gains and losses related to changes to the actuarial assumptions	(0.6)	5.3	0.1
Employee contributions			
Benefits paid	(0.8)	(3.8)	(3.6)
Acquisitions, disposals, liquidations			
Change in scope	(0.1)		
Impact of IFRS 5		(0.1)	(2.4)
Foreign exchange differences			
Actuarial value of commitments at closing	50.8	49.6	42.6
Fair value of plan assets at opening	0.0	0.0	0.0
Interest income			
Expected return on assets other than interest			
Administrative costs			
Contributions by employer	0.8	3.8	3.6
Employee contributions			
Benefits paid	(0.8)	(3.8)	(3.6)
Assets distributed on settlement			
Changes in scope			
Impact of IFRS 5			
Foreign exchange differences			
Fair value of plan assets at closing	0.0	0.0	0.0
Provisions recognized on the balance sheet			
Actuarial value of commitments	50.8	49.6	42.6
Fair value of assets	0.0	0.0	0.0
Net value of commitments	50.8	49.6	42.6
Amounts recognized in profit or loss			
Current service cost	3.7	3.4	3.1
Financial cost	0.3	0.7	0.7
Administrative costs			
Gains/Losses on settlements			
Total	4.0	4.1	3.8
Analysis of amount recognized in other comprehensive income			
Expected return on assets other than interest	0.0	0.0	0.0
Actuarial gains and losses related to experience	1.3	(1.6)	(1.5)
Actuarial gains and losses related to changes to the actuarial assumptions	0.6	(5.3)	(0.1)
Total gains/(losses) recognized in other comprehensive income	1.9	(6.8)	(1.6)
Provisions at the beginning of the year	49.6	42.6	43.2
Net expense for the year	4.0	4.1	3.9
Impact on comprehensive income	(1.9)	6.8	1.6
Benefits paid	(0.8)	(3.8)	(3.6)
Others	(0.1)		
Impact of IFRS 5		(0.1)	(2.4)
Foreign exchange differences			
Provisions at year-end	50.8	49.6	42.6

4.14 Current provisions

In millions of euros	09-30-19	Provisions	Reversals used	Write backs not used	Change in consolidation scope[1]	Other variation	Foreign exchange differences	09-30-20
Provisions for disputes	2.3	1.9	(0.4)	(0.2)	(0.1)	(0.1)		3.4
Current account provisions and liability guarantee	0.0	0.1						0.1
Provisions for restructuring	0.0	0.9						0.9
Provisions for taxes	0.0							0.0
Environmental provisions	0.1							0.1
Other provisions	0.2		(0.2)			0.1		0.1
Total	2.6	2.9	(0.6)	(0.2)	(0.1)	0.0	0.0	4.6

(1) See note 3 – Change in consolidation scope.

4.15 Other current liabilities

In millions of euros	09-30-20	09-30-19
Trade payables	254.5	257.1
Tax payables	4.7	7.7
State and payroll taxes	224.1	218.0
Advances and payments on account received on orders	14.8	10.9
Current account credit balances	0.6	0.6
Miscellaneous liabilities	14.2	9.6
Deferred income	17.5	13.6
Other current liabilities	271.2	252.7

4.16 Other non-current liabilities

In millions of euros	09-30-20	09-30-19
Trade payables	1.7	2.3
Deferred income	1.5	0.9
Other non-current liabilities	3.2	3.2

4.17 Segment reporting

The segments shown correspond to the two branches of Derichebourg's business: Environmental Services and Business Services.

Each of these segments produces and provides goods and services and represents a group of cash generating units monitored each month by General Management through its management report.

The scope of segment reporting is unchanged from the previous year.

4.17.1 By business segment

4.17.1.1 Revenue

In millions of euros	2020	2019	Change in %
Environmental Services	1,627.4	1,846.7	(11.9%)
Business Services	836.2	857.6	(2.5%)
Holding companies	0.4	0.8	(43.7%)
Total	2,464.1	2,705.0	(8.9%)

4.17.1.2 Consolidated income statement items

In millions of euros	Environmental Services	Business Services	Holding companies	Inter-segment eliminations	Total at September 30,
2020					
External revenue	1,631.5	850.9	31.9	(50.2)	2,464.1
Inter-segment revenue	(4.1)	(14.7)	(31.4)	50.2	0.0
Revenue	1,627.4	836.2	0.4	0.0	2,464.1
Recurring operating profit (loss)	52.5	18.1	(8.2)		62.4
Operating profit (loss)	53.7	10.9	(8.4)		56.2
Net income from associates	0.4				0.4
2019					
External revenue	1,850.4	871.8	33.3	(50.4)	2,705.0
Inter-segment revenue	(3.7)	(14.2)	(32.5)	50.4	0.0
Revenue	1,846.7	857.6	0.8	0.0	2,705.0
Recurring operating profit (loss)	88.2	21.3	(6.4)		103.1
Operating profit (loss)	87.5	16.4	(6.4)		97.5
Net income from associates	2.4				2.4

4.17.1.3 Other segment reporting

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at September 30,
2020					
Total assets (current and non-current)	1,246.8	570.1	562.3	(504.0)	1,875.1
Assets associated with held-for-sale assets					
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	800.5	405.7	648.7	(504.0)	1,350.9
Liabilities associated with held-for-sale assets					
Total liabilities (current and non-current excluding shareholders' equity)	800.5	405.7	648.7	(504.0)	1,350.9
Flows at September 30, 2020					
Tangible and intangible capital investments	58.6	9.7	1.7		70.0
Rights of use	31.7	7.5	0.1		39.3
Tangible and intangible amortization	(51.1)	(11.0)	(2.3)		(64.4)
Amortization of rights of use	(38.9)	(14.9)	(0.6)		(54.5)
Impairment					
2019					
Total assets (current and non-current)	1,005.8	553.8	518.3	(526.4)	1,551.5
Assets associated with held-for-sale assets		5.8			5.8
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	698.6	391.0	462.9	(526.4)	1,026.0
Liabilities associated with held-for-sale assets		4.6	0.8		5.4
Total liabilities (current and non-current excluding shareholders' equity)	698.6	395.5	463.7	(526.4)	1,031.4
Flows at September 30, 2019					
Tangible and intangible capital investments[(1)]	125.9	15.9	2.8		144.6
Tangible and intangible amortization[(1)]	(74.1)	(11.7)	(2.5)		(88.3)
Impairment	(0.2)				(0.2)

(1) These amounts include restatements required under IAS 17.

4.17.2 Information by geographic location

In millions of euros	Continental Europe	France	North and South America	Africa	Middle East	Asia	Total at September 30
2020							
Revenues (origin of sales)	542.5	1,779.4	140.3		1.7	0.3	2,464.1
Tangible and intangible capital investments	10.4	86.1	4.1				100.6
Tangible and intangible amortization	(13.1)	(74.5)	(10.9)				(98.5)
Total net tangible assets	144.8	310.5	44.2				499.5
2019							
Revenues (origin of sales)	323.1	2,161.1	170.6	47.5	2.7		2,705.0
Tangible and intangible capital investments	15.3	121.5	6.7	1.1	0.0		144.6
Tangible and intangible amortization	(7.8)	(66.8)	(10.7)	(3.1)	(0.0)		(88.5)
Total net tangible assets	56.8	419.2	63.1		0.1		539.2

4.18 Change in provisions

In millions of euros	2020	2019
Provisions on current assets	(2.0)	(1.5)
Provisions for liabilities and charges	(9.1)	(5.0)
Total	(11.0)	(6.5)

4.19 Other operating expenses and income

In millions of euros	2020	2019
Proceeds from sale of property, plant and equipment	1.8	1.3
Production of assets for own use	0.5	2.0
Write backs of provisions on property, plant and equipment	0.3	0.4
Write backs of provisions on current assets[(1)]	1.4	6.8
Write backs of provisions for liabilities and charges	4.9	8.7
Transfers of operating expenses	2.7	3.9
Operating and investment subsidies	1.5	1.2
Others	2.1	1.4
Total other operating income	15.4	25.7
Carrying amount of non-current assets sold	(1.8)	(0.2)
Losses from irrecoverable and written-off receivables[(2)]	(1.2)	(7.0)
Duties and licenses	(5.7)	(6.8)
Board members/attendance fees paid	(0.2)	(0.2)
Others	(3.6)	(3.5)
Total other operating expenses	(12.5)	(17.6)

(1) Of which €4.5 million in write backs for impairment of trade receivables of Vigimark Sûreté in 2019 (see note 4.26 to the 2013 financial statements).
(2) Of which €4.5 million in losses for irrecoverable trade receivables of Vigimark Sûreté in 2019 (see note 4.26 to the 2013 financial statements).

4.20 Other non-recurring expenses and income

	2020	2019	
Italy – Increase in monitoring costs for former landfill	(2.3)	(5.0)	Nuclear engineering company contracts
Recycling Spain – Post-acquisition restructuring	(1.2)		
Recycling France – Restructuring	(1.6)		
Aeronautics division – Restructuring	(5.6)		
Holding companies – Restructuring	(0.2)		
Total other non-recurring expenses	(10.9)	(5.0)	
Collection – win on appeal in Veolia litigation	3.7	0.1	Others
Other non-recurring income	3.7	0.1	

In the Environmental Services business

- Profit of €3.7 million following the victory on appeal in the proceedings initiated by Veolia relating to the 2014 transfer of personnel on household waste collection contracts in Paris (11th, 18th and 19th arrondissements);
- Cost of restructuring initiated at Lyrsa after the acquisition (€1.2 million);
- Cost of restructuring initiated in the various French recycling subsidiaries following the very sharp drop in volumes during the lockdown period (€1.6 million);
- Revaluation of monitoring costs for the next 30 years of the CRS landfill (Italy) (€2.3 million).

In the Multiservices business

- Major restructuring costs of €5.6 million in subsidiaries related to the aeronautics cycle, including:
  - €3.6 million in severance costs for the 163 employees of Derichebourg Aeronautics Services France who refused the Collective Performance Agreement;
  - €0.9 million for a redundancy plan at Derichebourg Aeronautics Recruitment France;
  - €0.9 million for a redundancy plan at Derichebourg Atis Iberica;
  - €0.2 million of restructuring costs in the German subsidiary.

In the Holding companies business

- Restructuring costs of €0.2 million incurred due to the lockdown.

4.21 Gain/loss on disposal of consolidated companies

	2020	2019	
Italy – disposal AEP Multiservizi	(2.3)	(0.8)	France – Derichebourg Services & Ingénierie nucléaire
France – loss of exclusive control of water treatment and distribution subsidiaries	(2.8)	(0.7)	Belgium – liquidation of CPI & Bas Long Prés
England – disposal of Derichebourg Aviation & Energy Resources	(0.2)	0.6	Morocco – disposal of household waste collection and waste treatment business
Turkey – disposal of Derichebourg Tesis Yonetimi	(1.4)	0.1	Italy – disposal of household waste collection and waste treatment businesses
Spain – Reyfra, change of consolidation method	7.7		
Gain/loss on disposal of consolidated companies	(1.0)	(0.8)	

4.22 Net financial expenses

To provide a better assessment of the debt service cost, net financial expenses have been calculated between financial expenses and financial income from investments made, and after taking into account the effect of interest-rate hedges.

Any amounts not falling within the above definition are, where applicable, shown on a separate line.

In millions of euros	2020	2019
Interest on loans, bank overdrafts and factoring	(9.3)	(7.9)
Interest on current accounts		
Leasing interests	(2.3)	(1.4)
Dividends		
Income from investment securities and cash equivalents	(0.2)	
Interest-rate hedges and other financial income and expenses	(0.5)	(0.5)
Net financial expenses	(12.3)	(9.7)
Foreign exchange gains and losses	1.3	0.3
Interest expense on retirement and pension plans	(0.3)	(0.7)
Others	(3.3)	(0.4)
Foreign exchange and other gains and losses	(2.3)	(0.8)

4.23 Income tax

4.23.1 By type

In millions of euros	2020	2019
Income before tax from consolidated companies	41.5	87.0
Current income tax	(21.8)	(34.6)
Deferred tax	2.3	4.1
Total income tax expense	(19.5)	(30.5)
Effective tax rate	(47.0%)	(35.1%)

The French Finance Law for 2019 maintained the standard corporate tax rate of 34.43% for fiscal years beginning in 2019.

4.23.2 Actual income tax expense

	2020	2019
Theoretical tax income or expense	(14.3)	(30.0)
Impact of tax rate changes	(0.4)	(0.1)
Recognition/Limitation of deferred tax assets	(3.3)	1.9
Permanent tax differences	(1.3)	0.8
Permanent differences linked to consolidation adjustments	(0.3)	(3.5)
Differences in tax rates applicable to foreign companies	(0.0)	0.4
Actual tax income	(19.5)	(30.5)

The Group's actual Income tax expense was calculated on the basis of income from continuing operations before tax, restated for the Group's share of income from associated companies.

For fiscal year 2020, the Group's actual income tax expense was reconciled on the basis of a tax rate of 34.43%, as for 2019.

4.23.3 Tax consolidation

The Derichebourg Group has opted in France for the tax consolidation regime which allows it to offset the taxable results of its French subsidiaries where the direct or indirect holding is greater than 95%. The consolidated companies affected by this regime have signed an agreement setting out the methods for applying the tax consolidation, in accordance with the rules established by the tax administration.

The consolidated tax Group is made up of the following companies:

DERICHEBOURG SA	ESKA	REFINAL INDUSTRIES
AFM RECYCLAGE	EXADIANE SCI	REVIVAL
BERNES ET BRUYÈRES SCI	FRANORA SCI	SCI ROUTABOULE
BERTHELOT VILLENEUVE SCI	GROUPE ALTER SERVICES	SCI ROUX
BOLTON	GARE DE CHANDIEU SCI	ULTEAM
CFF BETA SCI	INOREC	VALME TECHNOLOGIES
CFF SIGMA SCI	INOTERA SCI	WESTEVER
COFRAMETAL	LE BISON GOURMAND	
DERICHEBOURG AERONAUTICS RECRUITMENT FRANCE	POLY-ENVIRONNEMENT	
DERICHEBOURG AERONAUTICS SERVICES FRANCE	POLYAMON	
DERICHEBOURG AERONAUTICS TRAINING FRANCE	POLYANCE	
DERICHEBOURG AUTOMOBILE SERVICES	POLYBUIS	
DERICHEBOURG ÉNERGIE	POLYCEJA	
DERICHEBOURG ÉNERGIE E.P.	POLYCEO	
DERICHEBOURG ENVIRONNEMENT	POLYCOROT	
DERICHEBOURG ESPACES VERTS	POLY-MASSI	
DERICHEBOURG EXPANSION	POLY-NEA	
DERICHEBOURG FM	POLYREVA	
DERICHEBOURG IMMOBILIER SCI	POLY-SENTI	
DERICHEBOURG INTÉRIM	POLYSOTIS	
DERICHEBOURG MULTISERVICES HOLDING	POLYTIANE	
DERICHEBOURG PROPRETÉ	POLYURBAINE	
DERICHEBOURG RETAIL	POLYURBAINE NORMANDIE	
DERICHEBOURG SNG	POLY-VALIS	
DERICHEBOURG SPECTACLE	PSIMMO	
DERICHEBOURG TECHNOLOGIES	PURFER	
ÉCO-VHU SAS	PURFOLLIOULE SCI	

4.23.4 Analysis of deferred tax assets and liabilities

In millions of euros	09-30-20	09-30-19
Tax losses carried forward	11.3	7.1
Temporary differences	4.3	5.6
Restatement of regulated provisions	(5.6)	(5.8)
Social benefits	12.0	11.8
Finance leases	(1.4)	(1.3)
Elimination of intra-Group profits	1.7	1.4
Valuation differences	(16.0)	(8.0)
IFRS restatements	0.6	0.6
Other types	0.9	(2.0)
Net deferred taxes	7.9	9.4
Of which		
Deferred tax assets	31.1	26.5
Deferred tax liabilities	23.2	17.1
Net deferred taxes	7.9	9.4

In France, the Group recognizes €2.6 million in deferred tax assets relating to one entity that is not part of the tax consolidation grouping, in light of the outlook for future taxable profits.

The Group also has tax loss carryforwards for which no deferred taxes have been recognized in the amount of €12.3 million in France and €47 million abroad.

4.24 Discontinued or held-for-sale operations

None.

4.25 Earnings per share

		2020	2019
Net profit (loss) attributable to Company shareholders *(in millions of euros)*	(A)	21.3	55.6
Net profit (loss) attributable to the Group from discontinued operations *(in millions of euros)*	(B)		
Net profit (loss) attributable to the Group share after elimination of discontinued operations *(in millions of euros)*	(C)=(A-B)	21.3	55.6
Impact of dilution on net income	(D)		
Profit after dilution	(E)	21.3	55.6
Number of ordinary shares at year-end		159,397,489	159,397,489
Own shares			
Number of ordinary shares at year-end, excluding own shares		159,397,489	159,397,489
Weighted average number of ordinary shares during the year, excluding own shares	(F)	159,397,489	160,518,131
Number of ordinary shares at year-end after dilution, excluding own shares	(G)	159,397,489	159,397,489
Basic earnings per share (excluding discontinued operations) *(in euros)*	(C)/(F)	0.13	0.35
Basic earnings per share after dilution *(in euros)*	(E)/(G)	0.13	0.35
Earnings per share after income from discontinued operations *(in euros)*	(A)/(F)	0.13	0.35
Earnings per share after earnings from discontinued operations after dilution *(in euros)*	(A+D)/(G)	0.13	0.35

4.26 Commitments

4.26.1 Details of commitments given

Breakdown of off-balance sheet commitments

In millions of euros	Bonds	Guarantees	09-30-20	09-30-19
Rent	0.7	0.1	0.8	0.9
Financial Institutions - Market[1]	25.7	27.7	53.5	44.6
Environmental commitments	1.4	8.7	10.1	4.2
Temporary work[2]	14.2		14.2	12.9
Tax commitments	0.6	0.5	1.1	1.1
Others		4.1	4.1	0.4
Total	42.6	41.2	83.8	64.1

(1) Bonds given in accordance with the requirements of certain markets.
(2) Bonds given by the parent company to the financial institution issuing the guarantee required by law for the Temporary Work business.

4.26.2 Details of commitments received

- Confirmed lines of credit not used as of September 30, 2020:
  - bilateral line – Germany: €7.4 million;
  - bilateral line – Belgium: €12.5 million;
  - bilateral line – United States: $7 million;
  - bilateral line – Portugal: €4 million;
  - revolving loan (syndicated loan): €100 million.
- Retention bonds: €1.8 million

4.27 Significant litigation

4.27.1 Italy

In November 2013, the director (deputy director) of the Italian subsidiary of the Multiservices business (AEP Multiservizi) was remanded in custody, as part of an investigation into procedures for awarding public contracts in Campania. Given the block on the Company's operations likely to be caused by his incapacity, his appointment as deputy director was revoked. He has since been freed and the post-judgment measures of constraint lifted. Although the company itself was not the subject of legal action, the Group decided to anticipate the consequences of this company's situation and recorded a non-recurring provision of €4 million in its financial statements for the fiscal year ended September 30, 2016. This subsidiary was sold during the past fiscal year, without any particular guarantee given by the Group.

4.27.2 Belgium

A tax audit was conducted on the Belgian subsidiary Derichebourg Belgium relating to the identification of suppliers of metals and ferrous scraps for the years 2006 to 2010. In November 2017, the Mons Appeal Court considered that the Company had not adhered to the law concerning identification of the VAT of suppliers and

rejected the deduction of purchase invoices deemed non-compliant. This led to the payment of tax increases on a temporary basis, for €6 million, recorded as an expense during the 2017 fiscal year. The company has appealed to the Court of Cassation. On September 17, 2020, the Belgian Court of Cassation overturned the grounds of the decision of the Mons Appeal Court and referred the case back to the Liège Appeal Court. No conclusions have been drawn in the financial statements, pending the decision of the Liège Appeal Court.

4.27.3 France

- In June 2018, several subsidiaries in the household waste collection business were jointly ordered by the lower court to pay €3.7 million to entities in the Veolia Group, after a judgment by the Paris Commercial Court in proceedings relating to the terms of personnel transfer in 2014 after the Veolia Group took over household waste collection in the 11th and 19th districts of Paris from the subsidiary Polyurbaine. The Group had appealed against this judgment. The appeal judgment of March 2020 was favorable to the Group. The amount of €3.7 million paid to Veolia in 2018 was repaid during the year, recorded in non-recurring profit. Veolia has appealed to the Court of Cassation.
- The Group is often subject to Urssaf (French social security body) audits on its services activities. The subsidiary Derichebourg Atis Aéronautique was audited in fiscal year 2017-2018. Following this audit, the subsidiary made a provision in the amount of €1.5 million corresponding to a likely adjustment. It is contesting an unfunded amount of €3.2 million for meal allowances that were not subjected to social security charges, because it considers this adjustment to be unfounded.
- Derichebourg SA and the subsidiary AFM Recyclage (as the final operator) entered into an agreement with a public-private partnership representing the local authority in 2012, which was renewed in 2018 and 2019. Under this agreement, they would release land, transfer it to the public-private partnership and transfer their business to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for industrial, non-sensitive use, on the basis of preliminary studies showing a low decontamination cost. On the basis of more in-depth surveys, an estimate was made of the cost of this decontamination, and its total cost calls into question whether or not the process is cost-effective. Discussions have begun with stakeholders in order to see whether it is possible to find a solution that is acceptable to everyone. Should this not be the case, AFM Recyclage would seek to continue its activity at the site.

4.28 Related party transactions

4.28.1 Transactions with non-consolidated related parties

The Group is controlled by CFER, which holds 41.25% of the Company's share capital. The ultimate parent company is DBG FINANCES, incorporated in Belgium.

In millions of euros	30-09-20	09-30-19
DBG FINANCES	0.0	0.0
Related party receivables	0.0	0.0
DBG FINANCES	0.0	0.6
TBD FINANCES	0.9	1.1
Mrs. IDA DERICHEBOURG	0.1	NS
Related party payables	1.0	1.7
TBD FINANCES	(2.1)	(2.3)
Non-recurring expenses	(2.1)	(2.3)
DBG FINANCES	(1.3)	(1.4)
SCI FONDEYRE	NS	NS
SCI DEMUEYES	NS	NS
Mrs. IDA DERICHEBOURG	NS	NS
Operating expenses	(1.3)	(1.4)
DBG FINANCES	0.0	0.0
Revenue	0.0	0.0

4.28.2 Transactions between the Group and its partners in equity-accounted companies

09-30-20 *In millions of euros*	Trade receivables	Debts Trade payables	Loans and financial debts	Revenue	Cost of raw materials	External charges
ALSAFER		0.1			(0.7)	
DERICHEBOURG AQUA	0.1					
DERICHEBOURG AQUA OCÉAN INDIEN	0.1					
EASO		0.1		0.1	(0.5)	
VALERCO		0.1		0.1		(0.6)
Total	0.1	0.3		0.2	(1.3)	(0.6)

4.29 Employee information

4.29.1 Headcount by business segment

	09-30-20	09-30-19
Business Services	37,332	32,189
Environmental Services	4,759	4,499
Holding companies	150	145
Total headcount*	42,241	36,833

** Headcount by number of employees at year-end.*

4.29.2 Personnel expenses by type

In millions of euros	09-30-20	09-30-19
Wages and salaries	650.4	656.7
Social charges	169.9	192.6
Employee profit sharing	5.4	9.0
Furlough payments	(18.2)	
Income from Employment Competitiveness Tax Credit (CICE)		(5.2)
Other personnel expenses	5.4	2.8
Total	812.9	856.0

4.30 Executive compensation

The total amount of compensation of any kind paid by the Company, controlled companies and controlling companies to members of the Company's executive bodies at September 30, 2020 was €1.9 million. At September 30, 2019, this amount was €2.3 million.

Members of the executive bodies do not receive future benefits.

4.31 Accounting options related to the first-time adoption of IFRS

4.31.1 Business combinations

The Group has decided not to retrospectively adjust business combinations prior to October 1, 2004.

4.31.2 Property, plant and equipment

IFRS 1 allows certain types of assets to be recognized at their fair value in the opening balance sheet and for this value to be used as the deemed cost. The Group decided to apply this option specifically to some assets, and in particular, to land and improvements and to structures on owned land as of the date of transition to IFRS.

The fair value of the various real estate assets was determined based on appraisals by an external party.

The application of this option had the following impacts on equity on October 1, 2004:

- €62.7 million before tax and €40.5 million after tax on the Group's share of equity;
- €0.2 million before tax and €0.1 million after tax on non-controlling interests.

4.31.3 Translation methods

The Group elected to apply unrealized exchange gains or losses as of October 1, 2004 to its consolidated reserves. Accordingly, such gains or losses will not be recognized in income when assets are disposed of in a foreign currency.

4.32 Consolidation scope

Holding companies

Legal name	% Interest	Consolidation method
Germany		
DBG HOLDING GmbH	100.00%	FC
France		
CFF SIGMA SCI	100.00%	FC
DERICHEBOURG ENVIRONNEMENT	100.00%	FC
DERICHEBOURG MULTISERVICES HOLDING	100.00%	FC
DERICHEBOURG	100.00%	PARENT
DERICHEBOURG EXPANSION	100.00%	FC
LE BISON GOURMAND	100.00%	FC
SCEA DU CHÂTEAU GUITERONDE	100.00%	FC
SCI DE LA FÛTAIE	99.92%	FC
WESTEVER	100.00%	FC

Environmental Services

Legal name	% Interest	Consolidation method
Germany		
DERICHEBOURG UMWELT	100.00%	FC
Belgium		
DERICHEBOURG BELGIUM	100.00%	FC
Canada		
DERICHEBOURG CANADA ENVIRONNEMENT Inc.	100.00%	FC
DERICHEBOURG CANADA Inc.	100.00%	FC
Spain		
DERICHEBOURG ESPAÑA	100.00%	FC
RECUPERACIONES COLOMER SL	50.00%	EA
United States		
DERICHEBOURG RECYCLING USA	100.00%	FC
France		
AFM RECYCLAGE	99.92%	FC
ALLO CASSE AUTO	48.00%	EA
ALSAFER ENVIRONNEMENT	49.99%	EA
BARTIN RECYCLING	100.00%	FC
BERNES ET BRUYÈRES SCI	100.00%	FC
BERTHELOT VILLENEUVE SCI	100.00%	FC
BOLTON	100.00%	FC
COFRAMETAL	100.00%	FC
DERICHEBOURG IMMOBILIER SCI	100.00%	FC
DAC	50.00%	EA
DERICHEBOURG OCÉAN INDIEN	55.00%	FC
DERICHEBOURG PROPRETÉ OCÉAN INDIEN	55.00%	FC
DREYFUS	42.50%	EA
ÉCO-VHU	100.00%	FC
ENVIE AFM SUD OUEST	49.96%	EA
ESKA	100.00%	FC
EXADIANE SCI	100.00%	FC
FRANORA SCI	100.00%	FC
FRICOM	50.00%	FC
INOREC	100.00%	FC
INOTERA SCI	100.00%	FC
POLYAMON	100.00%	FC
POLYANCE	100.00%	FC
POLYBUIS	100.00%	FC
POLYCEJA	100.00%	FC
POLYCEO	100.00%	FC
POLYCOROT	100.00%	FC
POLY-ENVIRONNEMENT	100.00%	FC
POLY-MASSI	100.00%	FC
POLY-NEA	100.00%	FC
POLYREVA	100.00%	FC
POLY-SENTI	100.00%	FC
POLYSOTIS	100.00%	FC
POLYTIANE	100.00%	FC
POLYURBAINE	100.00%	FC
POLYURBAINE NORMANDIE	100.00%	FC
POLY-VALIS	100.00%	FC
PURFER	100.00%	FC
PURFOLLIOULES SCI	100.00%	FC
REFINAL INDUSTRIES	100.00%	FC
REVIVAL	100.00%	FC
REVIVAL EXPANSION	99.99%	FC
ROHR ENVIRONNEMENT	49.63%	EA
SAUR DERICHEBOURG AQUA	49.00%	EA

Legal name	% Interest	Consolidation method
SAUR DERICHEBOURG AQUA OCÉAN INDIEN	49.00%	EA
SCI ANGELA	100.00%	FC
SCI ELISA	100.00%	FC
SCI DE LA GARE DE CHANDIEU	100.00%	FC
SCI DE SAINT JEAN	100.00%	FC
SCI DES CHATELETS	100.00%	FC
SCI DES CHÊNES	100.00%	FC
SCI DES PEUPLIERS	100.00%	FC
SCI DES TILLEULS	100.00%	FC
SCI DES VARENNES	100.00%	FC
SCI LA MADELEINE	100.00%	FC
SCI ROUTABOULE	100.00%	FC
SCI ROUX	100.00%	FC
SERVALTEC SNC	100.00%	FC
VALERCO	50.00%	EA
VALERIO ET COMPAGNIE	100.00%	FC
VALME TECHNOLOGIES	100.00%	FC
VALORDIS	50.00%	FC
VOGIM SCI	80.00%	FC
Italy		
CRS	100.00%	FC
ECOPART SRL	100.00%	FC
ECOREC	100.00%	FC
Mexico		
DERICHEBOURG RECYCLING MEXICO	99.99%	FC
Portugal		
CAETANO LYRSA SA	50.00%	EA
LYRSA RECICLAGENS INDUSTRIAIS SA	100.00%	FC

Business Services

Legal name	% Interest	Consolidation method
Germany		
DAL HOLDING GmbH	100.00%	FC
DAL ZEITARBEIT	100.00%	FC
DERICHEBOURG ATIS GmbH	100.00%	FC
Belgium		
DERICHEBOURG RETAIL BELGIUM	100.00%	FC
Canada		
DERICHEBOURG AÉRONAUTIQUE CANADA	100.00%	FC
China		
DERICHEBOURG AERONAUTICS SERVICES CHINA	100.00%	FC
Spain		
CENTRO ESPECIAL DE SERVICIOS DE LIMPIEZA MADRID	100.00%	FC
DERICHEBOURG AERONAUTICS RECRUITMENT SPAIN ETT	100.00%	FC
DERICHEBOURG ATIS IBERICA	100.00%	FC
GRUPO NET	100.00%	FC
SERVICIOS INTEGRALES DE LIMPIEZA NET	100.00%	FC
United States		
AUSGAEL BY DERICHEBOURG LLC	100.00%	FC
DERICHEBOURG AERONAUTICS SERVICES USA	100.00%	FC
DERICHEBOURG AVIATION SERVICE INC	100.00%	FC
France		
CFF BETA SCI	100.00%	FC
DERICHEBOURG AERONAUTICS RECRUITMENT FRANCE	100.00%	FC
DERICHEBOURG AERONAUTICS SERVICES FRANCE	100.00%	FC
DERICHEBOURG AERONAUTICS TRAINING FRANCE	100.00%	FC
DERICHEBOURG AUTOMOBILES SERVICES	100.00%	FC
DERICHEBOURG ÉNERGIE	100.00%	FC
DERICHEBOURG ÉNERGIE E.P.	99.96%	FC
DERICHEBOURG ESPACES VERTS	100.00%	FC
DERICHEBOURG FM	100.00%	FC
DERICHEBOURG INTÉRIM	100.00%	FC
DERICHEBOURG PROPRETÉ	100.00%	FC
DERICHEBOURG RETAIL	100.00%	FC
DERICHEBOURG SPECTACLE	100.00%	FC
DERICHEBOURG SNG	100.00%	FC
DERICHEBOURG TECHNOLOGIES	100.00%	FC
GARALTER SCI	100.00%	FC
GROUPE ALTER SERVICES	100.00%	FC
IMMEDIA SERVICES	100.00%	FC
LSL	100.00%	FC
PSIMMO	100.00%	FC
ULTEAM	100.00%	FC
VIBEY ÉNERGIES	100.00%	FC
Portugal		
DERICHEBOURG FACILITY SERVICES	100.00%	FC
SAFIRA JOB	100.00%	FC

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF DERICHEBOURG S.A. FOR THE PERIOD FROM OCTOBER 1ST, 2018 TO SEPTEMBER 30, 2019

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Derichebourg
Fiscal year ended September 30, 2019

Statutory Auditors' report on the consolidated financial statements

BM&A	DENJEAN ET ASSOCIES AUDIT	ERNST & YOUNG Audit
11, rue de Laborde	19, rue de Presbourg	Tour First
75008 Paris	75116 S.A.S au capital de	TSA 14444
S.A.S. au capital de € 1.200.000	€30.000	92037 Paris-La Défense
Paris	Paris	S.A.S. à capital variable
348 461 443 RCS Paris	539 769 729 RCS PARIS	344 Commissaire aux Comptes
Commissaire aux Comptes	Commissaire aux Comptes	Commissaire aux Comptes
Membre de la compagnie	Membre de la compagnie	Membre de la compagnie
Régionale de Paris	Régionale de Paris	Régionale de Versailles

Derichebourg
Fiscal year ended September 30, 2019

Statutory Auditors' report on the consolidated financial statements

To Derichebourg's shareholders' meeting,

Opinion

In performance of the engagement entrusted to us by your shareholders' meetings, we have conducted an audit of Derichebourg's consolidated
financial statements for the fiscal year ended September 30, 2019, as attached to this report.

In our opinion, the consolidated financial statements for the fiscal year prepared in accordance with IFRS standards as adopted in the European Union give a true and fair view of the results of the profits, losses and transactions of the past fiscal year as well as the financial position and assets at year-end of the group consisting of the persons and entities included in the consolidation.

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

Basis of the opinion

- Auditing 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 audit opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Statutory Auditors in the auditing of the consolidated financial statements" section of this report.

- Independence

We conducted our audit mission in accordance with the independence rules applicable to us, from October 1, 2018 to the date of our report, and we did not, in particular, provide any services prohibited by Article 5 (1) of regulation (EU) No. 537/2014 or by the Code of ethics for the Statutory Auditor profession.

Justification of our assessments – Key audit matters

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, please note the key audit matters relating to the risks of material misstatement, which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the fiscal year, as well as the responses we provided to those risks.

These matters were addressed in the context of our audit of the 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.

- Goodwill testing

Risk identified

As of September 30, 2019, the Group's goodwill totaled €228 million, compared with a consolidated balance sheet of €1,557 million. The Group performs impairment tests on those assets, the terms of which are described in Notes 2.3.6 and 4.1.2 to the consolidated financial statements. In particular, assets tested for impairment are grouped into cash-generating units ("CGUs"). When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU can itself be determined by applying the discounted future cash flow method, which is based on assumptions about the change in each
activity and the use, notably, of a growth rate to infinity and discount rates.

We therefore considered that the valuation of goodwill was a key audit matter given the significant nature of the goodwill, and that it relies on estimates, as indicated in Note 2.2.2 to the consolidated financial statements.

Our response

We examined the procedures put in place relating to impairment tests on goodwill. We used valuation specialists to help us assess the discount rates and the growth rate to infinity used for the various CGUs. We also analyzed the consistency of cash flow forecasts with past performance and market outlooks. Lastly, we conducted sensitivity analyses on the following assumptions: discount rate, growth rate to infinity and recurring operating profit (loss) of each CGU.

Specific verifications

As required by law and regulations, and in accordance with professional standards applicable in France, we have also conducted the specific verifications of the information relating to the Group provided 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 certify that the Consolidated non-financial Statement required by Article L. 225-102-1 of the French Commercial Code is included in the information provided about the Group given in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have not conducted verifications of fairness and consistency of the information contained in this Statement with the consolidated financial statements.

Information resulting from other legal and regulatory requirements

- Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Derichebourg by your shareholders' meeting of February 7, 2018 for BM&A, of February 19, 2014 for DENJEAN ET ASSOCIÉS AUDIT and of March 15, 2007 for ERNST & YOUNG Audit.

As of September 30, 2019, BM&A was in the second uninterrupted year of its engagement, DENJEAN ET ASSOCIÉS AUDIT was in the sixth uninterrupted year of its engagement and ERNST & YOUNG Audit was in the thirteenth year, including thirteen years since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and persons comprising the corporate governance with respect to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union and to implement the internal controls that it deems necessary for the preparation of consolidated financial statements with no material misstatements, whether due to fraud or error.

In the preparation of the consolidated financial statements, management is responsible for evaluating whether the Company can continue to operate, for presenting in these financial statements, where appropriate, the necessary information relating to the continuity of operations and applying the going concern accounting convention unless there are plans to liquidate the Company or cease operations.

The Audit Committee is responsible for monitoring the financial information preparation process and for monitoring the effectiveness of the internal control and risk management systems and, as needed, of the internal audit systems as regards to the procedures relating to the preparation and processing of accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors related to the audit of the consolidated financial statements

- Purpose of audit and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatements. Misstatements may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or cumulatively, may influence the economic decisions that users of the financial statements make based on them.

As stated in Article L. 823-10-1 of the French Commercial Code, our engagement to certify the consolidated financial statements does not consist of guaranteeing the viability or quality of the Company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, a Statutory Auditor shall exercise his or her professional judgment throughout this audit. Moreover:

- it shall identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks and collect information it considers sufficient and appropriate to form its opinion. The risk that a significant anomaly due to fraud will not be detected is higher than for a significant anomaly due to an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumvention of internal controls;
- it shall review the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, not to express an opinion on the effectiveness of the internal controls;
- it shall assess the appropriateness of accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- it shall assess the appropriateness of management's application of the going concern basis of accounting and, depending on the evidence gathered, the existence or non-existence of significant uncertainty related to events or circumstances that may call into question the Company's ability to continue as a going concern. Such assessment shall be based on the information gathered up to the date of its report, but it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If it concludes that there is a significant uncertainty, it shall draw the attention of its report's readers to the information provided in the consolidated financial statements about this uncertainty or, if

this information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;

- it shall assess the overall presentation of the consolidated financial statements and evaluate whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof;
- concerning the financial information of the persons or entities included in the scope of consolidation, it shall collect information that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It shall be responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on said financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report that outlines the scope of the audit and the working program put in place, as well as the conclusions resulting from our work. We also disclose, where appropriate, the significant weaknesses in the internal controls that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit Committee are the risks of material misstatement, which we deem to have been most significant for the audit of the consolidated financial statements for the year and, as a result, constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration described in Article 6 of regulation (EU) No. 537-2014 confirming our independence, as described in the rules applicable in France as set forth in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the Code of ethics for the Statutory Auditor profession. As needed, we discuss with the Audit Committee the risks that may affect our independence and the safeguarding measures applied.

Paris and Paris-La Défense, December 9, 2019

The Statutory Auditors
French original signed by

BM&A	DENJEAN ET ASSOCIÉS AUDIT	ERNST & YOUNG Audit
Eric Seyvos	Thierry Denjean	Pierre Abily

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF DERICHEBOURG S.A.
FOR THE PERIOD FROM OCTOBER 1ST, 2018 TO SEPTEMBER 30, 2019

CONSOLIDATED BALANCE SHEET OF THE DERICHEBOURG GROUP AS AT SEPTEMBER 30, 2019

Assets *(in millions of euros)*	Note annexes	09-30-19	09-30-18
Goodwill	4.1	227.7	217.9
Intangible assets	4.1	8.0	6.2
Property, plant and equipment	4.2	539.2	480.9
Financial assets	4.3	8.8	10.5
Investments in associates and joint ventures	4.4	18.5	17.1
Deferred taxes	4.23	26.5	22.0
Other assets	4.5	0.0	0.0
Total non-current assets		828.5	754.6
Inventories	4.6	67.8	76.7
Trade receivables	4.7	284.1	286.6
Tax receivables	4.7	3.8	11.4
Other assets	4.7	62.5	82.7
Financial assets	4.7	20.2	13.8
Cash and cash equivalents	4.8	284.6	145.6
Financial instruments	4.12	0.0	0.0
Total current assets		723.0	616.9
Total non-current assets and groups of assets held for sale	4.24	5.8	41.4
Total assets		1,557.4	1,412.9

Liabilities *(in millions of euros)*	Note annexes	09-30-19	09-30-18
Share capital	4.9	39.9	41.0
Share premiums		0.8	16.5
Own shares		0.0	0.0
Reserves		427.0	379.3
Net income for the year		55.6	71.1
Group shareholders' equity		523.1	507.9
Non-controlling interests	4.10	2.9	3.8
Total shareholders' equity		526.0	511.7
Financial borrowings and debts	4.11	324.8	156.2
Provision for pensions and similar benefits	4.13	49.6	42.6
Other provisions	4.13	23.7	25.3
Deferred taxes	4.23	17.1	17.5
Other liabilities	4.16	3.2	1.7
Total non-current liabilities		418.4	243.4
Financial borrowings and debts	4.11	84.8	84.5
Provisions	4.14	2.6	4.8
Trade payables	4.15	257.1	281.2
Tax payables	4.15	7.7	3.3
Other liabilities	4.15	252.7	255.0
Financial instruments	4.12	2.7	1.1
Total current liabilities		607.6	629.9
Total liabilities related to a group of assets held for sale	4.24	5.4	27.9
Total liabilities		1,557.4	1,412.9

CONSOLIDATED INCOME OF THE DERICHEBOURG GROUP AT SEPTEMBER 30, 2019

In millions of euros	Note annexes	2019	2018
Revenue		2,705.0	2,919.7
Other revenues from operations		3.2	4.6
Purchased used		(1,210.7)	(1,437.7)
External expenses		(398.3)	(395.7)
Personnel expenses	4.29	(856.0)	(835.3)
Taxes and duties		(51.1)	(54.8)
Depreciation		(88.5)	(84.1)
Change in provisions	4.18	(6.5)	(10.7)
Change in inventory: work-in-progress and finished products		(2.0)	2.2
Other operating expenses	4.19	(17.6)	(12.7)
Other operating income	4.19	25.7	22.7
Recurring operating profit (loss)		103.1	118.3
Other non-recurring expenses	4.20	(5.0)	(13.8)
Other non-recurring income	4.20	0.1	
Gain/loss on disposal of consolidated companies	4.21	(0.8)	(8.2)
Operating profit (loss)		97.5	96.3
Net financial expenses	4.22	(9.7)	(11.7)
Foreign exchange and other gains and losses	4.22	(0.7)	(1.2)
Profit (loss) before tax		87.0	83.4
Income tax	4.23	(30.5)	(16.3)
Group share of income from associates and joint ventures	4.4	2.4	2.1
Net profit (loss)		58.9	69.2
Income net of tax from discontinued activities			3.4
Consolidated net income (loss)		58.9	72.6
Attributable:			
– to shareholders		55.6	71.1
– to non-controlling interests		3.3	1.5
Earnings per share: earnings attributable to Company shareholders *(in euros/share)*	4.25		
– basic		0.35	0.4
– diluted		0.35	0.4
Earnings per share: attributable to shareholders after net income from discontinued or held-for-sale operations *(in euros/share)*			
– basic		0.35	0.4
– diluted		0.35	0.4

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE DERICHEBOURG GROUP

In millions of euros	2019	2018
Consolidated net income (loss)	58.9	72.6
Translation differences	3.8	1.1
Cash flow hedging	(0.1)	0.0
Restatement of liabilities linked to commitments from defined benefit plans	(6.8)	(1.7)
Taxes on other comprehensive income	2.2	0.6
Income and expenses for the period recognized directly in shareholders' equity	(1.0)	0.0
Comprehensive income for the period	57.9	72.6
Of which		
– attributable to Company shareholders	54.6	71.1
– attributable to non-controlling interests	3.3	1.5

TABLE OF CONSOLIDATED STATEMENT OF CASH FLOWS OF THE DERICHEBOURG GROUP AT SEPTEMBER 30, 2019

In millions of euros	Note annexes	2019	2018
Total consolidated net profit (loss)		58.9	72.6
Consolidated net profit (loss) from held for sale or discontinued operations		0.0	3.4
Consolidated net income from continuing operations		58.9	69.2
Adjustments for:			
Elimination of profit (loss) from associates and joint ventures		(2.4)	(2.1)
Depreciation and amortization and provisions		86.2	83.7
Fair value gains (losses)		1.5	(0.7)
Elimination of gains (loss) on asset disposals		0.6	3.3
Elimination of profit (loss) from dividends		(0.0)	(0.0)
Other non-cash income and expenses		(0.1)	0.0
Operating cash flow after financing costs and income tax		144.6	153.3
Net interest expense		9.8	11.7
Income tax		30.5	16.3
Operating cash flow before financing costs and income tax		184.9	181.3
Changes in working capital requirement related to operations		0.9	10.6
Income tax paid		(20.7)	(21.7)
Cash flows from operations generated by discontinued activities		0.0	0.0
Net cash flow from operating activities		165.1	170.2
Impact of changes in scope		(4.6)	0.6
Acquisition of property, plant and equipment and intangible assets		(89.5)	(90.1)
Acquisition of financial assets		(0.4)	(0.3)
Change in loans and advances granted		0.2	(0.8)
Disposal of property, plant and equipment and intangible assets		16.9	4.5
Disposal of financial assets		0.0	0.0
Dividends received		1.1	1.0
Cash flow related to investment activities for discontinued operations		0.0	(2.8)
Net cash flow from investment activities		(76.4)	(87.8)
Capital increase		0.0	0.0
Proceeds from borrowings		167.2	23.8
Repayment of borrowings		(54.9)	(78.0)
Net financial interests paid		(9.1)	(11.7)
Dividends paid to Group shareholders		(22.4)	(22.9)
Dividends paid to non-controlling interests		(0.7)	(0.6)
Own shares		(16.9)	0.0
Factoring		(6.1)	(1.7)
Cash flow related to finance activities for discontinued operations		0.0	0.0
Net cash flow from finance activities		57.1	(91.1)
Impact of foreign exchange rate fluctuations		1.6	0.4
Change in cash and cash equivalents		147.4	(8.3)
Cash and cash equivalents at beginning of the period	4.8	131.6	141.8
Cash and cash equivalents at close of the period	4.8	277.8	131.6
Net cash and cash equivalents reclassified following the application of IFRS 5		1.2	1.9
Change in cash and cash equivalents		147.4	(8.3)

CHANGE IN THE CONSOLIDATED SHAREHOLDERS' EQUITY OF THE DERICHEBOURG GROUP AT SEPTEMBER 30, 2019

In millions of euros	Capital	Share premiums	Own shares	Reserves	Currency translation reserves	Net income for the year	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Position at September 30, 2017	41.0	16.5	0.0	322.8	3.4	76.0	459.7	2.9	462.6
Appropriation of prior-year profit				76.0		(76.0)	0.0		
Dividends payments				(22.9)			(22.9)	(0.6)	(23.5)
Own shares							0.0		0.0
Net profit for the year attributable to the Group						71.1	71.1	1.5	72.6
Income and expenses recognized directly through equity				(1.0)	1.1		0.1	0.0	0.1
Other variation							0.0	0.0	0.0
Position at September 30, 2018	41.0	16.5	0.0	374.9	4.5	71.1	507.9	3.8	511.7
Appropriation of prior-year profit				71.1		(71.1)	0.0		
Dividends payments				(22.4)			(22.4)	(0.7)	(23.2)
Own shares	(1.1)	(15.8)					(16.9)		0.0
Net profit for the year attributable to the Group						55.6	55.6	3.3	58.9
Income and expenses recognized directly through equity				(4.8)	3.8		(1.0)		(1.0)
Other variation[(1)]								(3.5)	(3.5)
Position at September 30, 2019	39.9	0.8	0.0	418.7	8.3	55.6	523.1	2.9	526.0

(1) of which €(3.2) million related to the sale of household waste collection and treatment activities in Morocco.

1. Presentation of the Group

1.1 Identity of the issuer

Derichebourg is a public limited company created and domiciled in France with its registered headquarters at 119, avenue du Général-Michel-Bizot, 75012 Paris. Derichebourg is listed in compartment B of the Euronext market. The Group's business activities are as follows:

- Environmental Services;
- Business Services;
- Holding companies.

Many of Derichebourg's Environmental Services' operating properties are owned through a real estate investment company.

The consolidated financial statements for the period from October 1, 2018 to September 30, 2019 were approved by Derichebourg's Board of Directors on December 4, 2019.

They reflect the financial position of the Company and its subsidiaries, and the Group's interests in joint ventures and associated companies.

The financial statements are presented in millions of euros, unless otherwise stated. The amounts are rounded to the nearest hundred thousand euros.

All companies close their accounts on September 30, except for Dreyfus, SCEA du Château Guiteronde, SCI La Futaie, Derichebourg Recycling Mexico, Reyfra, SCI Elisa, SCI Angela, SCI des Chênes, SCI Garalter, SCI des Peupliers, SCI des Varennes, SCI des Châtelets, SCI de Saint Jean, SCI des Tilleuls, Servicios Integrales de Limpiezas Net, Grupo Net and Centro especial de servicios de limpieza Madrid, which close their accounts on December 31.

1.2 Material events occurring over the fiscal year

Environmental Services

- Signing of an agreement for the acquisition of the Lyrsa Group

On September 19, 2019, Derichebourg Environnement signed an agreement with Layro for the acquisition of the Lyrsa Group, the Spanish leader in metal waste recycling. The completion of this acquisition is subject to the fulfillment of conditions precedent, including the review of the transaction by the Spanish merger control authorities. In Spain, Derichebourg's share of metal waste recycling market is currently very small.

The acquisition agreements provides for the acquisition of Layro's interests in Lyrsa, Archamesa and Redisa, as well as the possibility for those companies' minority shareholders to tender their shares.

In 2018, the Lyrsa Group's operations covered by this planned acquisition posted revenue of €427 million. The group processes nearly 1 million metric tons of metal waste per year, including around 160,000 metric tons of non-ferrous metals. The group has around 600 employees.

Lyrsa was founded in 1939. It operates 18 recycling centers (17 in Spain and 1 in Portugal). The company is the leading independent Spanish player in the recycling of metal waste. It operates 3 shredders (including one which has been jointly owned with the Derichebourg Group for 27 years), a center for the sorting of the metals derived from the crushing process, an aluminum refinery and a lead refinery.

If the conditions precedent are fulfilled, the acquisition should be completed by the end of 2019.

The Derichebourg Group intends to finance this acquisition with its available cash and existing credit lines.

- Sale of San Germano and CMT

On January 30, 2019, Derichebourg Environnement sold its household waste collection, urban cleaning and waste processing businesses in Italy to Iren Ambiente. The disposal was carried out through the companies San Germano and CMT.

San Germano is a leading private player providing household waste collection and urban cleaning services for public authorities in the Piedmont, Lombardy and Sardinia regions, thanks to a network of around 20 agencies. CMT collects and treats paper, cardboard and plastics on 6 sites located in the Piedmont region and Sardinia.

The contribution of these businesses to consolidated revenue for the 2017/2018 fiscal year amounted to €61 million (2.1% of total revenue). They employ around 900 people.

On April 24, 2019, the Group received an earnout proposal (€(10) million) as well as a claim in the amount of €5 million from Iren Ambiente, the buyer of San Germano and CMT. The Group disputed both the amount of the proposed earnout and the determination of the claim amount. The Group recognized an earnout of €(3) million, in respect of the loss made between the reference date (September 30, 2017) and the closing date (January 30, 2019). It did not contest this amount.

- Sale of the Group's operations in Morocco

In line with its strategy of ongoing growth in the European market, in September 2019, Derichebourg sold to its partner the 51% stake it held in Derichebourg A&D Développement, the holding company for all household waste collection and service activities in Morocco.

Derichebourg is very proud of having provided its technical expertise in the services it provided, with its local partner, to the residents of the country's main communities, within the framework of the environment improvement policy implemented by the Kingdom of Morocco. The Derichebourg Group is confident in the quality of the team put in place to maintain a high service level and continue the development initiated.

Overall, the 2019 earnings from the Moroccan operations and the proceeds of their sale have had little impact on the Group's pre-tax profit.

For the fiscal year ended September 30, 2018, the contribution of these operations amounted to 2% of the Derichebourg Group's revenue, 4% of its recurring Ebitda and 12% of its external debt.

- Disposal of the nuclear engineering subsidiary after the reporting date

On October 1, 2019, Derichebourg Multiservices Holding sold its shares in Derichebourg Services & Ingénierie Nucléaire to a nuclear services and works player. For a number of months, the company had been encountering technical difficulties which it could not overcome in several projects.

For the fiscal year, the company earned revenue of €1 million. Taking into account the reassessment of the project results for the fiscal year, and the penalties incurred for late delivery, the business's contribution to operating income (loss) amounted to €(8.7) million, of which €(5.0) million for non-recurring items.

The financial consequences of this sale were recognized in the fiscal year ended September 30, 2019.

1.3 Events occurring after year-end

As indicated in 1.2, on October 1, 2019, Derichebourg Multiservices Holding sold its shares in Derichebourg Services & Ingénierie Nucléaire to a company specialized in nuclear works and services.

2. Accounting policies, rules and methods

2.1 General policies

In accordance with European regulation 1606/2002 of July 19, 2002 on international standards, the Derichebourg Group's financial statements on September 30, 2019 were prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The above standards and interpretations are available on the European Commission's website (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32002R1606) and include International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and Interpretations issued by the Standing Interpretations Committee (SIC) and by the International Financial Reporting Interpretations Committee (IFRIC).

The accounting policies used are identical to the previous year.

Segment data is also unchanged from the previous year.

The financial statements were drawn up in accordance with the going concern principle.

The consolidated financial statements of the Derichebourg Group for the year ended September 30, 2019 are available upon request from the Company's registered office located at 119, avenue du Général Michel Bizot, Paris, or on its website, www.derichebourg.com.

2.1.1 Standards and interpretations applicable to the fiscal year beginning October 1, 2018

The standards and interpretations adopted by the European Union and which are required to be applied to the Derichebourg Group consolidated financial statements starting on or after October 1, 2018 are as follows:

- IFRS 15: "Revenue from contracts with customers", applicable to fiscal years beginning on or after January 1, 2018;
- IFRS 9: "Financial Instruments", applicable to fiscal years beginning on or after January 1, 2018;
- annual improvement cycle 2014-2016, on IFRS 1 "First-time adoption of IFRS" and IAS 28 "Investments in associates and joint ventures" applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IFRS 15: "Revenue from contracts with customers", applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IFRS 2 "Classification and measurement of share-based payment transactions" applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IAS 40 "Transfers of investment property" applicable to fiscal years beginning on or after January 1, 2018;
- IFRIC 22 "Foreign currency transaction and advance consideration" applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IFRS 4: "Insurance contracts: applying IFRS 9 'Financial instruments' with IFRS 4", applicable to fiscal years beginning on or after January 1, 2018.

First-time application of these standards has no impact on the Group's consolidated financial statements.

2.1.2 Standards and interpretations published but not yet effective

The Group has undertaken no early application of standards or interpretations that were not mandatory as of October 1, 2018 (the application dates are those recognized by EFRAG):

- annual improvements to IFRS cycle 2015-2017;
- amendments to IAS 19 "Plan Amendment, Curtailment or Settlement";
- amendments to IAS 28 "Long-term interests in associates and joint ventures";

- amendments to IFRS 9 “Prepayment features with negative compensation” applicable to fiscal years beginning on or after January 1, 2019;
- IFRIC 23 “Uncertainty over income tax treatments” applicable to fiscal years beginning on or after January 1, 2019;

IFRS 16 "Leases", applicable to fiscal years beginning on or after January 1, 2019

The Derichebourg Group decided to apply IFRS 16 using the simplified retrospective method as of October 1, 2019. It will thus restate all of its leases covered by this standard on the basis that the right-of-use asset is equal to the amount of the lease liability, adjusted for the amount of prepaid rental payments and advantages received from lessors. As a reminder, the exemptions set out in the standard are the following:

- leases of less than 12 months;
- leases of low-value assets;

Having laid down the framework of its IFRS 16 project in 2018, the Group continued its work in 2019 with the listing of its lease agreements, followed by their gathering together.

To assess the impacts of the leases and for their operational follow-up, the Group opted for an IT solution allowing:

- centralization of lease data;
- continuation of initial conditions;
- addition of lease lifecycle events;
- generation of the statement of asset depreciation and statement of accounting depreciation of the liability.

The estimated impact of the application of IFRS 16 as of October 1, 2019 on the Group's balance sheet and income statement is as follows:

- recognition of a right-of-use asset ranging between €65 and €80 million;
- recognition of a lease liability ranging between €65 and €80 million;
- an increase in Ebitda of between €23 and €26 million;
- an increase in net financial expenses ranging between €1 and €1.5 million.

Real estate leases

The Group has identified those of its real estate leases that meet the criteria defining a lease under IFRS 16. The term of real estate leases corresponds to the non-cancellable period, to which may be added lease renewal options, the exercise of which by the Group is deemed reasonably certain. The position taken in respect of French commercial leases of the 3/6/9 type, is to consider them to have a 3-year lease term in the Multiservices division, and a 9-year term in the Environmental Services division. The discount rate used for the measurement of the right-of-use asset and the lease liability is determined according to the geographic region and residual term.

Equipment leases

The Group has analyzed all of its equipment leases in order to determine those that fall under the scope of IFRS 16. Following this work, the main leases identified correspond to leases of vehicles, site equipment, household waste dumpsters and cleaning equipment.

The potential impact of other standards will be measured over the course of the next fiscal year.

2.2 Accounting policies

2.2.1 Consolidation methods

In accordance with the provisions of IFRS 10, companies over which the Group directly or indirectly exercises control are fully consolidated. The Group exercises control when it controls the entity and has an exposure or right to this entity’s variable returns, while also having the capacity to act on these returns.

In accordance with IFRS 11, joint arrangements are classified into two categories, joint ventures and joint operations, according to the type of rights and obligations held by each of the parties.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control involves the contractually agreed sharing of control of the entity, which only exists in cases where decisions concerning the relevant activities require the unanimous consent of the parties sharing control.

An associate is a company over which the Group exercises significant influence. Significant influence exists when the Group has the power to participate in decisions regarding the entity's financial and operational policies but does not control or jointly control these policies.

The results, assets and liabilities of equity interests in associated companies or joint ventures are included in the Group's consolidated financial statements, according to the equity method.

2.2.2 Use of estimates

To prepare the Group's consolidated financial statements, its management must make judgments and estimates that could have a significant effect on some of the assets, liabilities, income and expense items presented in these statements and in the notes thereto. The Group regularly revises its judgments and estimates on the basis of past experience and other factors it deems relevant based on economic conditions. Given the uncertainty that underlies these judgments and estimates, actual business activity could require a significant adjustment to the amounts recognized for a given period.

Judgments

In preparing the financial statements for the period ending September 30, 2019, there were no particular situations for which management was called upon to exercise specific judgment.

Estimates

Key estimates regarding future events and other major sources of uncertainty at the reporting date are:

- assessment of the recoverability of trade receivables (see note 4.7 – Trade receivables, other receivables and current financial assets), exposure to credit risk, as well as the risk profile;
- provisions for risks and for employee benefits (see note 4.13 – Non-current provisions and provisions for commitments to employees, and note 4.14 – Current provisions);
- income tax and assessment of deferred tax assets (see note 4.23 – Income tax);
- potential impairment of goodwill and intangible assets (see note 4.1 – Intangible assets and goodwill).

2.2.3 Non-controlling interests

Non-controlling interests are presented separately from the Group's shareholder equity on the balance sheet.

When the share of the non-controlling interests in the losses of a fully consolidated Group company is more than their share in equity, the excess, and any further losses applicable to the non-controlling interests, are allocated against the majority interests, unless the minority shareholders have a binding obligation to cover these losses.

2.2.4 Translation of the financial statements of foreign companies and firms

In most cases, the functional currency of the Group's foreign companies and firms is the same as their local currency. The financial statements of foreign companies prepared in a currency different from that of the Group consolidated financial statements are translated in accordance with the "closing rate" method. Their balance sheets are translated at the exchange rates applicable on the closing date and their income statements are translated at the average rate for the period. The resulting translation differences are recognized as translation differences in consolidated reserves. Goodwill relating to foreign companies is considered as being part of the acquired assets and liabilities and, as such, is translated at the rate of exchange in effect on the closing date.

A loan to a foreign subsidiary, the settlement of which is neither planned nor probable in the foreseeable future, constitutes part of the Group's net investment in this foreign subsidiary. Translation adjustments arising from a monetary item that forms part of a net investment are recorded directly in other comprehensive income under currency translation reserves and recognized in income on disposal of the net investment.

2.2.5 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are converted into euros at the exchange rate in effect on the transaction date. At year-end, trade receivable and payable accounts denominated in a foreign currency are converted into euros at the year-end exchange rate. The resulting gains and losses are recognized in the income statement for the year.

2.3 Valuation rules and methods

2.3.1 Income from ordinary activities (revenue)

Consolidated revenue represents, for Business Services, the amount of services invoiced to customers outside the Group when the services are supplied.

For Environmental Services, revenue is recognized when control of the products manufactured is transferred, usually upon shipping.

It includes, after elimination of intra-Group transactions, the revenue of fully consolidated companies.

2.3.2 Deferred taxes

In accordance with IAS 12, deferred taxes are recognized on the temporary differences between the carrying amounts of assets and liabilities and their tax base. In accordance with the liability method, they are calculated based on the expected tax rate for the period when the carrying amount of the asset or liability is recovered or settled. The effects of changes in tax rates from one period to another are recognized in the income statement or in equity, according to the symmetry principle, for the period during which the change occurred.

Deferred taxes relating to items recognized directly in shareholders' equity are also recognized in shareholders' equity.

Deferred tax assets resulting from temporary differences, tax losses and tax credits carried forward are limited to the estimated amount of tax recoverable.

This is evaluated at year-end, based on the profit forecasts of the tax entities concerned. Deferred tax assets and liabilities are not discounted.

2.3.3 Earnings per share

Basic earnings per share are defined as the Group share of net income, divided by the weighted average number of shares outstanding during the year, after deduction of shares bought back.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted to take into account the dilutive effect of equity capital instruments issued by the Group that are likely to increase the number of shares outstanding, such as options to subscribe for or purchase shares.

2.3.4 Intangible assets

Intangible assets that are identifiable or separately controlled by the Group are recognized as assets on the balance sheet. They mainly include computer software and are amortized on a straight line basis over their useful life, which is generally between twelve months and five years, depending on their significance. Intangible assets acquired are recognized on the balance sheet at their acquisition cost.

2.3.5 Goodwill

Goodwill represents the difference recognized, on the date a company enters into the consolidation scope, between the acquisition cost of its shares, and the Group's share of the fair value on the acquisition date of the assets, liabilities and contingent liabilities attributable to the Company acquired on the date of purchase of the shares.

Positive goodwill is recognized as assets on the balance sheet under the heading "Goodwill". Negative goodwill is recognized directly in the income statement in the year of acquisition under the item "Other non-recurring expenses".

Goodwill is not amortized.

2.3.6 Impairment of non-current assets other than financial non-current assets

Goodwill, intangible assets and property, plant and equipment are subjected to impairment testing in certain circumstances:

- for non-current assets whose useful life is indefinite (as in the case of goodwill), impairment testing is carried out at least once per year, and any time there is an indicator of impairment;
- for other non-current assets, testing is only carried out when there is an indicator of impairment.

Assets subjected to impairment tests are grouped into cash generating units (CGUs) which are groupings of similar assets whose utilization generates identifiable cash flows. When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU is the higher of the fair value less the costs to sell and the value in use. The value in use is determined by discounting the future cash flows likely to arise from an asset or a CGU. These future cash flows are estimated over a period of five years. Beyond that period, cash flows are extrapolated by applying a growth rate to infinity. The CGUs defined by the Group relate to the following businesses:

- Environmental Services
- Business Services.

These impairment tests are conducted annually at September 30.

2.3.7 Property, plant and equipment

Property, plant and equipment are recognized at their acquisition or production cost, reduced by the cumulative depreciation and any potential impairment provisions.

Depreciation charges are normally applied on a straight line basis over the useful life of the asset; nevertheless, accelerated depreciation may be used where it appears more appropriate for the conditions in which the equipment is used.

The useful lives generally applied are as follows:

Buildings	10 to 30 years
Equipment and technical installation	3 to 10 years
Airport equipment	5 to 10 years
Other tangible assets	4 to 10 years

Maintenance and repair costs are charged to income, with the exception of those incurred to increase productivity or prolong the useful life of an asset.

2.3.8 Investment grants

Investment grants are treated as deferred income. They are brought into income over the estimated useful life of the asset concerned.

2.3.9 Finance leases

Assets acquired under finance leases are recognized as property, plant and equipment when the lease agreements effectively transfer to the Group almost all the risks and benefits of ownership of these assets. They are recognized as assets at cost price at the date of acquisition and depreciated over their useful lives, with the corresponding debt being recognized as a liability.

The rental payments under the lease are divided between financial expenses and reduction of the debt related to the lease in such a way as to obtain a constant rate of interest on the balance of the debt remaining due.

Rental agreements which do not have the characteristics of finance leases are treated as simple operating leases and only the rental payments are charged to income throughout the entire term of the agreement.

2.3.10 Investments in associates and joint ventures

The Group's equity investments accounted for using the equity method are initially recognized at acquisition cost including any goodwill arising, where applicable. Subsequently, their carrying amount is increased or decreased to take into account the Group's share of profits or losses made after the acquisition date. When the losses are greater than the value of the Group's net investment in the entity, they are recognized only if the Group has a contractual commitment to recapitalize the entity or has made payments on its behalf. If there is any indication of impairment, the recoverable amount of the investments consolidated using the equity method is tested in accordance with the methods described in the note on impairment of non-current assets, other than financial assets.

2.3.11 Other non-current financial assets

This category includes receivables related to equity investments, loans and receivables and assets available for sale (mainly investment securities).

In accordance with IFRS 9 "Financial Instruments", equity interests in non-consolidated companies are considered by their nature to be assets available for sale and as such are recognized at their fair value.

Where the shares are listed, the fair value is the price quoted on the stock market. If the fair value cannot be determined reliably, the shares are recognized at cost price. Changes in fair value are recognized directly in shareholders' equity in an account created for this purpose.

Where there is an objective indication of impairment, an irreversible provision for impairment is recognized in the income statement. This provision may be reversed only when the relevant shares are sold.

Loans are recognized at amortized cost. An impairment provision may be recognized if there is an objective indication of such impairment. The amount corresponding to the difference between the net carrying amount and the recoverable amount is recognized in the income statement. It may be reversed if the recoverable amount increases subsequently.

2.3.12 Inventory and work in progress

Inventories of raw materials and goods purchased for resale are recognized using the weighted average cost method. The work in progress and finished goods of Environmental Services are valued at cost price, including the cost of materials and labor and other costs directly related to production.

At each closing date, inventories are valued at the lower of cost or net realizable value.

2.3.13 Trade and other operating receivables

Trade and other operating receivables are recognized at nominal value, discounted when necessary, and adjusted for any impairment considering any potential risk of non-payment. Provisions for impairment are determined on a case-by-case basis.

A specific impairment provision is made for doubtful receivables.

2.3.14 Cash and cash equivalents

Cash includes demand deposits and current accounts but excludes bank overdrafts which are included in financial liabilities. Cash equivalents include investments held with a view to meeting short term cash commitments. Securities include cash deposits, money-market mutual funds and negotiable debt securities which can be realized or sold at any time. They are valued at their market value. Any change in the fair value of these assets is recognized in the income statement.

To be considered as a cash equivalent, they must be easily convertible and subject to only negligible risk of loss in capital.

2.3.15 Treasury shares

Company shares held by the Group are recognized as a deduction from shareholders' equity at their acquisition cost. Any profits or losses related to the purchase, sale, issue or cancellation of treasury shares are recognized directly in shareholders' equity without impacting the income statement.

2.3.16 Pension commitments and other employee benefits

Pension commitment

The Group applies revised IAS 19.

Commitments arising from defined benefit pension plans for both active and retired employees are indicated on the balance sheet. They are determined according to the projected unit credit method based on annual evaluations. The actuarial assumptions used to determine these commitments vary in accordance with the economic conditions of the country in which the plan is in effect.

For externally managed and funded defined benefit plans (pension funds or insurance contracts), the fair value surplus or deficit in relation to the present value of the obligations is recognized as a balance sheet asset or liability. Surplus assets are only recognized on the balance sheet if they represent a future economic benefit for the Group.

The past service cost represents benefits granted either when the business adopts a new defined benefit plan or when it modifies the level of benefits from an existing plan. Once new benefit rights are vested following the adoption of a new plan, the past service cost is immediately recognized in the income statement. Conversely, when the adoption of a new plan gives rise to the vesting of rights subsequent to its implementation date, the past service cost is recognized as an expense, on a straight line basis, over the average period left to run until the corresponding rights are fully vested.

Actuarial gains and losses result mainly from the effects of changes to the actuarial assumptions and adjustments related to experience (differences between the actuarial assumptions used and the reality observed). They are recognized in other comprehensive income.

Expenses recognized over the fiscal year include additional rights vested for an additional year of service, changes to existing rights at opening due to financial discounting, the expected return on plan assets, past service costs and the effect of any curtailments or settlements. The portion relating to additional rights is recognized under personnel expenses and the financial cost of net liabilities is recognized in the income statement.

2.3.17 Provisions

Provisions are liabilities whose due date or amount cannot be precisely determined. They are calculated based on the discounted amount corresponding to the best estimate of the resources required to meet the obligation.

Provisions for business disputes concern, for the most part, employment disputes. They are calculated on a case-by-case basis in Environmental Services and, considering the number, on a statistical but nominal basis in Business Services.

Provisions for restructuring include the cost of the plans and measures decided on, where these have been announced before the year-end date.

2.3.17.1 Provisions for service awards

In Environmental Services, a bonus linked to service awards is given to employees after a certain number of years of service. The service awards are determined based on a discounted calculation taking into account assumptions about the probability of employees remaining with the Company, as well as a 0.5% discount rate.

The bonuses are paid according to the service period required for the service awards:

•	silver 20 years:	€500
•	vermeil 30 years:	€800
•	gold 35 years:	€1,100
•	grand gold 40 years:	€1,500

2.3.17.2 Current provisions

Current provisions represent provisions directly related to the operating cycle of each business line, whatever the term required for their reversal.

The provisions for other current risks are mainly provisions for late-delivery penalties, provisions for individual redundancies and other risks arising from business operations.

2.3.17.3 Non-current provisions

Non-current provisions represent provisions not directly related to the operating cycle and whose term is generally greater than one year. They are mostly provisions for litigation.

Non-current provisions for a term of less than one year are recognized on the balance sheet under current provisions.

2.3.17.4 Provisions for environmental risks

Provisions for environmental risks are established whenever there is a legal or contractual requirement to restore an operating site, or whenever the Company is deemed liable for a quantifiable environmental risk. These provisions are measured on a site-by-site basis by estimating the cost of the work (see section 1.5.2.1).

Business Services

By its very nature, Business Services has a very low environmental impact. Environmental issues are managed by the Quality, Safety and Environment (QSE) Department and form an integral part of each entity's general policies. QSE contacts within the various entities are responsible for implementing environmental initiatives and have the role of:

- ensuring compliance with regulations;
- responding to client demands such as external evaluation questionnaires required by some of our major clients (such as Ecovadis and Carbon Disclosure Project assessments). External audits are also conducted by clients;
- drawing up CSR diagnostics and implementing action plans. These impacts are taken into consideration within the context of the global Corporate Social Responsibility initiative defined as a result of a diagnosis conducted using the approach described by the French Federation of Cleaning Companies (FEP).

Environmental Services

Due to the very nature of its Environmental Services operations, which involve recycling metals, the Derichebourg Group is helping to preserve the planet's natural resources (iron ore, copper, bauxite, etc.). Recycling metals saves a significant amount of energy compared with the primary production of such metals, with up to 94.8% for aluminum and 16.5% for steel (source: Report on the economical benefit of recycling, Bureau of international recycling). In this way, the Group is helping to reduce greenhouse gas emissions, as detailed in section 1.6 of Chapter 1 of this Universal Registration Document.

For almost ten years, each regional subsidiary has had an Environmental Officer (reporting to the Environmental Services director), who liaises with the relevant authorities (DREAL, prefectures, water agencies, local councils, waterways, associations, etc.) in order to:

- check that the Group's business activities are conducted in accordance with current legislation and regulations (operating licenses), as poorly managed recycling activities can cause pollution;
- learn about regulatory changes;
- ensure that facilities are supervised and releases to the environment are monitored and controlled;
- train and inform colleagues about best practice.

Likewise, operations are often conducted on land with an industrial past, whose history is not always available. Where necessary, soil surveys are conducted in application of regulatory changes.

To the Group's knowledge, no pollution hazards have been revealed for which a provision has not been made or for which a solution has not been found.

2.3.18 Financial debt (current and non-current)

Financial debt includes:

- the syndicated loan agreement signed on March 31, 2014 and its five riders (the third rider extending the contract until March 31, 2022);
- the non-recourse factoring agreement signed on January 1, 2015, renewed twice in April 2016 and November 2018;
- finance leases;
- other borrowings and bilateral lines.

These debts are valued and recognized at amortized cost using the effective interest rate method. According to this method, the cost of the debt includes issuance costs, originally deducted from the nominal value of the debt as a liability. Also in this method, interest expenses are recognized on an actuarial basis.

In the event that the terms of a loan agreement are modified, if the cash flows discounted at the initial effective interest rate under the new terms, including any fees paid and negotiation costs, exceed the discounted value of the flows anticipated under the agreement by more than 10%, the issuance costs and negotiation fees are recognized as expenses.

Financial debt with a term of less than one year is recorded under Current financial debt.

2.3.19 Fair value of derivative assets and liabilities (IAS 32-IFRS 9)

The Group uses derivatives to hedge its exposure to market risks (interest rates, exchange rates and raw material prices).

According to IFRS 9, all derivatives must be recognized on the balance sheet at their "fair value". If derivatives do not meet the criteria for hedge accounting, fluctuations in their fair value are recognized in the income statement.

Derivatives may be considered hedging instruments in three situations:

- hedging of fair value;
- hedging of future cash flows;
- hedging of a net investment in a foreign operation.

A fair value hedge covers exposure to the risk of changes in the fair value of an asset, liability or non-recognized firm commitment arising from changes in financial variables (interest rates, exchange rates, share prices, raw material costs, etc.).

A future cash flow hedge covers changes in the value of future cash flows related to existing assets or liabilities or to a highly probable forecasted transaction.

A hedge of a net investment in foreign currency covers the foreign exchange risk related to a net investment in a consolidated foreign subsidiary.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses, to hedge the foreign exchange risk related to loans in foreign currencies and to manage the fixed/variable rate split of its debt.

Interest rate swap agreements enable the Group to borrow long-term at variable rates and to exchange the interest rate on the debt incurred, either at the outset or during the term of the loan, against a fixed or variable rate. The Group may purchase interest-rate options, caps and floors as part of its strategy to hedge its debt and financial instruments.

Interest rate and foreign exchange derivatives used by the Group to hedge changes in its debt denominated in foreign currencies qualify as hedges in accordance with IFRS 9 because:

- the hedging relationship is clearly defined and documented from the date of implementation;
- the efficiency of the hedging relationship is clearly demonstrated in the beginning and on a regular basis for as long as it lasts.

The application of hedge accounting has the following consequences, the derivative always being measured on the balance sheet at its fair value:

- for fair value hedges of existing assets or liabilities, the change in fair value of the derivative is recognized in the income statement. This change is offset in the income statement by re-measuring the hedged item on the balance sheet. Any difference between the two changes in value represents the inefficiency of the hedging relationship;
- for hedges of future cash flows, the "efficient" portion of the change in fair value of the hedging instrument is recognized directly in shareholders' equity in a specific reserve account, and the portion of the change in fair value considered "inefficient" is recognized in the income statement. The amounts recognized in the reserve account are entered in the income statement once the hedged cash flows are recognized;
- for hedges covering net investments in a foreign country, the "efficient" portion of the changes in fair value of the derivative instrument is recognized in shareholders' equity under the heading "translation reserve" and the portion considered "inefficient" is recognized in the income statement. The profit or loss on the derivative that was recognized in the translation reserve must be transferred to the income statement in the event of the sale of the foreign entity that was the subject of the initial investment.

As part of its trading business in non-ferrous metals, the Group uses forward purchase and sale agreements concluded on the London Metal Exchange (LME) in order to reduce its exposure to the risk of fluctuations in non-ferrous metal prices (copper, aluminum, nickel). Changes in the fair value of the derivative instruments (forward purchases and sales of metals on the LME) are recognized in the income statement.

Financial instrument	Subsequent valuation method	Recognition of the change in value
Equity interests	Fair value	In shareholders' equity, unless the impairment observed is long-term, in which case it would be recognized in the income statement via an impairment
Marketable securities	Fair value	On the income statement
Loans and receivables	Amortized cost	On the income statement
Financial debt	Amortized cost	
Other liabilities	Amortized cost	

2.3.20 Held-for-sale and discontinued operations

Assets and liabilities classified as held for sale are measured at the lower of their carrying value or their fair value less selling costs.

The profit (loss) from discontinued operations is recorded on a separate line of the income statement.

A discontinued operation is a component of an entity 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;
- is 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 to be sold.

At September 30, 2019, assets and liabilities relating to Derichebourg Services & Ingénierie Nucléaire were classified as held for sale for the reason set out in note 1.3 in Chapter 4, Events occurring after year-end. The detail of assets and liabilities classified as held for sale can be found in note 4.24.

2.3.21 Employment Competitiveness Tax Credit (CICE)

The employment competitiveness tax credit for the last civil quarter of 2018 is recorded as a deduction to personnel expenses.

3. Changes in consolidation scope

3.1 New companies included in the consolidation scope

Environmental Services division

Inclusion of Revival Expansion

The Group acquired Revival Expansion (formerly Galloo Île-de-France) on February 8, 2019.

The amount of goodwill recognized in the financial statements of Revival Expansion is €0.7 million.

Fair value of net assets acquired breaks down as follows:

Revival Expansion

In millions of euros	
Non-current assets	4.3
Current assets	0.0
Total assets	4.3
Non-current liabilities	0.9
Current liabilities	0.0
Total liabilities	0.9

The contribution to of Revival Expansion to the Group profit (loss) at September 30, 2019 is not significant.

Business Services

Servicios integrales de limpieza net, Grupo net and Centro especial de servicios de limpieza Madrid

On July 29, 2019, Derichebourg Multiservices Holding acquired three cleaning companies in Spain, Servicios integrales de limpieza net (Silnet), Grupo net and Centro especial de servicios de limpieza Madrid (CES L. Madrid).

The amount of goodwill recognized in the financial statements of these three companies is €2.6 million.

Fair value of net assets acquired breaks down as follows:

Cleaning Spain

In millions of euros	
Non-current assets	4.9
Current assets	10.6
Total assets	15.5
Non-current liabilities	1.0
Current liabilities	10.6
Total liabilities	11.6

The contribution to the Group's results at September 30, 2019 is as follows (since August 1, 2019):

In millions of euros	
Revenue	5.8
Recurring Ebitda	0.0
Operating profit (loss)	0.0
Net profit (loss)	0.0

Vibey Énergies

On February 4, 2019, Derichebourg Énergie acquired Vibey Énergies.

The amount of goodwill recognized in the financial statements of Vibey Énergies is €0.2 million.

Fair value of net assets acquired breaks down as follows:

Vibey Énergies

In millions of euros	
Non-current assets	0.2
Current assets	2.0
Total assets	2.2
Non-current liabilities	0.0
Current liabilities	1.6
Total liabilities	1.6

The contribution to the Group's results at September 30, 2019 is as follows (since February 4, 2019):

In millions of euros	
Revenue	3.7
Recurring Ebitda	(0.2)
Operating profit (loss)	(0.2)
Net profit (loss)	(0.2)

Cleaning France

Between April and May 2019, Derichebourg Propreté carried out several acquisitions.

The goodwill recognized in the financial statements of these companies totals €5.2 million.

Fair value of net assets acquired breaks down as follows:

Cleaning France

In millions of euros	
Non-current assets	5.6
Current assets	3.8
Total assets	9.4
Non-current liabilities	0.2
Current liabilities	2.1
Total liabilities	2.3

The contribution to the Group's results at September 30, 2019 is as follows (since May 2019):

In millions of euros	
Revenue	4.0
Recurring Ebitda	0.7
Operating profit (loss)	0.7
Net profit (loss)	0.4

- Inclusion of Safira Job
- Inclusion of Derichebourg Tésis Yönetimi
- Inclusion of Derichebourg Aéronautique Canada
- Inclusion of Derichebourg Aeronautics Services China

Holding Companies

- Inclusion of Le Bison Gourmand

3.2 Companies excluded from the consolidation scope

Business Services

None

Environmental Services division

- Disposal of San Germano and CMT on January 30, 2019
- Disposal of the Group's investment in Derichebourg A&D Développement on September 24, 2019
- Liquidation of Bas Long Prés and CPI on September 30, 2019

Holding Companies

None

3.3 Internal restructuring

Business Services

- Universal transfer of assets from Nettoyage Centre Alsace, Nettoyage Sud Alsace and SCI Les peupliers to Derichebourg Propreté on October 1, 2018
- Universal transfer of assets from Derichebourg SHC to Derichebourg Propreté on February 1, 2019

Environmental Services division

- Universal transfer of assets from Valrecy to Derichebourg Environnement on March 1, 2019
- Universal transfer of assets from SCI AFM 86, AFM Touraine, Carlissa, La Roche, Mandy Recuper and Preveza to SCI Derichebourg Immobilier on April 1, 2019
- Universal transfer of assets from SCI Bima, Chaufontaine, L'écureuil, Licodia, Setiam and Sudiane to SCI Derichebourg Immobilier on July 1, 2019
- Universal transfer of assets from Polyurbaine 13 and Polyseane to Poly-Environnement on July 1, 2019

Holding Companies

None

3.4 Change in percentage of control

Environmental Services division

None

Business Services

None

4. Notes

4.1 Intangible assets and goodwill

In millions of euros	09-30-18	Increases	Decreases	Change in scope[1]	Impact of IFRS 5	Other variation	Foreign exchange differences	09-30-19
Goodwill	319.4			8.1	(0.3)	1.8	0.1	329.1
Concessions, patents, licenses	15.8	0.8	(0.1)	0.4	(0.1)	3.3		20.1
Other intangible assets	10.3	3.9				(5.1)		9.1
Total gross value	345.5	4.7	(0.1)	8.5	(0.4)		0.1	358.4
Goodwill	(101.5)							(101.5)
Concessions, patents, licenses	(13.6)	(1.3)	0.1		0.1			(14.9)
Other intangible assets	(6.2)	(0.2)						(6.4)
Total amortization & depreciation	(121.3)	(1.5)	0.1		0.1			(122.8)
Total net value	224.2	3.2		8.5	(0.3)		0.1	235.6

(1) See note 3 – Changes in consolidation scope.

4.1.1 Change in the scope of goodwill

In millions of euros	09-30-19
Cleaning France (ASP, ASP 85, Aquitaine Nettoyage, DML, Net Services)	5.2
Cleaning Spain (SILNET, Grupo Net, CES L. Madrid)	2.6
Revival Expansion	0.7
Vibey Énergies	0.2
Bas Long Prés	(0.6)
Total change	8.1

See note 3 – Changes in consolidation scope.

4.1.2 Impairment tests

Impairment tests were carried out on the Environmental Services and Business Services activities at September 30, 2019.

No impairment indicators were identified on cash-generating units as at September 30, 2019.

The information concerning the cash generating units, to which significant amounts of goodwill have been attributed as part of the impairment tests, is as follows:

Net carrying amounts of goodwill impacted

In millions of euros	09-30-19	09-30-18
CGU – Business Services	179	170
CGU – Environmental Services	49	48
Total	228	218

The valuation method used to determine the recoverable amount of these cash-generating units is the value in use. The data and the assumptions used for the impairment tests of the assets included in the cash generating units (CGUs) are as follows:

In millions of euros	Discount rate 2018/2019[1]	Growth rate to infinity 2018/2019	Discount rate 2017/2018[1]	Growth rate to infinity 2017/2018	Valuation method
CGU – Environmental Services	9.00%	1.00%	9.50%	1.00%	Discounted cash flow and terminal value
CGU – Business Services	8.00%	1.00%	8.50%	1.00%	Discounted cash flow and terminal value

(1) The discount rate used is the weighted average cost of capital (WACC).

The value in use of the cash generating units (CGUs) determined by business segment is calculated by discounting the forecast operating cash flows at the rates mentioned above. These cash flows are after tax (operating profit + amortization and depreciation – tax – change in working capital requirement – operating investments) and are based on a five-year business plan.

These impairment tests are conducted annually at September 30.

The key assumptions to which the impairment tests of Environmental Services and Business Services are sensitive are the following:

- the discount rate, calculated by breaking down the Weighted Average Cost of Capital: this rate is 9% for Environmental Services and 8% for Business Services;
- Ebitda for the final year of the explicit forecast. This Ebitda has been determined on the basis of business plans;
- impact on enterprise value the long-term growth rate of the businesses. This was estimated at 1% for all businesses. This was calculated based on the following factors:
  - Environmental Services: demand for recycling in developed countries and growth in demand in emerging countries,
  - Business Services: increased outsourcing and use of temporary workers. The business plan for Business Services anticipates 2% growth in revenue per year, driven by the Group's cleaning services. Modest growth in the ratio of Ebitda to revenue is also anticipated over the period, reaching 4.2% during the final year. This growth will stem primarily from projected business developments, without any major modifications to the division's structure. The Ebitda margin during the final year is close to that of other major players in the industry.

The enterprise values thus determined for the CGUs of the two segments are higher than their book value.

Impact on enterprise value

	Environmental Services			Business Services		
In millions of euros	Discount rate +0.5%	Discount rate -0.5%	Ebitda +/-5% (in absolute terms) for the final year	Discount rate +0.5%	Discount rate -0.5%	Ebitda +/-5% (in absolute terms) for the final year
Impact on enterprise value	(58)	65	+/-5.2%	(22)	26	+/-4,4%

	Environmental Services		Business Services	
In millions of euros	Growth rate +0.5%	Growth rate -0.5%	Growth rate +0.5%	Growth rate -0.5%
Impact on enterprise value	(41)	46	(17)	19

These stress tests did not result in the recognition of any impairment losses on goodwill.

4.2 Property, plant and equipment (including leasing)

In millions of euros	09-30-18	Increases	Decreases	Change in scope[1]	Impact of IFRS 5	Other variation	Foreign exchange differences	09-30-19
Land (including leasing)	181.2	2.2		0.5	1.2	1.8	1.9	188.8
Buildings (including leasing)	295.6	12.7	(1.1)	(5.8)	3.8	21.8	0.6	327.7
Machinery & equipment (including leasing)	771.7	59.9	(10.5)	(14.0)	(0.5)	(3.4)	6.4	809.7
Other tangible assets (including leasing)	293.4	42.5	(8.0)	(8.5)	(0.6)	(62.6)	2.1	258.2
Tangible assets under construction	32.3	18.8	(3.5)	0.2		(36.3)	0.1	11.5
Advances and deposits	0.5	3.7	(0.2)			(0.1)		3.9

In millions of euros	09-30-18	Increases	Decreases	Change in scope[1]	Impact of IFRS 5	Other variation	Foreign exchange differences	09-30-19
Total gross value	1,574.8	139.8	(23.3)	(27.6)	3.9	(78.9)	11.2	1,599.8
Land (including leasing)	(39.2)	(3.5)		1.8			(0.6)	(41.6)
Buildings (including leasing)	(178.4)	(12.7)	1.0	2.3	(0.6)		(0.3)	(188.7)
Machinery & equipment (including leasing)	(636.2)	(44.9)	14.3	14.0	0.4	15.6	(5.5)	(642.2)
Other tangible assets (including leasing)	(240.1)	(25.5)	7.2	7.8	0.5	63.3	(1.4)	(188.1)
Total amortization & depreciation	(1,093.9)	(86.6)	22.5	25.9	0.3	78.9	(7.7)	(1,060.6)
Total net value	480.9	53.3	(0.8)	(1.6)	4.1		3.5	539.2

(1) See note 3 – Changes in consolidation scope.

Property, plant and equipment financed by lease-financing contracts

In millions of euros	09-30-18	Increases	Decreases	Change in scope[2]	Impact of IFRS 5	Other changes[1]	Foreign exchange differences	09-30-19
Land and buildings	20.7							20.7
Machinery & equipment	251.7	23.9	(2.4)	(2.6)		(0.1)	0.4	270.9
Other tangible assets	113.8	31.3	(0.4)	(9.5)	(0.2)	(63.3)	0.3	72.1
Total gross value	386.2	55.2	(2.8)	(12.1)	(0.2)	(63.4)	0.7	363.7
Total amortization & depreciation	(290.2)	(31.0)	2.4	9.8	0.1	78.9	(0.3)	(230.2)
Total net value	96.1	24.2	(0.3)	(2.3)	(0.1)	15.5	0.4	133.5

(1) As part of the preparatory work for the first-time application of IFRS 16, which will take place during the next fiscal year, the Group has removed fully depreciated fixed assets with a gross value of €78.9 million. The amount of €15.5 million represents the amount of fixed assets acquired during the previous fiscal year, refinanced during the fiscal year through leases.
(2) See note 3 – Changes in consolidation scope.

4.3 Financial assets

4.3.1 Change during the fiscal year

In millions of euros	09-30-18	Increases	Decreases	Change in scope[1]	Other variation	Foreign exchange differences	09-30-19
Equity interests	3.2	0.4	(0.1)	(0.7)			2.8
Loans, securities and other long-term financial assets	8.7	20.1	(18.7)	(2.8)	(0.2)	0.1	7.2
Total gross value	11.9	20.5	(18.8)	(3.5)	(0.2)	0.1	10.0
Impairment loss on investments	(1.4)			0.3			(1.1)
Impairment loss on loans, securities and other receivables	(0.1)						(0.1)
Total impairment	(1.5)			0.3			(1.2)
Total net value	10.5	20.5	(18.8)	(3.2)	(0.2)	0.1	8.8

(1) See note 3 – Changes in consolidation scope.

4.3.2 Non-current financial assets by maturity date (excluding investment securities)

In millions of euros	09-30-19	More than 1 year	More than 5 years
Loans, securities and other long-term financial assets	7.1	5.0	2.1
Total net value	7.1	5.0	2.1

4.3.3 Investment securities and receivables related to equity investments by type

In millions of euros	Country	% holding	Gross value	Provisions	Net value	
Equity interests						
ENVIRONMENTAL SERVICES						
DOHMEN	Belgium	100%	1.4		1.4	Under liquidation
PROSIMETAL	France	50%	0.2	(0.2)	0.0	Under liquidation
Other companies (less than €0.1 million)	France		0.3		0.3	
BUSINESS SERVICES						
DERICHEBOURG ATIS MAINTENANCE SERVICES	France	100%	0.9	(0.9)	0.0	Under liquidation
Total			2.8	(1.1)	1.7	

4.4 Investments in associates and joint ventures

4.4.1 By type

In millions of euros	Country	% holding	Share of income	Share of shareholders' equity 09-30-19	Share of shareholders' equity 09-30-18
ASSOCIATES					
ALLO CASSE AUTO	France	48%	0.6	2.3	2.2
DAC	France	50%	0.1	0.9	0.8
DREYFUS	France	43%	0.5	5.6	5.4
ROHR ENVIRONNEMENT	France	50%	0.4	1.8	1.6
JOINT VENTURES					
ALSAFER ENVIRONNEMENT	France	50%	0.1	0.2	0.2
ENVIE AFM SUD OUEST	France	50%	0.1	0.7	0.6
REYFRA	Spain	50%	0.7	6.8	6.1
VALERCO	France	50%		0.1	0.1
Total			2.4	18.5	17.1

(1) See note 3 – Changes in consolidation scope.

Condensed financial information for Environmental Services' joint ventures

In millions of euros	Balance sheet date / Country	ALSAFER 09-30-19 France	ENVIE AFM SUD OUEST 09-30-19 France	REYFRA 09-30-19 Spain	VALERCO 09-30-19 France
Financial position					
Non-current assets			0.3	10.9	
Current assets		0.7	2.2	8,7	0.4
Total assets		0.7	2.5	19.6	0.4
Non-current liabilities			0.1	0.7	
Current liabilities		0.2	1.1	5.3	0.2
Total liabilities		0.2	1.2	6.0	0.2
Net assets		0.5	1.3	13.6	0.2
Income statement					
Revenue		1.8	4.5	43.4	0.6
Net profit (loss)		0.2	0.2	1.4	0.0
Statement of cash flow					
Net cash flow from operating activities		0.3	0.5	4.2	0.1
Net cash flow from investment activities				(1.7)	
Net cash flow from finance activities		(0.2)		(0.4)	
of which, dividends received by the subsidiary					
Impact of exchange rate fluctuations					
Cash and cash equivalents at beginning of the period		0.3	0.6	(2.1)	0.2
Cash and cash equivalents at close of the period		0.4	1.1		0.3
Change in cash and cash equivalents		0.1	0.5	2.1	0.1

4.4.2 Change during the fiscal year

In millions of euros	09-30-18	Share of profit	Dividends	09-30-19
Equity interests in associated companies	17.1	2.4	(1.0)	18.5

4.5 Other non-current assets

In millions of euros	Gross value on 09-30-19	Provisions	Net value on 09-30-19
Other receivables	0.4	(0.4)	0.0
Total	0.4	(0.4)	0.0

4.6 Inventories

4.6.1 By type

In millions of euros	Gross value on 09-30-19	Gross value on 09-30-18
Raw materials	3.8	6.5
Other consumables	10.8	9.4
Work in progress	1.7	0.8
Finished and semi-finished goods	1.5	4.5
Goods for resale	50.7	56.4
Total	68.6	77.5

4.6.2 Change during the fiscal year

In millions of euros	Net values on 09-30-18	Variation	Change in scope[1]	Foreign exchange differences	Change in impairment[2]	Net value at 09-30-19
Raw materials	6.5	(2.9)	0.2			3.8
Other consumables	8.9	1.6	(0.2)	0.1	0.1	10.4
Work in progress	0.8	0.9				1.7
Finished and semi-finished goods	4.5	(2.9)				1.5
Goods for resale	56.1	(7.1)	1.2	0.3	(0.1)	50.4
Total	76.7	(10.4)	1.2	0.4	0.0	67.8

(1) See note 3 – Changes in consolidation scope.
(2) Change in impairment of inventory.

In millions of euros	09-30-18	Provisions	Reversals	09-30-19
Impairment of inventory	(0.8)	(0.2)	0.2	(0.8)

4.7 Trade receivables, other receivables and current financial assets

	09-30-19			09-30-18		
In millions of euros	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Trade receivables	293.9	(9.8)	284.1	297.0	(10.4)	286.6
Tax receivables	3.8		3.8	11.4		11.4
Advances and deposits	8.3		8.3	9.9		9.9
Employee-related receivables	8.5		8.5	4.6		4.6
Employment-competitiveness (CICE) receivables				24.2		24.2
Tax receivables	26.0		26.0	23.5		23.5
Other receivables	13.3	(3.0)	10.3	15.7	(4.7)	11.1
Prepaid expenses	9.3		9.3	9.4		9.4
Other current assets	65.4	(3.0)	62.5	87.4	(4.7)	82.7
Dividends due						
Loans, deposits and securities	20.3	(0.1)	20.2	14.0	(0.1)	13.8
Current financial assets	20.3	(0.1)	20.2	14.0	(0.1)	13.8

Change in impairment of trade receivables

In millions of euros	09-30-18	Provisions	Reversals	09-30-19
Impairment of trade receivables	(10.4)	(1.3)	1.8	(9.8)

4.8 Cash and cash equivalents

By type

Cash and cash equivalents include investment securities, current account balances due by banks and cash.

In millions of euros	Gross value on 09-30-19	Provisions	Net value at 09-30-19	Net values on 09-30-18
Marketable securities	1.3	(0.2)	1.1	0.3
Cash	283.5		283.5	145.3
Total	284.8	(0.2)	284.6	145.6

In millions of euros	09-30-19	09-30-18
Cash and cash equivalents	284.6	145.6
Bank overdrafts	7.0	14.2
Net cash	277.6	131.4

The cash pooling system, which the Group has implemented mainly in France, centralizes all subsidiary cash flows on a daily basis to reduce finance costs.

The Group reports cash and cash equivalents according to the accounting balance of each bank account, whereas these accounts can be aggregated with other accounts that could have a different balance in the context of the merger of interests and overall overdraft authorizations granted to the Group.

4.9 Consolidated shareholders' equity

As of September 30, 2019, the Company's share capital consisted of 159,397,489 shares with a nominal value of €0.25 each, corresponding to a total nominal value of €39,849,372.25.

Analysis of the share capital and voting rights

	Shares		Voting rights	
Shareholders	Number of shares	% of share capital	Number	%
CFER*	65,745,648	41.25	131,491,296	57.79
Financière DBG*	65,894	0.04	65,894	0.03
Employees	1,686,029	1.06	1,686,029	0.74
Treasury shares	0	0	0	0
Free float	91,899,918	57.65	94,290,107	41.44
Total	159,397,489	100.00	227,533,326	100.00

** CFER and Financière DBG are ultimately controlled by the family of Mr. Daniel DERICHEBOURG.*

The Board of Directors' meeting of May 22, 2019 decided to cancel 4,481,291 treasury shares. Following this Board meeting, the share capital comprises 159,397,489 shares.

Dividends

In millions of euros	For the fiscal year 2018/2019(1)	For the fiscal year 2017/2018	For the fiscal year 2016/2017
Net dividends in euros	0.11	0.14	0.14
Total net distribution	17.5	22.9	22.9

(1) Subject to approval by the shareholders' meeting.

The Board of Directors has proposed a €0.11/share dividend distribution to the shareholders' meeting.

4.10 Non-controlling interests

In millions of euros	09-30-19	09-30-18
Non-controlling interests at the beginning of the year	3.8	2.9
Changes in consolidation scope(1)	(3.6)	(0.0)
Consolidated company earnings attributable to non-controlling interests	3.3	1.5
Share of dividends from consolidated companies	(0.7)	(0.6)
Impact of foreign exchange rate fluctuations on non-controlling interests	0.0	0.0
Other variation	0.1	(0.0)
Non-controlling interests at year-end	2.9	3.8

(1) of which €(3.2) million in respect of the sale of household waste collection and treatment activities in Morocco.

4.11 Indebtedness

4.11.1 Financial borrowings and debts

4.11.1.1 Changes in financial indebtedness

In millions of euros	09-30-18	Increases	Decreases	Changes in scope(2)	Impact of IFRS 5	Other variation	Foreign exchange differences	09-30-19
Loans from financial institutions(1)	94.2	166.8	(2.5)	0.9		(30.1)	0.4	229.7
Miscellaneous financial debt	1.4	0.4		(0.5)		(0.0)	0.1	1.4
Debts linked to finance leases	60.6	70.8		(2.2)		(35.6)	0.1	93.7
Non-current financial debt	156.2	238.0	(2.5)	(1.8)		(65.8)	0.7	324.8
Loans from financial institutions(1)	46.7	1.7	(29.7)	0.8		30.1	0.1	49.7
Miscellaneous financial debt	0.2							0.2
Debts linked to finance leases	23.4		(29.7)	(1.6)	(0.1)	35.6	0.1	27.8
Bank overdrafts	14.2		(7.1)	(0.2)			0.2	7.0
Current financial debt	84.5	1.7	(66.6)	(0.9)		65.8	0.4	84.7
Total financial debt	240.7	239.7	(69.1)	(2.7)	(0.1)	0.0	1.1	409.5

(1) See notes 4.11.1.4 to 4.11.1.7 inclusive for details on the main credit lines.
(2) See note 3 – Changes in consolidation scope.

4.11.1.2 Maturity profile of loans and non-current financial debt

Maturity profile of non-discounted contractual cash flows from financial debt excluding amortized cost, factoring debt and bank overdrafts

In millions of euros	09-30-19	09-30-20	09-30-21	09-30-22	09-30-23	09-30-24	09-30-25 and beyond
Syndicated loan	31.8	10.6	10.6	10.6			
EIB Loan	130.0			13.0	13.0	13.0	91.0
Finance leases	121.4	27.8	24.8	20.5	17.7	14.1	16.5
Other medium- and long-term lines	102.3	23.2	21.6	18.5	16.1	13.4	9.5
Miscellaneous financial debt	1.6	0.2				1.4	
Total financial debt excluding amortized cost, factoring, and bank overdrafts	387.1	61.8	57.0	62.6	46.8	41.9	117.0
Amortized cost of syndicated credit	(0.6)						
Factoring debt	16.0						
Bank overdrafts	7.0						
Total financial debt	409.5						

The detail of other medium- and long-term lines can be found in notes 4.11.1.4 to 4.11.1.7 inclusive.

4.11.1.3 Financial debt by main currencies

In millions of euros	09-30-19	Euro	American dollar	Canadian dollar
Loans from financial institutions	229.7	221.2	0.7	7.9
Miscellaneous financial debt	1.4	1.4		
Debts linked to finance leases	93.7	93.2	0.4	
Non-current financial debt	324.8	315.8	1.1	7.9
Loans from financial institutions	49.7	46.8	0.9	2.0
Miscellaneous financial debt	0.2	0.2		
Debts linked to finance leases	27.8	26.9	0.9	
Bank overdrafts	7.0	6.5	0.6	
Current financial debt	84.7	80.4	2.4	2.0
Total financial debt	409.5	396.2	3.5	9.9

4.11.1.4 Characteristics of main credit lines

Denomination	Currency	Nominal amount *(in millions of currency)*	Rate/Index	Final maturity date	Book value at 09-30-19 *(in millions of euros)*	Book value at 09-30-18 *(in millions of euros)*
Syndicated loan[(1)]	EUR	132.5	Euribor 3M	03/31/2022	31.8	42.4
Revolving credit[(1)]	EUR	100.0	Euribor 3M	03/31/2022		
EIB Loan	EUR	130.0	1.127%	08/02/2031	130.0	
Canada Loan - 2018 - 1	CAD	5.2	4.080%	07/06/2025	3.0	3.3
Canada Loan - 2017 - 1	CAD	9.0	3.340%	04/01/2024	4.2	4.9
Canada Loan - 2017 - 2	CAD	2,7	3,340%	04/01/2024	1.2	1.4
Canada Loan - 2015 - 1	CAD	3,5	3,840%	12/22/2022	1.2	1.5
United States Loan - 2018 - 1	USD	3.0	Libor USD 3M	06/01/2021	1.6	2.4
France Loan - 2019 - 1	EUR	20.0	Euribor 3M	09/02/2024	20.0	
France Loan - 2019 - 2	EUR	3.3	1.419%	06/30/2029	3.3	
France Loan - 2019 - 3	EUR	3.0	0.980%	02/20/2026	2.8	
France Loan - 2019 - 4	EUR	5.0	0.960%	05/31/2026	5.0	
France Loan - 2019 - 5	EUR	4.0	1.250%	06/01/2025	3.8	
France Loan - 2018 - 1	EUR	5.0	1.360%	04/30/2025	5.0	5.0
France Loan - 2018 - 2	EUR	5.5	1.650%	06/05/2030	5.0	5.4
France Loan - 2017 - 1	EUR	5.0	2.190%	04/30/2024	4.8	5.0
France Loan - 2017 - 2	EUR	3.0	1.250%	06/01/2022	1.7	2.3
France Loan - 2017 - 3	EUR	5.0	2.190%	04/30/2024	4.8	5.0
France Loan - 2017 - 4	EUR	6.0	1.200%	04/30/2022	3.3	4.5
France Loan - 2017 - 5	EUR	4.0	1.200%	04/30/2022	2.1	2.9
France Loan - 2017 - 6	EUR	10.0	0.850%	09/30/2024	7.2	8.6
France Loan - 2017 - 7	EUR	2.1	2.410%	09/08/2024	1.5	1.8
France Loan - 2016 - 1	EUR	5.0	0.610%	12/22/2023	3.1	3.8
France Loan - 2016 - 2	EUR	5.0	0.610%	12/22/2023	3.1	3.8
France Loan - 2016 - 3	EUR	8.0	1.250%	04/30/2021	2.9	4.5
France Loan - 2013 - 1	EUR	4.0	Euribor 3M	05/05/2023	1.5	1.9
Other borrowings - Outstandings < 1.5 MEUR					10.1	9.6
Non-recurring finance lease debts					93.7	60.6
Recurring finance lease debts					27.8	23.4
Miscellaneous financial debt	EUR				1.6	1.6
Amortized cost of syndicated credit	EUR				(0.6)	(1.1)
Syndicated factoring[(2)]	EUR	300.0		12/31/2021	16.0	22.0
Confirmed and unconfirmed bilateral lines	EUR	109.4			7.0	14.2
Total financial debt					409.5	240.7

(1) The Derichebourg Group has contracted a syndicated loan agreement, which, along with the EIB loan and its factoring agreements, constitutes its main sources of funding.
(2) Including €240 million from non-recourse factoring of receivables for €231.1 million in financing received as at September 30, 2019.

4.11.1.5 2014 loan agreement

On March 31, 2014, the Group entered into a loan agreement with ten financial institutions, for the sum of €232.5 million and comprising a €100 million revolving loan and a €132.5 million repayment loan.

Regarding the repayment loan, the outstanding balance at September 30, 2019 was €31.8 million. Annual installments consist of €10.6 million due each March 31 until 2022.

The revolving loan of €100 million had not been drawn as at September 30, 2019.

Five riders were signed on March 31, 2015, January 22, 2016, May 5, 2017, February 2, 2018, and June 19, 2019 at the Group's request, to amend a number of provisions, notably the margin scale in rider No. 1, the ratios to be respected in rider No. 2, the repayment schedule in rider No. 3, the lifting of guarantees relating to the repayment of loans in rider No. 4 and the increase in the additional debt authorized in rider No. 5.

Interest rate

The amounts drawn on these credit lines carry interest at the Euribor rate, plus a margin which is adjusted periodically based on the ratio of consolidated net financial indebtedness to consolidated Ebitda.

Early repayment obligations - Event of default

The loan agreement allows the lenders to require early repayment of the entire amount due, should a majority of the lenders request it, following the occurrence of certain common default events, particularly where an event has a significant adverse effect on the business or the financial situation of the Derichebourg Group, or on the ability of Derichebourg to service its debt.

A change of control or delisting of Derichebourg shares would constitute an event warranting mandatory early repayment.

In addition, the loan agreement provides for an obligation to make early partial repayment of the sums owing in the event of a capital increase, the issuance of shares giving access to capital or debt securities (if its maturity precedes that of the syndicated loan).

Covenants

The loan agreement also includes covenants that could theoretically limit the ability of Group companies to do the following without the lenders' consent:

- to take out additional debts;
- to grant sureties and guarantees;
- to undertake mergers, demergers or restructurings;
- to undertake certain acquisitions, beyond a certain threshold;
- to make investments over the course of a given company fiscal year that exceed the amounts set by the agreement;
- to sell assets or equity interests, except for those specified in the loan agreements;
- to redeem and/or reduce their share capital, with certain exceptions.

The loan agreement also contains commitments requiring the purchase and maintenance of insurance policies in line with practices generally accepted in the businesses of the Derichebourg Group.

On May 5, 2017, Derichebourg SA (the Borrower) signed an amendment No. 3 with the lenders, with the following main features:

- a three-year extension to the maturity of the credits, i.e. until March 31, 2022 (amortization in five annual installments of €10.6 million of the balance of €53 million of the refinancing loan, and availability of the €100 million revolving credit facility until March 31, 2022);

- relaxation of a number of the contractual clauses, specifically intended to facilitate the Group's development.

On February 2, 2018, the lenders agreed, in the light of the reduction in the amount of the loans and the net improvement in the Group's financial position, to remove the guarantees (pledges) relating to the repayment of the loans.

On June 19, 2019, the lenders agreed to raise the amount of additional authorized debt, in order to enable the loan with the European Investment Bank (EIB) to be set up.

4.11.1.6 Factoring agreement

On January 1, 2015, the Derichebourg Group entered into a non-recourse factoring agreement covering the French, Belgian, German, and Italian Environmental Services and Business Services entities. The term of this agreement is confirmed at three years, due to expire on December 31, 2021 and the maximum amount was set at €300 million in the amendment of November 2018.

The receivables covered by this agreement correspond to deliveries made or services rendered to private customers or to French public sector customers.

Each time receivables are sold, the receivables approved by the credit insurer (after deduction of any outstanding receivables previously sold without recourse) are sold without recourse. The other receivables are sold with recourse. The receivables retain their status (factored with or without initial recourse) until payment takes place.

The factor is co-insured with the Group by two different credit insurers. They are responsible for paying out any compensation under the credit insurance policy.

Interest is deducted when the receivable is sold based on the average contractual payment terms. The risk of late payment is transferred to the factors.

The dilution rate (credits, cancellation of receivables) is low.

The total receivables derecognized under factoring agreements amounted to €228.2 million as at September 30, 2019.

The Group derecognizes 95% of receivables without recourse because of the 5% unguaranteed residual amount.

4.11.1.7 EIB Loan

See note 1.2 Material events occurring over the fiscal year

The agreement is set to run for 12 years, with a grace period of two years, following which the loan is repayable in 10 equal annual installments.

The text of the EIB contract is close to that of the syndicated loan contract. It includes a commitment to maintain the EIB pari passu with the Group's other lenders, and a commitment to inform the EIB if a new credit contract includes stricter clauses, to allow it to assess whether it needs to amend the contract.

4.11.2 Net financial position

In millions of euros	09-30-19	09-30-18
Financial debt	409.5	240.7
Cash and cash equivalents	284.6	145.6
Total net debt	124.9	95.1

4.11.3 Liquidity risk

The Group uses a cash-flow management tool. This tool keeps track of the maturity of financial investments and financial assets (e.g., accounts receivable) and the estimated future cash flow from operations.

At September 30, 2019, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement signed in March 2014, with an authorized outstanding amount of €131.8 million. It includes a five-year loan for €31.8 million, repayable in equal annual installments (outstanding amount authorized and drawn of €31.8 million as at September 30, 2019), and a five-year usable revolving loan in the sum of €100 million, repayable at maturity. The next installment for the repayment loan is due on March 31, 2020 and amounts to €10.6 million. At September 30, 2019, there was no drawdown being made under the revolving loan;
- a non-recourse factoring agreement went into effect on January 1, 2015. Its initial two-year term was renewed twice, in April 2016 and November 2018, extending the maturity to the end of December 2021 and its limit to €300 million (subject to receivables available). The factoring purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse beyond that amount. The total receivables that may be derecognized by the Group is thus dependent on the total receivables available and the credit insurers' authorized limits. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by the Group; The amount drawn down from this line as at September 30, 2019 is €231.1 million, for a contribution to net debt of €16 million;
- €112 million in medium-term borrowings, of which €102.3 million had been drawn down;
- a loan agreement with the European Investment Bank for €130 million;
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding as at September 30, 2019 was €121.5 million.
- bilateral credit lines, whether confirmed or not, totaling €109.4 million, which are not used since the Group's net cash position is €277.6 million at September 30, 2019.

Financial ratios

The syndicated loan agreement requires the Group to maintain the following financial ratios:

- the annual leverage ratio, being the ratio of (a) consolidated net financial debt to (b) consolidated Ebitda, on each calculation date and over a rolling 12-month period ending on each calculation date, must be less than 3.00.

At September 30, 2019, the leverage ratio was 0.65;

- the debt service coverage ratio, i.e. the ratio of (a) consolidated cash flow before debt service to (b) net financial expenses on each calculation date and over a rolling 12-month period ending on each calculation date considered, must be greater than 5.

At September 30, 2019, the coverage ratio stood at 19.64.

The Group was in compliance with its financial covenants on September 30, 2019.

Given the liquidity margin of €497 million at September 30, 2019, and based on business and investment forecasts, the Group estimates that it has sufficient financial lines to meet its payments over the 12 months from September 30, 2019.

4.12 Financial instruments

The Group uses certain financial instruments to reduce risks related to interest rates, exchange rates affecting its commercial activities and raw material prices.

4.12.1 Market value of financial instruments

To determine the fair value of financial instruments, the Group uses the following fair value hierarchy, according to the valuation methods used:

- level 1: the prices listed for identical assets or liabilities in active markets (not adjusted);
- level 2: directly or indirectly observable inputs concerning the asset or liability other than the quoted prices used at level 1;
- level 3: methods that use inputs that have a significant impact on the recognized fair value and are not based on observable market data.

On September 30, 2019, all of the Group's assets and liabilities measured at fair value are classified as level 2.

During the 2019 fiscal year, there was no change in fair-value valuations between level 1 and level 2 and no transfer to, or from, level 3.

In millions of euros	09-30-19	09-30-18
Assets at fair value through profit or loss		
– Derivative instruments – assets		0.0
Assets at fair value through equity		
– Derivative instruments – assets		0.0
Loans and receivables		
– Non-current loans		0.0
– Non-current deposits and securities	6.9	8.6
– Other non-current financial assets	0.2	0.0
– Current trade receivables	284.1	286.6
– Current loans		
– Current deposits and securities	20.2	13.8
– Cash and cash equivalents	284.6	145.6
Held-to-maturity investments		
– None		
Available-for-sale assets		
– Equity interests	1.7	1.8
Liabilities at fair value through profit or loss		
– Derivative instruments – liabilities	1.2	(0.2)
Liabilities at fair value through equity		
– Derivative instruments – liabilities	1.6	1.4
Other liabilities		
– Syndicated loan	31.2	41.3
– Other non-current financial debt	304.3	125.5
– Debts Trade payables	258.7	281.2
– Other current financial liabilities	0.4	0.3
– Short-term loans and bank overdrafts	73.8	84.2

4.12.2 Market value of derivative instruments

		09-30-19		09-30-18	
In millions of euros		Assets	Liabilities	Assets	Liabilities
Derivatives for interest-rate risks	Cash flow hedge		2.5		1.1
Derivatives for exchange-rate risk	Cash flow hedge	0.0	0.2	0.0	0.0
Amount of derivatives in the consolidated balance sheet		0.0	2.7	0.0	1.1

4.12.3 Interest rate risks

The Group determines the desired split of debt between fixed and variable rates based on forecast trends for interest rates and the hedging requirement set forth in the syndicated loan agreement. At September 30, 2019, 20% of the debt was under a floating rate.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses and manage the fixed/variable rate split of its debt.

The Group's variable-rate debt is fully hedged. A 1% change in the three month Euribor would have no impact on the Group's financial statements.

Breakdown of debt between fixed and variable rates

	09-30-19			09-30-18		
In millions of euros	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Financial liabilities	326.6	75.9	402.5	154.2	72.3	226.5
Cash and cash equivalents		7.0	7.0		14.2	14.2
Total financial liabilities	326.6	82.9	409.5	154.2	86.5	240.7
%	80%	20%	100%	64%	36%	100%

Net financial position after hedging

	09-30-19			09-30-18		
In millions of euros	Less than 1 year	From 1 to 5 years	Beyond that period	Less than 1 year	From 1 to 5 years	Beyond that period
Non-current financial debt		207.7	117.0		140.9	15.3
Current financial debt	84.8			84.5		
Financial liabilities	84.8	207.7	117.0	84.5	140.9	15.3
Non-current financial assets (excluding investment securities)		(5.0)	(2.1)		(5.0)	(3.6)
Current financial assets	(20.2)			(13.8)		
Cash and cash equivalents	(7.0)			(145.6)		
Financial assets	(27.2)	(5.0)	(2.1)	(159.5)	(5.0)	(3.6)
Net position before hedging	57.6	202.7	114.9	(75.0)	135.9	11.7
Swaps		(50.0)		(95.0)		
Net position after hedging	57.6	152.7	114.9	(170.0)	135.9	11.7

Derivative interest rate instruments by maturity

In millions of euros	Initial rate	Less than 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Swap variable rate -> fixed rate:					
SWAP EUR	0.56%			50.0	
Total nominal value EUR				50.0	

4.12.4 Foreign exchange risk

Exchange rates used

		2019		2018	
In euros	Foreign currencies	Year-end	Average	Year-end	Average
Canada	CAD	1,4426	1,4971	1,5064	1,5275
China	CNY	7,7784	7,7957		
United States	USD	1,0889	1,1281	1,1576	1,1906
Morocco	MAD	10,6224	10,8145	10,9376	11,1533
Mexico	MXN	21,4522	21,8837	21,7800	22,6387
United Kingdom	GBP	0,8857	0,8841	0,8873	0,8847
Turkey	TRY	6,1491	6,3239	6,9650	5,2495

Generally, the Group's revenue is generated in the same currency as the related costs. Accordingly, the Group has little exposure to foreign exchange risk, and business transactions made in a non-local currency (mostly dollar-denominated exports from France) are generally hedged with forward contracts. Euro movements against the US dollar do, however, have a significant impact on the translation of Environmental Services division revenue and operating income into euros.

The Group uses foreign exchange forward contracts to hedge its foreign exchange risk.

In millions of currency	USD
Forward purchases	
Forward sales	10.5

Accounts receivable, tax receivables and other current assets by currency

In millions of currency	Receivables at 09-30-19 Local currency	Euro	%	Receivables at 09-30-18 Local currency	Euro	%
CAD	6.3	4.4	1%	5.4	3.6	1%
EUR	329.9	329.9	95%	329.6	330.2	87%
GBP	0.2	0.3	0%	0.1	0.1	0%
MAD				321.5	29.4	7%
MXN	85.0	4.0	1%	68.5	3.1	1%
TRY	4.8	0.8	0%			
USD	12.1	11.1	3%	16.5	14.2	4%
Total		350.4	100%		380.7	100%

Trade payables, tax liabilities and other current liabilities

In millions of currency	Payables at 09-30-19 Local currency	Euro	%	Payables at 09-30-18 Local currency	Euro	%
CAD	2.2	1.5	0%	1.7	1.2	0%
EUR	508.2	508.2	99%	510.7	510.7	95%
GBP	0.2	0.2	0%	0.1	0.1	0%
MAD				221.0	20.2	4%
MXN	40.3	1.9	0%	37.6	1.7	0%
TRY	2.4	0.4	0%			
USD	5.8	5.4	1%	6.4	5.5	1%
Total		517.5	100%		539.5	100%

The following table shows the sensitivity of profit before tax, before and after hedging, to a reasonable change in the US dollar exchange rate, all other variables being constant.

In millions of euros		09-30-19 Before hedging	After hedging	09-30-18 Before hedging	After hedging
CAD	+5%	(0.2)	(0.2)	(0.1)	(0.1)
	-5%	0.2	0.2	0.1	0.1
USD	+5%	(0.8)	(0.3)	(0.9)	(0.4)
	-5%	0.9	0.4	1.0	0.4
Total	+5%	(1.0)	(0.6)	(1.0)	(0.5)
	-5%	1.1	0.6	1.1	0.6

4.12.5 Credit or counterparty risk

Financial transactions (i.e. loans, hedges on currencies, interest rates and raw materials) are carried out with leading financial institutions for the purpose of reducing risk.

To reduce counterparty risk on domestic, export and foreign accounts receivable, Environmental Services and Business Services systematically apply for credit insurance to cover 95% of this risk on these receivables, excluding taxes. The credit insurer may however sometimes refuse coverage based on its assessment of a customer's solvency. Exposure to customer risk is regularly compared to the credit insurer's authorized limits.

For several years now, the Group has implemented a very strict policy of monitoring customer outstandings and systematically issuing routine reminders for overdue outstandings.

The Business Services business has a very large portfolio of customers that represents all sectors of the French economy. Its credit risk is therefore proportionate to the risk that the French economy itself will fail, and without the risk that the default of any single customer could threaten the Group's survival.

Aging of accounts receivable (gross values excluding doubtful receivables)

In millions of euros	Total outstanding 09-30-19	Not due	<1 month	<4 months	>4 months
Environmental Services	131.4	97.6	20.0	6.6	7.2
Business Services	150.3	69.1	40.2	30.0	11.0
Holding companies	4.6	4.3		0.1	0.2
Total	286.3	171.0	60.2	36.7	18.4

Despite the turbulent environment, the Group has not yet observed any significant increase in payment delays and customer credit risk is €1.9 million. The Group considers that its other loans do not constitute a substantial risk, except for certain receivables more than four months overdue.

4.12.6 Raw materials risk

In the normal course of its business, the Group enters into few forward contracts to buy or sell ferrous or non-ferrous metals, and these contracts generally do not require a firm price commitment beyond one month. Depending on whether metal prices rise or fall, the Group may have to purchase or sell at a price less favorable than when the contract was entered into to honor a contract. However, the Group's risk practice is to only enter into a contract to sell when a purchase has been made. Three specialist companies, aluminum refiner Refinal, and ferrous metals traders Inorec and Coframétal, may make buy or sell commitments before finding a counterparty for the transaction. They may hedge these transactions on the London Metal Exchange. (Other Group companies may also hedge transactions on the LME, but this is exceptional).

The Group may therefore have to sell its inventories of processed metal goods to its customers for less than the initial purchase price if the market price for these goods declines between the time of purchase and the time of sale. The volatility of the prices of different metals may create exceptional “price effects” which the Group endeavors to limit by holding low levels of stock.

4.13 Non-current provisions and provisions for commitments to employees

4.13.1 Change in non-current provisions

In millions of euros	09-30-18	Provisions	Reversals used	Write backs not used	Changes in scope[1]	Impact of IFRS 5	Other variation	Foreign exchange differences	09-30-19
Provisions for labor disputes	5.3	2.0	(1.6)	(0.7)					5.0
Provisions for other disputes	3.9	1.3	(1.0)		(0.1)	(1.3)	0.0		2.8
Provisions for URSSAF disputes	7.9	0.9							8.9
Provisions for guarantees	0.7	0.1		(0.2)					0.6
Provisions for service awards	2.2	0.8	(0.1)	(0.3)					2.6
Provisions for restructuring	0.3								0.3
Environmental provisions	4.5	0.4	(1.3)					0.1	3.7
Other non-current provisions	0.5		(0.5)						0.0
Total	25.3	5.5	(4.5)	(1.2)	(0.1)	(1.3)	0.0	0.1	23.7

(1) See note 3 – Changes in consolidation scope.

4.13.2 Provisions for commitments to employees

In France, Group employees benefit from State pension plans and from retirement benefits paid by the employer in accordance with the collective agreements in force at each subsidiary.

In other countries, the plans depend on local legislation, the type of business and the past practices of the subsidiary concerned.

The projected costs and obligations recognized in the consolidated financial statements have been determined based on the following actuarial assumptions:

Actuarial assumptions for Business Services	Euro zone 2018-2019	Euro zone 2017-2018
Discount rate	0.50%	1.50%
Rate of inflation	2.00%	2.00%
Long-term forecast salary growth rate	2.00%	2.00%
Expected return on assets		
– shares		
– fixed assets		
– liquidity		
– bonds		
– hedge funds		
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	Internal to the Company, applied to each employee	Internal to the Company, applied to each employee
Retirement age	Voluntary departure at 62 years of age for non-executives	Voluntary departure at 62 years of age for non-executives
	Voluntary departure at 62 years of age for executives	Voluntary departure at 62 years of age for executives

Actuarial assumptions for Environmental Services and Holding companies	Euro zone 2018-2019	Euro zone 2017-2018
Discount rate	0.50% to 0.70%	1.50% to 1.95%
Long-term forecast salary growth rate	0% to 2%	0% to 2%
Expected return on assets		
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	INSEE tables adapted to the Group's turnover	INSEE tables adapted to the Group's turnover
Retirement age	Voluntary departure at 62 years of age for non-executives Voluntary departure at 62 years of age for executives	Voluntary departure at 62 years of age for non-executives Voluntary departure at 62 years of age for executives

For Environmental Services and Business Services in France, the discount rate used in this measurement is 0.50%.

IAS 19 specifies that the discount rate must be equal to the yield paid on high-quality corporate bonds having the same maturity as the commitment.

In the euro zone, the yield on high-quality corporate bonds (AA) at the measurement date was 0.48% according to the IBOXX benchmark

The discount rate actually used in this valuation complies with IAS 19.

In millions of euros	09-30-18	Provisions	Reversals used	Write backs not used	Changes in scope	Impact of IFRS 5	Comprehensive income	09-30-19
Employee benefits	42.6	4.3	(3.9)		(0.1)	(0.1)	6.8	49.6

In millions of euros	2019	2018	2017
Actuarial value of commitments at opening	42.6	43.2	45.3
Current service cost	3.4	3.2	3.4
Interest expense	0.7	0.7	0.5
Actuarial gains and losses related to experience	1.6	1.5	(6.9)
Actuarial gains and losses related to changes to the actuarial assumptions	5.3	0.1	(0.0)
Employee contributions			0.0
Benefits paid	(3.8)	(3.6)	(1.8)
Acquisitions, disposals, liquidations			0.0
Change in scope			2.6
Impact of IFRS 5	(0.1)	(2.4)	
Foreign exchange differences			0.0
Actuarial value of commitments at closing	49.6	42.6	43.2
Fair value of plan assets at opening	0.0	0.0	0.0
Interest income			0.0
Expected return on assets other than interest			0.0
Administrative costs			0.0
Contributions by employer	3.8	3.6	1.8
Employee contributions			0.0
Benefits paid	(3.8)	(3.6)	(1.8)
Assets distributed on settlement			0.0
Changes in scope			0.0
Impact of IFRS 5			
Foreign exchange differences			0.0
Fair value of plan assets at closing	0.0	0.0	0.0
Provisions recognized on the balance sheet			
Actuarial value of commitments	49.6	42.6	43.2
Fair value of assets	0.0	0.0	0.0
Net value of commitments	49.6	42.6	43.2
Amounts recognized in profit or loss			
Current service cost	3.4	3.1	3.4
Financial cost	0.7	0.7	0.5
Administrative costs			0.0
Gains/Losses on settlements			0.0
Total	4.1	3.8	3.9
Analysis of amount recognized in other comprehensive income			
Expected return on assets other than interest	0.0	0.0	0.0
Actuarial gains and losses related to experience	(1.6)	(1.5)	6.9
Actuarial gains and losses related to changes to the actuarial assumptions	(5.3)	(0.1)	0.0
Total gains/(losses) recognized in other comprehensive income	(6.8)	(1.6)	6.8
Provisions at the beginning of the year	42.6	43.2	45.3
Net expense for the year	4.1	3.9	3.9
Impact on comprehensive income	6.8	1.6	(6.8)
Benefits paid	(3.8)	(3.6)	(1.8)
Other			2.6
Impact of IFRS 5	(0.1)	(2.4)	
Foreign exchange differences			0.0
Provisions at year-end	49.6	42.6	43.2

4.14 Current provisions

In millions of euros	09-30-18	Provisions	Reversals used	Write backs not used	Other variation	Foreign exchange differences	09-30-19
Provisions for disputes	2.4	0.6	(0.6)	(0.1)			2.3
Provisions for restructuring	0.6	0.0	(0.6)				0.0
Provisions for taxes	0.1		(0.1)				0.0
Environmental provisions	1.5		(1.4)				0.1
Other provisions	0.2	0.2	(0.2)		0.0	0.0	0.2
Total	4.8	0.8	(2.9)	(0.1)	0.0	0.0	2.6

4.15 Other current liabilities

In millions of euros	09-30-19	09-30-18
Trade payables	257.1	281.2
Tax payables	7.7	3.3
State and payroll taxes	218.0	225.2
Advances and payments on account received on orders	10.9	9.1
Current account credit balances	0.6	0.4
Miscellaneous liabilities	9.6	7.3
Deferred income	13.6	13.1
Other current liabilities	252.7	255.0

4.16 Other non-current liabilities

In millions of euros	09-30-19	09-30-18
Trade payables	2.3	0.8
Deferred income	0.9	0.9
Other non-current liabilities	3.2	1.7

4.17 Segment reporting

The segments shown correspond to the two branches of Derichebourg's business: Environmental Services and Business Services.

Each of these segments produces and provides goods and services and represents a group of cash generating units monitored each month by General Management through its management report.

The scope of segment reporting is unchanged from the previous year.

4.17.1 By business segment

4.17.1.1 Revenue

In millions of euros	2019	2018	Change in %
Environmental Services	1,846.7	2,116.4	(12.7%)
Business Services	857.6	802.5	6.9%
Holding companies	0.8	0.8	(4.8%)
Total	2,705.0	2,919.7	(7.4%)

4.17.1.2 Consolidated income statement items

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at september 30,
2019					
External revenue	1,850.4	871.8	33.3	(50.4)	2,705.0
Inter-segment revenue	(3.7)	(14.2)	(32.5)	50.4	0.0
Revenue	1,846.7	857.6	0.8	0.0	2,705.0
Recurring operating profit (loss)	88.2	21.3	(6.4)		103.1
Operating profit (loss)	87.5	16.4	(6.4)		97.5
Net income from associates	2.4				2.4
2018					
External revenue	2,120.0	817.0	31.8	(49.0)	2,919.7
Inter-segment revenue	(3.6)	(14.5)	(31.0)	49.0	0.0
Revenue	2,116.4	802.5	0.8	0.0	2,919.7
Recurring operating profit (loss)	102.9	22.1	(6.7)		118.3
Operating profit (loss)	98.6	22.1	(24.4)		96.3
Net income from associates	2.1				2.1

4.17.1.3 Other segment reporting

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at September 30,
2019					
Total assets (current and non-current)	1,005.8	553.8	518.3	(526.4)	1,551.5
Assets associated with held-for-sale assets		5.8			5.8
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	698.6	391.0	462.9	(526.4)	1,026.0
Liabilities associated with held-for-sale assets		4.6	0.8		5.4
Total liabilities (current and non-current excluding shareholders' equity)	698.6	395.5	463.7	(526.4)	1,031.4
Flows at September 30, 2019					
Tangible and intangible capital investments	125.9	15.9	2.8		144.6
Tangible and intangible amortization	(74.1)	(11.7)	(2.5)		(88.3)
Impairment	(0.2)				(0.2)
2018					
Total assets (current and non-current)	1,012.5	502.7	383.8	(527.5)	1,371.5
Assets associated with held-for-sale assets	48.4	0.0	(7.0)	0.0	41.4
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	711.1	342.4	347.4	(527.5)	873.3
Liabilities associated with held-for-sale assets	27.9	0.0	0.0	0.0	27.9
Total liabilities (current and non-current excluding shareholders' equity)	739.0	342.4	347.4	(527.5)	901.2
Flows at September 30, 2018					
Tangible and intangible capital investments	108.9	11.1	4.0	0.0	124.0
Tangible and intangible amortization	(70.8)	(11.1)	(2.5)	0.0	(84.4)
Impairment	0.0	0.0	0.0	0.0	0.0

4.17.2 Information by geographic zone

In millions of euros	Continental Europe	France	North and South America	Africa	Middle East	Total at September 30,
2019						
Revenues (origin of sales)	323.1	2,161.1	170.6	47.5	2.7	2,705.0
Tangible and intangible capital investments	15.3	121.5	6.7	1.1	0.0	144.6
Tangible and intangible amortization	(7.8)	(66.8)	(10.7)	(3.1)	(0.0)	(88.5)
Total net tangible assets	56.8	419.2	63.1		0.1	539.2
2018						
Revenues (origin of sales)	387.3	2,300.4	181.4	50.6		2,919.7
Tangible and intangible capital investments	9.2	92.2	19.6	3.0		124.0
Tangible and intangible amortization	(11.2)	(60.0)	(8.6)	(4.6)		(84.4)
Total net tangible assets	46.7	363.0	64.2	6.9		480.9

4.18 Change in provisions

In millions of euros	2019	2018
Provisions on current assets	(1.5)	3.2
Provisions for liabilities and charges	(5.0)	7.5
Total	(6.5)	10.7

4.19 Other operating expenses and income

In millions of euros	2019	2018
Proceeds from sale of property, plant and equipment	1.3	2.3
Production of assets for own use	2.0	2.4
Write backs of provisions on property, plant and equipment	0.4	0.2
Write backs of provisions on current assets[1]	6.8	3.0
Write backs of provisions for liabilities and charges	8.7	7.5
Transfers of operating expenses	3.9	3.9
Operating and investment subsidies	1.2	1.6
Others	1.4	1.8
Total other operating income	25.7	22.7
Carrying amount of non-current assets sold	(0.2)	2.8
Losses from irrecoverable and written-off receivables[2]	(7.0)	(1.7)
Duties and licenses	(6.8)	(7.5)
Board members/attendance fees paid	(0.2)	(0.1)
Others	(3.5)	(6.2)
Total other operating expenses	(17.6)	(12.7)

(1) Of which €4.5 million in write backs for impairment of trade receivables of Vigimark Sûreté (see note 4.26 to the 2013 financial statements).
(2) Of which €4.5 million in losses for irrecoverable trade receivables of Vigimark Sûreté (see note 4.26 to the 2013 notes).

4.20 Other non-recurring expenses and income

	2019	2018	
Nuclear engineering company contracts[1]	(5.0)	(9.5)	Italy – balance from dispute with Rotamfer
		(0.6)	Italy – balance from CRS – Scrap dispute
		(3.7)	Waste collection – loss against Veolia in first-instance ruling
Total other non-recurring expenses	(5.0)	(13.8)	
Other	0.1		
Other non-recurring income	0.1		

(1) See note 1.2 – Material events occurring over the fiscal year.

4.21 Gain/loss on disposal of consolidated companies

	2019	2018	
France – Derichebourg Services & Ingénierie nucléaire[1]	(0.8)	(7.0)	Italy – impact of the sale of household waste collection and waste treatment businesses
Belgium – liquidation of CPI & Bas Long Prés	(0.7)	0.5	France – disposal of Hydrovide
Morocco – disposal of household waste collection and waste treatment business[1]	0.6	(1.7)	France – disposal of investment in Plastic Recycling
Italy – disposal of household waste collection and waste treatment businesses	0.1		
Gain/loss on disposal of consolidated companies	(0.8)	(8.2)	

(1) See note 1.2 – Material events occurring over the fiscal year.

4.22 Net financial expenses

To provide a better assessment of the debt service cost, net financial expenses have been calculated between financial expenses and financial income from investments made, and after taking into account the effect of interest-rate hedges.

Any amounts not falling within the above definition are, where applicable, shown on a separate line.

In millions of euros	2019	2018
Interest on loans, bank overdrafts and factoring	(7.9)	(9.1)
Interest on current accounts		0.0
Leasing interests	(1.4)	(1.8)
Dividends		0.0
Income from investment securities and cash equivalents		0.0
Interest-rate hedges and other financial income and expenses	(0.5)	(0.9)
Net financial expenses	(9.7)	(11.7)
Foreign exchange gains and losses	0.3	0.3
Interest expense on retirement and pension plans	(0.7)	(0.7)
Other	(0.4)	(0.8)
Foreign exchange and other gains and losses	(0.8)	(1.2)

4.23 Income tax

4.23.1 By type

In millions of euros	2019	2018
Income before tax from consolidated companies	87.0	83.4
Current income tax	(34.6)	(11.3)
Deferred tax	4.1	(5.0)
Total income tax expense	(30.5)	(16.3)
Effective tax rate	(35.1%)	(19.6%)

The French Finance Law for 2019 maintained the standard corporate tax rate of 34.43% for fiscal years beginning in 2019, without changing the rates for the following fiscal years.

The Group's net income tax expense takes into account the progressive income tax rate reduction through the application of the rate in force at the time of the reversal of the temporary differences.

4.23.2 Actual income tax expense

	2019	2018
Theoretical tax income or expense	(30.0)	(28.7)
Impact of tax rate changes	(0.1)	(0.2)
Recognition/Limitation of deferred tax assets	1.9	6.3
Permanent tax differences	0.8	8.5
Permanent differences linked to consolidation adjustments	(3.5)	(2.6)
Differences in tax rates applicable to foreign companies	0.4	0.4
Actual tax income	(30.5)	(16.3)

The Group's actual Income tax expense was calculated on the basis of income from continuing operations before tax, restated for the Group's share of income from associated companies.

For fiscal year 2019, the Group's actual income tax expense was reconciled on the basis of a tax rate of 34.43%, as for fiscal 2018.

4.23.3 Tax consolidation

The Derichebourg Group has opted in France for the tax consolidation regime which allows it to offset the taxable results of its French subsidiaries where the direct or indirect holding is greater than 95%. The consolidated companies affected by this regime have signed an agreement setting out the methods for applying the tax consolidation, in accordance with the rules established by the tax administration.

The consolidated tax Group is made up of the following companies:

DERICHEBOURG SA	DERICHEBOURG TECHNOLOGIES	PURFOLLIOULE SCI
AFM RECYCLAGE	ÉCO-VHU SAS	PURMET TRANSPORT
BERNES ET BRUYÈRES SCI	ESKA	REFINAL INDUSTRIES
BERTHELOT VILLENEUVE SCI	EXADIANE SCI	REVIVAL
BOLTON	FRANORA SCI	ROUTABOULE SCI
CFF BETA SCI	GROUPE ALTER SERVICES	ROUX SCI
CFF SIGMA SCI	GARE DE CHANDIEU SCI	ULTEAM
COFRAMETAL	INOREC	VALME TECHNOLOGIES
DERICHEBOURG AQUA	INOTERA SCI	WESTEVER
DERICHEBOURG ATIS AÉRONAUTIQUE	POLY-ENVIRONNEMENT	
DERICHEBOURG AUTOMOBILE SERVICES	POLYAMON	
DERICHEBOURG ÉNERGIE	POLYBUIS	
DERICHEBOURG ÉNERGIE E.P.	POLYCEJA	
DERICHEBOURG ENVIRONNEMENT	POLYCEO	
DERICHEBOURG ESPACES VERTS	POLYCOROT	
DERICHEBOURG ÉVOLUTION FORMATION	POLY-MASSI	
DERICHEBOURG EXPANSION	POLY-NEA	
DERICHEBOURG FM	POLYREVA	
DERICHEBOURG IMMOBILIER SCI	POLY-SENTI	
DERICHEBOURG INTÉRIM	POLYSOTIS	
DERICHEBOURG LOGISTIQUE ET MANUTENTION	POLYTIANE	
DERICHEBOURG MULTISERVICES HOLDING	POLYURBAINE	
DERICHEBOURG PROPRETÉ	POLYURBAINE NORMANDIE	
DERICHEBOURG RETAIL	POLY-VALIS	
DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	PROVERRE	
DERICHEBOURG SNG	PSIMMO	
DERICHEBOURG SOURCING AERO & ENERGY	PURFER	
DERICHEBOURG SPECTACLE	PURFER TRANSPORT	

The Derichebourg Group's tax savings amount to €0.6 million.

4.23.4 Analysis of deferred tax assets and liabilities

In millions of euros	09-30-19	09-30-18
Tax losses carried forward	7.1	5.6
Temporary differences	5.6	4.5
Restatement of regulated provisions	(5.8)	(6.3)
Social benefits	11.8	10.0
Finance leases	(1.3)	(2.1)
Elimination of intra-Group profits	1.4	1.8
Valuation differences	(8.0)	(7.3)
IFRS restatements	0.6	0.0
Other types	(2.0)	(1.9)
Net deferred taxes	9.4	4.4
Of which		
Deferred tax assets	26.5	22.0
Deferred tax liabilities	17.1	17.5
Net deferred taxes	9.4	4.4

In France, the Group has recognized €2.7 million in deferred tax assets relating to one entity that is not part of the tax consolidation grouping, in light of the outlook for future taxable profits.

The Group also has tax loss carryforwards for which no deferred taxes have been recognized in the amount of €17.1 million in France and €44.0 million abroad.

4.24 Discontinued or held-for-sale operations

Nuclear engineering business (in millions of euros)	09-30-19
Goodwill	(0.3)
Property, plant and equipment	(0.2)
Total non-current assets	(0.5)
Trade receivables	(3.7)
Other current assets	(0.4)
Cash	(1.2)
Total current assets	(5.3)
Total non-current assets and groups of assets held for sale	5.8
Financial borrowings and debts	(0.0)
Employee benefits	(0.1)
Other provisions	(1.4)
Total non-current liabilities	(1.5)
Borrowings and bank overdrafts (portion at less than one year)	(0.0)
Provisions	(0.8)
Debts Trade payables	(1.9)
Other current liabilities	(1.0)
Total current liabilities	(3.8)
Total liabilities related to a group of held-for-sale assets	5.4

4.25 Earnings per share

		2019	2018
Net profit (loss) attributable to Company shareholders *(in millions of euros)*	(A)	55.6	71.1
Net profit (loss) attributable to the Group from discontinued operations *(in millions of euros)*	(B)		3.4
Net profit (loss) attributable to the Group after elimination of discontinued operations *(in millions of euros)*	(C)=(A-B)	55.6	67.6
Impact of dilution on net income	(D)		0.0
Profit after dilution	(E)	55.6	67.6
Number of ordinary shares at year-end		159,397,489	163,878,780
Own shares			
Number of ordinary shares at year-end, excluding own shares		159,397,489	163,878,780
Weighted average number of ordinary shares during the year, excluding own shares	(F)	160,518,131	163,878,780
Number of ordinary shares at year-end after dilution, excluding own shares	(G)	159,397,489	163,878,780
Basic earnings per share (excluding discontinued operations) *(in euros)*	(C)/(F)	0.35	0.4
Basic earnings per share after dilution *(in euros)*	(E)/(G)	0.35	0.4
Earnings per share after net income from discontinued operations (in euros)	(A)/(F)	0.35	0.4
Diluted earnings per share after net income from discontinued operations (in euros)	(A+D)/(G)	0.35	0.4

4.26 Commitments

4.26.1 Details of commitments given

Breakdown of off-balance sheet commitments

In millions of euros	Bonds	Guarantees	09-30-19	09-30-18
Rent	0.8	0.1	0.9	0.9
Financial institutions - Market[(1)]	24.2	20.4	44.6	61.6
Environmental commitments	1.6	2.6	4.2	6.2
Temporary work[(2)]	12.7	0.2	12.9	13.3
Tax commitments	0.6	0.5	1.1	1.2
Others	0.1	0.3	0.4	0.8
Total	40.0	24.1	64.1	84.0

(1) Bonds given in accordance with the requirements of certain markets.
(2) Bonds given by the parent company to the financial institution issuing the guarantee required by law for the Temporary work business.

4.26.2 Details of commitments received

Confirmed lines of credit not used as of September 30, 2019:

- bilateral line – Germany: €17.2 million;
- bilateral line – Belgium: €12.5 million;
- bilateral line – Portugal: €2.7 million;

- revolving loan (syndicated loan): €100 million.
- Retention bonds: €1.5 million

4.26.3 Leasing agreements

The Group has entered into operating leases for certain items of equipment. These leases are for periods averaging three to five years.

4.26.3.1 Operating leases

The minimum future lease payments under non-cancellable operating leases were as follows at September 30, 2019:

Future minimum payments – Operating leases

In millions of euros	09-30-19	09-30-18
< 1 year	(21.0)	(28.7)
>1 year and <5 years	(16.6)	(29.2)
>5 years	(8.4)	(10.9)
Total	(46.0)	(65.4)

In millions of euros	09-30-19	09-30-18
Rental expenses for the period	(36.8)	(34.0)
Total	(36.8)	(34.0)

4.26.3.2 Finance leases

The minimum future lease payments that will be made on finance leases were as follows at September 30, 2019:

Future minimum payments – Finance leases

In millions of euros	09-30-19	09-30-18
<1 year	(29.1)	(27.5)
>1 year and <5 years	(78.7)	(55.8)
>5 years	(17.2)	(7.5)
Total	(124.9)	(90.8)

In millions of euros	09-30-19	09-30-18
Lease payments expensed in the period	(28.1)	(30.9)
Total	(28.1)	(30.9)

4.27 Significant litigation

4.27.1 Italy

In November 2013, the director (managing director) of the Italian subsidiary of the Multiservices business (AEP Multiservizi) was remanded in custody, as part of an investigation into procedures for awarding public contracts in Campania. Given the block on the Company's operations likely to be caused by his incapacity, his appointment as managing director was revoked. He has since been freed and the post-judgment measures of constraint lifted. Although the company itself was not the subject of legal action, the Group decided to anticipate the consequences of this company’s situation and recorded a non-recurring provision of €4 million in its financial statements for the fiscal year ended September 30, 2016. The company’s activity is continuing, although the volume of business is reduced.

4.27.2 Belgium

A tax audit was conducted on the Belgian subsidiary Derichebourg Belgium relating to the identification of suppliers of metals and ferrous scraps for the years 2006 to 2010. In November 2017, the Court of Appeal considered that the Company had not adhered to the law concerning identification of the VAT of suppliers and rejected the deduction of purchase invoices deemed non-compliant. This resulted in the provisional payment of tax increases amounting to €6 million, recognized under expenses during fiscal 2017. The Company has appealed to the Court of Cassation.

4.27.3 France

- In June 2018, several subsidiaries in the household waste collection business were jointly ordered by the lower court to pay €3.7 million to entities in the Veolia Group, after a judgment by the Paris Commercial Court in proceedings relating to the terms of personnel transfer in 2014 after the Veolia Group took over household waste collection in the 11th and 19th arrondissements of Paris from the subsidiary Polyurbaine. The Group has appealed this judgment. The sums paid were recognized under expenses during the previous fiscal year.

- The Group is often subject to Urssaf (French social security body) audits on its services activities. The subsidiary Derichebourg Atis Aéronautique was audited in fiscal year 2017/2018. Following this audit, the subsidiary made a provision in the amount of €1.5 million corresponding to a likely adjustment. It is contesting an unfunded amount of €3.2 million for meal allowances that were not subjected to social security charges, because it considers this adjustment to be unfounded.

- In 2012, Derichebourg SA and the subsidiary AFM Recyclage (as the final operator) entered into an agreement with the local authority, which was renewed in 2018. Under this agreement, they would release land, transfer it to the local authority and transfer their activity to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for non-sensitive, industrial uses. After the end of the fiscal year, an estimate was made of the cost of this decontamination and its total cost calls into question the economics of the operation. Discussions have begun with stakeholders in order to see whether it is possible to find a solution that is acceptable to everyone. Should this not be the case, AFM Recyclage would seek to continue its activity at the site.

4.28 Related party transactions

4.28.1 Transactions with non-consolidated related parties

The Group is controlled by CFER, which holds 41.25% of the Company's share capital. The ultimate parent company is DBG FINANCES, incorporated in Belgium.

In millions of euros	09-30-19	09-30-18
DBG FINANCES	0.0	0.0
Related party receivables	0.0	0.0
DBG FINANCES	0.6	0.4
TBD FINANCES	1.1	1.2
Mrs. IDA DERICHEBOURG	NS	NS
Related party payables	1.7	1.6
TBD FINANCES	(2.3)	(2.5)
Non-recurring expenses	(2.3)	(2.5)
DBG FINANCES	(1.4)	(1.7)
SCI FONDEYRE	NS	NS
SCI DEMUEYES	NS	NS
Mrs. IDA DERICHEBOURG	NS	NS
Operating expenses	(1.4)	(1.7)
DBG FINANCES	0.0	0.0
Revenue	0.0	0.0

4.28.2 Transactions between the Group and its partners in equity-accounted companies

09-30-19 *(in millions of euros)*	Trade receivables	Debts Trade payables	Financial borrowings and debts	Revenue	Purchased used	External expenses
ALSAFER		0.1			(1.0)	
ALLO CASSE AUTO	0.1		0.1	0.2		
EASO		0.2		0.2	(1.0)	
REYFRA	0.1			0.5		
VALERCO		0.1		0.1		(0.6)
Total	0.2	0.4	0.1	1.0	(2.0)	(0.6)

4.29 Employee information

4.29.1 Headcount by business segment

	09-30-19	09-30-18
Business Services	32,189	28,585
Environmental Services	4,499	10,687
Holding companies	145	136
Total headcount*	36,833	39,408

** Headcount by number of employees at year-end.*

4.29.2 Personnel expenses by type

In millions of euros	09-30-19	09-30-18
Wages and salaries	656.7	644.0
Social charges	192.6	210.0
Employee profit sharing	9.0	5.7
Income from Employment Competitiveness Tax Credit (CICE)	(5.2)	(26.5)
Other personnel expenses	2.8	2.1
Total	856.0	835.3

4.30 Executive compensation

The total amount of compensation of any kind paid by the Company, controlled companies and controlling companies to members of the Company's executive bodies at September 30, 2019 was €2.3 million. At September 30, 2018, this amount was €2.3 million.

Members of the administrative bodies do not receive future benefits.

4.31 Accounting options related to the first-time adoption of IFRS

4.31.1 Business combinations

The Group has decided not to retrospectively adjust business combinations prior to October 1, 2004.

4.31.2 Property, plant and equipment

IFRS 1 allows certain types of assets to be recognized at their fair value in the opening balance sheet and for this value to be used as the deemed cost. The Group decided to apply this option specifically to some assets, and in particular, to land and improvements and to structures on owned land as of the date of transition to IFRS.

The fair value of the various real estate assets was determined based on appraisals by an external party.

The application of this option had the following impacts on equity on October 1, 2004:

- €62.7 million before tax and €40.5 million after tax on the Group's share of equity;
- €0.2 million before tax and €0.1 million after tax on non-controlling interests.

4.31.3 Translation methods

The Group elected to apply unrealized exchange gains or losses as of October 1, 2004 to its consolidated reserves. Accordingly, such gains or losses will not be recognized in income when assets are disposed of in a foreign currency.

4.32 Consolidation scope

Holding companies

Legal name	% Interest	Consolidation method
Germany		
DBG HOLDING GmbH	100.00%	FC
France		
CFF SIGMA SCI	100.00%	FC
DERICHEBOURG ENVIRONNEMENT	100.00%	FC
DERICHEBOURG MULTISERVICES HOLDING	100.00%	FC
DERICHEBOURG	100.00%	PARENT
DERICHEBOURG EXPANSION	100.00%	FC
LE BISON GOURMAND	100.00%	FC
SCEA DU CHÂTEAU GUITERONDE	100.00%	FC
SCI DE LA FÛTAIE	99.92%	FC
WESTEVER	100.00%	FC

Environmental Services

Legal name	% Interest	Consolidation method
Germany		
DERICHEBOURG UMWELT	100.00%	FC
Belgium		
DERICHEBOURG BELGIUM	100.00%	FC
Canada		
DERICHEBOURG CANADA ENVIRONNEMENT Inc.	100.00%	FC
DERICHEBOURG CANADA Inc.	100.00%	FC
Spain		
DERICHEBOURG MEDIO AMBIENTE	100.00%	FC
REYFRA	50.00%	EA
United States		
DERICHEBOURG RECYCLING USA	100.00%	FC
France		
AFM RECYCLAGE	99.92%	FC
ALLO CASSE AUTO	48.00%	EA
ALSAFER ENVIRONNEMENT	49.99%	EA
BARTIN RECYCLING	100.00%	FC
BERNES ET BRUYÈRES SCI	100.00%	FC
BERTHELOT VILLENEUVE SCI	100.00%	FC
BOLTON	100.00%	FC
COFRAMETAL	100.00%	FC
DERICHEBOURG IMMOBILIER SCI	100.00%	FC
DAC	50.00%	EA
DERICHEBOURG AQUA	100.00%	FC
DERICHEBOURG AQUA OCÉAN INDIEN	100.00%	FC
DERICHEBOURG OCÉAN INDIEN	55.00%	FC
DERICHEBOURG PROPRETÉ OCÉAN INDIEN	55.00%	FC
DREYFUS	42.50%	EA
ÉCO-VHU	100.00%	FC
ENVIE AFM SUD OUEST	49.96%	EA
ESKA	100.00%	FC
EXADIANE SCI	100.00%	FC
FRANORA SCI	100.00%	FC
FRICOM	50.00%	FC
INOREC	100.00%	FC
INOTERA SCI	100.00%	FC
POLYAMON	100.00%	FC
POLYBUIS	100.00%	FC
POLYCEJA	100.00%	FC
POLYCEO	100.00%	FC
POLYCOROT	100.00%	FC
POLY-ENVIRONNEMENT	100.00%	FC
POLY-MASSI	100.00%	FC
POLY-NEA	100.00%	FC
POLYREVA	100.00%	FC
POLY-SENTI	100.00%	FC
POLYSOTIS	100.00%	FC
POLYTIANE	100.00%	FC
POLYURBAINE	100.00%	FC
POLYURBAINE NORMANDIE	100.00%	FC
POLY-VALIS	100.00%	FC
PURFER	100.00%	FC
PURFER TRANSPORT	100.00%	FC
PURFOLLIOULES SCI	100.00%	FC
PURMET TRANSPORT	100.00%	FC
REFINAL INDUSTRIES	100.00%	FC
REVIVAL	100.00%	FC

Legal name	% Interest	Consolidation method
REVIVAL EXPANSION	99.99%	FC
ROHR ENVIRONNEMENT	49.63%	EA
ROUTABOULE SCI	100.00%	FC
ROUX SCI	100.00%	FC
SCI ANGELA	100.00%	FC
SCI ELISA	100.00%	FC
SCI DE LA GARE DE CHANDIEU	100.00%	FC
SCI DE SAINT JEAN	100.00%	FC
SCI DES CHATELETS	100.00%	FC
SCI DES CHÊNES	100.00%	FC
SCI DES PEUPLIERS	100.00%	FC
SCI DES TILLEULS	100.00%	FC
SCI DES VARENNES	100.00%	FC
SCI LA MADELEINE	100.00%	FC
SERVALTEC SNC	100.00%	FC
VALERCO	50.00%	EA
VALERIO ET COMPAGNIE	100.00%	FC
VALME TECHNOLOGIES	100.00%	FC
VALORDIS	50.00%	FC
VOGIM SCI	80.00%	FC
Italy		
AEP MULTISERVIZI SPA	100.00%	FC
CRS	100.00%	FC
ECOPART SRL	100.00%	FC
ECOREC	100.00%	FC
Mexico		
DERICHEBOURG RECYCLING MEXICO	99.99%	FC

Business Services

Legal name	% Interest	Consolidation method
Germany		
DAL HOLDING GmbH	100.00%	FC
DAL ZEITARBEIT	100.00%	FC
DERICHEBOURG ATIS GmbH	100.00%	FC
Belgium		
DERICHEBOURG RETAIL BELGIUM	100.00%	FC
Canada		
DERICHEBOURG AÉRONAUTIQUE CANADA	100.00%	FC
China		
DERICHEBOURG AERONAUTICS SERVICES CHINA	100.00%	FC
Spain		
CENTRO ESPECIAL DE SERVICIOS DE LIMPIEZA MADRID	100.00%	FC
DERICHEBOURG ATIS IBERICA	100.00%	FC
GRUPO NET	100.00%	FC
SELMAR SA	100.00%	FC
SERVICIOS INTEGRALES DE LIMPIEZA NET	100.00%	FC
France		
AQUITAINE NETTOYAGE	100.00%	FC
ASP	100.00%	FC
ASP 85	100.00%	FC
CFF BETA SCI	100.00%	FC
DERICHEBOURG ATIS AÉRONAUTIQUE	100.00%	FC
DERICHEBOURG AUTOMOBILES SERVICES	100.00%	FC
DERICHEBOURG ÉNERGIE	100.00%	FC
DERICHEBOURG ÉNERGIE E.P.	99.96%	FC
DERICHEBOURG ESPACES VERTS	100.00%	FC
DERICHEBOURG ÉVOLUTION FORMATION	100.00%	FC
DERICHEBOURG FM	100.00%	FC
DERICHEBOURG SOURCING AERO & ENERGY	100.00%	FC
DERICHEBOURG INTÉRIM	100.00%	FC
DERICHEBOURG PROPRETÉ	100.00%	FC
DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	100.00%	FC
DERICHEBOURG LOGISTIQUE ET MANUTENTION	100.00%	FC
DERICHEBOURG RETAIL	100.00%	FC
DERICHEBOURG SPECTACLE	100.00%	FC
DERICHEBOURG SNG	100.00%	FC
DERICHEBOURG TECHNOLOGIES	100.00%	FC
DML	100.00%	FC
GARALTER SCI	100.00%	FC
GROUPE ALTER SERVICES	100.00%	FC
LSL	50.00%	FC
NET SERVICES	100.00%	FC
PROVERRE	100.00%	FC
PSIMMO	100.00%	FC
SAM DERICHEBOURG MC	99.90%	FC
ULTEAM	100.00%	FC
VIBEY ÉNERGIES	100.00%	FC

Legal name	% Interest	Consolidation method
Portugal		
SAFIRA FACILITY SERVICES	100.00%	FC
United Kingdom		
DERICHEBOURG AVIATION ENERGY RESOURCES	100.00%	FC
Turkey		
DERICHEBOURG TESIS YONETIMI	80.00%	FC

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
OF DERICHEBOURG S.A. FOR THE PERIOD FROM OCTOBER 1ST, 2017 TO SEPTEMBER 30, 2018

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' 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 and other documents provided to the shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Derichebourg
Fiscal year ended September 30, 2018

Statutory Auditors' report on the consolidated financial statements

BM&A
11, rue de Laborde
75008 Paris
S.A.S. au capital de € 1.200.000
Paris
348 461 443 RCS Paris

Commissaire aux Comptes
Membre de la compagnie
Régionale de Paris

DENJEAN ET ASSOCIES AUDIT
19, rue de Presbourg
75116 S.A.S au capital de
€30.000
Paris
539 769 729 RCS PARIS

Commissaire aux Comptes
Membre de la compagnie
Régionale de Paris

ERNST & YOUNG Audit
Tour First
TSA 14444
92037 Paris-La Défense
S.A.S. à capital variable
344 Commissaire aux Comptes

Commissaire aux Comptes
Membre de la compagnie
Régionale de Versailles

Derichebourg
Fiscal year ended September 30, 2018

Statutory Auditors' report on the consolidated financial statements

To Derichebourg's Shareholders' Meeting,

Opinion

In performance of the engagement entrusted to us by your shareholders' meetings, we have conducted an audit of Derichebourg's consolidated financial statements for the fiscal year ended September 30, 201 8, as attached to this report.

In our opinion, the consolidated financial statements for the fiscal year prepared in accordance with IFRS standards as adopted in the European Union give a true and fair view of the results of the profits, losses and transactions of the past fiscal year as well as the financial position and assets at year-end of the group consisting of the persons and entities included in the consolidation.

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

Basis of the opinion

- Auditing 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 audit opinion.

Our responsibilities under these standards are set out in the "Responsibilities of the Statutory Auditors in the auditing of the consolidated financial statements" section of this report.

- Independence

We conducted our audit mission in accordance with the independence rules applicable to us, from October 1, 2017 to the date of our report, and we did not in particular provide any services prohibited by Article 5 (1) of regulation (EU) No. 537/2014 or the Code of ethics for the Statutory Auditor profession.

Justification of our assessments — Key audit matters

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, please note the key audit matters relating to the risks of material misstatement, which, in our professional judgment, were the most significant for the audit of the consolidated financial statements for the fiscal year, as well as the responses we provided to those risks.

These matters were addressed in the context of our audit of the 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.

- Goodwill testing

Key audit matter

As of September 30, 2018, the Group's goodwill totaled €218 million, compared with a consolidated balance sheet of €1 ,413 million. The Group performs impairment tests on those assets, the terms of which are described in Notes 2.3.6 and 4.1 .2 to the consolidated financial statements. In particular, assets tested for impairment are grouped into cash-generating units ("CGUs"). When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU can itself be determined by applying the discounted future cash flow method, which is based on assumptions about the change in each activity and the use, notably, of a growth rate to infinity and discount rates.

We therefore considered that the valuation of goodwill was a key audit matter given the significant nature of the goodwill, and that it relies on estimates, as indicated in Note 2.2.2 to the consolidated financial statements.

Our response

We examined the procedures put in place relating to impairment tests on goodwill. We used valuation specialists to help us assess the discount rates and the growth rate to infinity used for the various CGUs. We also analyzed the consistency of cash flow forecasts with past performance and market outlooks. Lastly, we conducted sensitivity analyses on the following assumptions: discount rate, growth rate to infinity and recurring operating profit (loss) of each CGU.

Verification of the Group information given in the management report

As required by law, and in accordance with professional standards applicable in France, we have also verified the information relating to the Group provided 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 certify that the Consolidated Non-Financial Statement required by Article L. 225-102-1 of the French Commercial Code is included in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this code, we have not conducted verifications of fairness and consistency of the information contained in this Statement with the consolidated financial statements.

Information resulting from other legal and regulatory requirements

- Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Derichebourg by your shareholders' meeting of February 7, 2018 for BM&A, of February 19, 2014 for DENJEAN & ASSOCIES AUDIT and of March 1 5, 2007 for ERNST & YOUNG Audit.

As of September 30, 2018, BM&A was in the first uninterrupted year of its engagement, DENJEAN & ASSOCIES AUDIT was in the fifth uninterrupted year of its engagement and ERNST & YOUNG Audit was in the twelfth year (of which twelve years since the Company's securities have been admitted to trading on a regulated market).

Responsibilities of management and persons comprising the corporate governance with respect to the consolidated financial statements

It is the responsibility of management to prepare consolidated financial statements that present a true and fair view in accordance with IFRS as adopted in the European Union and to implement the internal controls that it deems necessary for the preparation of consolidated financial statements with no material misstatements, whether due to fraud or error.

In the preparation of the consolidated financial statements, management is responsible for evaluating whether the Company can continue to operate, for presenting in these financial statements, where appropriate, the necessary information relating to the continuity of operations and applying the going concern accounting convention unless there are plans to liquidate the Company or cease operations.

The Audit Committee is responsible for monitoring the financial information preparation process and for monitoring the effectiveness of the internal control and risk management systems and, as needed, of the internal audit systems as regards to the procedures relating to the preparation and processing of accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors related to the audit of the consolidated financial statements

- Purpose of audit and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatements. Misstatements may arise from fraud or error and are considered significant where it can reasonably be expected that they, taken individually or cumulatively, may influence the economic decisions that users of the financial statements make based on them.

As stated in Article L. 823-10-1 of the French Commercial Code, our engagement to certify the consolidated financial statements does not consist of guaranteeing the viability or quality of the Company's management.

As part of an audit conducted in accordance with the professional standards applicable in France, a Statutory Auditor shall exercise his professional judgment throughout this audit. Moreover:

- it shall identify and assess the risks that the consolidated financial statements contain material misstatements, whether due to fraud or error, define and implement audit procedures to address those risks and collect information it considers sufficient and appropriate to form its opinion. The risk that a significant anomaly due to fraud will not be detected is higher than for a significant anomaly due to an error, as the fraud may involve collusion, falsification, voluntary omissions, misrepresentation or circumvention of internal controls;
- it shall review the internal controls relevant to the audit in order to define appropriate audit procedures under the circumstances, not to express an opinion on the effectiveness of the internal controls;
- it shall assess the appropriateness of accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the consolidated financial statements;
- it shall assess the appropriateness of management's application of the going concern accounting convention and, depending on the evidence gathered, the existence or non-existence of significant uncertainty related to events or circumstances that may call into question the Company's ability to continue as a going concern. Such assessment shall be based on the information gathered up to the date of its report, but it should be noted that subsequent circumstances or events could jeopardize the continuity of operations. If it concludes that there is a significant uncertainty, it shall draw the attention of its report's readers to the information provided in the consolidated financial statements about this uncertainty or, if this information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;
- it shall assess the overall presentation of the consolidated financial statements and evaluate whether the consolidated financial statements reflect the underlying transactions and events in such a way as to give a true and fair view thereof;
- concerning the financial information of the persons or entities included in the scope of consolidation, it shall collect information that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. It shall be responsible for the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on said financial statements.

▫ Report to the Audit Committee

We are submitting a report to the Audit Committee that outlines the scope of the audit and the working program put in place, as well as the conclusions resulting from our work. We also disclose, where appropriate, the significant weaknesses in the internal controls that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit Committee are the risks of material misstatement, which we deem to have been most significant for the audit of the consolidated financial statements for the year and, as a result, constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit Committee with the declaration described in Article 6 of regulation (EU) No. 537-2014 confirming our independence, as described in the rules applicable in France as set forth in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and the code of ethics for the Statutory Auditor profession. As needed, we discuss with the Audit Committee the risks that may affect our independence and the safeguarding measures applied.

Paris, Paris and Paris-La Défense, December 7, 2018
The Statutory Auditors
French original signed by

BM&A	DEANJEAN & ASSOCIES AUDIT	ERNST & YOUNG Audit
Eric Seyvos	Thierry Deanjean	Pierre Abily

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF DERICHEBOURG S.A.
FOR THE PERIOD FROM OCTOBER 1ST, 2017 TO SEPTEMBER 30, 2018

CONSOLIDATED BALANCE SHEET OF THE DERICHEBOURG GROUP AS AT SEPTEMBER 30, 2018

Assets *(in millions of euros)*	Note	09-30-18	09-30-17
Goodwill	4.1	217.9	219.1
Intangible assets	4.1	6.2	4.9
Property, plant and equipment	4.2	480.9	451.5
Financial assets	4.3	10.5	15.2
Investments in associates and joint ventures	4.4	17.1	16.0
Deferred taxes	4.23	22.0	27.7
Other assets	4.5	0.0	0.0
Total non-current assets		754.6	734.3
Inventories	4.6	76.7	93.9
Trade receivables	4.7	286.6	295.7
Tax receivables	4.7	11.4	6.4
Other assets	4.7	82.7	101.6
Financial assets	4.7	13.8	15.1
Cash and cash equivalents	4.8	145.6	146.6
Financial instruments	4.12	0.0	0.0
Total current assets		616.9	659.3
Total non-current assets and groups of assets held for sale	4.24	41.4	0.0
Total assets		1,412.9	1,393.7

Liabilities *(in millions of euros)*	Note	09-30-18	09-30-17
Share capital	4.9	41.0	41.0
Share premiums		16.5	16.5
Own shares		0.0	0.0
Reserves		379.3	326.1
Net income for the year		71.1	76.0
Group shareholders' equity		507.9	459.7
Non-controlling interests	4.10	3.8	2.9
Total shareholders' equity		511.7	462.6
Loans and financial debts	4.11	156.2	153.9
Provision for pensions and similar benefits	4.13	42.6	43.2
Other provisions	4.13	25.3	28.1
Deferred taxes	4.23	17.5	17.9
Other liabilities	4.16	1.7	1.1
Total non-current liabilities		243.4	244.3
Loans and financial debts	4.11	84.5	103.6
Provisions	4.14	4.8	3.5
Trade payables	4.15	281.2	294.5
Tax payables	4.15	3.3	7.9
Other liabilities	4.15	255.0	269.2
Financial instruments	4.12	1.1	1.9
Total current liabilities		629.9	680.6
Total liabilities related to a group of assets held for sale	4.24	27.9	6.2
Total liabilities		1,412.9	1,393.7

CONSOLIDATED INCOME OF THE DERICHEBOURG GROUP AT SEPTEMBER 30, 2018

In millions of euros	Note	2018	2017
Revenue	4.17	2,919.7	2,731.1
Other revenues from operations		4.6	4.3
Cost of raw materials		(1,437.7)	(1,288.9)
External charges		(395.7)	(357.6)
Personnel expenses	4.28	(835.3)	(830.1)
Taxes and duties		(54.8)	(51.5)
Depreciation		(84.1)	(80.6)
Change in provisions	4.18	(10.7)	(11.5)
Change in inventory: work-in-progress and finished products		2.2	0.7
Other operating expenses	4.19	(12.7)	(31.0)
Other operating income	4.19	22.7	37.4
Recurring operating profit (loss)		118.3	122.4
Other non-recurring expenses	4.20	(13.8)	(4.5)
Other non-recurring income	4.20		2.4
Gain/loss on disposal of consolidated companies	4.21	(8.2)	2.2
Operating profit (loss)		96.3	122.5
Net financial expenses	4.22	(11.7)	(16.6)
Foreign exchange and other gains and losses	4.22	(1.2)	(2.3)
Profit (loss) before tax		83.4	103.5
Income tax	4.23	(16.3)	(27.5)
Group share of income from associates and joint ventures	4.4	2.1	0.7
Net profit (loss)		69.2	76.6
Income net of tax from discontinued activities	4.24	3.4	(0.2)
Restated consolidated net income		72.6	76.4
Attributable			
– to shareholders		71.1	76.0
– to non-controlling interests		1.5	0.4
Earnings per share: earnings attributable to Company shareholders (in euros/share)	4.25		
– basic		0.4	0.5
– diluted		0.4	0.5
Earnings per share: attributable to shareholders after net income from discontinued or held-for-sale operations (in euros/share)			
– basic		0.4	0.5
– diluted		0.4	0.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE DERICHEBOURG GROUP

In millions of euros	2018	2017
Restated consolidated net income	72.6	76.4
Exchange rate changes	1.1	(2.3)
Cash flow hedging	0.0	5.2
Restatement of liabilities linked to commitments from defined benefit plans	(1.7)	6.9
Taxes on other comprehensive income	0.6	(4.1)
Income and expenses for the period recognized directly in shareholders' equity	0.0	5.7
Comprehensive income for the period	72.6	82.1
Of which		
– attributable to Company shareholders	71.1	81.7
– attributable to non-controlling interests	1.5	0.4

TABLE OF CONSOLIDATED STATEMENT OF CASH FLOWS OF THE DERICHEBOURG GROUP AT SEPTEMBER 30, 2018

In millions of euros	Note	2018	2017
Total consolidated net profit (loss)		72.6	76.4
Consolidated net profit (loss) from held for sale or discontinued operations		3.4	(0.2)
Consolidated net income from continuing operations		69.2	76.6
Adjustments for:			
Elimination of profit (loss) from associates and joint ventures		(2.1)	(0.7)
Depreciation and amortization and provisions		83.7	83.5
Fair value gains (losses)		(0.7)	0.6
Elimination of gains (loss) on asset disposals		3.3	(3.7)
Elimination of profit (loss) from dividends		(0.0)	(0.1)
Other non-cash income and expenses		0.0	(2.4)
Operating cash flow after financing costs and income tax		153.3	154.0
Net interest expense		11.7	16.7
Income tax		16.3	27.5
Operating cash flow before financing costs and income tax		181.3	198.2
Changes in working capital requirement related to operations		10.6	9.3
Income tax paid		(21.7)	(26.5)
Cash flows from operations generated by discontinued activities		0.0	(0.2)
Net cash flow from operating activities		170.2	180.9
Impact of changes in scope		0.6	1.7
Acquisition of property, plant and equipment and intangible assets		(90.1)	(71.8)
Acquisition of financial assets		(0.3)	(4.0)
Change in loans and advances granted		(0.8)	(3.1)
Disposal of property, plant and equipment and intangible assets		4.5	15.2
Disposal of financial assets		0.0	0.0
Dividends received		1.0	1.4
Cash flow related to investment activities for discontinued operations		(2.8)	0.0
Net cash flow from investment activities		(87.8)	(60.6)
Capital increase		0.0	0.0
Proceeds from borrowings		23.8	79.7
Repayment of borrowings		(78.0)	(105.1)
Net financial interests paid		(11.7)	(16.7)
Dividends paid to Group shareholders		(22.9)	(3.0)
Dividends paid to non-controlling interests		(0.6)	(1.1)
Own shares		0.0	46.6
Factoring		(1.7)	4.8
Cash flow related to finance activities for discontinued operations		0.0	0.0
Net cash flow from finance activities		(91.1)	5.2
Impact of foreign exchange rate fluctuations		0.4	(0.9)
Change in cash and cash equivalents		(8.3)	124.6
Cash and cash equivalents at beginning of the period	4.8	141.8	17.2
Cash and cash equivalents at close of the period	4.8	131.6	141.8
Net cash and cash equivalents reclassified following the application of IFRS 5		1.9	0.0
Change in cash and cash equivalents		(8.3)	124.6

CHANGE IN THE CONSOLIDATED SHAREHOLDERS' EQUITY OF THE DERICHEBOURG GROUP AT SEPTEMBER 30, 2018

In millions of euros	Capital	Share premiums	Own shares	Reserves	Currency translation reserves	Net income for the year	Group shareholders' equity	Non-controlling interests	Total shareholders' equity
Position at September 30, 2016	42.0	27.6	(31.8)	287.5	5.7	12.9	343.8	3.8	347.7
Allocation of income				12.9		(12.9)	0.0		
Dividends payments				(3.0)			(3.0)	(1.1)	(4.1)
Own shares	(1.1)	(11.0)	31.8	17.5			37.2		37.2
Net profit for the year attributable to the Group						76.0	76.0	0.4	76.4
Income and expenses recognized directly through equity				7.9	(2.3)		5.6	0.0	5.6
Other changes								(0.2)	(0.2)
Position at September 30, 2017	41.0	16.5	0.0	322.8	3.4	76.0	459.7	2.9	462.6
Allocation of income				76.0		(76.0)	0.0		
Dividend payments				(22.9)			(22.9)	(0.6)	(23.5)
Own shares							0.0		
Net profit for the year attributable to the Group						71.1	71.1	1.5	72.6
Income and expenses recognized directly through equity				(1.0)	1.1		0.1	0.0	0.1
Other changes							0.0	0.0	0.0
Position at September 30, 2018	41.0	16.5	0.0	374.9	4.5	71.1	507.9	3.8	511.7

1. Presentation of the Group

1.1 Identity of the issuer

Derichebourg is a public limited company created and domiciled in France with its registered headquarters at 119, avenue du Général-Michel-Bizot, 75012 Paris. Derichebourg is listed in compartment B of the Euronext market. The Group's business activities are as follows:

- Environmental Services;
- Business Services;
- Holding companies.

Many of Derichebourg's Environmental Services' operating properties are owned through a real estate investment company.

The consolidated financial statements for the period from October 1, 2017 to September 30, 2018 were approved by Derichebourg's Board of Directors on December 4, 2018.

They reflect the financial position of the Company and its subsidiaries, and the Group's interests in joint ventures and associated companies.

The financial statements are presented in millions of euros, unless otherwise stated. The amounts are rounded to the nearest hundred thousand euros.

All companies close their accounts on September 30, except for Dreyfus, SCEA du Château Guiteronde, SCI La Futaie, Derichebourg Recycling Mexico, Reyfra, SCI Elisa, SCI Angela, SCI des Chênes, SCI Garalter, SCI des Peupliers, SCI des Varennes, SCI des Châtelets, SCI de Saint Jean, SCI La Roche and SCI des Tilleuls, which close their accounts on December 31.

1.2 Material events occurring over the fiscal year

Environmental Services

- End to the dispute relating to the acquisition of the assets of Rotamfer

In May 2018, the Group signed an agreement with Rotamfer to definitively end all litigation associated with an acquisition project initiated in 2007 and abandoned in 2009, due to non-fulfillment of the conditions precedent from the Group's point of view, and to the Group's wrongful conduct according to the seller. This agreement, which ends ten years of dispute and several litigation proceedings, the outcome of which was uncertain, resulted in a payment of €9.5 million during the second half year, and the abandonment of an advance payment of €15 million, provisioned for several fiscal years.

1.3 Events occurring after year-end

On October 17, 2018, Derichebourg Environnement signed a contract with Iren Ambiente for the disposal of its household waste collection, urban cleaning and waste processing activities in Italy, carried out through the companies, San Germano and CMT. The completion of this transaction is subject to the fulfillment of several conditions precedent, which should occur by the end of January 2019.

San Germano is a leading private player providing household waste collection and urban cleaning services for public authorities in the Piedmont, Lombardy and Sardinia regions, thanks to a network of around 20 agencies.

CMT carries out the collection and processing of paper, cardboard and plastic on six sites located in Piedmont and Sardinia.

These activities contributed €60.7 million to consolidated revenue for the 2018 fiscal year (2.1% of total revenue) and €73 million to consolidated revenue for the 2017 fiscal year (2.7% of total revenue). They employ around 900 people.

In application of IFRS 5, the assets and liabilities of San Germano and CMT have been reclassified as held for sale. As the financial conditions for the sale were accepted during the fiscal year, the financial consequences of the disposal (negative impact of €7 million) were included in Gain/loss on disposal of consolidated companies.

These activities do not fulfill the definition of discontinued activities, as the Group is retaining household waste collection activities (France, Morocco, Canada) and a scrap metal recycling activity in Italy.

2. Accounting policies, rules and methods

2.1 General policies

In accordance with European regulation 1606/2002 of July 19, 2002 on international standards, the Derichebourg Group's financial statements on September 30, 2018 were prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by the European Union.

The above standards and interpretations are available on the European Commission's website (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32002R1606) and include International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and Interpretations issued by the Standing Interpretations Committee (SIC) and by the International Financial Reporting Interpretations Committee (IFRIC).

The accounting policies used are identical to the previous year.

Segment data is also unchanged from the previous year.

The financial statements were drawn up in accordance with the going concern principle.

The consolidated financial statements of the Derichebourg Group for the year ended September 30, 2018 are available upon request from the Company's registered office located at 119, avenue du Général-Michel-Bizot, Paris, or on its website, www.derichebourg.com.

2.1.1 Standards and interpretations applicable to the fiscal year beginning October 1, 2017

The standards and interpretations adopted by the European Union and which are required to be applied to the Derichebourg Group consolidated financial statements starting on or after October 1, 2017 are as follows:

- amendment to IAS 7: "Disclosure initiative", applicable to fiscal years beginning on or after January 1, 2017;
- annual improvement cycle 2014-2016 regarding IFRS 12 "Disclosure of Interests in Other Entities" applicable to fiscal years beginning on or after January 1, 2017;
- amendment to IAS 12: "Deferred taxes: recovery of underlying assets", applicable to fiscal years beginning on or after January 1, 2017.

First-time application of these standards has no impact on the Group's consolidated financial statements.

2.1.2 Standards and interpretations published but not yet effective

The Group has undertaken no early application of standards or interpretations that were not mandatory as of October 1, 2017 (the application dates are those recognized by EFRAG):

- IFRS 15: "Revenue from contracts with customers", applicable to fiscal years beginning on or after January 1, 2018;
- IFRS 9: "Financial Instruments", applicable to fiscal years beginning on or after January 1, 2018;

- annual improvement cycle 2012-2014, on IFRS 1 “First-time adoption of IFRS” and IAS 28 “Investments in associates and joint ventures” applicable to fiscal years beginning on or after January 1, 2018;
- amendment to IFRS 15: “Revenue from contracts with customers”, applicable to fiscal years beginning on or after January 1, 2018;
- IFRS 16: “Operating leases”, applicable to fiscal years beginning on or after January 1, 2019;
- amendments to IFRS 2 “Classification and measurement of share-based payment transactions” applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IAS 40 “Transfers of investment property” applicable to fiscal years beginning on or after January 1, 2018;
- amendments to IFRS 9 “Prepayment features with negative compensation” applicable to fiscal years beginning on or after January 1, 2019;
- IFRIC 22 “Foreign currency transaction and advance consideration” applicable to fiscal years beginning on or after January 1, 2018;
- IFRIC 23 “Uncertainty over income tax treatments” applicable to fiscal years beginning on or after January 1, 2019;
- amendment to IFRS 4: “Insurance contracts: applying IFRS 9 ‘Financial instruments’ with IFRS 4”, applicable to fiscal years beginning on or after January 1, 2018.

The Group has carried out an assessment of the impact of IFRS 15 on its financial statements, and considers that it will have little impact on its revenue, net income and shareholders’ equity.

The potential impact of other standards will be measured over the course of the next fiscal year.

2.2 Accounting policies

2.2.1 Consolidation methods

In accordance with the provisions of IFRS 10, companies over which the Group directly or indirectly exercises control are fully consolidated. The Group exercises control when it controls the entity and has an exposure or right to this entity’s variable returns, while also having the capacity to act on these returns.

In accordance with IFRS 11, joint arrangements are classified into two categories, joint ventures and joint operations, according to the type of rights and obligations held by each of the parties.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control involves the contractually agreed sharing of control of the entity, which only exists in cases where decisions concerning the relevant activities require the unanimous consent of the parties sharing control.

An associate is a company over which the Group exercises significant influence. Significant influence exists when the Group has the power to participate in decisions regarding the entity’s financial and operational policies but does not control or jointly control these policies.

The results, assets and liabilities of equity interests in associated companies or joint ventures are included in the Group’s consolidated financial statements, according to the equity method.

2.2.2 Use of estimates

To prepare the Group’s consolidated financial statements, its management must make judgments and estimates that could have a significant effect on some of the assets, liabilities, income and expense items presented in these statements and in the notes thereto. The Group regularly revises its judgments and estimates on the basis of past experience and other factors it deems relevant based on economic conditions. Given the uncertainty that underlies these judgments and estimates, actual business activity could require a significant adjustment to the amounts recognized for a given period.

Judgments

In preparing the financial statements for the period ending September 30, 2018, there were no particular situations for which management was called upon to exercise specific judgment.

Estimates

Key estimates regarding future events and other major sources of uncertainty at the reporting date are:

- assessment of the recoverability of trade receivables (see note 4.7 – Trade receivables, other receivables and current financial assets), exposure to credit risk, as well as the risk profile;
- provisions for risks and for employee benefits (see note 4.13 – Non-current provisions and provisions for commitments to employees, and note 4.14 – Current provisions);
- income tax and assessment of deferred tax assets (see note 4.23 – Income tax);
- potential impairment of goodwill and intangible assets (see note 4.1 – Intangible assets and goodwill).

2.2.3 Non-controlling interests

Non-controlling interests are presented separately from the Group's shareholder equity on the balance sheet.

When the share of the non-controlling interests in the losses of a fully consolidated Group company is more than their share in equity, the excess, and any further losses applicable to the non-controlling interests, are allocated against the majority interests, unless the minority shareholders have a binding obligation to cover these losses.

2.2.4 Translation of the financial statements of foreign companies and firms

In most cases, the functional currency of the Group's foreign companies and firms is the same as their local currency. The financial statements of foreign companies prepared in a currency different from that of the Group consolidated financial statements are translated in accordance with the "closing rate" method. Their balance sheets are translated at the exchange rates applicable on the closing date and their income statements are translated at the average rate for the period. The resulting translation differences are recognized as translation differences in consolidated reserves. Goodwill relating to foreign companies is considered as being part of the acquired assets and liabilities and, as such, is translated at the rate of exchange in effect on the closing date.

A loan to a foreign subsidiary, the settlement of which is neither planned nor probable in the foreseeable future, constitutes part of the Group's net investment in this foreign activity Translation adjustments arising from a monetary item that forms part of a net investment are recorded directly in other comprehensive income under currency translation reserves and recognized in income on disposal of the net investment.

2.2.5 Transactions denominated in foreign currencies

Transactions denominated in foreign currencies are converted into euros at the exchange rate in effect on the transaction date. At year-end, trade receivable and payable accounts denominated in a foreign currency are converted into euros at the year-end exchange rate. The resulting gains and losses are recognized in the income statement for the year.

2.3 Valuation rules and methods

2.3.1 Income from ordinary activities (revenue)

Consolidated revenue represents, for Business Services, the amount of services invoiced to customers outside the Group when the services are supplied.

For Environmental Services, revenue is recognized when the risks and rewards inherent to ownership of the products manufactured are transferred, usually upon shipping.

It includes, after elimination of intra-Group transactions, the revenue of fully consolidated companies.

2.3.2 Deferred taxes

In accordance with IAS 12, deferred taxes are recognized on the temporary differences between the carrying amounts of assets and liabilities and their tax base. In accordance with the liability method, they are calculated based on the expected tax rate for the period when the carrying amount of the asset or liability is recovered or settled. The effects of changes in tax rates from one period to another are recognized in the income statement or in equity, according to the symmetry principle, for the period during which the change occurred.

Deferred taxes relating to items recognized directly in shareholders' equity are also recognized in shareholders' equity.

Deferred tax assets resulting from temporary differences, tax losses and tax credits carried forward are limited to the estimated amount of tax recoverable.

This is evaluated at year-end, based on the profit forecasts of the tax entities concerned. Deferred tax assets and liabilities are not discounted.

2.3.3 Earnings per share

Basic earnings per share are defined as the Group share of net income, divided by the weighted average number of shares outstanding during the year, after deduction of shares bought back.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted to take into account the dilutive effect of equity capital instruments issued by the Group that are likely to increase the number of shares outstanding, such as options to subscribe for or purchase shares.

2.3.4 Intangible assets

Intangible assets that are identifiable or separately controlled by the Group are recognized as assets on the balance sheet. They mainly include computer software and are amortized on a straight line basis over their useful life, which is generally between twelve months and five years, depending on their significance. Intangible assets acquired are recognized on the balance sheet at their acquisition cost.

2.3.5 Goodwill

Goodwill represents the difference recognized, on the date a company enters into the consolidation scope, between the acquisition cost of its shares, and the Group's share of the fair value on the acquisition date of the assets, liabilities and contingent liabilities attributable to the Company acquired on the date of purchase of the shares.

Positive goodwill is recognized as assets on the balance sheet under the heading "Goodwill". Negative goodwill is recognized directly in the income statement in the year of acquisition under the item "Other non-recurring expenses".

Goodwill is not amortized.

2.3.6 Impairment of non-current assets other than financial non-current assets

Goodwill, intangible assets and property, plant and equipment are subjected to impairment testing in certain circumstances:

- for non-current assets whose useful life is indefinite (as in the case of goodwill), impairment testing is carried out at least once per year, and any time there is an indicator of impairment;
- for other non-current assets, testing is only carried out when there is an indicator of impairment.

Assets subjected to impairment tests are grouped into cash generating units (CGUs) which are groupings of similar assets whose utilization generates identifiable cash flows. When the recoverable amount of a CGU is less than its net carrying amount, an impairment provision is recognized against operating income. The recoverable amount of the CGU is the higher of the fair value less the costs to sell and the value in use. The value in use is determined by discounting the future cash flows likely to arise from an asset or a CGU. These future cash flows are estimated

over a period of five years. Beyond that period, cash flows are extrapolated by applying a growth rate to infinity. The CGUs defined by the Group relate to the following businesses:

- environmental Services;
- business Services.

These impairment tests are conducted annually on September 30.

2.3.7 Property, plant and equipment

Property, plant and equipment are recognized at their acquisition or production cost, reduced by the cumulative depreciation and any potential impairment provisions.

Depreciation charges are normally applied on a straight line basis over the useful life of the asset; nevertheless, accelerated depreciation may be used where it appears more appropriate for the conditions in which the equipment is used.

The useful lives generally applied are as follows:

Buildings	10 to 30 years
Equipment and technical installation	3 to 10 years
Airport equipment	5 to 10 years
Other tangible assets	4 to 10 years

Maintenance and repair costs are charged to income, with the exception of those incurred to increase productivity or prolong the useful life of an asset.

2.3.8 Investment grants

Investment grants are treated as deferred income. They are brought into income over the estimated useful life of the asset concerned.

2.3.9 Finance leases

Assets acquired under finance leases are recognized as property, plant and equipment when the lease agreements effectively transfer to the Group almost all the risks and benefits of ownership of these assets. They are recognized as assets at cost price at the date of acquisition and depreciated over their useful lives, with the corresponding debt being recognized as a liability.

The rental payments under the lease are divided between financial expenses and reduction of the debt related to the lease in such a way as to obtain a constant rate of interest on the balance of the debt remaining due.

Rental agreements which do not have the characteristics of finance leases are treated as simple operating leases and only the rental payments are charged to income throughout the entire term of the agreement.

2.3.10 Investments in associates and joint ventures

The Group’s equity investments accounted for using the equity method are initially recognized at acquisition cost including any goodwill arising, where applicable. Subsequently, their carrying amount is increased or decreased to take into account the Group’s share of profits or losses made after the acquisition date. When the losses are greater than the value of the Group’s net investment in the entity consolidated under the equity method, they are recognized only if the Group has a contractual commitment to recapitalize the entity or has made payments on its behalf. If there is any indication of impairment, the recoverable amount of the investments consolidated using the equity method is tested in accordance with the methods described in the note on impairment of non-current assets, other than financial assets.

2.3.11 Other non-current financial assets

This category includes receivables related to equity investments, loans and receivables and assets available for sale (mainly investment securities).

In accordance with IAS 39 "Financial Instruments: Recognition and Measurement", equity interests in non-consolidated companies are considered by their nature to be assets available for sale and as such are recognized at their fair value.

Where the shares are listed, the fair value is the price quoted on the stock market. If the fair value cannot be determined reliably, the shares are recognized at cost price. Changes in fair value are recognized directly in shareholders' equity in an account created for this purpose.

Where there is an objective indication of impairment, an irreversible provision for impairment is recognized in the income statement. This provision may be reversed only when the relevant shares are sold.

Loans are recognized at amortized cost. An impairment provision may be recognized if there is an objective indication of such impairment. The amount corresponding to the difference between the net carrying amount and the recoverable amount is recognized in the income statement. It may be reversed if the recoverable amount increases subsequently.

2.3.12 Inventory and work in progress

Inventories of raw materials and goods purchased for resale are recognized using the weighted average cost method. The work in progress and finished goods of Environmental Services are valued at cost price, including the cost of materials and labor and other costs directly related to production.

At each closing date, inventories are valued at the lower of cost or net realizable value.

2.3.13 Trade and other operating receivables

Trade and other operating receivables are recognized at nominal value, discounted when necessary, and adjusted for any impairment considering any potential risk of non-payment. Provisions for impairment are determined on a case-by-case basis.

A specific impairment provision is made for doubtful receivables.

2.3.14 Cash and cash equivalents

Cash includes demand deposits and current accounts but excludes bank overdrafts which are included in financial liabilities. Cash equivalents include investments held with a view to meeting short term cash commitments. Securities include cash deposits, money-market mutual funds and negotiable debt securities which can be realized or sold at any time. They are valued at their market value. Any change in the fair value of these assets is recognized in the income statement.

To be considered as a cash equivalent, they must be easily convertible and subject to only negligible risk of loss in capital.

2.3.15 Treasury shares

Company shares held by the Group are recognized as a deduction from shareholders' equity at their acquisition cost. Any profits or losses related to the purchase, sale, issue or cancellation of treasury shares are recognized directly in shareholders' equity without impacting the income statement.

2.3.16 Pension commitments and other employee benefits

Pension commitment

The Group applies revised IAS 19.

Commitments arising from defined benefit pension plans for both active and retired employees are indicated on the balance sheet. They are determined according to the projected unit credit method based on annual evaluations. The actuarial assumptions used to determine these commitments vary in accordance with the economic conditions of the country in which the plan is in effect.

For externally managed and funded defined benefit plans (pension funds or insurance contracts), the fair value surplus or deficit in relation to the present value of the obligations is recognized as a balance sheet asset or liability. Surplus assets are only recognized on the balance sheet if they represent a future economic benefit for the Group.

The past service cost represents benefits granted either when the business adopts a new defined benefit plan or when it modifies the level of benefits from an existing plan. Once new benefit rights are vested following the adoption of a new plan, the past service cost is immediately recognized in the income statement. Conversely, when the adoption of a new plan gives rise to the vesting of rights subsequent to its implementation date, the past service cost is recognized as an expense, on a straight line basis, over the average period left to run until the corresponding rights are fully vested.

Actuarial gains and losses result mainly from the effects of changes to the actuarial assumptions and adjustments related to experience (differences between the actuarial assumptions used and the reality observed). They are recognized in other comprehensive income.

Expenses recognized over the fiscal year include additional rights vested for an additional year of service, changes to existing rights at opening due to financial discounting, the expected return on plan assets, past service costs and the effect of any curtailments or settlements. The portion relating to additional rights is recognized under personnel expenses and the financial cost of net liabilities is recognized in the income statement.

2.3.17 Provisions

Provisions are liabilities whose due date or amount cannot be precisely determined. They are calculated based on the discounted amount corresponding to the best estimate of the resources required to meet the obligation.

Provisions for business disputes concern, for the most part, employment disputes. They are calculated on a case-by-case basis in Environmental Services and, considering the number, on a statistical but nominal basis in Business Services.

Provisions for restructuring include the cost of the plans and measures decided on, where these have been announced before the year-end date.

2.3.17.1 Provisions for service awards

In Environmental Services, a bonus linked to service awards is given to employees after a certain number of years of service. The service awards are determined based on a discounted calculation taking into account assumptions about the probability of employees remaining with the Company, as well as a 1.5% discount rate.

The bonuses are paid according to the service period required for the service awards:

•	silver 20 years:	€500
•	vermeil 30 years:	€800
•	gold 35 years:	€1,100
•	grand gold 40 years:	€1,500

2.3.17.2 Current provisions

Current provisions represent provisions directly related to the operating cycle of each business line, whatever the term required for their reversal.

The provisions for other current risks are mainly provisions for late-delivery penalties, provisions for individual redundancies and other risks arising from business operations.

2.3.17.3 Non-current provisions

Non-current provisions represent provisions not directly related to the operating cycle and whose term is generally greater than one year. They are mostly provisions for litigation.

Non-current provisions for a term of less than one year are recognized on the balance sheet under current provisions.

2.3.17.4 Provisions for environmental risks

Provisions for environmental risks are established whenever there is a legal or contractual requirement to restore an operating site, or whenever the Company is deemed liable for a quantifiable environmental risk. These provisions are measured on a site-by-site basis by estimating the cost of the work (see section 1.5.2.1).

Business Services

By its very nature, Business Services has a very low environmental impact. Environmental issues are managed by the Quality, Safety and Environment (QSE) Department and form an integral part of each entity's general policies. QSE contacts within the various entities are responsible for implementing environmental initiatives and have the role of:

- ensuring compliance with regulations;
- responding to client demands such as external evaluation questionnaires required by some of our major clients (such as Ecovadis and Carbon Disclosure Project assessments). External audits are also conducted by clients;
- drawing up CSR diagnostics and implementing action plans. These impacts are taken into consideration within the context of the global Corporate Social Responsibility initiative defined as a result of a diagnosis conducted using the approach described by the French Federation of Cleaning Companies (FEP).

Environmental Services

Due to the very nature of its Environmental Services operations, which involve recycling metals, the Derichebourg Group is helping to preserve the planet's natural resources (iron ore, copper, bauxite, etc.). Recycling metals saves a significant amount of energy compared with the primary production of such metals, with up to 94.8% for aluminum and 16.5% for steel (source: Report on the economical benefit of recycling, Bureau of international recycling). In this way, the Group is helping to reduce greenhouse gas emissions, as detailed in section 1.6 of Chapter 1 of this registration document.

For almost ten years, each regional subsidiary has had an Environmental Officer (reporting to the Environmental Services director), who liaises with the relevant authorities (DREAL, prefectures, water agencies, local councils, waterways, associations, etc.) in order to:

- check that the Group's business activities are conducted in accordance with current legislation and regulations (operating licenses), as poorly managed recycling activities can cause pollution;
- learn about regulatory changes;
- ensure that facilities are supervised and releases to the environment are monitored and controlled;
- train and inform colleagues about best practice.

Likewise, operations are often conducted on land with an industrial past, whose history is not always available. Where necessary, soil surveys are conducted in application of regulatory changes.

To the Group's knowledge, no pollution hazards have been revealed for which a provision has not been made or for which a solution has not been found.

2.3.18 Financial debt (current and non-current)

Financial debts include:

- the syndicated loan agreement signed on March 31, 2014 and its four riders (the third rider extending the contract until March 31, 2022);
- the non-recourse factoring agreement signed on January 1, 2015, and its rider of April 2016;
- finance leases;
- other borrowings and bilateral lines.

These debts are valued and recognized at amortized cost using the effective interest rate method. According to this method, the cost of the debt includes issuance costs, originally deducted from the nominal value of the debt as a liability. Also in this method, interest expenses are recognized on an actuarial basis.

In the event that the terms of a loan agreement are modified, if the cash flows discounted at the initial effective interest rate under the new terms, including any fees paid and negotiation costs, exceed the discounted value of the flows anticipated under the agreement by more than 10%, the issuance costs and negotiation fees are recognized as expenses.

Financial debt with a term of less than one year is recorded under Current financial debt.

2.3.19 Fair value of derivative assets and liabilities (IAS 32-39)

The Group uses derivatives to hedge its exposure to market risks (interest rates, exchange rates and raw material prices).

According to IAS 39, all derivatives must be recognized on the balance sheet at their "fair value". If derivatives do not meet the criteria for hedge accounting, fluctuations in their fair value are recognized in the income statement.

Derivatives may be considered hedging instruments in three situations:

- hedging of fair value;
- hedging of future cash flows;
- hedging of a net investment in a foreign operation.

A fair value hedge covers exposure to the risk of changes in the fair value of an asset, liability or non-recognized firm commitment arising from changes in financial variables (interest rates, exchange rates, share prices, raw material costs, etc.).

A future cash flow hedge covers changes in the value of future cash flows related to existing assets or liabilities or to a highly probable forecasted transaction.

A hedge of a net investment in foreign currency covers the foreign exchange risk related to a net investment in a consolidated foreign subsidiary.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses, to hedge the foreign exchange risk related to loans in foreign currencies and to manage the fixed/variable rate split of its debt.

Interest rate swap agreements enable the Group to borrow long-term at variable rates and to exchange the interest rate on the debt incurred, either at the outset or during the term of the loan, against a fixed or variable rate. The

Group may purchase interest-rate options, caps and floors as part of its strategy to hedge its debt and financial instruments.

Interest rate and foreign exchange derivatives used by the Group to hedge changes in its debt denominated in foreign currencies qualify as hedges in accordance with IAS 39 because:

- the hedging relationship is clearly defined and documented from the date of implementation;
- the efficiency of the hedging relationship is clearly demonstrated in the beginning and on a regular basis for as long as it lasts.

The application of hedge accounting has the following consequences, the derivative always being measured on the balance sheet at its fair value:

- for fair value hedges of existing assets or liabilities, the change in fair value of the derivative is recognized in the income statement. This change is offset in the income statement by re-measuring the hedged item on the balance sheet. Any difference between the two changes in value represents the inefficiency of the hedging relationship;
- for hedges of future cash flows, the "efficient" portion of the change in fair value of the hedging instrument is recognized directly in shareholders' equity in a specific reserve account, and the portion of the change in fair value considered "inefficient" is recognized in the income statement. The amounts recognized in the reserve account are entered in the income statement once the hedged cash flows are recognized;
- for hedges covering net investments in a foreign country, the "efficient" portion of the changes in fair value of the derivative instrument is recognized in shareholders' equity under the heading "translation reserve" and the portion considered "inefficient" is recognized in the income statement. The profit or loss on the derivative that was recognized in the translation reserve must be transferred to the income statement in the event of the sale of the foreign entity that was the subject of the initial investment.

As part of its trading business in non-ferrous metals, the Group uses forward purchase and sale agreements concluded on the London Metal Exchange (LME) in order to reduce its exposure to the risk of fluctuations in non-ferrous metal prices (copper, aluminum, nickel). Changes in the fair value of the derivative instruments (forward purchases and sales of metals on the LME) are recognized in the income statement.

Financial instrument	Subsequent valuation method	Recognition of the change in value
Investment securities	Fair value	In shareholders' equity, unless the impairment observed is long-term, in which case it would be recognized in the income statement via an impairment
Marketable securities	Fair value	On the income statement
Loans and receivables	Amortized cost	On the income statement
Financial debt	Amortized cost	
Other liabilities	Amortized cost	

2.3.20 Held-for-sale and discontinued operations

Assets and liabilities classified as held for sale are measured at the lower of their carrying value or their fair value less selling costs.

The profit (loss) from discontinued operations is recorded on a separate line of the income statement.

A discontinued operation is a component of an entity 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;
- is 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 to be sold.

At September 30, 2018, assets and liabilities relating to San Germano and CMT were classified as held for sale for the reasons set out in note 1.3 in Chapter 4, Events occurring after year-end. The detail of assets and liabilities classified as held for sale can be found in note 4.24.

The item Net income from discontinued operations included €3.4 million resulting from the dispute with Servisair.

2.3.21 Employment Competitiveness Tax Credit (CICE)

The employment competitiveness tax credit is recorded as a deduction to personnel expenses.

3. Changes in consolidation scope

3.1 New companies included in the consolidation scope

Environmental Services division

- Inclusion of SCI de Saint-Jean;
- Inclusion of SCI La Madeleine;
- Inclusion of SCI Des Chatelets;
- Inclusion of SCI La Roche;
- Inclusion of Lien Environnement;
- Inclusion of SCI CFF Omega;
- Inclusion of SCI CFF Gamma;
- Inclusion of Poly-Selia;
- Inclusion of Poly-Val;
- Inclusion of Derichebourg Imintanout (Morocco).

Business Services division

NCA – Nettoyage Centre Alsace and Nettoyage Sud Alsace

On May 30, 2018, Derichebourg Propreté, a Derichebourg Multiservices Holding subsidiary, acquired two cleaning companies in Alsace, namely NCA – Nettoyage Centre Alsace and Nettoyage Sud Alsace (NSA). The two companies mainly cover the industrial, services and corporate events sectors. This acquisition will expand the Group's local coverage.

The amount of goodwill recognized in the financial statements of NCA – Nettoyage Centre Alsace and Nettoyage Sud Alsace was €2.0 million.

- inclusion of Nettoyage Sud Alsace;
- inclusion of NCA – Nettoyage Centre Alsace;
- inclusion of Derichebourg FM;
- inclusion of Wind Sun & Energy Services.

Fair value of net assets acquired breaks down as follows:

Inclusion in consolidation scope of Nettoyage Centre Alsace and Nettoyage Sud Alsace

In millions of euros	
Non-current assets	0.1
Current assets	0.5
Total assets	0.6
Non-current liabilities	0.0
Current liabilities	0.3
Total liabilities	0.3

The contribution to Group profit (loss) at September 30, 2018 is as follows (since June 1, 2018)

Nettoyage Centre Alsace and Nettoyage Sud Alsace

In millions of euros	
Revenue	0.9
Recurring Ebitda	0.2
Operating profit (loss)	0.2
Net profit (loss)	0.2

Holding Companies

- Inclusion of Derichebourg Expansion.

3.2 Companies excluded from the consolidation scope

Business Services

None.

Environmental Services division

Disposal of Hydrovide on December 21, 2017.

- Disposal of Plastic Recycling, consolidated using the equity method, on March 2, 2018.

Holding Companies

None

3.3 Internal restructuring

Business Services

- Universal transfer of assets of Derichebourg Travaux & Maintenance Nucléaire to Derichebourg Services & Ingénierie Nucléaire on October 1, 2017.

- Merger by absorption of Wind Sun & Energy Services by DAL Holding GmbH.

Environmental Services division

- Universal transfer of assets and liabilities of Fradena Transport and Strap Transport to Revival on October 1, 2017;

- Universal transfer of assets and liabilities of the SCIs CFF Delta CFF Gamma, CFF Omega, CFF Vega, and Impasse de l'Industrie, Arts et Descartes, Quai de Norvège, Haute Garonne, Orée des Bois, Strapole, and Stravia on July 1, 2018 to SCI Derichebourg Immobilier;

- Universal transfer of assets and liabilities of Lien Environnement, Poly-Milia, Poly-Selia, and Poly-Val to Poly-Environnement on July 1, 2018.

Holding Companies

- Universal transfer of assets and liabilities of SLG Recycling Finance to Derichebourg Environnement on October 1, 2017.

3.4 Change in percentage of control

Environmental Services division

None.

Business Services division

None.

4. Notes

4.1 Intangible assets and goodwill

In millions of euros	09-30-17	Increases	Decreases	Change in scope[1]	IFRS 5 impact	Other changes	Foreign exchange differences	09-30-18
Goodwill	325.1			0.8	(6.7)	0.2	0.0	319.4
Concessions, patents, licenses	15.5	0.8	(0.0)	(0.1)	(0.5)	0.1	0.0	15.8
Other intangible assets	8.7	3.0		(0.5)	(0.7)	(0.2)	0.0	10.3
Total gross value	349.2	3.8	(0.0)	0.3	(7.9)	0.1	0.0	345.5
Goodwill	(106.0)			1.1	3.4			(101.5)
Concessions, patents, licenses	(12.9)	(1.4)	0.0	0.1	0.5	0.0	(0.0)	(13.6)
Other intangible assets	(6.4)	(0.7)		0.3	0.7	0.0	(0.0)	(6.2)
Total amortization & depreciation	(125.3)	(2.1)	0.0	1.5	4.5	0.0	(0.0)	(121.3)
Total net value	224.0	1.7		1.7	(3.4)	0.1	0.0	224.2

(1) See note 3 – Changes in consolidation scope.

4.1.1 Change in net goodwill by type

In millions of euros	09-30-18
San Germano	(3.4)
Nettoyage Centre Alsace and Nettoyage Sud Alsace	2.0
Total change	(1.4)

See note 3 – Changes in consolidation scope.

4.1.2 Impairment tests

Impairment tests were carried out on the Environmental Services and Business Services activities at September 30, 2018.

No impairment indicators were identified on cash-generating units as at September 30, 2018.

The information concerning the cash generating units, to which significant amounts of goodwill have been attributed as part of the impairment tests, is as follows:

Net carrying amounts of goodwill impacted

In millions of euros	09-30-18	09-30-17
CGU – Business Services	170	167
CGU – Environmental Services	48	52
Total	218	219

The valuation method used to determine the recoverable amount of these cash-generating units is the value in use. The data and the assumptions used for the impairment tests of the assets included in the cash generating units (CGUs) are as follows:

In millions of euros	Discount rate 2017/2018[1]	Growth rate to infinity 2017/2018	Discount rate 2016/2017[1]	Growth rate to infinity 2016/2017	Valuation method
CGU – Environmental Services	9.50%	1.00%	9.50%	1.00%	Discounted cash flow and terminal value
CGU – Business Services	8.50%	1.00%	8.50%	1.00%	Discounted cash flow and terminal value

(1) The discount rate used is the weighted average cost of capital (WACC).

The value in use of the cash generating units (CGUs) determined by business segment is calculated by discounting the forecast operating cash flows at the rates mentioned above. These cash flows are after tax (operating profit + amortization and depreciation – tax – change in working capital requirement – operating investments) and are based on a five-year business plan.

These impairment tests are conducted annually on September 30.

The key assumptions to which the impairment tests of Environmental Services and Business Services are sensitive are the following:

- the discount rate, calculated by breaking down the *Weighted Average Cost* of Capital: this rate is 9.5% for Environmental Services and 8.5% for Business Services;
- Ebitda for the final year of the explicit forecast. This Ebitda has been determined on the basis of business plans;
- impact on enterprise value the long-term growth rate of the businesses. This was estimated at 1% for all businesses. This was calculated based on the following factors:
- Environmental Services: demand for recycling in developed countries and growth in demand in emerging countries,
- Business Services: increased outsourcing and use of temporary workers. The business plan for Business Services anticipates 2% growth in revenue per year, driven by the Group's cleaning services. Modest growth in the ratio of Ebitda to revenue is also anticipated over the period, reaching 3.9% during the final year. This growth will stem primarily from projected business developments, without any major modifications to the division's structure. The Ebitda margin during the final year is close to that of other major players in the industry.

The enterprise values thus determined for the CGUs of the two segments are higher than their book value.

Impact on enterprise value

	Environmental Services			Business Services		
In millions of euros	Discount rate +0.5%	Discount rate -0.5%	Ebitda +/-5% (in absolute terms) for the final year	Discount rate +0.5%	Discount rate -0.5%	Ebitda +/-5% (in absolute terms) for the final year
Impact on enterprise value	(50)	56	+/-5.3%	(14)	17	+/-6.4%

	Environmental Services		Business Services	
In millions of euros	Growth rate +0.5%	Growth rate -0.5%	Growth rate +0.5%	Growth rate -0.5%
Impact on enterprise value	40	(36)	13	(11)

These stress tests did not result in the recognition of any impairment losses on goodwill.

4.2 Property, plant and equipment (including finance leasing)

In millions of euros	09-30-17	Increases	Decreases	Change in scope[1]	IFRS 5 impact	Other changes	Foreign exchange differences	09-30-18
Land (including leasing)	174.6	6.1	(0.5)	4.1	(1.5)	(2.2)	0.5	181.2
Buildings (including leasing)	290.4	16.2	(1.5)	1.2	(14.1)	3.3	0.2	295.6
Machinery & equipment (including leasing)	759.6	50.8	(26.1)	(1.9)	(16.3)	3.8	1.9	771.7
Other tangible assets (including leasing)	331.8	25.6	(8.7)	(0.3)	(56.4)	0.9	0.4	293.4
Tangible assets under construction	17.3	21.4	(0.7)	(0.0)	(0.1)	(5.6)	(0.0)	32.3
Advances and deposits	1.0	0.2	(0.3)			(0.3)	(0.0)	0.5
Total gross value	1,574.7	120.3	(37.8)	3.0	(88.3)	(0.0)	2.9	1,574.8
Land (including leasing)	(36.0)	(3.3)	0.3	0.0		0.0	(0.2)	(39.2)
Buildings (including leasing)	(175.0)	(13.2)	1.4	(0.4)	8.9	(0.0)	(0.1)	(178.4)
Machinery & equipment (including leasing)	(639.9)	(39.6)	29.3	1.2	14.1	0.1	(1.5)	(636.2)
Other tangible assets (including leasing)	(272.3)	(26.0)	9.5	0.2	49.0	(0.0)	(0.4)	(240.1)
Total amortization & depreciation	(1,123.2)	(82.1)	40.5	1.0	72.0	0.1	(2.1)	(1,093.9)
Total net value	451.5	38.2	2.7	4.0	16.3	0.0	0.8	480.9

(1) See note 3 – Changes in consolidation scope.

Property, plant and equipment financed by lease-financing contracts

In millions of euros	09-30-17	Increases	Decreases	Change in scope[2]	IFRS 5 impactd	Other changes[1]	Foreign exchange differences	09-30-18
Land and buildings	22.2				(1.5)			20.7
Machinery & equipment	243.8	23.1	(14.9)	(0.6)	(2.1)	2.3	0.2	251.7
Other tangible assets	132.6	11.8	(1.6)	(0.1)	(29.1)	(0.0)	0.2	113.8
Total gross value	398.6	34.9	(16.6)	(0.8)	(32.7)	2.3	0.3	386.2
Total amortization & depreciation	(311.0)	(28.9)	19.2	0.4	30.2		(0.1)	(290.2)
Total net value	87.6	6.1	2.7	(0.4)	(2.4)	2.3	0.2	96.1

4.3 Financial assets

4.3.1 Change during the fiscal year

In millions of euros	09-30-17	Increases	Decreases	Changes in scope[2]	IFRS 5 impact	Other changes	Foreign exchange differences	09-30-18
Investment securities	7.8	0.3	(0.3)	(4.2)	(0.0)	(0.4)	(0.0)	3.2
Loans, securities and other long-term financial assets[1]	23.7	2.0	(16.2)	(0.1)	(0.6)	(0.1)	0.0	8.7
Total gross value	31.5	2.3	(16.5)	(4.3)	(0.6)	(0.5)	0.0	11.9
Impairment loss on investments	(1.2)	(0.3)	0.0	0.1	0.0		(0.0)	(1.4)
Impairment loss on loans, securities and other receivables[1]	(15.1)		15.0					(0.1)
Total impairment	(16.3)	(0.3)	15.0	0.1	0.0		(0.0)	(1.5)
Total net value	15.2	2.0	(1.5)	(4.2)	(0.6)	(0.5)	0.0	10.5

(1) Following completion of the transaction presented in Material events in May 2018.
(2) See note 3 – Changes in consolidation scope.

4.3.2 Non-current financial assets by maturity date (excluding investment securities)

In millions of euros	09-30-18	More than 1 year	More than 5 years
Loans, securities and other long-term financial assets	8.6	5.0	3.6
Total	8.6	5.0	3.6

4.3.3 Investment securities and receivables related to equity investments by type

In millions of euros	Country	% holding	Gross value	Provisions	Net value	
Equity interests						
ENVIRONMENTAL SERVICES						
DOHMEN	Belgium	100%	1.4		1.4	Under liquidation
PROSIMETAL	France	50%	0.2	(0.2)	0.0	Under liquidation
Other companies (less than €0.1 million)	France		0.4		0.4	
BUSINESS SERVICES						
DERICHEBOURG ATIS MAINTENANCE SERVICES	France	100%	0.9	(0.9)	0.0	Under liquidation
Other companies (less than €0.1 million)	France		0.2	(0.2)	0.0	
Total			3.2	(1.4)	1.8	

4.4 Investments in associates and joint ventures

4.4.1 By type

				Share of shareholders' equity	
In millions of euros	Country	% holding	Share of income	09-30-18	09-30-17
ASSOCIATES					
ALLO CASSE AUTO	France	48%	0.3	2.2	1.9
DAC	France	50%	0.1	0.8	0.7
DREYFUS	France	43%	0.5	5.4	5.2
ROHR ENVIRONNEMENT	France	50%	0.1	1.6	1.7
JOINT VENTURES					
ALSAFER ENVIRONNEMENT	France	50%	0.1	0.2	0.3
ENVIE AFM SUD OUEST	France	50%	0.1	0.6	0.7
PLASTIC RECYCLING(1)	France	50%			0.2
REYFRA	Spain	50%	0.9	6.1	5.3
VALERCO	France	50%	0.1	0.1	0.1
Total			2.1	17.1	16.0

(1) See note 3 – Changes in consolidation scope.

Condensed financial information for Environmental Services' joint ventures

		ALSAFER	ENVIE AFM SUD OUEST	REYFRA	VALERCO
	Balance sheet date	09-30-18	09-30-18	09-30-18	09-30-18
In millions of euros	Country	France	France	Spain	France
Financial position					
Non-current assets		0.0	0.4	9.8	0.1
Current assets		0.8	1.8	10.7	0.3
Total assets		0.8	2.2	20.5	0.3
Non-current liabilities		0.0	0.1		0.0
Current liabilities		0.3	1.1	8.3	0.1
Total liabilities		0.3	1.1	8.3	0.1
Net assets		0.5	1.1	12.2	0.2
Income statement					
Revenue		1.9	3.9	40.2	0.5
Net profit (loss)		0.2	0.2	1.7	0.0
Statement of cash flow					
Net cash flow from operating activities		0.1	0.4	2.9	0.0
Net cash flow from investment activities			(0.1)	(0.1)	
Net cash flow from finance activities		(0.2)	(0.5)	(0.6)	
of which, dividends received by the subsidiary					
Impact of exchange rate fluctuations					
Cash and cash equivalents at beginning of the period		0.4	0.7	(4.2)	0.1
Cash and cash equivalents at close of the period		0.3	0.6	(2.1)	0.2
Change in cash and cash equivalents		(0.1)	(0.1)	2.2	0.0

4.4.2 Change during the fiscal year

In millions of euros	09-30-17	Share of profit	Dividends	Changes in scope[1]	Other changes	Foreign exchange differences	09-30-18
Equity interests in associated companies	16.0	2.1	(0.7)	(0.2)	0.0		17.1

(1) See note 3 – Changes in consolidation scope.

4.5 Other non-current assets

In millions of euros	Gross value on 09-30-18	Provisions	Net value on 09-30-18
Other receivables	5.0	(5.0)	0.0
Total	5.0	(5.0)	0.0

4.6 Inventories

4.6.1 By type

In millions of euros	Gross value on 09-30-18	Gross value on 09-30-17
Raw materials	6.5	6.0
Other consumables	9.4	9.3
Work in progress	0.8	1.6
Finished and semi-finished goods	4.5	3.2
Goods for resale	56.4	75.5
Total	77.5	95.6

4.6.2 Change during the fiscal year

In millions of euros	Net value on 09-30-17	Variation	Changes in scope[1]	IFRS 5 impact	Other changes	Foreign exchange differences	Change in impairment[2]	Net value on 09-30-18
Raw materials	5.9	3.0	(2.6)		(0.0)	(0.0)	0.1	6.5
Other consumables	8.2	0.3	0.0	(0.2)	(0.0)	0.0	0.6	8.9
Work in progress	1.5	0.4	(1.3)				0.1	0.8
Finished and semi-finished goods	3.0	1.8	(0.5)				0.2	4.5
Goods for resale	75.2	(19.0)		(0.1)	(0.0)	0.0	0.0	56.1
Total	93.9	(13.4)	(4.4)	(0.3)	(0.0)	0.1	0.9	76.7

(1) See note 3 – Changes in consolidation scope.
(2) Change in impairment of inventory.

In millions of euros	09-30-17	Provisions	Reversals	Changes in scope	Foreign exchange differences	09-30-18
Impairment of inventory	(1.7)	(0.2)	0.9	0.2		(0.8)

4.7 Trade receivables, other receivables and current financial assets

	09-30-18			09-30-17		
In millions of euros	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Trade receivables	297.0	(10.4)	286.6	307.6	(11.8)	295.7
Tax receivables	11.4		11.4	6.4		6.4
Advances and deposits	9.9		9.9	9.3		9.3
Employee-related receivables	4.6		4.6	7.4		7.4
Employment-competitiveness (CICE) receivables	24.2		24.2	26.0		26.0
Tax receivables	23.5		23.5	32.7		32.7
Other receivables	15.7	(4.7)	11.1	20.8	(3.7)	17.1
Prepaid expenses	9.4		9.4	9.1		9.1
Other current assets	87.4	(4.7)	82.7	105.3	(3.7)	101.6
Dividends due				0.2		0.2
Loans, deposits and securities	14.0	(0.1)	13.8	15.0	(0.1)	14.8
Current financial assets	14.0	(0.1)	13.8	15.2	(0.1)	15.1

Change in impairment of trade receivables

In millions of euros	09-30-17	Provisions	Reversals	Changes in scope	IFRS 5 impact	Foreign exchange differences	09-30-18
Impairment of trade receivables	(11.8)	(1.9)	1.3	(0.0)	2.0	(0.0)	(10.4)

4.8 Cash and cash equivalents

By type

Cash and cash equivalents include investment securities, current account balances due by banks and cash.

In millions of euros	Gross value on 09-30-18	Provisions	Net value on 09-30-18	Net value on 09-30-17
Marketable securities	0.5	(0.2)	0.3	0.4
Cash	145.3		145.3	146.2
Total	145.8	(0.2)	145.6	146.6

In millions of euros	09-30-18	09-30-17
Cash and cash equivalents	145.6	146.6
Bank overdrafts	14.2	4.8
Net cash	131.4	141.8

The cash pooling system, which the Group has implemented mainly in France, centralizes all subsidiary cash flows on a daily basis to reduce finance costs.

The Group reports cash and cash equivalents according to the accounting balance of each bank account, whereas these accounts can be aggregated with other accounts that could have a different balance in the context of the merger of interests and overall overdraft authorizations granted to the Group.

4.9 Consolidated shareholders' equity

As of September 30, 2018, the Company's share capital consisted of 163,878,780 shares with a nominal value of €0.25 each, corresponding to a total nominal value of €40,969,695.00.

Analysis of the share capital and voting rights

	Shares		Voting rights	
Shareholders	Number of shares	% of share capital	Number	%
CFER*	65,745,648	40.12	131,491,296	56.67
Financière DBG*	65,894	0.04	65,894	0.03
Employees	1,568,021	0.96	1,568,021	0.68
Treasury shares	0	0	0	0
Free float	96,499,217	58.88	98,888,139	42.62
Total	163,878,780	100.00	232,013,350	100.00

** CFER and Financière DBG are ultimately controlled by the family of Mr. Daniel DERICHEBOURG.*

On January 9, 2018, CFER, which previously held 50.12% of the Company's share capital, sold 10% at the price of €8 per share under a private placement with accelerated book-building.

Dividends

In millions of euros	For the fiscal year 2017/2018(1)	For the fiscal year 2016/2017	For the fiscal year 2015/2016
Net dividends in euros	0.14	0.14	0.02
Total net distribution	22.9	22.9	3.3

(1) Subject to approval by the shareholders' meeting.

The Board of Directors has proposed a €0.14/share dividend distribution to the shareholders' meeting.

4.10 Non-controlling interests

In millions of euros	09-30-18	09-30-17
Non-controlling interests at the beginning of the year	2.9	3.8
Changes in consolidation scope	(0.0)	
Consolidated company earnings attributable to non-controlling interests	1.5	0.4
Share of dividends from consolidated companies	(0.6)	(1.1)
Impact of foreign exchange rate fluctuations on non-controlling interests	0.0	
Other changes	(0.0)	(0.2)
Non-controlling interests at year-end	3.8	2.9

4.11 Indebtedness

4.11.1 Loans and financial debts

4.11.1.1 Changes in financial indebtedness

In millions of euros	09-30-17	Increase	Decrease	Foreign exchange difference	Changes in scope(1)	IFRS 5 impact	Other changes	09-30-18
Loans from financial institutions	96.9	20.5	(1.4)	(0.1)	0.1		(21.8)	94.2
Miscellaneous financial debt	1.6	1.5	(0.1)	(0.0)	(0.1)		(1.5)	1.4
Debts linked to finance leases	55.3	37.3		0.1	(0.2)	(1.9)	(30.0)	60.6
Non-current financial debt	153.9	59.3	(1.5)	(0.0)	(0.2)	(1.9)	(53.3)	156.2
Loans from financial institutions	73.2	1.9	(49.1)	(0.1)	(0.1)	(1.0)	21.8	46.7
Miscellaneous financial debt	0.6	0.0	(0.4)		(0.1)		0.0	0.2
Debts linked to finance leases	24.9		(28.9)	0.1	(0.1)	(2.5)	30.0	23.4
Bank overdrafts	4.8	9.5		0.1		(0.3)	0.0	14.2
Current financial debt	103.6	11.5	(78.4)	0.1	(0.3)	(3.8)	51.8	84.5
Total financial debt	257.5	70.8	(79.9)	0.0	(0.5)	(5.7)	(1.5)	240.7

(1) See note 3 Changes in consolidation scope.

The revolving loan of €100 million, with the same due date as the repayment loan, had not been drawn as of September 30, 2018.

4.11.1.2 Maturity profile of loans and non-current financial debt

In millions of euros	09-30-18	From 1 to 5 years	More than 5 years
Loans from financial institutions	94.2	82.4	11.8
Miscellaneous financial debt	1.4	1.4	
Debts linked to finance leases	60.6	53.2	7.4
Non-current financial debt	156.2	137.0	19.2

4.11.1.3 Financial debt by main currencies

In millions of euros	09-30-18	Euro	American dollar	Canadian dollar	Other
Loans from financial institutions	94.2	82.6	1.5	10.0	0.1
Miscellaneous financial debt	1.4	1.4			
Debts linked to finance leases	60.6	55.3	1.1		4.2
Non-current financial debt	156.2	139.3	2.6	10.0	4.4
Loans from financial institutions	46.4	43.7	0.9	1.8	0.1
Miscellaneous financial debt	0.2	0.2			
Debts linked to finance leases	23.4	20.4	1.1		1.9
Bank overdrafts	14.2	7.5	0.9		5.8
Interest accrued	0.3	0.3			
Current financial debt	84.5	72.1	2.8	1.8	7.8
Total financial debt	240.7	211.4	5.4	11.8	12.2

4.11.1.4 Characteristics of main credit lines

Denomination	Currency	Nominal amount *(in millions of currency)*	Rate/Index	Final maturity date	Book value at 09-30-18 *(in millions of euros)*	Book value at 09-30-17 *(in millions of euros)*
Syndicated credit[1]	EUR	132.5	Euribor 3M	03/31/2022	42.4	53.0
Revolving credit[1]	EUR	100.0	Euribor 3M	03/31/2022		
2017 CICE financing	EUR	22.6	Euribor 1M +0.80%	08/28/2018		22.6
Loans from financial institutions Canada 1	CAD	3.5	3.840%	12/22/2022	1.5	1.9
Loans from financial institutions Canada 2	CAD	9.0	3.340%	04/01/2024	4.9	5.9
Loans from financial institutions Canada 3	CAD	2.7	3.340%	04/01/2024	1.4	1.5
Loans from financial institutions Canada 4	CAD	5.2	4.080%	07/06/2025	3.3	
Loans from financial institutions USA 1	USD	3.0	Libor USD 3M	06/01/2021	2.4	
Loans from financial institutions France 1	EUR	4.0	Euribor 3M	05/05/2023	1.9	2.3
Loans from financial institutions France 2	EUR	2.1	2.410%	09/08/2024	1.8	2.1
Loans from financial institutions France 3	EUR	5.5	1.650%	06/05/2030	5.4	
Loans from financial institutions France 4	EUR	5.0	2.190%	04/30/2024	5.0	5.0
Loans from financial institutions France 5	EUR	5.0	2.190%	04/30/2024	5.0	5.0
Loans from financial institutions France 6	EUR	3.0	1.250%	06/01/2022	2.3	2.9
Loans from financial institutions France 7	EUR	4.0	1.200%	04/30/2022	2.9	3.7
Loans from financial institutions France 8	EUR	6.0	1.200%	04/30/2022	4.5	5.7
Loans from financial institutions France 9	EUR	5.0	1.360%	04/30/2025	5.0	
Loans from financial institutions France 10	EUR	8.0	1.250%	04/30/2021	4.5	6.0
Loans from financial institutions France 11	EUR	10.0	0.850%	09/30/2024	8.6	10.0
Loans from financial institutions France 12	EUR	5.0	0.610%	12/22/2023	3.8	4.5
Loans from financial institutions France 13	EUR	5.0	0.610%	12/22/2023	3.8	4.5
Other loans from financial institutions – Outstanding < €1.5 million					9.6	10.6
Debts linked to finance leases – non-recurring financing					60.6	55.3
Debts linked to finance leases – recurring financing					23.4	24.9
Miscellaneous financial debt	EUR				1.6	2.2
Amortized cost of syndicated credit	EUR				(1.1)	(1.6)
Syndicated factoring[2]	EUR	270.0		12/31/2018[3]	22.0	24.7
Confirmed and unconfirmed bilateral lines	EUR	114.7			14.2	4.8
Total financial debt					240.7	257.5

(1) The Derichebourg Group has contracted a syndicated loan agreement, which, along with its factoring agreements, constitutes its main sources of funding.
(2) Including €270 million from non-recourse factoring of receivables for €263.9 million in financing received as at 09-30-18.
(3) Extended until 12-31-21 after closure.

4.11.1.5 2014 loan agreement

On March 31, 2014, the Group entered into a loan agreement with ten financial institutions, for the sum of €232.5 million and comprising a €100 million revolving loan and a €132.5 million repayment loan.

Regarding the repayment loan, the remaining balance as at September 30, 2018 was €42.4 million. Annual installments consist of €10.6 million due each March 31 until 2022.

The revolving loan of €100 million had not been drawn as at September 30, 2018.

Four riders were signed on March 31, 2015, January 22, 2016, May 5, 2017 and February 2, 2018, at the Group's request, to amend a number of provisions, notably the margin scale in rider No. 1, the ratios to be respected in rider No. 2, the repayment schedule in rider No. 3, and the lifting of guarantees relating to the repayment of loans in rider No. 4.

Interest rate

The amounts drawn on these credit lines carry interest at the Euribor rate, plus a margin which is adjusted periodically based on the ratio of consolidated net financial indebtedness to consolidated Ebitda.

Early repayment obligations – Event of default

The loan agreement allows the lenders to require early repayment of the entire amount due, should a majority of the lenders request it, following the occurrence of certain common default events, particularly where an event has a significant adverse effect on the business or the financial situation of the Derichebourg Group, or on the ability of Derichebourg to service its debt.

A change of control or delisting of Derichebourg shares would constitute an event warranting mandatory early repayment.

In addition, the loan agreement provides for an obligation to make early partial repayment of the sums owing in the event of a capital increase, the issuance of shares giving access to capital or debt securities (if its maturity precedes that of the syndicated loan).

Covenants

The loan agreement also includes covenants that theoretically could limit the ability of Group companies to do the following without the lenders' consent:

- to take out additional debts;
- to grant sureties and guarantees;
- to undertake mergers, demergers or restructurings;
- to undertake certain acquisitions, beyond a certain threshold;
- to make investments over the course of a given company fiscal year that exceed the amounts set by the agreement;
- to sell assets or equity interests, except for those specified in the loan agreements;
- to redeem and/or reduce their share capital, with certain exceptions.

The loan agreement also contains commitments requiring the purchase and maintenance of insurance policies in line with practices generally accepted in the businesses of the Derichebourg Group.

On May 5, 2017, Derichebourg SA (the Borrower) signed an amendment no. 3 with the lenders, with the following main features:

- a three-year extension to the maturity of the credits, i.e. until March 31, 2022 (amortization in five annual installments of €10.6 million of the balance of €53 million of the refinancing loan, and availability of the €100 million revolving credit facility until March 31, 2022);
- relaxation of a number of the contractual clauses, specifically intended to facilitate the Group's development.

On February 2, 2018, the lenders agreed, in the light of the reduction in the amount of the loans and the net improvement in the Group's financial position, to remove the guarantees (pledges) relating to the repayment of the loans.

4.11.1.6 Factoring agreement

With effect from January 1, 2015, the Derichebourg Group entered into a non-recourse factoring agreement (€240 million approved credit line, increased to €270 million in March 2017). The agreement covers the French, German, Belgian and one Italian Environmental Services and Business Services entities. The term of this agreement is confirmed at two years. It was renewed for another two years In April 2016, effective January 2017, and again on November 30, 2018 for a three-year term expiring on December 31, 2021.

The receivables covered by this agreement correspond to deliveries made or services rendered to private customers or to French public sector customers.

Each time receivables are sold, the receivables approved by the credit insurer (after deduction of any outstanding receivables previously sold without recourse) are sold without recourse. The other receivables are sold with recourse. The receivables retain their status (factored with or without initial recourse) until payment takes place.

The factor is co-insured with the Group by two different credit insurers. They are responsible for paying out any compensation under the credit insurance policy.

Interest is deducted when the receivable is sold based on the average contractual payment terms. The risk of late payment is transferred to the factors.

The dilution rate (credits, cancellation of receivables) is low.

The total receivables derecognized under factoring agreements amounted to €256.9 million as at September 30, 2018.

The Group derecognizes 95% of receivables without recourse because of the 5% uninsured residual amount.

4.11.2 Net financial position

In millions of euros	09-30-18	09-30-17
Financial debt	240.7	257.5
Cash and cash equivalents	145.6	146.6
Total net debt	95.1	110.9

4.11.3 Liquidity risk

The Group uses a cash-flow management tool to ensure that it maintains sufficient cash at all times. This tool keeps track of the maturity of financial investments and financial assets (e.g., accounts receivable) and the estimated future cash flow from operations.

At September 30, 2018, the Group's main sources of funding were:

- a €232.5 million syndicated loan agreement signed in March 2014, with an authorized outstanding amount of €142.4 million. It includes a five-year loan for €42.4 million, repayable in equal annual installments (outstanding amount authorized and drawn of €42.4 million as at September 30, 2018), and a five-year revolving loan for the sum of €100 million, repayable at maturity. The next installment for the repayment loan is due on March 31, 2019 and amounts to €10.6 million. At September 30, 2018, there was no drawing being made under the revolving loan;
- a two-year non-recourse factoring agreement went into effect on January 1, 2015. It has a €270 million credit line (depending on the receivables available), and from an initial two-year term, it was renewed twice, in April 2016 and November 2018, extending the maturity to the end of December 2021. The factoring purchases non-recourse receivables for up to the approved amounts issued by the credit insurers, and with recourse beyond that amount. The total receivables that may be derecognized by the Group is thus dependent on the total receivables

available and the credit insurers' authorized limits. Any downward variation in one of these amounts may lead to an increase in the net debt recognized by the Group. The amount drawn down on this line was €263.9 million as at September 30, 2018, for a contribution of €22 million to net debt;

- €79 million in medium-term borrowings, drawn down in the amount of €77.3 million;
- leasing contracts, repayable in installments and at a fixed rate of interest. The amount outstanding as at September 30, 2018 was €84 million;
- bilateral credit lines, whether confirmed or not, totaling €114.7 million, which are not used since the Group's net cash position is €131.4 million at September 30, 2018.

Maturity profile of non-discounted contractual cash flows from financial debt excluding amortized cost, factoring debt and bank overdrafts

In millions of euros	Book value 09-30-18	09-30-19	09-30-20	09-30-21	09-30-22	09-30-23	09-30-24 and beyond
Syndicated credit	42.4	10.6	10.6	10.6	10.6		
Finance leases	84.0	23.4	19.1	15.5	10.6	8.0	7.4
Other medium- and long-term lines[(1)]	77.6	14.1	15.3	14.3	11.7	10.4	11.8
Miscellaneous financial debt	1.6	0.2				1.4	
Total financial debt excluding amortized cost, factoring and bank overdrafts	205.6	48.3	45.0	40.4	32.9	19.8	19.2
Amortized cost of syndicated credit	(1.1)						
Factoring debt	22.0						
Bank overdrafts	14.2						
Total financial debt	240.7						

(1) The detail of other medium- and long-term lines can be found in note 4.11.1.4

Financial ratios

The syndicated loan agreement requires the Group to maintain the following financial ratios:

- the annual leverage ratio, being the ratio of (a) consolidated net financial debt to (b) consolidated Ebitda, on each calculation date and over a rolling 12-month period ending on each calculation date, must be less than 3.00.

At September 30, 2018, the leverage ratio was 0.47.

- the debt service coverage ratio, i.e. the ratio of (a) consolidated cash flow before debt service to (b) net financial expenses on each calculation date and over a rolling 12-month period ending on each calculation date considered, must be greater than 5.

At September 30, 2018, the coverage ratio stood at 17.33.

The Group was in compliance with its financial covenants on September 30, 2018.

Given the liquidity margin of €348 million at September 30, 2018, and based on business and investment forecasts, the Group estimates that it has sufficient financial lines to meet its payments over the 12 months from September 30, 2018.

4.12 Financial instruments

The Group uses certain financial instruments to reduce risks related to interest rates, exchange rates affecting its commercial activities and raw material prices.

4.12.1 Market value of financial instruments

To determine the fair value of financial instruments, the Group uses the following fair value hierarchy, according to the valuation methods used:

- level 1: the prices listed for identical assets or liabilities in active markets (not adjusted);
- level 2: directly or indirectly observable inputs concerning the asset or liability other than the quoted prices used at level 1;

- level 3: methods that use inputs that have a significant impact on the recognized fair value and are not based on observable market data.

On September 30, 2018, all of the Group's assets and liabilities measured at fair value are classified as level 2.

During the 2018 fiscal year, there was no change in fair-value valuations between level 1 and level 2 and no transfer to, or from, level 3.

In millions of euros	09-30-18	09-30-17
Assets at fair value through profit or loss		
– Derivative instruments – assets	0.0	0.0
Assets at fair value through equity		
– Derivative instruments – assets	0.0	0.0
Loans and receivables		
– Non-current loans	0.0	0.0
– Non-current deposits and securities	8.6	8.6
– Other non-current financial assets	0.0	0.0
– Current trade receivables	286.6	295.7
– Current loans		0.2
– Current deposits and securities	13.8	14.8
– Cash and cash equivalents	145.6	146.6
Held-to-maturity investments		
– None		
Available-for-sale assets		
– Equity interests	1.8	6.6
Liabilities at fair value through profit or loss		
– Derivative instruments – liabilities	(0.2)	0.4
Liabilities at fair value through equity		
– Derivative instruments – liabilities	1.4	1.5
Other liabilities		
– Syndicated loan	41.3	53.0
– Other non-current financial debt	125.5	128.3
– Debts Trade payables	281.2	294.5
– Other current financial liabilities	0.3	0.4
– Short-term loans and bank overdrafts	84.2	75.8

4.12.2 Market value of derivative instruments

		09-30-18		09-30-17	
In millions of euros		Assets	Liabilities	Assets	Liabilities
Derivatives for interest-rate risks	Cash flow hedge		1.1		1.9
Derivatives for exchange-rate risk	Cash flow hedge	0.0	0.0	0.0	0.0
Amount of derivatives in the consolidated balance sheet		0.0	0.0	1.1	0.0

4.12.3 Interest rate risks

The Group determines the desired split of debt between fixed and variable rates based on forecast trends for interest rates and the hedging requirement set forth in the syndicated loan agreement. At September 30, 2018, 36% of the debt was under a floating rate.

The Group uses several types of interest rate risk management instruments to optimize its financial expenses and manage the fixed/variable rate split of its debt.

The Group's variable-rate debt is fully hedged. A 1% change in the three month Euribor would have no impact on the Group's financial statements.

Breakdown of debt between fixed and variable rates

	09-30-18			09-30-17		
In millions of euros	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Financial liabilities	154.2	72.3	226.5	153.3	99.3	252.6
Cash and cash equivalents		14.2	14.2		4.8	4.8
Total financial liabilities	154.2	86.5	240.7	153.3	104.2	257.5
%	64%	36%	100%	60%	40%	100%

Net financial position after hedging

	09-30-18			09-30-17		
In millions of euros	Less than 1 year	From 1 to 5 years	Beyond that period	Less than 1 year	From 1 to 5 years	Beyond that period
Non-current financial debt		140.9	15.3		135.5	18.4
Current financial debt	84.5			103.6		
Financial liabilities	84.5	140.9	15.3	103.6	135.5	18.4
Non-current financial assets (excluding investment securities)		(5.0)	(3.6)		(6.7)	(1.9)
Current financial assets	(13.8)			(15.1)		
Cash and cash equivalents	(145.6)			(146.6)		
Financial assets	(159.5)	(5.0)	(3.6)	(161.7)	(6.7)	(1.9)
Net position before hedging	(75.0)	135.9	11.7	(58.1)	128.8	16.5
Swaps	(95.0)				(95.0)	
Net position after hedging	(170.0)	135.9	11.7	(58.1)	33.8	16.5

Derivative interest rate instruments by maturity

In millions of euros	Initial rate	Less than 1 year	From 1 to 2 years	From 2 to 5 years	More than 5 years
Swap variable rate -> fixed rate:					
SWAP EUR	0.66%		20.0		
SWAP EUR	0.97%		25.0		
SWAP EUR	0.56%				50.0
Total nominal value EUR			45.0		50.0

4.12.4 Foreign exchange risk

Exchange rates used

		2018		2017	
In euros	Foreign currencies	Year-end	Average	Year-end	Average
Canada	CAD	1.5064	1.5275	1.4687	1.4499
United States	USD	1.1576	1.1906	1.1806	1.1046
Morocco	MAD	10.9376	11.1533	11.1421	10.8569
Mexico	MXN	21.7800	22.6387	21.4614	21.0926
United Kingdom	GBP	0.8873	0.8847	0.8818	0.8716

Generally, the Group's revenue is generated in the same currency as the related costs. Accordingly, the Group has little exposure to foreign exchange risk, and business transactions made in a non-local currency (mostly dollar-denominated exports from France) are generally hedged with forward contracts. Euro movements against the US dollar do, however, have a significant impact on the translation of Environmental Services division revenue and operating income into euros.

The Group uses foreign exchange forward contracts to hedge its foreign exchange risk.

In millions of currency units	USD	CAD
Forward purchases	0.6	0.0
Forward sales	12.7	0.0

Accounts receivable, tax receivables and other current assets by currency

	Receivables at 09-30-18			Receivables at 09-30-17		
In millions of currency	Local currency	Euro	%	Local currency	Euro	%
CAD	5.4	3.6	1%	5.9	4.0	1%
EUR	329.6	330.2	87%	350.9	350.9	87%
GBP	0.1	0.1	0%	0.0	0.1	0%
MAD	321.5	29.4	7%	171.1	15.4	4%
MXN	68.5	3.1	1%	103.5	4.8	1%
USD	16.5	14.2	4%	33.8	28.6	7%
Total		380.7	100%		403.7	100%

Trade payables, tax liabilities and other current liabilities

	Payables at 09-30-18			Payables at 09-30-17		
In millions of currency	Local currency	Euro	%	Local currency	Euro	%
CAD	1.7	1.2	0%	2.2	1.5	0%
EUR	510.7	510.7	95%	551.3	551.3	96%
GBP	0.1	0.1	0%	0.0	0.0	0%
MAD	221.0	20.2	4%	95.9	8.6	2%
MXN	37.6	1.7	0%	62.9	2.9	1%
USD	6.4	5.5	1%	8.6	7.3	1%
Total		539.5	100%		571.7	100%

The following table shows the sensitivity of profit before tax, before and after hedging, to a reasonable change in the US dollar exchange rate, all other variables being constant.

		09-30-18		09-30-17	
In millions of euros		Before hedging	After hedging	Before hedging	After hedging
CAD	+5%	(0.1)	(0.1)	(0.2)	(0.1)
	-5%	0.1	0.1	0.2	0.1
USD	+5%	(0.9)	(0.4)	(1.2)	0.2
	-5%	1.0	0.4	1.3	(0.2)
Total	+5%	(1.0)	(0.5)	(1.4)	0.1
	-5%	1.1	0.6	1.5	(0.2)

4.12.5 Credit or counterparty risk

Financial transactions (i.e. loans, hedges on currencies, interest rates and raw materials) are carried out with leading financial institutions for the purpose of reducing risk.

To reduce counterparty risk on domestic, export and foreign accounts receivable, Environmental Services and Business Services systematically apply for credit insurance to cover 95% of this risk on these receivables, excluding taxes. The credit insurer may however sometimes refuse coverage based on its assessment of a customer's solvency. Exposure to customer risk is regularly compared to the credit insurer's authorized limits.

For several years now, the Group has implemented a very strict policy of monitoring customer outstandings and systematically issuing routine reminders for overdue outstandings.

The Business Services business has a very large portfolio of customers that represents all sectors of the French economy. Its credit risk is therefore proportionate to the risk that the French economy itself will fail, and without the risk that the default of any single customer could threaten the Group's survival.

Aging of accounts receivable (gross values excluding doubtful receivables)

In millions of euros	Total outstanding 09-30-18	Not due	<1 month	<4 months	>4 months
Environmental Services	162.8	113.2	32.5	7.1	10.0
Business Services	124.9	71.7	32.2	13.5	7.6
Holding companies	1.9	1.8	0.1	0.0	0.0
Total	289.6	186.7	64.7	20.6	17.6

Despite the turbulent environment, the Group has not yet observed any significant increase in payment delays and customer credit risk is €1.9 million. The Group considers that its other loans do not constitute a substantial risk, except for certain receivables more than four months overdue.

4.12.6 Raw materials risk

In the normal course of its business, the Group enters into few forward contracts to buy or sell ferrous or non-ferrous metals, and these contracts generally do not require a firm price commitment beyond one month. Depending on whether metal prices rise or fall, the Group may have to purchase or sell at a price less favorable than when the contract was entered into to honor a contract. However, the Group's risk practice is to only enter into a contract to sell when a purchase has been made. Three specialist companies, aluminum refiner Refinal, and ferrous metals traders Inorec and Coframétal, may make buy or sell commitments before finding a counterparty for the transaction. They may hedge these transactions on the London Metal Exchange. (Other Group companies may also hedge transactions on the LME, but this is exceptional).

The Group may therefore have to sell its inventories of processed metal goods to its customers for less than the initial purchase price if the market price for these goods declines between the time of purchase and the time of sale. The volatility of the prices of different metals may create exceptional "price effects" which the Group endeavors to limit by holding low levels of stock.

4.13 Non-current provisions and provisions for commitments to employees

4.13.1 Change in non-current provisions

In millions of euros	09-30-17	Provisions	Reversals used	Write backs not used	Foreign exchange rate	Changes in scope[1]	IFRS 5 impact	Other changes	09-30-18
Provisions for labor disputes	5.7	1.8	(1.8)	(0.3)	0.0			(0.2)	5.3
Provisions for other disputes	4.0	2.3	(2.4)	(0.2)	0.0			0.2	3.9
Provisions for URSSAF disputes	6.5	1.5							7.9
Provisions for guarantees	0.3	0.6	(0.0)	(0.0)		(0.2)		0.0	0.7
Provisions for service awards	2.0	0.4	(0.1)	(0.1)					2.2
Provisions for restructuring	0.5	0.3	(0.4)						0.3
Environmental provisions	8.3		(2.4)		0.0			(1.4)	4.5
Other non-current provisions	0.9		0.0		0.0	(0.1)	(0.4)		0.5
Total	28.1	6.8	(7.1)	(0.6)	0.0	(0.3)	(0.4)	(1.3)	25.3

(1) See note 3 – Changes in consolidation scope.

4.13.2 Provisions for commitments to employees

In France, Group employees benefit from State pension plans and from retirement benefits paid by the employer in accordance with the collective agreements in force at each subsidiary.

In other countries, the plans depend on local legislation, the type of business and the past practices of the subsidiary concerned.

The projected costs and obligations recognized in the consolidated financial statements have been determined based on the following actuarial assumptions:

Actuarial assumptions for Business Services	Euro zone 2017-2018	Euro zone 2016-2017
Discount rate	1.50%	1.50%
Rate of inflation	2.00%	2.00%
Long-term forecast salary growth rate	2.00%	2.00%
Expected return on assets		
– shares		
– fixed assets		
– liquidity		
– bonds		
– hedge funds		
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	Internal to the Company, applied to each employee	Internal to the Company, applied to each employee
Retirement age	Voluntary departure at 62 years of age for non-executives	Voluntary departure at 62 years of age for non-executives
	Voluntary departure at 62 years of age for executives	Voluntary departure at 62 years of age for executives

Actuarial assumptions for Environmental Services and Holding companies	Euro zone 2017-2018	Euro zone 2016-2017
Discount rate	1.50% to 1.95%	1.50% to 2.05%
Long-term forecast salary growth rate	0% to 2%	0% to 2%
Expected return on assets		
Mortality	Tables by generation TGM/TGF 05	Tables by generation TGM/TGF 05
Rate of turnover	INSEE tables adapted to the Group's turnover	INSEE tables adapted to the Group's turnover
Retirement age	Voluntary departure at 62 years of age for non-executives Voluntary departure at 62 years of age for executives	Voluntary departure at 62 years of age for non-executives Voluntary departure at 62 years of age for executives

For Environmental Services and Business Services in France, the discount rate used in this measurement is 1.50%.

IAS 19 specifies that the discount rate must be equal to the yield paid on high-quality corporate bonds having the same maturity as the commitment.

In the euro zone, the yield on high-quality corporate bonds (AA) at the measurement date was 1.54% according to the IBOXX benchmark .

The discount rate actually used in this valuation complies with IAS 19.

In millions of euros	09-30-17	Provisions	Reversals used	Write backs not used	Foreign exchange difference	Changes in scope	IFRS 5 impact	Comprehensive income	09-30-18
Employee benefits	43.2	3.9	(3.6)				(2.4)	1.6	42.6

In millions of euros	2018	2017	2016
Actuarial value of commitments at opening	43.2	45.3	33.6
Current service cost	3.2	3.4	2.6
Interest expense	0.7	0.5	0.6
Actuarial gains and losses related to experience	1.5	(6.9)	4.9
Actuarial gains and losses related to changes to the actuarial assumptions	0.1	(0.0)	4.9
Employee contributions		0.0	0.0
Benefits paid	(3.6)	(1.8)	(1.4)
Acquisitions, disposals, liquidations		0.0	0.0
Changes in scope		2.6	0.0
IFRS 5 impact	(2.4)		
Changes in exchange rates		0.0	0.0
Actuarial value of commitments at closing	42.6	43.2	45.3
Fair value of plan assets at opening	0.0	0.0	0.0
Interest income		0.0	0.0
Expected return on assets other than interest		0.0	0.0
Administrative costs		0.0	0.0
Contributions by employer	3.6	1.8	1.4
Employee contributions		0.0	0.0
Benefits paid	(3.6)	(1.8)	(1.4)
Assets distributed on settlement		0.0	0.0
Changes in scope		0.0	0.0
IFRS 5 impact			
Changes in exchange rates		0.0	0.0
Fair value of plan assets at closing	0.0	0.0	0.0
Provisions recognized on the balance sheet	0.0	0.0	0.0
Actuarial value of commitments	42.6	43.2	45.3
Fair value of assets	0.0	0.0	0.0
Net value of commitments	42.6	43.2	45.3
Amounts recognized in profit or loss			
Current service cost	3.1	3.4	2.6
Financial cost	0.7	0.5	0.6
Administrative costs		0.0	0.0
Gains/Losses on settlements		0.0	0.0
Total	3.8	3.9	3.2
Analysis of amount recognized in other comprehensive income			
Expected return on assets other than interest	0.0	0.0	0.0
Actuarial gains and losses related to experience	(1.5)	6.9	(4.9)
Actuarial gains and losses related to changes to the actuarial assumptions	(0.1)	0.0	(4.9)
Total gains/(losses) recognized in other comprehensive income	(1.6)	6.8	(9.9)
Provisions at the beginning of the year	43.2	45.3	33.6
Net expense for the year	3.9	3.9	3.2
Impact on comprehensive income	1.6	(6.8)	9.9
Benefits paid	(3.6)	(1.8)	(1.4)
Other		2.6	(0.0)
IFRS 5 impact	(2.4)		
Changes in exchange rates		0.0	0.0
Provisions at year-end	42.6	43.2	45.3

4.14 Current provisions

In millions of euros	09-30-17	Provisions	Reversals used	Write backs not used	Foreign exchange difference	Changes in scope	Other changes	09-30-18
Provisions for disputes	2.6	1.0	(0.6)	(0.5)			(0.0)	2.4
Provisions for restructuring	0.5	0.1		(0.0)				0.6
Provisions for taxes						0.1		0.1
Environmental provisions	0.1						1.4	1.5
Other provisions	0.2	0.2	(0.2)		0.0			0.2
Total	3.5	1.3	(0.9)	(0.6)	0.0	0.1	1.3	4.8

4.15 Other current liabilities

In millions of euros	09-30-18	09-30-17
Trade payables	281.2	294.5
Tax payables	3.3	7.9
State and payroll taxes	225.2	232.9
Advances and payments on account received on orders	9.1	10.5
Current account credit balances	0.4	1.4
Miscellaneous liabilities	7.3	10.5
Deferred income	13.1	13.9
Other current liabilities	255.0	269.2

4.16 Other non-current liabilities

In millions of euros	09-30-18	09-30-17
Trade payables	0.8	0.3
Deferred income	0.9	0.8
Other non-current liabilities	1.7	1.1

4.17 Segment reporting

The segments shown correspond to the two branches of Derichebourg's business: Environmental Services and Business Services.

Each of these segments produces and provides goods and services and represents a group of cash generating units monitored each month by General Management through its management report.

The scope of segment reporting is unchanged from the previous year.

4.17.1 By business segment

4.17.1.1 Revenue

In millions of euros	2018	2017	Change *(%)*
Environmental Services	2,116.4	1,948.8	8.6%
Business Services	802.5	781.2	2.7%
Holding companies	0.8	1.0	
Total	2,919.7	2,731.1	6.9%

4.17.1.2 Consolidated income statement items

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at september 30,
2018					
External revenue	2,120.0	817.0	31.8	(49.0)	2,919.7
Inter-segment revenue	(3.6)	(14.5)	(31.0)	49.0	0.0
Revenue	2,116.4	802.5	0.8	0.0	2,919.7
Recurring operating profit (loss)	102.9	22.1	(6.7)		118.3
Operating profit (loss)	98.6	22.1	(24.4)		96.3
Net income from associates	2.1				2.1
2017					
External revenue	1,952.3	793.9	29.1	(44.3)	2,731.1
Inter-segment revenue	(3.5)	(12.7)	(28.1)	44.3	0.0
Revenue	1,948.8	781.2	1.0	0.0	2,731.1
Recurring operating profit (loss)	110.1	19.3	(6.5)		122.9
Operating profit (loss)	108.6	19.3	(4.0)		123.9
Net income from associates	0.7				0.7

4.17.1.3 Other segment reporting

In millions of euros	Environmental Services	Business Services	Holding companies	Intersegment eliminations	Total at September 30,
2018					
Total assets (current and non-current)	1,012.5	502.7	383.8	(527.5)	1,371.5
Assets associated with held-for-sale assets	48.4	0.0	(7.0)	0.0	41.4
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	711.1	342.4	347.4	(527.5)	873.3
Liabilities associated with held-for-sale assets	27.9	0.0	0.0	0.0	27.9
Total liabilities (current and non-current excluding shareholders' equity)	739.0	342.4	347.4	(527.5)	901.2
Flows at September 30, 2018					
Tangible and intangible capital investments	108.9	11.1	4.0	0.0	124.0
Tangible and intangible amortization	(70.8)	(11.1)	(2.5)	0.0	(84.4)
Impairment	0.0	0.0	0.0	0.0	0.0
2017					
Total assets (current and non-current)	923.4	451.1	148.7	(133.5)	1,389.7
Assets associated with held-for-sale assets	0.0	0.0	0.0	0.0	0.0
Total liabilities (current and non-current excluding shareholders' equity) of continuing operations	610.9	285.2	158.3	(133.5)	920.9
Liabilities associated with held-for-sale assets	0.0	0.0	6.2	0.0	6.2
Total liabilities (current and non-current excluding shareholders' equity)	610.9	285.2	164.5	(133.5)	927.1
Flows at September 30, 2017					
Tangible and intangible capital investments	93.7	11.2	1.9	0.0	106.9
Tangible and intangible amortization	(67.5)	(10.4)	(2.9)	0.0	(80.8)
Impairment	0.0	0.0	0.0	0.0	0.0

4.17.2 Information by geographic zone

In millions of euros	Continental Europe	France	North and South America	Africa	Total at September 30
2018					
Revenues (origin of sales)	387.3	2,300.4	181.4	50.6	2,919.7
Tangible and intangible capital investments	9.2	92.2	19.6	3.0	124.0
Tangible and intangible amortization	(11.2)	(60.0)	(8.6)	(4.6)	(84.4)
Total net tangible assets	46.7	363.0	64.2	6.9	480.9
2017					
Revenues (origin of sales)	388.3	2,147.8	166.7	28.3	2,731.1
Tangible and intangible capital investments	7.4	74.0	19.4	6.1	106.9
Tangible and intangible amortization	(12.7)	(56.4)	(8.1)	(3.6)	(80.7)
Total net tangible assets	65.0	325.2	52.9	8.4	451.5

4.18 Change in provisions

In millions of euros	2018	2017
Provisions on current assets	3.2	2.9
Provisions for liabilities and charges	7.5	8.6
Total	10.7	11.5

4.19 Other operating expenses and income

In millions of euros	2018	2017
Proceeds from sale of property, plant and equipment[1]	2.3	15.2
Production of assets for own use	2.4	1.8
Write backs of provisions on property, plant and equipment	0.2	0.2
Write backs of provisions on current assets[2]	3.0	4.5
Write backs of provisions for liabilities and charges	7.5	8.1
Transfers of operating expenses	3.9	4.3
Operating and investment subsidies	1.6	1.5
Others	1.8	1.8
Total other operating income	22.7	37.4
Carrying amount of non-current assets sold[1]	2.8	(13.3)
Losses from irrecoverable and written-off receivables[3]	(1.7)	(4.7)
Duties and licenses	(7.5)	(5.2)
Board members/attendance fees paid	(0.1)	(0.1)
Others	(6.2)	(7.7)
Total other operating expenses	(12.7)	(31.0)

(1) The proceeds from the disposal of property, plant and equipment and the carrying amount of non-current assets sold are primarily related to the disposal of a property asset in 2017.

(2) Of which €2.9 million in write backs for impairment of trade receivables of the subsidiary AEP Multiservizi Spa (see note 4.7 to the 2017 financial statements).

(3) Of which €3.5 million in losses on irrecoverable trade receivables of the subsidiary AEP Multiservizi Spa (see note 4.7 to the 2017 financial statements).

4.20 Other non-recurring expenses and income

	2018	2017	
Italy – balance from dispute with Rotamfer[1]	(9.5)	(4.5)	Goodwill impairment in Environmental Services to Italian authorities and other
Italy – balance from CRS – Scrap dispute	(0.6)		
Waste collection – loss against Veolia in first-instance ruling[2]	(3.7)		
Total other non-recurring expenses	(13.8)	(4.5)	
		2.4	Bartin Recycling negative goodwill
Other non-recurring income		2.4	

(1) See note 1.2 Material events occurring over the fiscal year.
(2) See nte 4.27.3 Significant litigation – France

4.21 Gain/loss on disposal of consolidated companies

	2018	2017	
Italy – impact of the sale of household waste collection and waste treatment businesses[1]	(7.0)	2.5	Italy – disposal of REI
France – disposal of Hydrovide	0.5	(0.3)	Italy – liquidation of Nuova Primaria
France – disposal of investment in Plastic Recycling	(1.7)		
Gain/loss on disposal of consolidated companies	(8.2)	(2.2)	

(1) See note 1.3 Events occurring after year-end

4.22 Net financial expenses

To provide a better assessment of the debt service cost, net financial expenses have been calculated between financial expenses and financial income from investments made, and after taking into account the effect of interest-rate hedges.

Any amounts not falling within the above definition are, where applicable, shown on a separate line.

In millions of euros	2018	2017
Interest on loans, bank overdrafts and factoring	(9.1)	(9.1)
Interest on current accounts	0.0	(0.0)
Leasing interests	(1.8)	(2.1)
Dividends	0.0	0.1
Income from investment securities and cash equivalents	0.0	0.0
Interest-rate hedges and other financial income and expenses	(0.9)	(5.5)
Net financial expenses	(11.7)	(16.6)
Foreign exchange gains and losses	0.3	(1.6)
Interest expense on retirement and pension plans	(0.7)	(0.7)
Other	(0.8)	(0.0)
Foreign exchange and other gains and losses	(1.2)	(2.3)

4.23 Income tax

4.23.1 By type

In millions of euros	2018	2017
Income before tax from consolidated companies	83.4	103.5
Current income tax	(11.3)	(15.8)
Deferred tax	(5.0)	(11.7)
Total income tax expense	(16.3)	(27.5)
Effective tax rate	(19.6%)	(26.6%)

The French Finance Law for 2017 provides for a progressive reduction in the usual corporate income tax rate from 34.43% to 25.83% in 2023, including the additional contribution.

The Group's net income tax expense takes into account the progressive rate reduction through the application of the rate in force at the time of the reversal of the temporary differences.

4.23.2 Actual income tax expense

	2018	2017
Theoretical tax income or expense	(28.7)	(29.9)
Impact of tax rate changes	(0.2)	(2.2)
Recognition/Limitation of deferred tax assets	6.3	(0.7)
Permanent tax differences	8.5	(7.8)
Permanent differences linked to consolidation adjustments	(2.6)	13.2
Differences in tax rates applicable to foreign companies	0.4	(0.1)
Actual tax income	(16.3)	(27.5)

The Group's actual Income tax expense was calculated on the basis of income from continuing operations before tax, restated for the Group's share of income from associated companies.

For fiscal year 2018, the Group's actual income tax expense was reconciled on the basis of a tax rate of 34.43% compared with 28.92% for fiscal 2017.

4.23.3 Tax consolidation

The Derichebourg Group has opted in France for the tax consolidation regime which allows it to offset the taxable results of its French subsidiaries where the direct or indirect holding is greater than 95%. The consolidated companies affected by this regime have signed an agreement setting out the methods for applying the tax consolidation, in accordance with the rules established by the tax administration.

The consolidated tax Group is made up of the following companies:

DERICHEBOURG SA	DERICHEBOURG MULTISERVICES HOLDING	POLY-NEA
AFM 86 SCI	DERICHEBOURG PROPRETÉ	POLYREVA
AFM RECYCLAGE	DERICHEBOURG RETAIL	POLYSEANE
AFM TOURAINE SCI	DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	POLY-SENTI
BERNES ET BRUYÈRES SCI	DERICHEBOURG SHC	POLYSOTIS
BERTHELOT VILLENEUVE SCI	DERICHEBOURG SNG	POLYTIANE
BIMA SCI	DERICHEBOURG SPECTACLE	POLYURBAINE
BOLTON	DERICHEBOURG TECHNOLOGIES	POLYURBAINE 13
CARLISSA SCI	ÉCUREUIL SCI	POLYURBAINE NORMANDIE
CFF BETA SCI	ECO-VHU SAS	POLY-VALYS
CFF DELTA SCI	ESKA	PREVEZA SCI
CFF SIGMA SCI	EXADIANE SCI	PROVERRE
CHAUFONTAINE SCI	FRANORA SCI	PSIMMO
COFRAMETAL	GROUPE ALTER SERVICES	PURFER
DERICHEBOURG AQUA	GARE DE CHANDIEU SCI	PURFER TRANSPORT
DERICHEBOURG ATIS AÉRONAUTIQUE	INOREC	PURFOLLIOULE SCI
DERICHEBOURG AUTOMOBILE SERVICES	INOTERA SCI	PURMET TRANSPORT
DERICHEBOURG ÉNERGIE	LES PEUPLIERS SCI	REFINAL INDUSTRIES
DERICHEBOURG ÉNERGIE E.P.	LICODIA SCI	REVIVAL
DERICHEBOURG ENVIRONNEMENT	LIEN ENVIRONNEMENT	ROUTABOULE SCI
DERICHEBOURG ESPACES VERTS	MANDY RÉCUPÉRATION SCI	ROUX SCI
DERICHEBOURG ÉVOLUTION FORMATION	POLY-ENVIRONNEMENT EX ECO-PHU HOLDING	SETIAM SCI
DERICHEBOURG EXPANSION	POLYAMON	SUDIANE SCI
DERICHEBOURG IMMOBILIER SCI	POLYBUIS	ULTEAM
DERICHEBOURG INTÉRIM	POLYCEJA	VALME TECHNOLOGIES
DERICHEBOURG LOGISTIQUE ET MANUTENTION	POLYCEO	VALRECY
DERICHEBOURG SOURCING AERO & ENERGY	POLYCOROT	WESTEVER
DERICHEBOURG MULTISERVICES	POLY-MASSI	

The Derichebourg Group's tax savings amount to €17.3 million.

4.23.4 Analysis of deferred tax assets and liabilities

In millions of euros	09-30-18	09-30-17
Tax losses carried forward	5.6	6.7
Temporary differences	4.5	4.7
Restatement of regulated provisions	(6.3)	(6.3)
Social benefits	10.0	10.5
Finance leases	(2.1)	(1.2)
Elimination of intra-Group profits	1.8	2.2
Valuation differences	(7.3)	(7.7)
IFRS restatements	0.0	(0.2)
Other types	(1.9)	1.0
Net deferred taxes	4.4	9.7
Of which		
Deferred tax assets	22.0	27.7
Deferred tax liabilities	17.5	17.9
Net deferred taxes	4.4	9.7

In the USA, the Group has recognized €2.8 million in deferred tax assets, in light of the outlook for future taxable profits.

The Group also has tax loss carryforwards for which no deferred taxes have been recognized in the amount of €30.9 million in France and €36.2 million abroad.

4.24 Discontinued or held-for-sale operations

Household waste collection and waste treatment activities in Italy *(in millions of euros)*	2018
Goodwill	(0.1)
Property, plant and equipment	(12.5)
Other financial assets	(0.6)
Deferred taxes	(0.5)
Total non-current assets	(13.8)
Inventories	(0.3)
Trade receivables	(13.0)
Tax receivables	(0.6)
Other current assets	(10.6)
Current financial assets	(0.6)
Cash	(2.2)
Total current assets	(27.6)
Total non-current assets and groups of assets held for sale	41.4
Loans and financial debts	(1.9)
Employee benefits	(2.4)
Other provisions	(0.4)
Deferred taxes	(0.5)
Total non-current liabilities	(5.2)
Borrowings and bank overdrafts (portion at less than one year)	(3.8)
Trade payables	(13.0)
Other current liabilities	(5.9)
Total current liabilities	(22.7)
Total liabilities related to a group of held-for-sale assets	27.9

Income net of tax from discontinued activities reflects the conclusion of the Servisair litigation.

4.25 Earnings per share

		2018	2017
Net profit (loss) attributable to Company shareholders *(in millions of euros)*	(A)	71.1	76.0
Net profit attributable to the Group from discontinued operations *(in millions of euros)*	(B)	3.4	(0.2)
Net profit attributable to the Group after elimination of discontinued operations *(in millions of euros)*	(C)=(A-B)	67.6	76.2
Impact of dilution on earnings[(1)]	(D)	0.0	76.2
Earnings after dilution	(E)	67.6	76.2
Number of ordinary shares at year-end		163,878,780	163,878,780
Own shares			
Number of ordinary shares at year-end, excluding own shares		163,878,780	163,878,780
Weighted average number of ordinary shares at year-end, excluding own shares	(F)	163,878,780	157,929,705
Number of ordinary shares at year-end after dilution, excluding own shares	(G)	163,878,780	163,878,780
Basic earnings per share (excluding discontinued operations) *(in euros)*	(C)/(F)	0.4	0.5
Basic earnings per share after dilution *(in euros)*	(E)/(G)	0.4	0.5
Earnings per share after net income from discontinued operations *(in euros)*	(A)/(F)	0.4	0.5
Diluted earnings per share after net income from discontinued operations *(in euros)*	(A+D)/(G)	0.4	0.5

4.26 Commitments

4.26.1 Details of commitments given

Breakdown of off-balance sheet commitments

In millions of euros	Bonds	Guarantees	09-30-18	09-30-17
Rent	0.9		0.9	0.4
Financial institutions – Loans				0.7
Financial institutions – Market[(1)]	16.8	44.8	61.6	54.1
Environmental commitments	5.4	0.8	6.2	2.1
Temporary work[(2)]	13.3		13.3	14.1
Tax commitments	0.6	0.6	1.2	0.6
Others	0.8		0.8	0.1
Total	37.8	46.2	84.0	72.1

(1) Bonds given in accordance with the requirements of certain markets.
(2) Bonds given by the parent company to the financial institution issuing the guarantee required by law for the Temporary work business.

Summary of pledges

During the fiscal year, the 2014 syndicated loan lenders agreed to the release of pledges covering 67% of Derichebourg Environnement securities and 67% of Derichebourg Multiservices Holding securities.

4.26.2 Details of commitments received

Confirmed lines of credit not used as of September 30, 2018:

- bilateral line – Germany: €17.2 million;
- bilateral line – Belgium: €9.5 million;
- bilateral line – Portugal: €1.7 million;
- revolving loan (syndicated loan): €100 million;
- retention bonds: €1.1 million;
- symmetrical put and call options have been put in place, with an exercise period in 2019, in relation to the acquisition of a €3.5 million property asset in the Paris region.

4.26.3 Leasing agreements

The Group has entered into operating leases for certain items of equipment. The leases are for periods averaging three to five years.

4.26.3.1 Operating leases

The minimum future lease payments under non-cancellable lease agreements were as follows at September 30, 2018:

Future minimum payments – Operating leases

In millions of euros	09-30-18	09-30-17
< 1 year	(28.7)	(23.3)
>1 year and <5 years	(29.2)	(29.8)
>5 years	(10.9)	(12.3)
Total	(65.4)	(65.5)

In millions of euros	09-30-18	09-30-17
Rental expenses for the period	(34.0)	(34.9)
Total	(34.0)	(34.9)

4.26.3.2 Finance leases

The minimum future lease payments that will be made on finance leases were as follows at September 30, 2018:

Future minimum payments – Finance leases

In millions of euros	09-30-18	09-30-17
<1 year	(27.5)	(26.5)
>1 year and <5 years	(55.8)	(52.9)
>5 years	(7.5)	(6.4)
Total	(90.8)	(85.9)

In millions of euros	09-30-18	09-30-17
Lease payments expensed in the period	(30.9)	(32.0)
Total	(30.9)	(32.0)

4.27 Significant litigation

4.27.1 Italy

In November 2013, the director (managing director) of the Italian subsidiary of the Multiservices business (AEP Multiservizi) was remanded in custody, as part of an investigation into procedures for awarding public contracts in Campania. Given the block on the Company's operations likely to be caused by his incapacity, his appointment as managing director was revoked. He has since been freed and the post-judgment measures of constraint lifted. Although the company itself was not the subject of legal action, the Group decided to anticipate the consequences of this company's situation and recorded a long-term provision of €4 million in its financial statements for the fiscal year ended September 30, 2016. The company's activity is continuing, although the volume of business is reduced.

4.27.2 Belgium

A tax audit was conducted on the Belgian subsidiary Derichebourg Belgium relating to the identification of suppliers of metals and ferrous scraps for the years 2006 to 2010. In November 2017, the Court of Appeal considered that the Company had not adhered to the law concerning identification of the VAT of suppliers and rejected the deduction of purchase invoices deemed non-compliant. This resulted in the provisional payment of tax increases amounting to €6 million, recognized under expenses during fiscal 2017. The Company has appealed to the Court of Cassation.

4.27.3 France

In June 2018, several household waste collection subsidiaries were jointly ordered by the Court of First Instance to pay the amount of €3.7 million to Veolia Group entities. This follows a judgment by the Commercial Court of Paris as part of a procedure concerning staff transfer conditions in 2014 after Veolia Group replaced the subsidiary Polyurbaine in collecting household waste in the 11th and 19th districts of Paris. The Group has appealed this judgment, which it finds surprising. The sums paid have been recognized under expenses.

The Group is often subject to Urssaf (French social security body) audits on its services activities. The subsidiary Derichebourg Atis Aéronautique was audited in fiscal year 2017-2018. Following this audit, the subsidiary made a provision in the amount of €1.5 million corresponding to a likely adjustment. It is contesting an unfunded amount of €3.2 million for meal allowances that were not subjected to social security charges, because it considers this adjustment to be unfounded.

In 2012, Derichebourg SA and the subsidiary AFM Recyclage (as the final operator) entered into an agreement with the local authority, which was renewed in 2018. Under this agreement, they would release land, transfer it to the local authority and transfer their activity to a nearby site. Conventionally, the financial obligation for decontamination was limited to decontamination for non-sensitive, industrial uses. After the end of the fiscal year, an estimate was made of the cost of this decontamination and its total cost calls into question the economics of the operation. Discussions have begun with stakeholders in order to see whether it is possible to find a solution that is acceptable to everyone. Should this not be the case, AFM Recyclage would seek to continue its activity at the site.

4.28 Related party transactions

4.28.1 Transactions with non-consolidated related parties

The Group is controlled by CFER, which holds 40.12% of the Company's share capital. The ultimate parent company is DBG FINANCES, incorporated in Belgium.

In millions of euros	09-30-18	09-30-17
DBG FINANCES	0.0	0.0
Related party receivables	0.0	0.0
DBG FINANCES	0.4	
TBD FINANCES	1.2	0.3
Mrs. IDA DERICHEBOURG	N/A	N/A
Related party payables	1.6	0.3
TBD FINANCES	(2.5)	(2.1)
Other operating expenses	(2.5)	(2.1)
DBG FINANCES	(1.7)	(1.7)
SCI FONDEYRE	N/A	NS
SCI DEMUEYES	N/A	NS
Mrs. IDA DERICHEBOURG	N/A	
Operating expenses	(1.7)	(1.7)
DBG FINANCES	0.0	0.0
Revenue	0.0	0.0

4.28.2 Transactions between the Group and its partners in equity-accounted companies

30-09-18 *(in millions of euros)*	Trade receivables	Other current assets	Trade payables	Loans and financial debts	Revenue	Cost of raw materials	External charges
ALSAFER	0.0		0.2		0.0	(1.1)	
ALLO CASSE AUTO	0.1			0.1	0.2		
EASO	0.0		0.2		0.1	(1.0)	
PLASTIC RECYCLING					0.5		
REYFRA	0.1				0.1		
VALERCO	0.0		0.1		0.1	(0.0)	(0.5)
Total	0.2		0.4	0.1	0.9	(2.1)	(0.5)

4.29 Employee information

4.29.1 Headcount by business segment

	09-30-18	09-30-17
Business Services	28,585	29,328
Environmental Services	10,687	6,994
Holding companies	136	127
Total headcount*	39,408	36,449

** Headcount by number of employees at year-end.*

4.29.2 Personnel expenses by type

In millions of euros	09-30-18	09-30-17
Wages and salaries	644.0	633.0
Social charges	210.0	211.9
Employee profit sharing	5.7	7.3
Income from Employment Competitiveness Tax Credit (CICE)	(26.5)	(28.0)
Other personnel expenses	2.1	5.9
Total	835.3	830.1

4.30 Executive compensation

The total amount of compensation of any kind paid by the Company, controlled companies and controlling companies to members of the Company's executive bodies at September 30, 2018 was €2.3 million. At September 30, 2017, this amount was €1.4 million.

Members of the administrative bodies do not receive future benefits.

4.31 Accounting options related to the first-time adoption of IFRS

4.31.1 Business combinations

The Group has decided not to retrospectively adjust business combinations prior to October 1, 2004.

4.31.2 Property, plant and equipment

IFRS 1 allows certain types of assets to be recognized at their fair value in the opening balance sheet and for this value to be used as the deemed cost. The Group decided to apply this option specifically to some assets, and in particular, to land and improvements and to structures on owned land as of the date of transition to IFRS.

The fair value of the various real estate assets was determined based on appraisals by an external party.

The application of this option had the following impacts on equity on October 1, 2004:

- €62.7 million before tax and €40.5 million after tax on the Group's share of equity;
- €0.2 million before tax and €0.1 million after tax on non-controlling interests.

4.31.3 Translation methods

The Group elected to apply unrealized exchange gains or losses as of October 1, 2004 to its consolidated reserves. Accordingly, such gains or losses will not be recognized in income when assets are disposed of in a foreign currency.

4.32 Consolidation scope

Holding companies

Legal name	% Interest	Consolidation method
Germany		
DBG HOLDING GmbH	100.00%	FC
France		
CFF SIGMA SCI	100.00%	FC
DERICHEBOURG ENVIRONNEMENT	100.00%	FC
DERICHEBOURG MULTISERVICES HOLDING	100.00%	FC
DERICHEBOURG	100.00%	PARENT
DERICHEBOURG EXPANSION	100.00%	FC
SCEA DU CHÂTEAU GUITERONDE	100.00%	FC
SCI DE LA FUTAIE	99.92%	FC
WESTEVER	100.00%	FC

Environmental Services

Legal name	% Interest	Consolidation method
Germany		
DERICHEBOURG UMWELT	100.00%	FC
Belgium		
BAS LONG PRÉS	100.00%	FC
CPI	100.00%	FC
DERICHEBOURG BELGIUM	100.00%	FC
Canada		
DERICHEBOURG CANADA ENVIRONNEMENT Inc.	100.00%	FC
DERICHEBOURG CANADA Inc.	100.00%	FC
Spain		
DERICHEBOURG MEDIO AMBIENTE	100.00%	FC
REYFRA	50.00%	EA
United States		
DERICHEBOURG RECYCLING USA	100.00%	FC
France		
AFM 86 SCI	100.00%	FC
AFM RECYCLAGE	99.92%	FC
AFM TOURAINE SCI	100.00%	FC
ALLO CASSE AUTO	48.00%	EA
ALSAFER ENVIRONNEMENT	49.99%	EA
BARTIN RECYCLING	100.00%	FC
BERNES ET BRUYÈRES SCI	100.00%	FC
BERTHELOT VILLENEUVE SCI	100.00%	FC
BIMA SCI	100.00%	FC

Legal name	% Interest	Consolidation method
BOLTON	100.00%	FC
CARLISSA SCI	100.00%	FC
CHAUFONTAINE SCI	100.00%	FC
COFRAMETAL	100.00%	FC
DERICHEBOURG IMMOBILIER SCI	100.00%	FC
DAC	50.00%	EA
DERICHEBOURG AQUA	100.00%	FC
DERICHEBOURG AQUA OCÉAN INDIEN	100.00%	FC
DERICHEBOURG OCÉAN INDIEN	55.00%	FC
DERICHEBOURG PROPRETÉ OCÉAN INDIEN	55.00%	FC
DREYFUS	42.50%	EA
ECO-VHU	100.00%	FC
ÉCUREUIL SCI	100.00%	FC
ENVIE AFM SUD OUEST	49.96%	EA
ESKA	100.00%	FC
EXADIANE SCI	100.00%	FC
FRANORA SCI	100.00%	FC
FRICOM	50.00%	FC
INOREC	100.00%	FC
INOTERA SCI	100.00%	FC
LICODIA SCI	100.00%	FC
MANDY RECUPER SCI	100.00%	FC
POLYAMON	100.00%	FC
POLYBUIS	100.00%	FC
POLYCEJA	100.00%	FC
POLYCEO	100.00%	FC
POLYCOROT	100.00%	FC
POLY-ENVIRONNEMENT	100.00%	FC
POLY-MASSI	100.00%	FC
POLY-NEA	100.00%	FC
POLYREVA	100.00%	FC
POLYSEANE	100.00%	FC
POLY-SENTI	100.00%	FC
POLYSOTIS	100.00%	FC
POLYTIANE	100.00%	FC
POLYURBAINE	100.00%	FC
POLYURBAINE 13	100.00%	FC
POLYURBAINE NORMANDIE	100.00%	FC
POLY-VALIS	100.00%	FC
PREVEZA SCI	100.00%	FC
PURFER	100.00%	FC
PURFER TRANSPORT	100.00%	FC
PURFOLLIOULES SCI	100.00%	FC
PURMET TRANSPORT	100.00%	FC
REFINAL INDUSTRIES	100.00%	FC
REVIVAL	100.00%	FC
ROHR ENVIRONNEMENT	49.63 %	EA
ROUTABOULE SCI	100.00%	FC
ROUX SCI	100.00%	FC
SCI ANGELA	100.00%	FC
SCI ELISA	100.00%	FC
SCI DE LA GARE	100.00%	FC
SCI DE SAINT JEAN	100.00%	FC
SCI DES CHATELETS	100.00%	FC
SCI DES CHÊNES	100.00%	FC
SCI DES PEUPLIERS	100.00%	FC
SCI DES TILLEULS	100.00%	FC
SCI DES VARENNES	100.00%	FC
SCI LA MADELEINE	100.00%	FC
SCI LA ROCHE	100.00%	FC
SCI SETIAM	100.00%	FC
SERVALTEC SNC	100.00%	FC
SUDIANE SCI	100.00%	FC
VALERCO	50.00%	EA
VALERIO ET COMPAGNIE	100.00%	FC
VALME TECHNOLOGIE	100.00%	FC
VALORDIS	50.00%	FC
VOGIM SCI	80.00%	FC
VALRECY	100.00%	FC
Italy		
AEP MULTISERVIZI SPA	100.00%	FC
CMT	100.00%	FC
CRS	100.00%	FC
ECOPART SRL	100.00%	FC
ECOREC	100.00%	FC
SAN GERMANO	100.00%	FC
Morocco		
DERICHEBOURG A&D DÉVELOPPEMENT	50.99%	FC
DERICHEBOURG GUARDING	50.99%	FC
DERICHEBOURG IFRANE	50.98%	FC
DERICHEBOURG IMINTANOUT	50.98%	FC
DERICHEBOURG KENITRA	50.99%	FC
DERICHEBOURG MAROC	50.99%	FC

Legal name	% Interest	Consolidation method
DERICHEBOURG MAROC TRANSPORT	50.99%	FC
DERICHEBOURG MARRAKECH	50.99%	FC
DERICHEBOURG MAZAGAN	50.99%	FC
DERICHEBOURG RABAT	50.99%	FC
Mexico		
DERICHEBOURG RECYCLING MEXICO	99.99%	FC

Business Services

Legal name	% Interest	Consolidation method
Germany		
DAL HOLDING GmbH	100.00%	FC
DAL ZEITARBEIT	100.00%	FC
DERICHEBOURG ATIS GmbH	100.00%	FC
Belgium		
DERICHEBOURG RETAIL BELGIUM (ex SOCOFER)	100.00%	FC
Spain		
DERICHEBOURG ATIS IBERICA	100.00%	FC
SELMAR SA	100.00%	FC
France		
CFF BETA SCI	100.00%	FC
DERICHEBOURG ATIS AÉRONAUTIQUE	100.00%	FC
DERICHEBOURG AUTOMOBILES SERVICES	100.00%	FC
DERICHEBOURG ÉNERGIE	100.00%	FC
DERICHEBOURG ÉNERGIE E.P.	99.96%	FC
DERICHEBOURG ESPACES VERTS	100.00%	FC
DERICHEBOURG ÉVOLUTION FORMATION	100.00%	FC
DERICHEBOURG FM (ex DERICHEBOURG MULTISERVICES)	100.00%	FC
DERICHEBOURG SOURCING AERO & ENERGY	100.00%	FC
DERICHEBOURG INTÉRIM	100.00%	FC
DERICHEBOURG PROPRETÉ	100.00%	FC
DERICHEBOURG SERVICES & INGÉNIERIE NUCLÉAIRE	100.00%	FC
DERICHEBOURG LOGISTIQUE ET MANUTENTION	100.00%	FC
DERICHEBOURG RETAIL	100.00%	FC
DERICHEBOURG SHC	100.00%	FC
DERICHEBOURG SPECTACLE	100.00%	FC
DERICHEBOURG SNG	100.00%	FC
DERICHEBOURG TECHNOLOGIES	100.00%	FC
GARALTER SCI	100.00%	FC
GROUPE ALTER SERVICES	100.00%	FC
LSL	50.00%	FC
NCA NETTOYAGE CENTRE ALSACE	100.00%	FC
NETTOYAGE SUD ALSACE	100.00%	FC
PROVERRE	100.00%	FC
PSIMMO	100.00%	FC
SAM DERICHEBOURG MC	99.90%	FC
SCI LES PEUPLIERS	100.00%	FC
ULTEAM	100.00%	FC
Portugal		
SAFIRA FACILITY SERVICES	100.00%	FC
United Kingdom		
DERICHEBOURG AVIATION ENERGY RESOURCES	100.00%	FC

GROUPE ECORE HOLDING S.A.S.

INDEPENDENT AUDITOR'S REVIEW REPORT

REVIEW REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ* ON THE HALF-YEARLY FINANCIAL INFORMATION OF GROUPE ECORE HOLDING S.A.S. FOR THE PERIOD FROM OCTOBER 1ST, 2020 TO MARCH 31ST, 2021

GROUPE ECORE HOLDING S.A.S.

Statutory auditor's review report on the interim consolidated financial statements

Period from January 1st to March 31st, 2021

Dear Sir,

In our capacity as Statutory Auditors of Guy Dauphin Environment and in accordance with your request, we have reviewed the accompanying interim consolidated financial statements of Groupe Ecore Holding S.A.S for the period from October 1st, 2020 to March 31st, 2021.

We draw your attention on the fact that the information in relation to the period from October 1st 2019, to March 31st 2020, presented for comparison purposes, was not subject to an audit or a review.

Due to the global crisis related to the Covid-19 pandemic, the accounts have been prepared and reviewed under specific conditions. This crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures.

The accounts were prepared under the responsibility of the Management of Groupe Ecore Holding S.A.S. Our role is to express a conclusion on these accounts based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that may causes us to believe that the accompanying accounts do not, in all material respects and in accordance with the IFRS standard as adopted by the European Union, give a true and fair view of the consolidated financial position of the Group, of its consolidated financial performance and consolidated cash flows for the period ended March 31st, 2021.

Paris, May the 11th 2021,

BDO Paris Audit & Advisory
On behalf of Sébastien HAAS
Commissaire aux comptes

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF GROUPE ECORE HOLDING S.A.S.
FOR THE PERIOD FROM OCTOBER 1ST, 2020 TO MARCH 31ST, 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF GROUPE ECORE HOLDING S.A.S. AT MARCH 31, 2021

	Six months ending March 31,	
	2021	2020*
	(in K-Euros)	
Revenue	657,964	471074
Cost of raw material	(467,733)	(321351)
Freight expenses	(62,518)	(52,584)
Cost of sales	(530,251)	(373,935)
GROSS PROFIT	127,712	97,139
External charges	(36,621)	(33,156)
Employee benefits expenses	(37,921)	(36,369)
Other operating income & expenses	(2,975)	(2,284)
EBITDA	50,196	25,330
Depreciation	(20,252)	(19,658)
CURRENT OPERATING INCOME	29,943	5,672
Impairment of goodwill	–	–
Other non-recurring incomes and expenses	–	0
OPERATING INCOME	29,943	5,672
Cost of net debt	(11,385)	(11,324)
Other financial income and expenses	(1,510)	(1,061)
PROFIT (LOSS) BEFORE TAX	17,049	(6,713)
Income tax	(3,452)	(1673)
PROFIT (LOSS) AFTER TAX	13,597	(8,385)
Portion of the income of the equity affiliates	(42)	59
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	13,555	(8,326)
Result classified as held for sale	–	–
PROFIT (LOSS) FOR THE YEAR	13,555	(8,326)
Shareholders	13,129	(8,513)
Non controlling interests	426	187

* Unaudited accounts

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF GROUPE ECORE HOLDING S.A.S.
AT MARCH 31, 2021

	Six months ending	
	March 31,	September 30,
	2021	2020
	(in K-Euros)	
Assets		
Goodwill	110,043	110,095
Other intangible assets	1,278	1,589
Right of use - Intangible assets	3,555	3,686
Property, plant and equipment	182,687	184,028
Right of use - Tangible assets	61913	63,750
Investment in associates and joint ventures	2,071	2,113
Deferred tax assets	38,664	38,382
Other non current financial assets	13,006	14,688
Total non current assets	413,217	418,330
Inventories	74,076	54,862
Accounts receivables	80,896	49,877
Tax receivables	1,102	2,738
Other current assets	9,871	6,608
Cash & cash equivalent	157,375	126,049
Total current assets	323,320	240,134
Assets held For sale	841	841
TOTAL ASSETS	737,378	659,305
Equity		
Share capital	420	420
Addtional paid-in capital	257,360	257,360
Consolidated reserves - Group	(182,417)	(191,779)
Consolidated profit / (loss) for the year - Group	13,129	9,507
Shareholders equity	88,491	75,507
Non-controlling interests	5,757	5,318
Total group equity Liabilities	94,249	80,825
Liabilities		
Redeemable preference shares - long-term portion	2,050	2,050
Provisions - long-term portion	8,971	7,546
Rental debt - long-term portion	59,612	61619
Long-term debt LT portion Long-term	267,676	266,860
Deferred tax liabilities	2,672	2,229
Other long-term liabilities	436	473
Total non-current liabilities	341,416	340,777
Redeemable preference shares - short-term portion	-	-
Provisions - short-term portion	3,252	4,221
Current portion of long-term debt	40,349	40,018
Rental debt - short-term portion	14,817	14,667
Accounts payable	233,056	171,842
Tax payable	2,553	2,309
Other current liabilities	3,697	2,262
Short-term debt	3990	2,386
Total current liabilities	301,714	237,704
Liabilities held for sale	-	-
TOTAL LIABILITIES	737,378	659,305

CONSOLIDATED STATEMENT OF CASH FLOWS OF GROUPE ECORE HOLDING S.A.S. AT MARCH 31, 2021

K-EUR	31 March 2021 6 Months	31 March 2020* 6 Months
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) after tax	**13 555**	**(8 326)**
Depreciation/amortisation	20 252	19 658
Increase (Decrease) in provisions	452	(3 419)
Elimination of gains (loss) on asset disposals	(199)	(850)
Share in net earnings (losses) of associates	42	(59)
Other non-cash (income) expenses	830	148
Income tax (current and deferred)	3 452	1 673
Cost of net debt	11 385	11 324
Income tax (paid) received	(3 046)	784
Net change in working capital	11 046	982
Net cash from operating activities	**57 768**	**21 914**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property, plant and equipment and intangible assets	(11 106)	(9 150)
Disposals of property, plant and equipment and intangible assets	924	1 868
Acquisition of consolidated subsidiaries, net of cash acquired	0	(1 102)
Dividends received	0	301
Increase in financial assets	(25)	(68)
Decrease in financial assets	111	26
Net cash used in investing activities	**(10 096)**	**(8 125)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank loans	4	48 500
Repayments of long-term debt	(13)	(10)
Acquisition of non-controlling interests	0	0
Repayments of lease debt	(8 147)	(8 611)
Increase (Decrease) in short-term debt	0	(30)
Interest paid	(8 890)	(9 219)
Interest paid on lease debt	(884)	(981)
Dividends paid	0	0
Net cash received from (used in) financing activities	**(17 930)**	**29 648**
Effect of exchange rate changes	(21)	(76)
Cash and cash equivalents at beginning of period	123 663	56 011
Cash and cash equivalents at end of period	153 384	99 372
Net change in cash and cash equivalents	**29 721**	**43 361**

* Unaudited accounts

1.1 Corporate information

The principal business activities of Groupe Ecore Holding S.A.S. (the "Company") are the acquisition of participations in any company and the management of those participations. The principal business activity of its (the "Group" or "GEH Group") subsidiaries is the recycling of scrap metal, paper and plastic. The Group operates in France, Belgium, Luxembourg, Hungary, Romania and Switzerland. The principal office of the Company is at 21, rue du Puits Romain L-8070 Bertrange, Grand-Duché de Luxembourg.

The auditors have carried out a limited review of the consolidated financial statements for the six-month period ended March 31, 2021. This review does not include the consolidated financial statements for the six-month period ended March 31, 2020.

1.2 Main events of the period

1.2.1 Changes in the scope of consolidation

The financial consolidated statements include the impacts of the following event:

- The entity GDE Equipment Co. was absorbed by its parent company IRON HORSE HOLDING ("TUP") on October 1st, 2020.

1.2.2 Other events

- Opening of 2 new yards in France following M&A processes.

1.3 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) effective March 31, 2021.

1.4 Significant accounting policies

The accounting policies set out below have been applied consistently throughout the period presented in these consolidated financial statements. The accounting policies have been applied consistently by all Group entities.

1.4.1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention except for assets and liabilities held for sale, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) presented at fair value through profit or loss. The consolidated financial statements have been prepared on a going concern basis.

1.4.2 Changes in accounting policies

1.4.2.1 New and amended standards adopted by the Group

During the period in question, the Group adopted no new or revised IFRS standard that had to be mandatorily applied for the period and likely to have a significant impact on the Group's consolidated financial statements.

1.4.2.2 New standards and interpretations applicable after 30 September 2020

The Group has not applied any standard, interpretation or amendment in advance.

- Amendment to IFRS 3 "Business Combinations" on the definition of a business whose date of application is expected to be January 1, 2020.
- Amendment to IAS 1 and IAS 8: amendment to the definition of the term "significant" with an application date of 1 January 2020.

- Changes to IFRS 9, IAS 39 and IFRS7 – IBOR reform - phase 1.

These new standards, applicable for fiscal years beginning after January 1, 2020, are unlikely to have a material impact on the Group's financial statements.

1.4.3 Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of all subsidiaries, which the Company either directly or indirectly controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent’s share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

1.4.4 Foreign currency translation

1.4.4.1 Functional and presentation currency

The Group’s presentation currency is the Euro (EUR) and all values are rounded to the nearest thousand (K-EUR) except when otherwise indicated. The Euro is the functional currency of the Group’s principal operating subsidiaries. Most of the markets in which the Group is involved are EUR denominated.

1.4.4.2 Foreign currency transactions

Subsidiaries record transactions in the functional currency of the economic environment in which they operate. Transactions in currencies other than the functional currency of the subsidiary are recorded at the rates of exchange prevailing at the date of the transaction in the accompanying statement of income.

Monetary assets and liabilities in currencies other than the functional currency are translated at the rates of exchange prevailing at the balance sheet date and gains and losses are reported in the statement of income

1.4.4.3 Group companies

Upon consolidation, the balance sheets of subsidiaries with functional currencies other than the EUR are translated at the rates of exchange prevailing at the end of the year. The statements of income denominated in currencies other than the Euro are translated at the average rate for the year. The resulting exchange differences are recorded in equity through other comprehensive income and are included in the statement of income upon sale or liquidation of the underlying foreign subsidiary.

1.4.5 Business combinations and goodwill

The Company accounts for its business combinations under the acquisition method of accounting at the acquisition date, which is the date on which control is transferred to the Group.

Acquisition-related costs are expensed as incurred.

When the fair value of the consideration transferred for a business combination exceeds the fair values attributable to the Group's share of the identifiable net assets, the difference is treated as goodwill.

When the excess is negative, after a reassessment of the identification of all assets acquired and liabilities assumed, any remaining gain is recognized in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates and asset lives.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, which is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

1.4.6 Intangible assets other than goodwill

Intangible assets other than goodwill include licenses and are stated at cost, less accumulated amortisation and accumulated impairment losses. Licenses are amortized on a linear basis over a period, generally not exceeding 5 years.

An intangible asset acquired as part of a business combination is measured at fair value at the date of acquisition and is recognized separately from goodwill if the asset is separable or arises from contractual or other legal rights.

Gains or losses on disposal of intangible assets are recorded in the statement of income under "Other operating income and expenses".

1.4.7 Property, plant and equipment

1.4.7.1 Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for

qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

The book value of property, plant and equipment is not revalued.

Gains or losses on disposal of an item of property, plant and equipment are recorded in the statement of income under "Other operating income and expenses".

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Assets in the course of construction are capitalized as a separate component of property, plant and equipment. Upon completion, the cost of construction is transferred to the appropriate category.

Assets which are the subject of finance leases or long term leases are presented on the statement of financial position, in accordance with IFRS 16.

1.4.7.2 Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Assets under construction are not depreciated.

The estimated useful lives of significant items of property, plant and equipment are as follows:

- Buildings 20-33 years
- Machinery and equipment 5-20 years
- Other fixed assets 3-5 years

The depreciation of property, plant and equipment is recognized in the statement of income within "Depreciation".

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

1.4.8 Impairment of non-financial assets

Goodwill, intangible assets and property, plant and equipment are subjected to impairment testing in certain circumstances:

- for non-current assets whose useful life is indefinite (as in the case of goodwill), impairment testing is carried out at least once per year, and any time there is an indicator of impairment;
- for other non-current assets, testing is only carried out when there is an indicator of impairment.

Assets subject to impairment tests are grouped into CGUs which are groupings of similar assets whose utilization generates identifiable cash flows. When the recoverable amount of a CGU is less than its net carrying amount, an impairment is recognized. The recoverable amount of the CGU is the higher of the fair value less the costs to sell and the value in use. Based on the Group's organisational structure, a CGU includes all yards belonging to the same country.

Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

1.4.9 Other non-current financial assets

This category includes receivables related to loans to employees, assets available for sale (including investment securities), and other long-term receivables including deposits.

1.4.10 Financial assets

1.4.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and at fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

- Financial assets at fair value through other comprehensive income

These are equity instruments not held for trading, for which the Group had irrevocably elected at initial recognition, and on a line-by-line basis, to present changes in fair value in other comprehensive income. This category mainly comprises investments in non-consolidated companies, initially recorded at cost, and subsequently measured at fair value, with no recycling of gains or losses to income statement upon disposal. Only dividends received are recorded in financial result.

- Financial assets at fair value through profit or loss comprise :
    - Financial assets held for trading (acquired principally for the purpose of selling in the short term).
    - Equity instruments, for which the Group had not, when applicable, elected the option of fair value through other comprehensive income ;
    - Derivatives are also categorized as held for trading unless they are designated as hedges.
- Financial assets at amortized cost

These are financial assets held to collect contractual cash-flows that consist solely of payments of principal and interests at specified dates. They are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method.

This category mainly includes cash, trade receivables, time deposits and loans to non-consolidated entities. They are presented within the line items “Loans and receivables”.

1.4.10.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are subsequently carried at fair value except for investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. If the fair value cannot be determined on a reliable method, the shares are recognized at cost price. The Group holds financial assets at fair value through profit or loss assets which are exclusively unquoted equity instruments.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through other comprehensive income” category are presented in the income statement within “other financial income and expenses” in the period in which they arise.

1.4.11 Impairment of financial assets

1.4.11.1 Assets carried at amortized cost

Accounts receivable are initially recognized at the amount invoiced to the customer. Impairment losses on trade accounts receivable are estimated using the expected loss method, in order to take account of the risk of payment default throughout the lifetime of the receivables. The expected credit loss is estimated for all accounts receivable at each reporting date using an average expected loss rate, determined primarily on the basis of historical credit loss rates. However, that average expected loss rate may be adjusted if there are indications of a likely significant increase in credit risk. If a receivable is subject to a known credit risk, a specific impairment loss is recognized for that receivable.

1.4.12 Derivative financial instruments and hedging activities

The Group uses derivatives to hedge its primary market risk exposures, primarily risks related to foreign currency movements and to a lesser extent, exposure to commodity prices movements and interest rate movements.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

1.4.13 Hedge accounting

The group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months under caption “other non-current financial assets” or “other long-term liabilities” and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months under caption “other current assets” or “other current liabilities”.

1.4.13.1 Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

As of today, the Group does not apply fair value hedge accounting.

1.4.13.2 Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement within “Other financial income and expenses”.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions. The ineffective portion relating to foreign currency contracts is recognized in the income statement within “other financial income and expenses”.

The Group also uses interest rate swap. Swaps are used by the Group to switch from a variable rate to a fixed rate of interest. The effective portion of the interest rate swap’s gain or loss is directly recorded in other comprehensive income.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within “Other financial income and expenses”.

1.4.13.3 Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income in currency translation adjustments (“CTA”). The gain or loss relating to the ineffective portion is recognised in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

1.4.14 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

Trade receivables may be written down for impairment which is recognized when credit losses are expected. The expected credit loss is estimated taking into account historical loss experience, the age of the receivables and a detailed risk assessment including insurance.

The fair value of accounts and notes receivable is deemed to be their nominal amount, since payment periods are generally less than three months.

1.4.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

1.4.16 Inventories

Stock of products is valued at the lower of the gross value (including direct allocated costs) and net realizable value. The Group applies the *First In First Out* method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the necessary sales costs including costs incurred to bring the stocks to their current location. Impairment losses are recognized when the probable realizable value of inventories is lower than their cost price.

1.4.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within short-term debt in current liabilities.

1.4.18 Assets held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are stated at the lower of the carrying amount or fair value less costs of disposal.

1.4.19 Share capital and preference shares

The Group's ordinary shares are classified as equity instruments.

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability.

In accordance with IAS 32, preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities.

Main characteristics of financial instruments issued by the Group:

Shares	Number	Payment of dividends	Redeemable
Ordinary equity shares	40.881.375	Discretionary	n/a
Preference shares	1.095.974	Mandatory	Discretionary
Total	41.977.349		

The Preference Shares issued on 19 November 2018 are entitled to payment of a cumulative annual dividend whose amount is indexed on the high yield bond rate. No payment will be made annually with regards to those shares. The payment will be due only after the repayment of the bond.

Measurement of dividends

As at 31 March 2021, the mandatory dividends were recognized in liability at fair value which corresponded to the present value of the estimated future dividend payments discounted at a market rate of interest.

Measurement of preference shares

Preference shares issued are at discretionary redemption and have been recorded at the subscription price directly in equity.

1.4.20 Debts and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement in cost of net debt over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

1.4.21 Current and deferred income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

1.4.21.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

1.4.21.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

1.4.22 Employee benefits

1.4.22.1 Short-term benefits

Group employees are entitled to short-term benefits such as paid annual leave, paid sick leave, bonuses and other benefits (other than termination benefits), payable within 12 months of the end of the period in which the corresponding services are rendered by employees. These benefits are shown in “other current liabilities” and expensed in the period when the related service is rendered by the employee.

1.4.22.2 Post-employment benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in income.
For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.4.22.3 Jubilee benefits

The provision for jubilee benefits is composed of expected benefits payable to current employees. Jubilee benefits are rights to a benefit employees earn after a certain term of service with the company.

1.4.22.4 Agreements with employees related to GDE shares

Agreements have been put in place whereby GDE shares are sold to selected directors and senior employees based on the last available statutory net asset value of the shares of GDE. In these agreements the employees have taken the commitment to sell GDE shares back to the Group. The agreements also specify the circumstances under which GEH Group would be obliged to buy back the shares from the employees. Commitments are taken by the Group and the employees for a duration of fifteen years.

The price of the sale-back is defined in the agreement as the last available statutory net asset value of GDE shares at the date of the exercise. The buy-back is based on this value unless contractually agreed differently between parties at transaction date.

The Group is applying the following accounting method for this transaction with employees.

- A liability is recognized in relation to the commitment to buy back the shares from the employees;
- The liability is initially recognized at the last available statutory net asset value of GDE shares;
- Subsequently, the increase in liability is remeasured at each period end with counterparty in the profit and loss under “employee benefits”.

1.4.23 Provisions

The Group recognizes provisions for liabilities and onerous contracts that have been incurred as of the balance sheet date and can be reasonably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision following increase of the timespan is recognized as interest expense.

1.4.23.1 Provisions for claims, disputes and legal

Provisions for claims, disputes and legal proceedings are recorded if it is probable that the Group will be liable in a proceeding, for the estimated amount at which the liability can be settled.

1.4.23.2 Restoration, rehabilitation and decommissioning

Restoration, rehabilitation and decommissioning costs arising from the installation of plant, discounted to their net present value, are provided for and capitalized at the time such an obligation arises. The costs are charged to the statement of income over the life of the operation through depreciation of the asset and the unwinding of the discount on the provision. If the obligation results from production, costs are recognized when production occurs.

1.4.23.3 Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

1.4.23.4 Government grants

Grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to property, plant and equipment are included in non-current liabilities as deferred grants and are credited to the statement of income on a straight- line basis over the expected lives of the related assets.

1.4.24 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

In accordance with IFRS 15 (Revenue from Contracts with Customers), revenue is recognized when GEH transfers control over the product to the customer; control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset.

1.4.24.1 Sales of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue from the sale of goods is recognized:

- the majority of the risks and benefits associated with the ownership of said goods have been transferred to the buyer; and
- the Group is no longer involved in the management of the goods, and no longer maintains effective control thereof.

1.4.24.2 Sales of services

Revenue from rendering of services is recognized in the statement of income to the extent it seems likely that the economic benefits will accrue to the Group and the income from rendering of services can be reliably measured. The revenue is recognized in the statement of in the accounting period in which the services are rendered.

1.4.25 Interest income and expense

Interest income and interest expense are recognized on a time-proportion basis using the effective interest method.

1.4.26 Lease

The Group is the lessee of machinery, equipment, land and buildings.

1.4.26.1 Finance leases

The Group leases certain property, plant and equipment, of which it has substantially all the risk and rewards incidental to the ownership. These assets are capitalized and recognized in the balance sheet at the commencement of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments, each determined at the inception of the lease. Each lease payment is allocated between the redemption of the liability and finance charges on annuity basis. The lease obligations are included in long-term debt without the interest charge. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under capital leases are depreciated on a straight-line basis over the useful life of the asset with depreciation included in depreciation expense.

1.4.26.2 Operating leases under IFRS16

Since financial year 2019/2020, the group applies IFRS 16 for operating leases under scope of this new standard. They are accounted as finance lease.

Consolidated statement of profit or loss presented as at 31 March 2020 includes IFRS 16 impacts.

1.4.26.3 Other operating leases

Payments made under other operating leases are charged to the income statement.

1.4.27 Use of estimates and judgements

The preparation of the Group's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The Group has identified the following areas as being critical to understanding GEH's financial position as they require management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain.

- Impairment test of goodwill;
- Assessment of the recoverability of trade receivables exposure to credit risk, as well as the risk profile;
- Provisions for risks: Most claims involve complex issues, and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes more likely than not and when it is possible to make a reasonable estimate of the expected financial effect;
- Provision for employee benefits: The post-employment benefits lay on several assumptions such as:
    - The discount rate determined by reference to market yields at the closing on high quality corporate bonds;
    - Estimate of future salary increases mainly taking into account inflation, seniority, promotion, and supply and demand in the employment market;
- Income tax charges and assessment of deferred tax assets: The Group is subject to income and other taxes in numerous jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised. Management judgement is required to assess probable future taxable profits. Deferred tax assets on losses carried-forwards and on temporary differences are annually reassessed;
- Recognition of restoration, and decommissioning cost/provision.

1.5 Scope of consolidation

1.5.1 Parent company

Corporate Name	Country	Consolidation method	31 March 2021 % voting power	% interest
Groupe Ecore Holding	Luxembourg	Full	100,00	100,00

1.5.2 Consolidated subsidiaries

Corporate Name	Country	Consolidation method	31 March 2021 % voting power	% interest
GDE Equipement CO	France	NC.		
GDE CO 1	France	Full	100,00	99,76
GDE CO 2	France	Full	100,00	99,76
Iron Horse BV	Netherlands	Full	100,00	99,76
Iron Horse France	France	Full	88,69	88,48
Iron Horse Holding	France	Full	100,00	99,76
Iron Horse Hungary	Hungary	Full	100,00	99,76
Iron Horse Romania	Romania	Full	100,00	99,76
La Petite Voevre Sari	Luxembourg	Full	100,00	88,48
La Petite Mouée SCI	France	Full	100,00	88,48
Train A Fil Herserange SCI	France	Full	100,00	88,48
Train A Fil Herserange SARL	Luxembourg	Full	100,00	88,48
Alsadis SARL	France	Equity	35,18	54,05
Alsafer	France	Equity	49,99	49,81
Etablissements Breuil	France	Equity	49,00	48,82
Cernay Environnement SA	France	Equity	33,95	33,82
Ecore Belgium SA	Belgium	Full	100,00	100,00
ECORE BV	Netherlands	Full	100,00	100,00
ECORE SERVICES	France	Full	100,00	100,00
Ecore Luxembourg SA	Luxembourg	Full	100,00	100,00
Enningdai BV	Netherlands	Full	100,00	100,00
Ereco Zrt	Hungary	Full	100,00	100,00
Ecore Transport Luxembourg Sari	Luxembourg	Full	100,00	100,00
Guy Dauphin Environnement	France	Full	99,63	99,63
T ransenvironnement	France	Full	100,00	99,63
Ker-Hu Kft	Hungary	Full	100,00	100,00
LOCA	Switzerland	Full	100,00	100,00
Rohr Environnement	France	Full	50,36	50,17
Romrecycling	Romania	Full	100,00	100,00
SCI Les Fiefs	France	Full	100,00	99,63
SCI Des Grenadiers	France	Full	100,00	99,63
SCI le Chamois	France	Full	100,00	99,52
SCI Magnolia	France	Equity	50,00	49,82
SCI Merisiers	France	Full	100,00	99,63
SCI Pommiers	France	Full	100,00	99,63

INDEPENDENT AUDITOR'S REPORT

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ* ON THE FINANCIAL INFORMATION OF GROUPE ECORE HOLDING S.A.S. FOR THE PERIOD FROM OCTOBER 1ST, 2019 TO SEPTEMBER 30, 2020

To the Shareholders of Groupe
Ecore Holding S.A.S. 21, rue du
Puits Romain

L-8070 Bertrange

Report on the audit of the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Groupe Ecore Holding S.A.S. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 30 September 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

ln our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *"Commission de Surveillance du Secteur Financier"* (CSSF). Our responsibilities under the law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of the *"Réviseur d'Entreprises Agréé"* for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The President is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the *"Réviseur d'Entreprises Agréé"* thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the President for the consolidated financial statements

The President is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the President 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, the President is responsible for assessing the Group'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 the President either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *"Réviseur d'Entreprises Agréé"* for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"Réviseur d'Entreprises Agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.

- Obtain 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President.

- Conclude on the appropriateness of President'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*Réviseur d'Entreprises Agréé*" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*Réviseur d'Entreprises Agréé*". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 18 December 2020

BDO Audit
Cabinet de revision agréé
Represented by

Jean-Philippe Barret

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GROUPE ECORE HOLDING S.A.S.
FOR THE PERIOD FROM OCTOBER 1ST, 2019 TO SEPTEMBER 30, 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF GROUPE ECORE HOLDING S.A.S.
AT SEPTEMBER 30, 2020

K-EUR	Note	30 september 2020	30 september 2019
Revenue	3.8.1	**880 543**	**1 159 657**
Cost of raw material	*3.8.2*	***(595 260)***	***(825 460)***
Freight expenses		***(96 685)***	***(118 067)***
Cost of sales		**(691 945)**	**(943 527)**
GROSS PROFIT		**188 598**	**216 130**
External charges	3.8.3	**(60 408)**	**(78 072)**
Employee benefits expenses	3.8.4	**(68 872)**	**(72 812)**
Other operating income & expenses		**(6 666)**	**(2 270)**
EBITDA		**52 651**	**62 976**
Depreciation		**(42 214)**	**(42 996)**
CURRENT OPERATING INCOME (LOSS)		**10 438**	**19 979**
Impairment of goodwill		**0**	**0**
Other non-recurring incomes and expenses		**12 331**	**(8 205)**
OPERATING INCOME (LOSS)		**22 769**	**11 774**
Cost of net debt	3.8.5	**(22 550)**	**(18 871)**
Other financial income and expenses	3.8.6	**(681)**	**(2 414)**
PROFIT (LOSS) BEFORE TAX		**(462)**	**(9 510)**
Income tax	3.8.7	**10 244**	**(16 824)**
PROFIT (LOSS) AFTER TAX		**9 782**	**(26 334)**
Portion of the income of the equity affiliates		**162**	**172**
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**9 943**	**(26 162)**
Result classified as held for sale		**0**	**0**
PROFIT (LOSS) FOR THE YEAR		**9 943**	**(26 162)**
Shareholders		**9 507**	**(26 324)**
Non-controlling interests		**437**	**163**

The notes are an integral part of the consolidated financial statements.
*EBITDA represents operating income before depreciation, amortization and impairment of property, plant and equipment, intangible assets and goodwill.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME OF GROUPE ECORE HOLDING S.A.S. AT SEPTEMBER 30, 2020

K-EUR	Note	30 september 2020	30 september 2019
Profit / (Loss) for the year		**9 943**	**(26 162)**
Foreign exchange translation differences		**(258)**	**56**
Cash flow hedges		0	0
Deferred tax on cash flow hedges		0	0
Cash flow hedges, net of tax		**0**	**0**
Profit / (Loss) recorded in equity and transferable through profit or loss		**(258)**	**56**
Actuarial gains(losses) on defined benefit plans	3.12	(137)	(394)
Deferred tax on actuarial gains and losses on defined benefit plans		34	99
Actuarial gains (losses) on defined benefit plans, net of tax		**(103)**	**(295)**
Profit / (Loss) recorded in equity and not transferable through profit or loss		**(103)**	**(295)**
Total other comprehensive Income / (Loss)		**(361)**	**(240)**
Total comprehensive Income / Lloss)		**9 583**	**(26 401)**
Total comprehensive income (loss) attributable to			
Shareholders		9 147	(26 563)
Non-controlling interests		435	161

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF GROUPE ECORE HOLDING S.A.S.
AT SEPTEMBER 30, 2020

K-EUR	Note	30 september 2020	30 september 2019
Assets			
Goodwill	3.9.1	110 095	109 052
Other intangible assets	3.9.2	1 589	4 610
Right of use on other intangible assets	3.9.2	3 686	0
Property, plant and equipment	3.9.3	184 028	190 437
Right of use on tangible assets	3.9.3	63 750	31 615
Investment in associates and joint ventures	3.9.4	2 113	2 247
Deferred tax assets	3.9.5	38 382	24 327
Other non current financial assets	3.9.6	14 688	14 640
Total non current assets		**418 330**	**376 927**
Inventories	3.9.7	54 862	52 905
Accounts receivables	3.9.8	49 877	50 114
Income tax receivables	3.9.8	2 738	4 780
Other current assets	3.9.9	6 608	9 543
Cash & cash equivalent	3.9.10	126 049	57 699
Assets held For sale	3.9.11	841	872
Total current assets		**240 975**	**175 913**
TOTAL ASSETS		**659 305**	**552 840**
Equity			
Share capital	3.9.12.1	420	420
Addtional paid-in capital	3.9.12.2	257 360	257 360
Consolidated reserves - Group	3.9.12.3	(191 779)	(162 890)
Consolidated profit / (loss) for the year - Group		9 507	(26 324)
Shareholders equity		**75 507**	**68 565**
Non-controlling interests	3.9.12.4	5 318	5 099
Total group equity		**80 825**	**73 664**
Liabilities			
Redeemable preference shares - long-term portion	3.4.19	2 050	1 950
Provisions - long-term portion	3.9.13	7 546	10 552
Long-term debt LT portion Long-term	3.9.14	266 860	244 626
Lease liabilities - long-term portion	3.9.14	61 619	25 470
Deferred tax liabilities	3.9.5	2 229	2 732
Other long-term liabilities	3.9.15	473	548
Total non-current liabilities		**340 777**	**285 878**
Redeemable preference shares - short-term portion	3.4.19	0	0
Provisions - short-term portion	3.9.13	4 221	5 972
Current portion of long-term debt	3.9.14	40 018	0
Lease liabilities - short-term portion	3.9.14	14 667	8 419
Accounts payable	3.9.16	171 842	172 704
Income tax payable	3.9.16	2 309	1 806
Other current liabilities	3.9.17	2 262	2 668
Short-term debt	3.9.18	2 386	1 729
Liabilities held for sale	3.9.11	0	0
Total current liabilities		**237 704**	**193 298**
TOTAL LIABILITIES AND EQUITY		**659 305**	**552 840**

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF GROUPE ECORE HOLDING S.A.S. AT SEPTE

K-EUR	Share capital	Additional paid-in capital	Conversion reserves	Actuarial reserves	Retained earnings	Profit (loss) for the year	Sh
30 september 2019	**420**	**257 360**	**(1 176)**	**405**	**(162 120)**	**(26 324)**	
Appropriation of prior year profit (loss)	-	-	-	-	(26 324)	26 324	
Profit (loss) for the year	-	-	-	-	-	9 507	
Conversion reserves	0	-	(257)	-	(0)	0	
Other comprehensive income	-	-	-	(103)	-	-	
Comprehensive income for the year	**0**	**-**	**(257)**	**(103)**	**(0)**	**9 507**	
Other transactions	-	-	-	0	170	(0)	
Dividends paid	-	-	-	-	0	-	
Put non-controlling interests GDE					(32)		
Application IFRS16	-	-	-	-	(2 344)	-	
30 september 2020	**420**	**257 360**	**(1 433)**	**304**	**(190 650)**	**9 507**	

K-EUR	Share capital	Additional paid-in capital	Conversion reserves	Actuarial reserves	Retained earnings	Profit (loss) for the year	Sh
30 september 2018	**917**	**92 146**	**(1 384)**	**693**	**270 368**	**32 029**	
Appropriation of prior year profit (loss)	-	-	-	-	32 029	(32 029)	
Profit (loss) for the year	-	-	-	-	-	(26 324)	
Conversion reserves	(0)	-	56	-	0	0	
Other comprehensive income	-	-	-	(295)	-	-	
Comprehensive income for the year	**(0)**	**-**	**56**	**(295)**	**0**	**(26 324)**	
Group restructuring	(497)	165 213	-	-	(461 269)	-	
Conversion adjustments - ECOI	-	-	153	-	(153)	-	
Put non-controlling interests GDE	-	-	-	-	504	-	
Interests on GEH prefered shares	-	-	-	-	(1 950)	-	
Transactions with minority shareholders	-	-	-	6	(533)	-	
Reclassification non-controlling interests ECORE BV	-	-	-	-	(1 115)	-	
30 september 2019	**420**	**257 360**	**(1 176)**	**405**	**(162 120)**	**(26 324)**	

The notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS OF GROUPE ECORE HOLDING S.A.S. AT SEPTEMBER 30, 2020

K-EUR	Note	30 september 2020 12 Months	30 september 2019 12 Months
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) after tax		**9 943**	**(26 162)**
Depreciation/amortisation	3.9.2, 3.9.3	42 214	42 635
Increase (Decrease) in provisions	3.9.13	(4 750)	3 552
Elimination of gains (loss) on asset disposals		(956)	101
Share in net earnings (losses) of associates		(162)	(172)
Other non-cash (income) expenses		(575)	753
Income tax (current and deferred)	3.8.7	(10 244)	16 824
Net dividends received from associates		(5)	(4)
Cost of net debt	3.8.5	22 550	18 871
Income tax (paid) received		(271)	(4 988)
Net change in working capital:		480	62 831
Net cash from operating activities		**58 225**	**114 242**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets		(17 235)	(18 704)
Disposals of property, plant and equipment and intangible assets		2 008	2 327
Acquisition of consolidated subsidiaries, net of cash acquired		(1 222)	0
Dividends received		305	174
Increase in financial assets		(812)	(16)
Decrease in financial assets		369	1 167
Net cash used in investing activities		**(16 586)**	**(15 051)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Bonds		0	255 000
Bank loans	3.9.14	60 000	(54)
Transaction costs of debenture loans		0	(7 938)
Effective Interest Rate (non cash financial charges)		0	(5 100)
Repayments of long-term debt	3.9.14	(51)	(8 848)
Acquisition of non-controlling interests		0	(239 754)
Repayments of lease debt	3.9.14	(13 349)	(8 230)
Increase (Decrease) in short-term debt	3.9.14	(40)	(128)
Interest paid		(18 463)	(13 923)
Interest paid on lease debt		(1 778)	(888)
Dividends paid		(189)	(86 390)
Net cash received from (used in) financing activities		**26 130**	**(116 253)**
Effect of exchange rate changes		(117)	(94)
Cash and cash equivalents at beginning of period	3.9.10.1	56 011	73 169
Cash and cash equivalents at end of period	3.9.10.1	123 663	56 011
Net change in cash and cash equivalents		**67 652**	**(17 157)**

The notes are an integral part of the consolidated financial statements.

3.1 Corporate information

The principal business activities of Groupe Ecore Holding S.A.S. (the "Company") are the acquisition of participations in any company and the management of those participations. The principal business activity of its (the "Group" or "GEH Group") subsidiaries is the recycling of scrap metal, paper and plastic. The Group operates in France, Belgium, Luxembourg, Hungary, Romania and Switzerland. The principal office of the Company is at 21, rue du Puits Romain L-8070 Bertrange, Grand-Duché de Luxembourg.

These consolidated financial statements as at 30 September 2020 were approved by the President of GROUPE ECORE HOLDING S.A.S. as at December, 18 2020.

3.2 Main events of the period

3.2.1 Changes in the scope of consolidation

The consolidated financial statements include the impacts of the following events and transactions:

- Liquidation or merger of some subsidiaries, in the process of simplification of the organigram (note 3.16.2) without significant impact on the consolidated financial statements.

3.2.2 Other events

- Opening of 3 new yards in France following M&A processes;
- On August 1, 2020, renewal of the non-recourse factoring facility, which will expire on April 30, 2023. The non-recourse factoring facility will provide financing of up to €118 million for the Group;
- On July 2020, GDE signed a €20m term loan with the Group's main French banking partners, benefiting from a 90% guarantee from the French State ("Prêt Garanti par l'Etat"). This facility will have an initial maturity of 1 year, with an up to 5-year extension option at GDE's discretion (differed amortization for 1 year with a contemplated progressive amortization thereafter).

3.3 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) effective 30 September 2020.

3.4 Significant accounting policies

The accounting policies set out below have been applied consistently throughout the period presented in these consolidated financial statements. The accounting policies have been applied consistently by all Group entities.

3.4.1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention except for assets and liabilities held for sale, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) presented at fair value through profit or loss. The consolidated financial statements have been prepared on a going concern basis.

3.4.2 Changes in accounting policies

3.4.2.1 New and amended standards adopted by the Group

Standards and interpretations adopted by the EU with mandatory application for the Group on or after 1 October 2019:

- IFRS 16 “Lease”; The Group has applied the standard as of October 1, 2019. The impacts of the application of this standard on the consolidated financial statements published as of September 30, 2020 are presented below in the following paragraph 3.4.2.3.
- Improvements to IFRS 2015-2017 ;
- IFRIC 23 “Uncertainty over income tax treatments” applicable to fiscal years beginning on or after 1 January 2019;
- IAS 19 “Employee Benefits” applicable to fiscal years beginning on or after 1 January 2019.

3.4.2.2 New standards and interpretations applicable after 30 September 2020

The Group has not applied any standard, interpretation or amendment in advance.

- Amendment to IFRS 3 "Business Combinations" on the definition of a business whose date of application is expected to be January 1, 2020.
- Amendment to IAS 1 and IAS 8: amendment to the definition of the term "significant" with an application date of 1 January 2020.
- Changes to IFRS 9, IAS 39 and IFRS7 – IBOR reform - phase 1.

These new standards, applicable for fiscal years beginning after January 1, 2020, are unlikely to have a material impact on the Group's financial statements.

3.4.2.3 Impact of the application of IFRS 16 on Leases

The Group has applied the new standard on Leases (IFRS 16), which replaces IAS 17 and the related interpretations IFRIC 4 (relating to arrangements containing a lease), and SIC15/SIC27 (interpretations dealing on the one hand with operating leases and on the other hand with leases in substance). The Group has elected to apply IFRS 16 retrospectively with the cumulative effect of initially applying the Standard recognised as at October 1, 2019.

The company choses to measure that right-of-use asset at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the company's incremental borrowing rate as at October 1, 2019.

The application of this new standard has led us to recognize in the balance sheet all lease commitments within the meaning of the new standard.

On the balance sheet, this new standard implies the recognition of:

- A new asset called « Right of use” which represents the right to use the leased asset during the term of the contract;
- A new debt called “Rental fees debt” which represents the commitment to pay lease payments.

On the consolidated income statement, as the counterpart to the cancellation of the rent expense, the following impacts are recognized:

- Depreciation of the right of use on other tangible assets;
- Interest charges on rental fees debt.

Consequently, all finance leases under IAS 17 previously included in PPE were transferred to « Right-of-use assets » in the statement of financial position. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application is the carrying amount of the lease asset and lease liability immediately before that date measured applying IAS 17 on September 30, 2019. All lease back transactions in the past were already treated under IAS 17. No restrictions or covenants are imposed by the Company’s current effective lease contracts. There are no lease contracts not yet commenced as of September 30, 2020.

Short-term leases of twelve months or less and certain leases for which the underlying asset is of low value (less than K€ 5) are expensed in the consolidated statement of profit or loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate (3% for land/building leases and 1.16% for others). Actualization rates are based on the average borrowing interest rate for rental contracts linked with lands or buildings, or the average finance lease rate for other lease contracts under IFRS 16.

Leases payments can include fixed payments, variable payments known at the commencement date as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liabilities is subsequently measured at amortized cost using the effective interest method and re-measured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct cost and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-us asset is subsequently depreciated, on a straight-line basis, over the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the consolidated statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

K-EUR (Balance sheet)	Financial statements published 30 september 2019	First time application IFRS 16	Change in the period	30 september 2020
Assets				
Right of use on other intangibles assets	*0*	3 686	*0*	*3 686*
Depreciation right of use on other intangible assets	*0*	*0*	*0*	*0*
Net carrying of right of use on other intangible assets	***0***	***3 686***	***0***	***3 686***
Right of use on tangibles assets	*142 271*	*59 553*	*4 765*	*206 589*
Depreciation right of use on tangible assets	*(110 656)*	*(23 867)*	*(8 316)*	*(142 839)*
Net carrying of right of use on tangible assets	***31 615***	***35 686***	***(3 551)***	***63 750***
Deferred tax assets relating to IFRS 16	***0***	***915***	***124***	***1 039***
Other non current assets	***345 312***	***0***	***4 543***	***349 855***
Total non current assets	**376 927**	**40 287**	**1 116**	**418 330**
Total current assets	**175 913**	**0**	**65 062**	**240 975**
Total assets	**552 840**	**40 287**	**66 178**	**659 305**

K-EUR (Balance sheet)	Financial statements published 30 september 2019	First time application IFRS 16	Change in the period	30 september 2020
Equity				
Consolidated reserves - Group	*94 889*	*(2 344)*	*(26 544)*	*66 001*
Consolidated profit / (loss) for the year - Group IFRS 16	*0*	*0*	*(318)*	*(318)*
Consolidated profit / (loss) for the year - Group	***(26 324)***	***0***	***35 831***	***9 507***
Shareholders equity	**68 565**	**(2 344)**	**9 286**	**75 507**
Non-controlling interests	***5 099***	***(9)***	***227***	***5 318***
Total group equity	**73 664**	**(2 353)**	**9 514**	**80 825**
Liabilities				
Lease liabilities - long-term portion	***25 470***	***36 133***	***16***	***61 619***
Other non current liabilities	***260 409***	***0***	***18 749***	***279 158***
Total non-current liabilities	**285 878**	**36 133**	**18 765**	**340 777**
Lease liabilities - short-term portion	***8 419***	***6 507***	***(259)***	***14 667***
Other current liabilities	***184 879***	***0***	***38 158***	***223 037***
Total current liabilities	**193 298**	**6 507**	**37 899**	**237 704**
Total liabilities	**552 840**	**40 287**	**66 178**	**659 305**

K-EUR (Income statement)	Change in the period IFRS 16
External charges	8 611
EBITDA	**8 611**
Depreciation charge of right of use	(8 003)
OPERATING INCOME (LOSS)	**608**
Cost of net debt	(1 053)
PROFIT (LOSS) BEFORE TAX	**(444)**
Income tax	124
PROFIT (LOSS) BEFORE TAX	**(320)**
Shareholders	*(318)*
Non-controlling interests	*(2)*

Following the adoption of IFRS 16 "Lease", the Company recognised lease liabilities for operating lease contracts as summarized in the following table:

	Amount in K€
Operating lease commitments disclosed as at 30 September 2019	37 330
Total amount excluded from the commitments disclosed as at 30 September 2019 (eg. IT expenses, rents renewed leases)	9 466
Discounted using the lessee's incremental borrowing rate of at the date of initial application	-4 152
Lease liability recognised as at 1 October 2020	42 644
Of which are:	
– Current lease liabilities	6 508
– Non-current lease liabilities	36 136
(ii) Weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 October 2020	2,60%
(iii) Impact on EBITDA	
Impact from the adoption of IFRS 16	8 611

3.4.3 Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of all subsidiaries, which the Company either directly or indirectly controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3.4.4 Foreign currency translation

3.4.4.1 Functional and presentation currency

The Group's presentation currency is the Euro (EUR) and all values are rounded to the nearest thousand (K-EUR) except when otherwise indicated. Euro is the functional currency of the Group's principal operating subsidiaries. Most of the markets in which the Group is involved are EUR denominated.

3.4.4.2 Foreign currency transactions

Subsidiaries record transactions in the functional currency of the economic environment in which they operate. Transactions in currencies other than the functional currency of the subsidiary are recorded at the rates of exchange prevailing at the date of the transaction in the accompanying statement of income.

Monetary assets and liabilities in currencies other than the functional currency are translated at the rates of exchange prevailing at the balance sheet date and gains and losses are reported in the statement of income.

3.4.4.3 Group companies

Upon consolidation, the balance sheets of subsidiaries with functional currencies other than the EUR are translated at the rates of exchange prevailing at the end of the year. The statements of income denominated in currencies other than the Euro are translated at the average rate for the year. The resulting exchange differences are recorded in equity through other comprehensive income and are included in the statement of income upon sale or liquidation of the underlying foreign subsidiary.

3.4.5 Business combinations and goodwill

The Company accounts for its business combinations under the acquisition method of accounting at the acquisition date, which is the date on which control is transferred to the Group.
Acquisition-related costs are expensed as incurred.

When the fair value of the consideration transferred for a business combination exceeds the fair values attributable to the Group's share of the identifiable net assets, the difference is treated as goodwill.

When the excess is negative, after a reassessment of the identification of all assets acquired and liabilities assumed, any remaining gain is recognized in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates and asset lives.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, which is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3.4.6 Intangible assets other than goodwill

Intangible assets other than goodwill include licenses and are stated at cost, less accumulated amortisation and accumulated impairment losses. Licenses are amortized on a linear basis over a period, generally not exceeding 5 years.

An intangible asset acquired as part of a business combination is measured at fair value at the date of acquisition and is recognized separately from goodwill if the asset is separable or arises from contractual or other legal rights.

Gains or losses on disposal of intangible assets are recorded in the statement of income under "Other operating income and expenses".

3.4.7 Property, plant and equipment

3.4.7.1 Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

The book value of property, plant and equipment is not revalued.

Gains or losses on disposal of an item of property, plant and equipment are recorded in the statement of income under "Other operating income and expenses".

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Assets in the course of construction are capitalized as a separate component of property, plant and equipment. Upon completion, the cost of construction is transferred to the appropriate category.

Assets which are the subject of finance leases or long term leases are presented on the statement of financial position, in accordance with IFRS 16.

3.4.7.2 Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Assets under construction are not depreciated.

The estimated useful lives of significant items of property, plant and equipment are as follows:

- Buildings 20-33 years
- Machinery and equipment 5-20 years
- Other fixed assets 3-5 years

The depreciation of property, plant and equipment is recognized in the statement of income within "Depreciation".

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4.8 Impairment of non-financial assets

Goodwill, intangible assets and property, plant and equipment are subjected to impairment testing in certain circumstances:

- for non-current assets whose useful life is indefinite (as in the case of goodwill), impairment testing is carried out at least once per year, and any time there is an indicator of impairment;
- for other non-current assets, testing is only carried out when there is an indicator of impairment.

Assets subject to impairment tests are grouped into CGUs which are groupings of similar assets whose utilization generates identifiable cash flows. When the recoverable amount of a CGU is less than its net carrying amount, an impairment is recognized. The recoverable amount of the CGU is the higher of the fair value less the costs to sell and the value in use. Based on the Group's organisational structure, a CGU includes all yards belonging to the same country.

Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

3.4.9 Other non-current financial assets

This category includes receivables related to loans to employees, assets available for sale (including investment securities), and other long-term receivables including deposits.

3.4.10 Financial assets

3.4.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and at fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

- Financial assets at fair value through other comprehensive income

These are equity instruments not held for trading, for which the Group had irrevocably elected at initial recognition, and on a line-by-line basis, to present changes in fair value in other comprehensive income. This category mainly comprises investments in non-consolidated companies, initially recorded at cost, and subsequently measured at fair value, with no recycling of gains or losses to income statement upon disposal. Only dividends received are recorded in financial result.

- Financial assets at fair value through profit or loss comprise :

  - Financial assets held for trading (acquired principally for the purpose of selling in the short term).
  - Equity instruments, for which the Group had not, when applicable, elected the option of fair value through other comprehensive income ;
  - Derivatives are also categorized as held for trading unless they are designated as hedges.

- Financial assets at amortized cost

These are financial assets held to collect contractual cash-flows that consist solely of payments of principal and interests at specified dates. They are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method.

This category mainly includes cash, trade receivables, time deposits and loans to non-consolidated entities. They are presented within the line items “Loans and receivables”.

3.4.10.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are subsequently carried at fair value except for investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. If the fair value cannot be determined on a reliable method, the shares are recognized at cost price. The Group holds financial assets at fair value through profit or loss assets which are exclusively unquoted equity instruments.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through other comprehensive income” category are presented in the income statement within “other financial income and expenses” in the period in which they arise.

3.4.11 Impairment of financial assets

3.4.11.1 Assets carried at amortized cost

Accounts receivable are initially recognized at the amount invoiced to the customer. Impairment losses on trade accounts receivable are estimated using the expected loss method, in order to take account of the risk of payment default throughout the lifetime of the receivables. The expected credit loss is estimated for all accounts receivable at each reporting date using an average expected loss rate, determined primarily on the basis of historical credit loss rates. However, that average expected loss rate may be adjusted if there are indications of a likely significant increase in credit risk. If a receivable is subject to a known credit risk, a specific impairment loss is recognized for that receivable (Cf. note 3.4.14).

3.4.12 Derivative financial instruments and hedging activities

The Group uses derivatives to hedge its primary market risk exposures, primarily risks related to foreign currency movements and to a lesser extent, exposure to commodity prices movements and interest rate movements.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

3.4.13 Hedge accounting

The group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months under caption “other non-current financial assets” or “other long-term liabilities” and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months under caption “other current assets” or “other current liabilities”.

3.4.13.1 Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

As of today, the Group does not apply fair value hedge accounting.

3.4.13.2 Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement within “Other financial income and expenses”.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions. The ineffective portion relating to foreign currency contracts is recognized in the income statement within “other financial income and expenses”.

The Group also uses interest rate swap. Swaps are used by the Group to switch from a variable rate to a fixed rate of interest. The effective portion of the interest rate swap’s gain or loss is directly recorded in other comprehensive income.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within “Other financial income and expenses”.

3.4.13.3 Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income in currency translation adjustments (“CTA”). The gain or loss relating to the ineffective portion is recognised in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

3.4.14 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

Trade receivables may be written down for impairment which is recognized when credit losses are expected. The expected credit loss is estimated taking into account historical loss experience, the age of the receivables and a detailed risk assessment including insurance.

The fair value of accounts and notes receivable is deemed to be their nominal amount, since payment periods are generally less than three months.

3.4.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.4.16 Inventories

Stock of products is valued at the lower of the gross value (including direct allocated costs) and net realizable value. As at September 2019, the Group applied the average price to determine its gross value; since financial 2019/2020 the Group applies the *First In First Out* method. These modification has had no significant impact on the inventory valuation. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the necessary sales costs including costs incurred to bring the stocks to their current location. Impairment losses are recognized when the probable realizable value of inventories is lower than their cost price.

3.4.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within short-term debt in current liabilities.

3.4.18 Assets held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are stated at the lower of the carrying amount or fair value less costs of disposal.

3.4.19 Share capital and preference shares

The Group's ordinary shares are classified as equity instruments.

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability.

In accordance with IAS 32, preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities.

Main characteristics of financial instruments issued by the Group

Shares	Number	Payment of dividends	Redeemable
Ordinary equity shares	40.881.375	Discretionary	n/a
Preference shares	1.095.974	Mandatory	Discretionary
Total	**41.977.349**		

The Preference Shares issued on 19 November 2018 are entitled to payment of a cumulative annual dividend whose amount is indexed on the high yield bond rate. No payment will be made annually with regards to those shares. The payment will be due only after the repayment of the bond.

Measurement of dividends

As at 30 September 2020, the mandatory dividends were recognized in liability at fair value which corresponded to the present value of the estimated future dividend payments discounted at a market rate of interest.

Measurement of preference shares

Preference shares issued are at discretionary redemption and have been recorded at the subscription price directly in equity.

3.4.20 Debts and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement in cost of net debt over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

3.4.21 Current and deferred income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

3.4.21.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3.4.21.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.4.22 Employee benefits

3.4.22.1 Short-term benefits

Group employees are entitled to short-term benefits such as paid annual leave, paid sick leave, bonuses and other benefits (other than termination benefits), payable within 12 months of the end of the period in which the corresponding services are rendered by employees. These benefits are shown in "other current liabilities" and expensed in the period when the related service is rendered by the employee.

3.4.22.1.1 Post-employment benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.4.22.2 Jubilee benefits

The provision for jubilee benefits is composed of expected benefits payable to current employees. Jubilee benefits are rights to a benefit employees earn after a certain term of service with the company.

3.4.22.3 Agreements with employees related to GDE shares

Agreements have been put in place whereby GDE shares are sold to selected directors and senior employees based on the last available statutory net asset value of the shares of GDE. In these agreements the employees have taken the commitment to sell GDE shares back to the Group. The agreements also specify the circumstances under which GEH Group would be obliged to buy back the shares from the employees. Commitments are taken by the Group and the employees for a duration of fifteen years.

The price of the sale-back is defined in the agreement as the last available statutory net asset value of GDE shares at the date of the exercise. The buy-back is based on this value unless contractually agreed differently between parties at transaction date.

The Group is applying the following accounting method for this transaction with employees.

- A liability is recognized in relation to the commitment to buy back the shares from the employees;
- The liability is initially recognized at the last available statutory net asset value of GDE shares;

- Subsequently, the increase in liability is remeasured at each period end with counterparty in the profit and loss under “employee benefits”.

3.4.23 Provisions

The Group recognizes provisions for liabilities and onerous contracts that have been incurred as of the balance sheet date and can be reasonably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision following increase of the timespan is recognized as interest expense.

3.4.23.1 Provisions for claims, disputes and legal

Provisions for claims, disputes and legal proceedings are recorded if it is probable that the Group will be liable in a proceeding, for the estimated amount at which the liability can be settled.

3.4.23.2 Restoration, rehabilitation and decommissioning

Restoration, rehabilitation and decommissioning costs arising from the installation of plant, discounted to their net present value, are provided for and capitalized at the time such an obligation arises. The costs are charged to the statement of income over the life of the operation through depreciation of the asset and the unwinding of the discount on the provision. If the obligation results from production, costs are recognized when production occurs.

3.4.23.3 Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

3.4.23.4 Government grants

Grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to property, plant and equipment are included in non-current liabilities as deferred grants and are credited to the statement of income on a straight- line basis over the expected lives of the related assets.

3.4.24 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

In accordance with IFRS 15 (Revenue from Contracts with Customers), revenue is recognized when GEH transfers control over the product to the customer; control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset.

3.4.24.1 Sales of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue from the sale of goods is recognized:

- the majority of the risks and benefits associated with the ownership of said goods have been transferred to the buyer; and
- the Group is no longer involved in the management of the goods, and no longer maintains effective control thereof.

3.4.24.2 Sales of services

Revenue from rendering of services is recognized in the statement of income to the extent it seems likely that the economic benefits will accrue to the Group and the income from rendering of services can be reliably measured. The revenue is recognized in the statement of in the accounting period in which the services are rendered.

3.4.25 Interest income and expense

Interest income and interest expense are recognized on a time-proportion basis using the effective interest method.

3.4.26 Lease

The Group is the lessee of machinery, equipment, land and buildings.

3.4.26.1 Finance leases

The Group leases certain property, plant and equipment, of which it has substantially all the risk and rewards incidental to the ownership. These assets are capitalized and recognized in the balance sheet at the commencement of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments, each determined at the inception of the lease. Each lease payment is allocated between the redemption of the liability and finance charges on annuity basis. The lease obligations are included in long-term debt without the interest charge. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under capital leases are depreciated on a straight-line basis over the useful life of the asset with depreciation included in depreciation expense.

3.4.26.2 Operating leases under IFRS 16

Since financial year 2019/2020, the group applies IFRS 16 (Cf. note 3.4.2.3) for operating leases under scope of this new standard. They are accounted as finance lease.

3.4.26.3 Other operating leases

Payments made under other operating leases are charged to the income statement.

3.4.27 Use of estimates and judgements

The preparation of the Group's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The Group has identified the following areas as being critical to understanding GEH's financial position as they require management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain.

- Impairment test of goodwill (Cf. note 3.9.1 – Goodwill);
- Assessment of the recoverability of trade receivables exposure to credit risk, as well as the risk profile (Cf. note 3.5.1.3);
- Provisions for risks: Most claims involve complex issues, and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes more likely than not and when it is possible to make a reasonable estimate of the expected financial effect;

- Provision for employee benefits: The post-employment benefits lay on several assumptions such as (Cf. note 3.12:
    - The discount rate determined by reference to market yields at the closing on high quality corporate bonds;
    - Estimate of future salary increases mainly taking into account inflation, seniority, promotion, and supply and demand in the employment market;

- Income tax charges and assessment of deferred tax assets: The Group is subject to income and other taxes in numerous jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised. Management judgement is required to assess probable future taxable profits. Deferred tax assets on losses carried-forwards and on temporary differences are annually reassessed (Cf note 3.8.7);

- Recognition of restoration, and decommissioning cost/provision (3.4.23.2).

3.5 Financial Risk Management

3.5.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency, interest rate and commodity), counterparty credit risk and liquidity risk.

Group Treasury under supervision of the Group Chief Financial Officer identifies, evaluates and hedges risks in close cooperation with the subsidiaries. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance, through the use of derivative financial instruments such as foreign exchange forward contracts. Derivatives are not used for speculative purposes.

3.5.1.1 Liquidity risk

Liquidity risk is the risk that the Group may have difficulty honouring its debts at their maturity. The Group manages its financing centrally. A cash management report is prepared, with the aim of providing a regularly updated overview of the Group's short-, medium- and long-term financing requirements. Nearly all the Group's financing is arranged centrally, as to ensure an appropriate mix of its sources of financing.

Group Treasury monitors rolling forecasts on the Group's liquidity requirements to ensure it has sufficient headroom to meet operational needs. Management monitor, on a weekly basis, the level of the "Liquidity Head Room" (total amount available based on committed facility agreement minus current utilization).

	30 September 2020						30 September 2019
	Uncommitted Credt Lines	Committed Credit Lines	VAT Facility	Revolving Credit Facility	Non-recourse Factoring	Total	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Facility Commitment	2 500	2 000	7 000	40 000	118 000	169 500	198 000
Amount Available	2 500	2 000	-	40 000	66 286	110 786	130 375
Amount Drawn	-	-	-	40 000	(47 791)	(87 791)	(61 586)
Head Room	2 500	2 000	-	-	18 495	22 995	68 789

- On April, 2020, we have renewed the current non-recourse factoring facility until April 30th, 2023. From now on, the non-recourse factoring facility provides financing of up to €118 million for the Group.

- On July, 2020, GDE signed a €20m term loan signed with the Group's main French banking partners, benefiting from a 90% guarantee from the French State ("Prêt Garanti par l'Etat"). This facility will have an initial maturity of 1 year, with an up to 5-year extension option at GDE's discretion. Differed amortization for 1 year with a contemplated progressive amortization thereafter.

As at 30 September 2020, the undiscounted cash flow based on the residual contractual maturities of the Group's financial liabilities is broken down as follows:

	Book Value	Contractual Cash Flow	< 1 year	1 - 5 years	> 5 years
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Preference shares (3.4.19)	-	-	-	-	-
High yield Bond (note 3.9.14)	246 103	255 000	-	255 000	-
Lease liabilities (note 3.9.14)	76 286	76 286	14 667	36 688	24 931
Bank loan (note 3.9.14)	60 034	60 034	40 018	20 016	
Other liabilities	503	503	473	3	27
Short-term debt (note 3.9.18)	2 386	2 386	2 386	-	-
Accounts payables including tax payables (note 3.9.16)	174 151	174 151	174 151	-	-
Other current liabilities excluding derivatives (note 3.9.17)	2 138	2 138	2 138	-	-
Total non-derivative financial liabilities	561 601	570 498	233 360	312 180	24 958
Derivative instruments including hedging (note 3.9.17)	123	123	123	-	-
Total derivative financial liabilities	123	123	123	-	-

And as at 30 September 2019:

	30 September 2019				
	Book Value	Contractual Cash Flow	< 1 year	1 - 5 years	> 5 years
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Preference shares (3.4.19)	-	-	-	-	-
Bank Loans (note 3.9.14)	243 877	255 000	-	255 000	-
Lease liabilities (note 3.9.14)	33 889	33 889	8 419	19 659	5 811
Other long-term liabilities	618	618	548	70	-
Short-term debt	1 729	1 729	1 729	-	-
Accounts payables including tax payables	174 510	174 510	174 510	-	-
Other current liabilities excluding derivatives	2 353	2 353	2 353	-	-
Total non-derivative financial liabilities	456 976	468 099	187 559	274 729	5 811
Derivative instruments including hedging	315	315	315	-	-
Total derivative financial liabilities	315	315	315	-	-

3.5.1.2 Interest rate risk

GEH's corporate debt, before hedging, is partially subject to a variable rate of interest. The Group could use hedging instruments to cover itself against any rise in interest rates, and to optimize the cost of its debt. The instruments that could be used are swaps and are managed directly by the Group treasurer.

3.5.1.2.1 Exposure to interest rate risk

At the end of the reporting period 2020, the Group's net interest rate position based on nominal values can be analysed as follows:

	30 September 2020		
	Fixed portion	Variable portion	Total
	K-EUR	K-EUR	K-EUR
Preference shares - Long-term portion	-	2 050	2 050
Preference shares - Short-term portion	-	-	-
Long-term debt	137 060	246 103	383 163
Short-term debt	-	2 386	2 386
Cash and cash equivalents		(126 049)	(126 049)
Net position before hedging	137 060	124 490	261 550
Derivative instruments related to the above mentioned variable debt	-	-	-
Net position after hedging	137 060	124 490	261 550

And as at 30 September 2019:

	30 September 2019		
	Fixed portion	Variable portion	Total
	K-EUR	K-EUR	K-EUR
Preference shares - Long-term portion	-	1 950	1 950
Preference shares - Short-term portion	-	-	-
Long-term debt	34 637	243 877	278 515
Short-term debt	-	1 729	1 729
Cash and cash equivalents	-	(57 699)	(57 699)
Net position before hedging	34 637	189 857	224 494
Derivative instruments related to the above mentioned variable debt	-	-	-
Net position after hedging	34 637	189 857	224 494

3.5.1.2.2 Sensitivity analysis

The tables below show the impact on income statement of a sudden 1% rise in the interest rates applied to actual amounts of variable-rate financial liabilities, after hedging:

	30 September 2020	30 September 2019
	K-EUR	K-EUR
Impact of a 1% rise in interest rates	(1 819)	(1 698)

3.5.1.3 Credit risk and counterparty risk

Counterparty risk corresponds to the loss that the Group could suffer if one or more counterparties were to fail to fulfil their obligations. The Group minimizes counterparty risk by carrying out financial transactions (loans, hedges on currencies, interest rate and raw material) with leading financial institutions. In the Group's opinion it is not exposed to any significant counterparty risk. The carrying amount of financial assets represents their maximum credit exposure.

Credit risk is the risk of financial loss incurred by the Group in the event that a customer or counterparty to a given asset was to fail to meet its contractual obligations. At present the risk arises mainly from trade receivables.

GEH has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. As a company policy, all sales are either:

- Credit insured;
- Prepaid before shipment;
- Covered by documentary letters of credit;
- On cash against document basis.

Payments on open account are mitigated through two credit insurance providers, namely Coface and Atradius.

When a customer reaches its credit limit, the Group stops deliveries unless a specific approval is given by the Group's CEO. Any new trading counterparty is vetted through an internal KYC ("Know your customer") procedure. Payment balances for all clients are reviewed at least weekly in order to identify overdue payments and if required, stop any further delivery even if due under commercial contract. GEH's operational structure is highly integrated and incorporates multiple controls to prevent the occurrence of any unauthorized trading or non-compliance with credit limits.

The Group has a very large portfolio of customers. The Group is not exposed to a significant credit risk as a result of concentration, indeed no customer represents more than 15% of the revenue, and the top five customers account for less than 34% of total revenue.

The aged balance of financial assets at amortized cost at the end of 30 September 2020 is as follows:

		Past due not impaired			
	Neither past due nor impaired	Amounts overdue up to 1 month	Amounts overdue above 1 month	Gross amount impaired	Total Gross carrying amount at 30 September 2020
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Other non current financial assets (note 3.9.6)	14 688	-	-	13 948	28 636
Trade receivables (note 3.9.8)	39 830	446	515	586	41 377
Other account receivables (note 3.9.8)	9 086	-	-	-	9 086
Income tax receivables (note 3.9.8)	2 738				2 738
Other current assets (note 3.9.9)	4 812	-	-	1 796	6 608
Cash and cash equivalent (note 3.9.10)	126 049	-	-	-	126 049
Total	197 203	446	515	16 330	214 494

The aged balance of account receivables, and financial assets at amortized cost at the end of 30 September 2019 was as follows:

		Past due not impaired			
	Neither past due nor impaired	Amounts overdue up to 1 month	Amounts overdue above 1 month	Gross amount impaired	Total Gross carrying amount at 30 September 2019
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Other non current financial assets (note 3.9.6)	14 640	-	-	13 948	28 588
Trade receivables (note 3.9.8)	39 160	701	79	1 000	40 940
Other account receivables (note 3.9.8)	10 175	-	-	-	10 175
Income tax receivables (note 3.9.8)	4 780				4 780
Other current assets (note 3.9.9)	7 578	-	-	1 965	9 543
Cash and cash equivalent (note 3.9.10)	57 699	-	-	-	57 699
Total	134 032	701	79	16 913	151 725

3.5.1.4 Currency risk

As the Group conducts its business in an international environment, Group entities may be exposed to currency risks with respect to purchases or sales transactions in currencies other than their functional currency, primarily for transactions settled in US dollars.

The Group reporting procedures and monitoring system ensure that all currency risk exposure arising out of commercial contracts is systematically identified, covered and that the information is reconciled on an on-going basis. Subsidiaries' current and future business transactions are generally hedged for periods of less than three months.

Hedge accounting as defined by IAS 39 is applied in this case, and the Group's foreign currency derivatives are therefore treated as cash flow hedge transaction in accordance with the aforementioned standard.

The principal currency hedging instruments used by the Group are forward purchases and sales of foreign currencies.

The Group's net exposure to foreign currency risk based on notional amounts arises on the following main currencies:

	30 September 2020		30 September 2019	
	K-local currency	K-EUR	K-local currency	K-EUR
US dollar	5 454	4 659	7 224	6 617
Trade receivables		4 659		6 617
US dollar	-	-	-	-
Subordinated debt	-	-	-	-
US dollar	90	78	306	271
Other currencies	-	-	-	-
Trade payables	-	78	-	271

	30 September 2020		30 September 2019	
	K-USD	K-EUR	K-USD	K-EUR
Sales	43 562	37 074	33 121	30 006
Purchases	1 194	1 015	395	357
Fair Value (assets)	-	123))	-	(313)
Fair Value (liabilities)	-		-	(2)
Total fair value	-	(123)	-	(315)

3.5.1.4.1 Sensitivity analysis

The following table shows the sensitivity on profit before tax, before hedging, to a reasonable change in the US dollar exchange rates, all other variables being equal.

		30 September 2020 Before hedging	30 September 2019 Before hedging
		K-EUR	K-EUR
EUR/USD	-5%	(226)	(328)
	+5%	249	363

Management has determined that sensitivity on profit before tax after hedging is close to nil.

3.5.1.5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, meet bondholders requirements and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would enable the banks to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current period.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, issue new subordinated debts or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total long-term debt (including "Long-term and current portion of long-term debt" as shown in the consolidated balance sheet). Total capital is calculated as "group equity" as shown in the consolidated balance sheet plus net debt and subordinated debt.

	30 September 2020	30 September 2019
	K-EUR	K-EUR
Long-term debt - long-term portion*	328 479	270 096
Long-term debt - short-term portion*	54 685	8 419
Total long-term debt	383 163	278 515
Liabilities		
Total group equity	80 825	73 664
Redeemable preference shares	0	0
Total long-term debt and group equity	463 988	352 179
Gearing ratio	82,58%	79,08%

*IFRS 16 included from October 1, 2019

3.6 Fair-value of financial instruments

Recognition and measurement principles regarding financial assets and liabilities are defined in IAS 32 and IFRS 9. The classification of financial instruments into specific categories is described in note 3.4.10 - Financial assets.

3.6.1 Financial instruments by category

The carrying amounts of assets and liabilities shown in the statement of financial position, are as follows:

As at 30 September 2020

	Assets at fair value through OCI	Assets at fair value through profit & loss	Derivatives used for hedging	Loans and receivables	Total - 30 September 2020
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Other non-current financial assets		287		14 401	14 688
Accounts receivables				41 484	41 484
Other current assets				4 537	4 537
Cash & cash equivalent				126 049	126 049
Total financial instruments - assets	0	287	0	186 471	186 758

As at 30 September 2019

	Assets at fair value through OCI	Assets at fair value through profit & loss	Derivatives used for hedging	Loans and receivables	Total - 30 September 2019
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Other non-current financial assets		287		14 353	14 640
Accounts receivables				40 725	40 725
Other current assets				5 986	5 986
Cash & cash equivalent				57 699	57 699
Total financial instruments - assets	-	287	0	118 763	119 050

As at 30 September 2020

	Liabilities at fair value through profit & loss	Derivatives used for hedging	Loans and payables	Total - 30 September 2020
	K-EUR	K-EUR	K-EUR	K-EUR
Dividends on preference shares	-	-	2 050	2 050
Long-term debt	-	-	383 163	383 163
Accounts payables	-	-	171 842	171 842
Other current liabilities			2 262	2 262
Short-term debt	-	-	2 386	2 386
Total financial instruments - liabilities	0	0	561 073	561 073

As at 30 September 2019

	Liabilities at fair value through profit & loss	Derivatives used for hedging	Loans and payables	Total - 30 September 2019
	K-EUR	K-EUR	K-EUR	K-EUR
Redeemable preference shares	-	-	1 950	1 950
Long-term debt	-	-	278 515	278 515
Accounts payables	-	-	172 704	172 704
Other current liabilities			2 688	2 688
Short-term debt	-	-	1 729	1 729
Total financial instruments - liabilities	0	0	457 586	457 586

The fair value of other non-current financial assets approximates their carrying amounts as at 30 September 2020 and at 30 September 2019.

The fair value of long term debt totalled Euro 383,2 million as at 30 September 2020.

The fair value is estimated by discounting future cash flows using a discount rate equals to Euribor 3 months plus appropriate credit rating at closing date. This method corresponds to Level 2 in the fair value hierarchy (Cf. note 3.6.2 – Fair value hierarchy).

The fair value of other current assets, accounts receivable, cash and cash equivalent, accounts payables, other current liabilities and short-term debt approximate their carrying amounts because these are mostly short-term in nature. The fair values are within level 2 of the fair value hierarchy (Cf. note 3.6.2 – Fair value hierarchy).

3.6.2 Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities);
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or the liability that are not based on observable market data (unobservable inputs).

Level 2 classifications primarily include interest rate swaps and forward transactions which derive their fair value primarily from exchange quotes and readily observable broker quotes.

Level 3: the fair value of assets available for sale cannot be reliably evaluated, therefore, they are valued at their acquisition costs less any possible impairment.

Financial instruments breakdown was as follows in terms of their different levels of fair value assessment:

	30 September 2020			
	Total	Level 1	Level 2	Level 3
	K-EUR	K-EUR	K-EUR	K-EUR
Assets				
Assets at fair value through OCI	-			
Derivatives used for hedging	-	-	-	-
Assets at fair value through profit & loss (3.9.6)	287	-	-	287
Total financial instruments - assets	287	-	-	287
Liabilities				
Liabilities at fair value through profit & loss	-	-	-	-
Derivatives used for hedging	-	-	-	-
Total financial instruments - liabilities	-	-	-	-

	30 September 2019			
	Total	Level 1	Level 2	Level 3
	K-EUR	K-EUR	K-EUR	K-EUR
Assets				
Assets at fair value through OCI	-			
Derivatives used for hedging	-	-	-	-
Assets at fair value through profit & loss (3.9.6)	287	-	-	287
Total financial instruments - assets	287	-	-	287
Liabilities				
Liabilities at fair value through profit & loss	-	-	-	-
Derivatives used for hedging	-	-	-	-
Total financial instruments - liabilities	-	-	-	-

	30 September 2020	30 September 2019
	Assets at fair value through profit & loss	
Opening balance sheet	287	287
Restructuring transaction	-	-
Acquisition	-	-
Gains and losses recognised in profit or loss	-	-
Reclassifications	-	-
Others	-	-
Closing balance sheet	287	287

3.7 Acquisitions and disposals

3.7.1 Details of main acquisitions and disposals in interests held in subsidiaries:

During the year ended 30 September 2020, there were neither significant acquisitions nor disposals.

3.7.2 Transaction on GDE shares

Historically, GDE shares have been sold to directors and senior employees at the last available statutory net asset value of the GDE subsidiary. In the share transfer agreement, the employees have taken the commitment to sell GDE shares back only to the Group. The share transfer agreement also specifies the circumstances under which GEH Group would be obliged to buy back the shares from the employees. Commitments are taken by the Group and the employees for a duration of fifteen years.

3.7.3 Acquisition of GDE shares related to agreements with employees

For the twelve-month period, there was no significant acquisition.

3.7.4 Disposal of GDE shares related to agreements with employees

3.7.4.1 In 2020:

There was no disposal of GDE shares to directors and senior employees.

3.7.4.2 In 2019:

There was no disposal of GDE shares to directors and senior employees.

3.7.5 Transactions with non-controlling interests

3.7.5.1 Acquisition of additional interest in a subsidiary

There was no significant disposal neither in 2020 nor 2019.

3.7.5.2 Disposal of interest in a subsidiary without loss of control

There was no significant disposal neither in 2020 nor 2019.

3.8 Details on consolidated income statement

3.8.1 Revenue

Revenue are broken down by market as follows:

	30 september 2020 12 Months	30 september 2019 12 Months
	K-EUR	K-EUR
Europe	802 958	1 068 203
America	0	0
Asia	59 761	75 365
Africa	17 824	16 089
Total revenue	**880 543**	**1 159 657**

The breakdown of revenue by category is as follows:

	30 september 2020 12 Months	30 september 2019 12 Months
	K-EUR	K-EUR
Sales of goods	847 892	1 126 386
Income from services rendered	32 651	33 271
Total revenue	**880 543**	**1 159 657**

Services include mainly rental and handling of dumpsters, storage and shearing.

3.8.2 Cost of raw material and other related cost and gross margin

Cost of raw material and other related cost includes mainly costs for ferrous and non-ferrous scrap as well as unavoidable costs to use the raw material such as commission paid out to intermediaries and landfill costs related to shredder waste. Gross margin is defined as the difference between sales, cost of raw material and other related cost and freight.

3.8.3 External charges

This caption mainly includes:

- Electricity and water;
- Fuel and gas;
- Insurances;
- Administrative expenses;
- Maintenance and repair of equipment.

3.8.4 Employee benefits expenses

	30 september 2020 12 Months	30 september 2019 12 Months
	K-EUR	K-EUR
Wages and salaries	(48 912)	(51 517)
Social charges	(14 489)	(15 284)
Pension costs	(3 335)	(3 808)
Other staff costs	(2 137)	(2 201)
Employee benefits expenses	**(68 872)**	**(72 809)**

	30 september 2020 12 Months	30 september 2019 12 Months
	Unit	Unit
Western Europe	1 249	1 262
Eastern Europe	112	108
Total average number of employees	**1 361**	**1 370**

3.8.5 Cost of net debt

	30 september 2020 12 Months	30 september 2019 12 Months
	K-EUR	K-EUR
Interest on loans, bank overdrafts and borrowing base facility	(20 821)	(18 040)
Interest on rent debts	(1 053)	0
Leasing interests	(725)	(888)
Interest income	49	57
Cost of net debt	**(22 550)**	**(18 871)**

3.8.6 Other financial income and expenses

	30 september 2020 12 Months K-EUR	30 september 2019 12 Months K-EUR
Foreign currency exchange result, net	(674)	(645)
Result on trading derivatives	48	(1 646)
Other financial result	(55)	(123)
Employee benefits expenses	**(681)**	**(2 414)**

3.8.7 Income tax expenses

The Group's effective tax rate differs from the statutory income tax rate of the Luxembourg, which is 27,19% as at September 30, 2020, due to different tax rates in other countries, non-deductible items and unrecognized deferred tax assets.

	30 september 2020 12 Months K-EUR	30 september 2019 12 Months K-EUR
Current tax	(3 370)	(2 400)
Deferred Tax	13 614	(14 424)
Total tax on income	**10 244**	**(16 824)**

The following table reconciles the statutory income tax rate of the Luxembourg being 27,19% with effective income tax rate:

	30 september 2020 12 months K-EUR	30 september 2019 12 months K-EUR
Profit (Loss) before tax	**(462)**	**(9 510)**
Standard tax rate in Luxembourg	27,19%	28,26%
Theoretical income tax expense / (income)	**(126)**	**(2 687)**
Impact of		
Differences in tax rates applicable to foreign companies	226	(101)
Permanent differences between accounting income and taxable income	2 353	4 414
Unrecognised deferred tax assets and unused tax losses	2 162	4 920
Recognised deferred tax assets and utilised tax losses from prior years	(14 853)	10 245
Other	(5)	33
Group income tax expense / (income)	**(10 244)**	**16 824**
Effective tax rate	**not applicable**	**not applicable**

3.9 Details on consolidated statement of financial position

3.9.1 Goodwill

3.9.1.1 Table of changes in goodwill

	30 september 2020
	K-EUR
Opening Balance Sheet - Gross carrying amount	**167 253**
Restructuring transaction	0
Acquisitions and others increases	1 038
Other Reclassifications	1
Translation adjustment	(449)
Gross carying amount at 30 september 2020	**167 843**
Opening Balance Sheet - Accumulated depreciation	**(58 201)**
Translation adjustment and others	454
Accumulated depreciation at 30 september 2020	**(57 748)**
Net carrying amount at opening	**109 052**
Net carrying amount at closing	**110 095**

The increase in goodwill of Euro 1 million is explained by M&A process (cf. note 3.2.2).

	30 september 2019
	K-EUR
Opening Balance Sheet - Gross carrying amount	**167 482**
Other Reclassifications	(30)
Translation adjustment	(199)
Gross carying amount at 30 september 2019	**167 253**
Opening Balance Sheet - Accumulated depreciation	**(58 575)**
Disposals and others decreases	98
Other Reclassifications	30
Translation adjustment and others	247
Accumulated depreciation at 30 september 2019	**(58 201)**
Net carrying amount at opening	**108 907**
Net carrying amount at closing	**109 052**

3.9.1.1.1 Impairment testing

The value in use of CGUs and goodwill is determined as follows:

- post-tax cash flow projections covering a period of five years, prepared on the basis of the budgets and medium-term business plans drawn up by Group entities are discounted;
- cash flows beyond the five-year period are extrapolated by applying a perpetuity growth rate to normative forecast cash flows, corresponding to the last year of the plan;
- cash flows are discounted based on a rate which reflects current market assessments of the time value of money and the risks specific to the asset (or group of assets). This rate corresponds to the post-tax weighted average cost of capital (WACC). The use of a post-tax rate results in recoverable amounts that are similar to those that would have been obtained by applying pre-tax rates to pre-tax cash flows.

3.9.1.1.2 Cash flow projections

Cash flow projections are based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period for up to five years approved by the management are prepared using the estimated growth rates for key drivers including volumes (tons sold), prices, gross margin per ton and costs.

Changes in the economic and financial context, as well as changes in the competitive or regulatory environment may impact estimates of cash flow projections.

Forecasts are made at the smallest level (for each CGU), based on detailed projections of the recycling market by country, taking into account expected activity developments in the CGU's as well as demand for recycling in developed countries and growth in demand in emerging countries. Forecasts also include the impact of efficiency plans already launched by each cash-generating unit at the date of preparation of the budgets.

3.9.1.1.3 Key assumptions:

The assumptions underlying the impairment tests on Group CGU with material goodwill balances are as follows:

- a post-tax discount rate (WACC) of 8.52%

3.9.1.1.4 Impairment tests results

No impairment losses were recognized against goodwill in 2020 as a result of the impairment test.

3.9.1.1.5 Sensitivity of goodwill impairment tests

Changes in the three main assumptions were used to address the sensitivity of goodwill impairment tests:

- 0.5 point increase in the discount rate ;
- 0.5 point decrease in the PGR;
- 5% of decrease in the EBITDA used to determine the terminal value.

The headroom of the tests, representing the difference between the value in use and the net carrying amount, as well as the impacts of changes in key assumptions on this headroom, are presented in the table below:

	30 Septembre 2020					
	Headroom of the test Based on assumptions for 2020	WACC (+0.5 point)	Impact on the PGR (-0.5 point)	EBITDA (-5%)	Combination of the three factors	Impairment
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Total	415 829	-43 036	-38 104	-47 066	-128 206	0

These stress test did not result in the recognition of any impairment losses on goodwill.

3.9.2 Other intangible assets

3.9.2.1 Table of changes in other intangible assets

	Franchises/patents /similar rights	Leasehold	Other intangible assets	Intangible assets under construction	30 september 2020 12 Months
					K-EUR
Gross carying amount at 30 september 2019	**24 596**	**29**	**1 433**	**70**	**26 129**
Restructuring transaction	0	0	0	0	0
Acquisitions and others increases	90	0	199	233	522
Disposals and others decreases	(5)	0	0	0	(5)
Other Reclassifications	258	0	0	(258)	0
Translation adjustment	(1)	0	0	0	(1)
Gross carying amount at 30 september 2020	**24 939**	**29**	**1 631**	**45**	**26 645**
Accumulated depreciation at 30 september 2019	**(20 738)**	**(29)**	**(752)**	**0**	**(21 519)**
Restructuring transaction	0	0	0	0	0
Amortization	(3 255)	0	(287)	0	(3 542)
Disposals and others decreases	5	0	0	0	5
Translation adjustment	0	0	0	0	0
Accumulated depreciation at 30 september 2020	**(23 988)**	**(29)**	**(1 039)**	**0**	**(25 056)**
Net carrying amount at 30 september 2020	**951**	**0**	**592**	**45**	**1 589**

	Franchises/patents /similar rights	Leasehold	Other intangible assets	Intangible assets under construction	30 september 2019 12 Months
					K-EUR
Gross carying amount at 30 september 2018	**24 560**	**29**	**1 383**	**16**	**25 989**
Restructuring transaction	0	0	0	0	0
Acquisitions and others increases	60	0	107	292	460
Disposals and others decreases	(262)	0	(74)	0	(335)
Reclassifications IFRS 5	0	0	0	0	0
Other Reclassifications	238	0	16	(238)	17
Translation adjustment	(0)	0	0	0	(0)
Gross carying amount at 30 september 2019	**24 596**	**29**	**1 433**	**70**	**26 129**
Accumulated depreciation at 30 september 2018	**(16 600)**	**0**	**(623)**	**0**	**(17 223)**
Restructuring transaction	0	0	0	0	0
Amortization	(4 540)	0	(194)	0	(4 734)
Disposals and others decreases	259	0	74	0	333
Reversal of the year	0	0	0	0	0
Reclassifications IFRS 5	0	0	0	0	0
Other Reclassifications	142	(29)	(9)	0	104
Translation adjustment	0	0	0	0	0
Accumulated depreciation at 30 september 2019	**(20 738)**	**(29)**	**(752)**	**0**	**(21 519)**
Net carrying amount at 30 september 2019	**3 858**	**0**	**681**	**70**	**4 610**

There is no internally generated intangible asset.

Right of use on other intangible assets (application of IFRS 16 – note 3.4.2.3)

	Franchises/patents /similar rights
Gross carying amount at 30 september 2019	**0**
Restructuring transaction	0
Acquisitions and others increases	1 843
New application IFRS 16	3 686
Other Reclassifications	0
Termination of contract	(1 843)
Translation adjustment	0
Gross carying amount at 30 september 2020	**3 686**
Accumulated depreciation at 30 september 2019	**0**
Restructuring transaction	0
Amortization	(1 843)
New application IFRS 16	0
Other Reclassifications	0
Termination of contract	1 843
Translation adjustment	0
Accumulated depreciation at 30 september 2020	**0**
Net carrying amount at 30 september 2020	**3 686**

3.9.3 Property, plant and equipment

3.9.3.1 Table of changes in property, plant and equipment

	Land & Buildings	Machinery & Equipment	Other property, plant and equipment	Property, plant and equipment in progress	Total
	K-EUR	K-EUR	K-EUR	K-EUR	**K-EUR**
Gross carying amount at 30 september 2019	**310 506**	**247 160**	**36 748**	**5 133**	**599 547**
Restructuring transaction	0	158	103	0	261
Acquisitions	2 367	4 565	1 485	8 640	17 057
Disposals	(14 619)	(24 862)	(1 997)	(19)	(41 498)
Reclassifications IFRS 5	18	218	(18)	0	218
Other Reclassifications	3 686	(1 259)	(534)	(9 700)	(7 808)
Translation adjustment and others	(1 322)	(784)	(53)	(16)	(2 175)
Gross carying amount at 30 september 2020	**300 637**	**225 195**	**35 733**	**4 038**	**565 603**
Accumulated depreciation at 30 september 2019	**(145 754)**	**(228 881)**	**(33 487)**	**(987)**	**(409 110)**
Restructuring transaction	0	(66)	(61)	0	(126)
Depreciation charge of the year	(11 788)	(8 386)	(1 440)	0	(21 614)
Reversal of the year	0	0	0	0	0
Disposals during the year	13 937	24 310	1 957	0	40 205
Reclassifications IFRS 5	11	(214)	15	0	(188)
Other Reclassifications	1	6 490	1 073	222	7 786
Translation adjustment	660	761	52	0	1 472
Accumulated depreciation at 30 september 2020	**(142 934)**	**(205 985)**	**(31 891)**	**(765)**	**(381 575)**
Net carrying amount at 30 september 2020	**157 703**	**19 210**	**3 842**	**3 273**	**184 028**

The reclassifications IFRS 5 are related to French sites classified as held for sale (note 3.9.11).

	Land & Buildings	Machinery & Equipment	Other property, plant and equipment	Property, plant and equipment in progress	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Gross carying amount at 30 september 2018	**310 773**	**339 395**	**75 089**	**6 215**	**731 471**
Acquisitions	2 747	16 146	8 045	8 246	35 184
Disposals	(7 477)	(9 465)	(6 513)	(169)	(23 625)
Reclassifications IFRS 5	4 566	(229)	(258)	0	4 080
Reclassifications right of use tangible assets	(965)	(102 853)	(38 453)	0	(142 271)
Other Reclassifications	1 396	4 520	(1 195)	(9 156)	(4 434)
Translation adjustment and others	(536)	(354)	33	(3)	(860)
Gross carying amount at 30 september 2019	**310 506**	**247 160**	**36 748**	**5 133**	**599 547**
Accumulated depreciation at 30 september 2018	**(139 426)**	**(300 979)**	**(63 734)**	**(987)**	**(505 126)**
Depreciation charge of the year	(12 504)	(21 891)	(3 604)	0	(37 999)
Reversal of the year	1 087	0	0	0	1 087
Disposals during the year	4 972	8 614	6 526	0	20 112
Reclassifications IFRS 5	(3 177)	260	239	0	(2 677)
Reclassifications right of use tangible assets	683	83 410	26 563	0	110 656
Other Reclassifications	2 343	1 360	558	0	4 261
Translation adjustment	268	344	(36)	0	576
Accumulated depreciation at 30 september 2019	**(145 754)**	**(228 881)**	**(33 487)**	**(987)**	**(409 110)**
Net carrying amount at 30 september 2019	**164 752**	**18 279**	**3 261**	**4 145**	**190 437**

3.9.3.2 Right of use on tangible assets (application of IFRS 16 – note 3.4.2.3)

	Land & Buildings	Machinery & Equipment	Other property, plant and equipment	Total
				K-EUR
Gross carying amount at 30 september 2019	**965**	**102 853**	**38 453**	**142 271**
Restructuring transaction	0	271	120	391
Acquisitions	2 164	6 217	2 777	11 157
Disposals	0	(3 143)	(1 113)	(4 256)
New application IFRS 16	49 525	6 818	3 210	59 553
Other Reclassifications	0	(369)	0	(369)
Termination of IFRS 16 contract	(239)	(1 227)	(671)	(2 137)
Translation adjustment and others	0	(13)	(8)	(21)
Gross carying amount at 30 september 2020	**52 414**	**111 407**	**42 768**	**206 589**
Accumulated depreciation at 30 september 2019	**(683)**	**(83 410)**	**(26 563)**	**(110 656)**
Restructuring transaction	0	(148)	(33)	(181)
Depreciation charge of the year	(3 505)	(7 408)	(4 034)	(14 948)
Reversal of the year	0	0	0	0
Disposals during the year	0	3 123	1 113	4 236
New application IFRS 16	(19 030)	(3 261)	(1 576)	(23 867)
Other Reclassifications	0	448	0	448
Termination of IFRS 16 contract	239	1 226	666	2 131
Translation adjustment	0	0	(2)	(2)
Accumulated depreciation at 30 september 2020	**(22 979)**	**(89 431)**	**(30 430)**	**(142 839)**
Net carrying amount at 30 september 2020	**29 435**	**21 976**	**12 338**	**63 750**

3.9.4 Shares in associates and joint-ventures

The main contributions are as follows:

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Associates	**1 833**	**1 967**
Cernay	1 366	1 321
Erco	0	253
Other	467	392
Joint-ventures	**280**	**280**
Net assets at closing	**2 113**	**2 247**

The Group has got interest in several associates, which are involved in the recycling and treatment of ferrous and non-ferrous scrap in Europe. The Group's interest in associates is accounted for using the equity method in the consolidated financial statements. The entity ERCO has been liquidated during financial year 2019/20.

The other associates are private companies and there is no quoted market price available for their shares.

The Group has a 50% interest in Alsafer, a jointly controlled entity involved in the recycling and treatment of ferrous and non-ferrous scrap in France. The Group's interest in Alsafer is accounted for using the equity method in the consolidated financial statements.

Alsafer is a private company and there is no quoted market price available for its shares.

Summarized financial information of the associates and the joint venture, based on their IFRS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	Cernay Env.SA	ERCO	Other associates	Joint-ventures	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Net assets at 30 september 2019	**3 947**	**507**	**929**	**498**	**5 881**
Dividends	0	(481)	0	(120)	(601)
Net assets at 30 september 2019 (after distribution)	**3 947**	**26**	**929**	**378**	**5 280**
Restructuring transaction					0
Profit/Loss for the period	129	0	163	120	412
Change scope of consolidation		(26)			(26)
Other comprehensive income					0
Foreign exchange gain/loss					0
Net assets at 30 september 2020	**4 076**	**0**	**1 092**	**498**	**5 666**
IFRS adjustments	(57)	0	30	(28)	(55)
Net assets at 30 september 2020	**4 019**	**0**	**1 122**	**470**	**5 611**
Closing parent integration rate	33,95%	0,00%	41,70%	49,99%	
Interests in associates	1 365	0	468	235	2 067
Investments in associates				45	45
Net assets at 30 september 2020	**1 365**	**0**	**468**	**280**	**2 113**

Summarized balance sheet:

			30 september 2020		
	Cernay Env.SA	ERCO	Other associates	Joint-ventures	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Cash & cash equivalent	296	0	124	376	796
Current assets (excluding cash)	4 747	0	1 833	347	6 927
Total current assets	**5 042**	**0**	**1 958**	**723**	**7 723**
Financial liab. excluding trades	0	0	0	0	0
Others current liabilities	1 530	0	1 005	230	2 766
Total current liabilities	**1 530**	**0**	**1 005**	**230**	**2 766**
Total non-current assets	**3 602**	**0**	**188**	**22**	**3 812**
Total non-current liabilities	**3 095**	**0**	**19**	**45**	**3 158**
Net assets	**4 019**	**0**	**1 122**	**470**	**5 611**

Summarized statement of income:

			30 september 2020 12 months		
	Cernay Env.SA	ERCO	Other associates	Joint-ventures	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Revenue	8 819	0	4 834	120	13 773
Other operational expenses	(8 294)	0	(4 593)	0	(12 887)
Depreciation	(397)	0	(79)	0	(476)
Profit (Loss) before tax from continuing operations	**128**	**0**	**162**	**120**	**411**
Income tax expenses	1	0	0	0	1
Post tax profit from continuing operations	**129**	**0**	**163**	**120**	**412**
Result classified as held for sale	0	0	0	0	0
Other comprehensive income	0	0	0	0	0
Total comprehensive income	**129**	**0**	**163**	**120**	**412**
Dividends received from equity method	0	(240)	0	(60)	(299)

3.9.5 Deferred tax assets and liabilities

Deferred tax assets and liabilities result from the following temporary valuation and accounting differences between the carrying amounts of the financial statements prepared according to IFRS and their respective tax bases:

	30 september 2020 12 Months K-EUR	30 september 2019 12 Months K-EUR
Deferred tax related to the following		
Tax loss carry forward	32 789	19 958
Temporary differences	803	560
Leasing	815	592
Internal profits on inventories	535	221
Pension liabilities	1 307	1 238
Financial instruments	34	86
Provisions on securities	(3)	(563)
Harmonisation of the depreciation period	(1 083)	(390)
IFRS16	1 039	0
Other	(83)	(108)
Net deferred taxes	**36 152**	**21 594**
Deferred tax assets	38 382	24 327
Deferred tax liabilities	(2 229)	(2 732)
Net deferred taxes	**36 152**	**21 594**

Total unrecognized deferred income tax assets amount to Euro 32.8 million. The group has concluded that the deferred assets related to losses carry-forward will be recoverable using the estimated future taxable income based on the approved business plans and budgets of each subsidiary.

Changes in net deferred tax assets over the fiscal year can be analysed as follows:

	30 september 2020 12 Months K-EUR	30 september 2019 12 Months K-EUR
Deferred tax related to the following		
Opening balance	**21 594**	**35 931**
Restructuring transaction		
Tax income (/expense) during the period	13 614	(14 421)
Changes in fair value in other comprehensive income	34	99
Reclassification IFRS 5		
IFRS16	915	
Translation adjustments	(5)	(14)
Closing balance	**36 152**	**21 594**

3.9.6 Other non-current financial assets

	Shares	Other financial assets	**Total**
	K-EUR	K-EUR	**K-EUR**
Gross carrying amount at 30 september 2019	**14 235**	**14 353**	**28 588**
Restructuring transaction		1	1
Increase	0	414	414
Decrease / disposals during the year		(317)	(317)
Reclassifications		(50)	(50)
Translation adjustment and others	(0)	(0)	(0)
Gross carrying amount at 30 september 2020	**14 235**	**14 401**	**28 636**
Accumulated write down at 30 september 2019	**(13 948)**		**(13 948)**
Restructuring transaction			
Increase			
Decrease			
Reclassifications			
Translation adjustment and others			
Accumulated write down at 30 september 2020	**(13 948)**		**(13 948)**
Net carrying amount at 30 september 2020	**287**	**14 401**	**14 688**

	Shares	Other financial assets	**Total**
	K-EUR	K-EUR	**K-EUR**
Gross carrying amount at 30 september 2018	**14 748**	**15 172**	**29 920**
Restructuring transaction			
Increase		21	21
Decrease / disposals during the year	(0)	(258)	(258)
Reclassifications	(513)	(582)	(1 095)
Translation adjustment and others	0	0	0
Gross carrying amount at 30 september 2019	**14 235**	**14 353**	**28 588**
Accumulated write down at 30 september 2018	**(14 461)**	**(537)**	**(14 997)**
Restructuring transaction			
Increase			
Decrease		446	446
Reclassifications	513	91	604
Translation adjustment and others		(0)	(0)
Accumulated write down at 30 september 2019	**(13 948)**		**(13 948)**
Net carrying amount at 30 september 2019	**287**	**14 353**	**14 640**

3.9.7 Inventories

	30 september 2020	**30 september 2019**
	K-EUR	K-EUR
Equipment spare parts	*8 471*	*8 748*
Impairment spare parts	*(1 219)*	*(1 192)*
Net Equipment spare parts	**7 252**	**7 556**
Inventory	*50 267*	*50 274*
Impairment inventory	*(2 657)*	*(4 925)*
Net Inventory	**47 610**	**45 350**
Total inventories	**54 862**	**52 905**

Impairment of inventories is included in “cost of raw material” in the consolidated statement of profit or loss.

3.9.8 Accounts receivable

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Trade receivables	41 377	40 940
including trade receivables from related parties	0	0
Impairment on trade receivables	(586)	(1 000)
Trade receivables net	**40 791**	**39 939**
Advances	693	786
Tax and social security receivables	8 392	9 389
Total accounts receivable	**49 877**	**50 114**
Income tax receivables	2 738	4 780
Total accounts receivable including income tax receivables	**52 614**	**54 894**

3.9.9 Other current assets

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Prepaid expenses	1 913	3 576
Loans and deposits	2 084	2 116
Other receivables	2 611	3 852
Total other current assets	**6 608**	**9 543**

3.9.10 Cash and cash equivalents

Cash and cash equivalents include investment securities, short-term deposits current account balances due by banks and cash.

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Securities	0	0
Cash at bank and in hand	126 049	57 699
Cash and cash equivalents	**126 049**	**57 699**

3.9.10.1 Net cash

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Cash and cash equivalents	126 049	57 699
Bank overdrafts	(2 386)	(1 688)
Net cash	**123 663**	**56 011**

3.9.11 Assets and liabilities classified as held for sale

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Guy Dauphin Environnement	*841*	*872*
SCI Entrepôt du Plessis	*0*	*0*
Iron Horse France	*0*	*0*
Train à fil Herserange SCI	*0*	*0*
French assets	841	872
Total Assets held for sale	**841**	**872**
French liabilities	0	0
Total Liabilities associated with assetes classified as held for sale	**0**	**0**

3.9.12 Shareholder equity

3.9.12.1 Share capital

As of September 30, 2020, the company's share capital consisted of 41 977 349 shares with a par value of Euro 0,01 each, corresponding to a total value of Euro 419.773,49.

The share capital can be detailed as follows:

	Ordinary Shares	Preference Shares	Total
Number of shares issued as at 30 September 2020 - Fully paid	40 881 375	1 095 974	41 977 349

- Ordinary shares

They are classified as equity instruments.

Holders of these shares are entitled to one vote per share at general meetings of the Company and are entitled to dividends following distribution policy.

- Preferred shares

They are classified as equity instruments.

Holders of those shares are entitled to an annual dividend which amount is indexed on the high yield bond rate (note 3.9.14.2). No payment will be made annually with regards to those shares. The payment will be due only after the repayment of the bond.

As at September 30, 2020 the mandatory dividends are recognised in liabilities at fair value which corresponds to the present value of the discounted estimated future dividends.

3.9.12.2 Additional paid-in capital

Additional paid-in capital represents the net amount received by the Company, in cash, in excess of the par value on issuance of GEH shares.

3.9.12.3 Other reserves

The retained earnings consist of the Group's consolidated profit for the year and of the accumulated profits from previous periods.

The retained earnings also include:

- Legal reserve;
- revaluation of net debt defined benefit obligations;
- Currency translation adjustment of foreign subsidiaries;
- Revaluation of derivatives qualifying for cash flow hedge

3.9.12.4 Non-controlling interests

Non-controlling interests consist of the interests in equity of consolidated subsidiaries held by other shareholders.

3.9.13 Provisions

	Provision for termination benefits	Long service awards	Environnemental provisions	Provision for sorting center	Other	**Total**
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	**K-EUR**
Provisions at 30 september 2019	**4 952**	**263**	**4 755**	**5 595**	**959**	**16 524**
Additions	139	8	919	0	248	1 314
Reversals	(1)	(3)	(23)	(5 595)	(443)	(6 064)
Reclassifications	0	0	72	0	(72)	0
Translation adjustment	0	0	(138)	0	(6)	(145)
Discounting	137	0	0	0	0	137
Provisions at 30 september 2020	**5 227**	**269**	**5 585**	**0**	**686**	**11 767**
Current	0	0	3 973	0	248	4 221
Non-current	5 227	269	1 612	0	438	7 546
Provisions at 30 september 2020	**5 227**	**269**	**5 585**	**0**	**686**	**11 767**

	Provision for termination benefits	Long service awards	Environnemental provisions	Provision for sorting center	Liabilities on GDE shares	Other	**Total**
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	**K-EUR**
Provisions at 30 september 2018	**4 495**	**257**	**5 336**	**0**	**1 182**	**2 550**	**13 821**
Additions	109	6	330	5 595	0	126	6 166
Reversals	(46)	0	(774)	0	0	(1 793)	(2 613)
Reclassifications	0	0	(81)	0	(1 182)	81	(1 182)
Translation adjustment	0	0	(56)	0	0	(4)	(61)
Discounting	394	0	0	0	0	0	394
Provisions at 30 september 2019	**4 952**	**263**	**4 755**	**5 595**	**0**	**959**	**16 524**
Current	0	0	1 707	4 017	0	248	5 972
Non-current	4 952	263	3 048	1 578	0	711	10 552
Provisions at 30 september 2019	**4 952**	**263**	**4 755**	**5 595**	**0**	**959**	**16 524**

Provision for termination benefits

Benefits offered to Group employees consist of post-employment benefits (Cf. note 3.12 – Employee benefits).

Provision for sorting center

It has been fully reversed as at September 2020 following the termination of related pluriannual contracts.

Environmental provisions

This provision encompasses the legal and contractual obligations of the Group in the completion of operating activities, which exist at certain sites and are related to closure and post-closure costs at waste disposal facilities. Any provision related to environmental risks would also be recorded in this caption.

Other

This item covers the future outflows that are considered probable and that relate to litigation (employee, Jubilee or other) or commitment arising in the normal course of GEH group's business operations. It mainly consists in employment-related legal disputes and other litigations.

3.9.14 Long-term debt – long and short portion

3.9.14.1 Split by natures

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Non-current portion		
Bank loan-Long term	20 016	0
Financial debt related to GDE shares repurchased	711	679
Bonds	246 103	243 877
Deposits and guaranties received	30	70
Lease liabilities - long-term portion	61 619	25 470
Total long term debt - long term portion	**328 479**	**270 096**
Current portion		
Bank loan - short term	40 018	0
Lease liabilities - short-term portion	14 667	8 419
Total current portion of long-term debt	**54 685**	**8 419**
Total long-term debt	**383 163**	**278 515**

3.9.14.2 Split by maturity and country

The carrying amounts of the Group's financial liabilities in 2020 were as follows:

	Amounts falling due within one year	Amounts falling due between 1 and 5 years	Amounts falling due after 5 years	Total due 30 September 2020
	K-EUR	K-EUR	K-EUR	K-EUR
Bank loans	40 018	20 016	0	60 034
Financial debt related to GDE shares repurchased	0	711	0	711
Bonds	0	246 103	0	246 103
Deposits and guaranties received	0	3	27	30
Lease liabilites	14 667	36 688	24 931	76 286
Total due	**54 685**	**303 521**	**24 958**	**383 163**

Finance lease commitments are mainly entered into for machinery and equipment with lease terms ranging from 5 years to 7 years.

The characteristics of the main credit lines of the Group are as follows:

30 September 2020 Credit lines					
Denomination	Current value	Rate	Margin	Maturity	Start
High Yield Bond	255 000	Euribor 3M	6,25%	2023-11-15	2018-11-19
Total	255 000				

3.9.15 Other long-term liabilities

As at September 30, 2020 other long-term liabilities mainly included prepaid income.

3.9.16 Accounts payable

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Trade payables	68 832	75 588
Advances	2 488	2 400
Accrued expenses	74 611	77 915
Staff and social payables	20 172	12 190
Other taxes payable	5 739	4 611
Total accounts payable	**171 842**	**172 704**
Income tax payable	2 309	1 806
Total accounts payable including income tax payables	**174 151**	**174 510**

All accounts payable are current.

3.9.17 Other current liabilities

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Financial instruments trading/heding	123	315
Other current liabilities	2 018	2 071
Prepaid income	120	282
Total current liabilities	**2 262**	**2 668**

3.9.18 Short-term debt

	30 september 2020	30 september 2019
	K-EUR	K-EUR
Short-term bank borrowings	1	43
Bank overdrafts	2 384	1 686
Total short-term debt	**2 386**	**1 729**

3.10 Contingencies and commitments

3.10.1 Contingent liabilities

In the normal course of business the Group has received legal claims in respect of business contracts. Management believes that no significant liability exists in respect of these claims, except for those contracts where specific provisions have been made.

3.10.2 Commitments

3.10.2.1 Commitments received

The Group has received the following commitments:

	30 September 2020	30 September 2019
	K-EUR	K-EUR
Shareholder line of credit	-	-
Confirmed credit lines not used (1)	22 995	68 789
Total commitments received	22 995	68 789

(1) Confirmed line of credit not used mainly relates to the non-recourse Factoring (refer to note 3.5.1.1 – Liquidity risk Short-term debt).

3.10.2.2 Commitments given

In respect of the senior secured floating rate notes due 2023 issued on November 19, 2018 and the super senior revolving credit facility agreement signed on November 19, 2018, the company granted to the lenders a pledge of Ecore BV's shares.

Apart from the guarantee requirements for the senior secured notes and the revolving credit facility, the Group has given the following other commitments:

	30 September 2020	30 September 2019
	K-EUR	K-EUR
Other commitments given	20 811	18 717
Total commitments given	20 811	18 717

Other commitments include letters of credit and guarantees delivered by financial institutions to Group creditors and suppliers guaranteeing operating activities.

3.11 Significant litigation

The most significant litigations involving the Group are described hereinafter.

3.11.1 Litigation related to weighings

In February 2014, GDE (the French subsidiary of GEH) and its former CEO and Director have been indicted for an alleged fraud related to weighings performed on some of its French sites. In September 2017, a French Criminal Court convicted the subsidiary and its former CEO and Director to fines amounted to € 2.4 million. However GDE vigorously challenged the judgement and has appealed against the decision. Potential losses have been however fully recognized in 2017, and are fully paid.

3.11.2 Landfill site of Nonant-le-Pin

On October 24, 2013 the newly opened landfill site of Nonant-le-Pin in France was blocked by environmentalist opponents who started a series of actions to prevent the subsidiary from operating the site. Despite a number of legal actions to defend its rights to do so, the cancellation of the legal authorisations to operate the site has been confirmed by the Supreme administrative court level ("Conseil d'Etat") on December 9, 2016. The company has afterwards appealed to the European Court of Human Rights with the aim to receive compensatory indemnities from the French government. In July 2020, the European court of human rights declared admissible the appeal.

Please note that during financial year 2019/2020, the Group has sold all its assets related to this landfill center which were fully depreciated .

3.12 Employee benefits

In France, the employees of the Group benefit from state retirement plans and from an end-of-career compensation paid by the employer in accordance with the collective trade agreements.

In other countries, the plans depend on local legislation, the type of business and the past practices of the subsidiary concerned. The projected costs and obligations recognized in the consolidated financial statements have been determined based on the following actuarial assumptions:

	Actuarial assumptions 30 September 2020	Actuarial assumptions 30 September 2019
Discount rate	0,60%	0,60%
Long-term forecast salary growth rate	2,00%	2,00%
Expected return on assets		
Mortality	INSEE tables M/W 2011-2013	INSEE tables M/W 2011-2013
Withdrawal rate	Turnover table with decreasing rates according to the ages and remains null after age 55, with an average rate of 2,87% for 2021	Turnover table with decreasing rates according to the ages and remains null after age 55, with an average rate of 3% for 2020
Retirement age - Executive	65	65
Retirement age - Non executive	63	63

	30 September 2020	30 September 2019
	K-EUR	K-EUR
Actuarial value of commitments at opening	4 952	4 495
Restructuring transaction	-	-
Current service cost	380	366
Interest expense	28	68
Actuarial losses (gains) arising from changes in demographic assumptions	-	-
Actuarial losses (gains) arising from changes in financial assumptions	137	394
Employee contributions	-	-
Effect of settlement on the obligation	(157)	(206)
Benefits paid	(112)	(166)
Acquisitions, disposals, liquidations and reclassification	-	-
Changes in scope	-	-
Changes in exchange rates	-	-
Actuarial value of commitments at closing	5 227	4 952
Fair value of plan assets at opening	0	0
Plan assets	-	-
Implicit return on plan assets	-	-
Actuarial gains and (losses) generated during the period on plan assets	-	-
Employer contributions to the fund	-	-
Benefit paid by the fund	-	-
Fair value of plan assets at closing	0	0
Net value of commitments at closing	5 227	4 952
Amounts recognized in profit & loss		
Current service cost	380	366
Financial cost	28	68
Total	408	434

	30 September 2020	30 September 2018
	K-EUR	K-EUR
Analysis of amount recognized in other comprehensive income		
Expected return on assets other than interest	-	-
Actual losses (gains) arising from changes in financial assumptions	137	394
Total losses (gains) recognized in other comprehensive income	137	394
Provisions Opening Balance Sheet	4 952	4 495
Restructuring transaction	-	-
Net expense for the year	408	434
Impact on comprehensive income	137	394
Reclassification	-	-
Benefits paid	(269)	(372)
Provisions at closing	5 227	4 952

3.13 Related parties

The consolidated financial statements include transactions carried out in the normal course of business between the Group and its related parties. There was no significant amounts with related parties neither in 2019 nor 2020.

3.13.1 Key-management

The statutory directors as at September 30, 2020 receive the following amount of direct and indirect compensation of any kind:

	30 September 2020	30 September 2019
	K-EUR	K-EUR
Short-term employee benefits	2 289	2 259
Post-employment benefits		358
Termination benefits		-
Other benefits		-
Total key management benefits	2 289	2 616

3.14 Audit fees

The expenses for services rendered by the Group auditor are as follows:

	30 September 2020	30 September 2019
	K-EUR	K-EUR
Legal audit Fees	340	373
Other assurance fees	-	
Total audit fees	340	373

3.15 Subsequent events

No significant subsequent events.

3.16 Scope of consolidation

3.16.1 Parent company

Corporate Name	Country	30 september 2020			30 september 2019		
		Consolidation method	% voting power	% interest	Consolidation method	% voting power	% interest
Groupe Ecore Holding	**Luxembourg**	**Full**	**100,00**	**100,00**	**Full**	**100,00**	**100,00**

3.16.2 Consolidated subsidiaries

Corporate Name	Country	30 september 2020			30 september 2019		
		Consolidation	% voting power	% interest	Consolidation	% voting power	% interest
GDE Equipement CO	France	Full	100,00	99,76	Full	100,00	99,76
GDE CO 1	France	Full	100,00	99,76	Full	100,00	99,76
GDE CO 2	France	Full	100,00	99,76	Full	100,00	99,76
Iron Horse BV	Netherlands	Full	100,00	99,76	Full	100,00	99,76
Iron Horse France	France	Full	88,69	88,48	Full	88,69	88,48
Iron Horse Holding	France	Full	100,00	99,76	Full	100,00	99,76
Iron Horse Hungary	Hungary	Full	100,00	99,76	Full	100,00	99,76
Iron Horse Romania	Romania	Full	100,00	99,76	Full	100,00	99,76
La Petite Voevre Sarl	Luxembourg	Full	100,00	88,48	Full	100,00	88,48
SCI entrepôts du Plessis	France		NC		Full	100,00	88,48
La Petite Mouée SCI	France	Full	100,00	88,48	Full	100,00	88,48
Train A Fil Herserange SCI	France	Full	100,00	88,48	Full	100,00	88,48
Train A Fil Herserange SARL	Luxembourg	Full	100,00	88,48	Full	100,00	88,48
Alsadis SARL	France	Equity	35,18	54,05	Equity	35,18	54,05
Alsafer	France	Equity	49,99	49,81	Equity	49,99	49,81
Etablissements Breuil	France	Equity	49,00	48,82	Equity	49,00	48,82
Cernay Environnement SA	France	Equity	33,95	33,82	Equity	33,95	33,82
Ecore Belgium SA	Belgium	Full	100,00	100,00	Full	100,00	100,00
ECORE BV	Netherlands	Full	100,00	100,00	Full	100,00	100,00
ECORE SERVICES	France	Full	100,00	100,00	Full	100,00	100,00
Ecore Luxembourg SA	Luxembourg	Full	100,00	100,00	Full	100,00	100,00
Enningdal BV	Netherlands	Full	100,00	100,00	Full	100,00	100,00
ERCO	Germany		NC		Equity	50,00	49,82
Ereco Zrt	Hungary	Full	100,00	100,00	Full	100,00	100,00
Ecore Transport Luxembourg Sarl	Luxembourg	Full	100,00	100,00	Full	100,00	100,00
Guy Dauphin Environnement	France	Full	99,63	99,63	Full	99,63	99,63
Transenvironnement	France	Full	100,00	99,63	Full	100,00	99,63
Ker-Hu Kft	Hungary	Full	100,00	100,00	Full	100,00	100,00
LOCA	Switzerland	Full	100,00	100,00	Full	100,00	100,00
MBF Envt	France		NC		Full	100,00	99,63
Recylux SA (Luxembourg)	Luxembourg		NC		Full	100,00	100,00
Rohr Environnement	France	Full	50,36	50,17	Full	50,36	50,17
Romrecycling	Romania	Full	100,00	100,00	Full	100,00	100,00
SCI Les Fiefs	France	Full	100,00	99,63	Full	100,00	99,63
SCI Des Grenadiers	France	Full	100,00	99,63	Full	100,00	99,63
SCI le Chamois	France	Full	100,00	99,52	Full	100,00	99,52
SCI Magnolia	France	Equity	50,00	49,82	Equity	50,00	49,82
SCI Merisiers	France	Full	100,00	99,63	Full	100,00	99,63
SCI Pommiers	France	Full	100,00	99,63	Full	100,00	99,63

INDEPENDENT AUDITOR'S REPORT

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ* ON THE FINANCIAL INFORMATION OF GROUPE ECORE HOLDING S.A.S. FOR THE PERIOD FROM OCTOBER 1ST, 2018 TO SEPTEMBER 30, 2019

To the Shareholders of Groupe
Ecore Holding S.A.S. 21, rue du
Puits Romain

L-8070 Bertrange

Report on the audit of the consolidated financial statements Opinion

We have audited the consolidated financial statements of Groupe Ecore Holding S.A.S. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 30 September 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

ln our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *"Commission de Surveillance du Secteur Financier"* (CSSF). Our responsibilities under those Law and standards are further described in the « Responsibilities of the *"Réviseur d'Entreprises Agréé"* for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The President is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the *"Réviseur d'Entreprises Agréé"* thereon.

Our opinion on the consolidated financial statements does not caver the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is· to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the President and Those Charged with Governance for the consolidated financial statements

The President is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the President determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

ln preparing the consolidated financial statements, the President is responsible for assessing the Group'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 the President either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *"Réviseur d'Entreprises Agréé"* for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"Réviseur d'Entreprises Agréé"* that includes our opinion. Reasonable assurance is a high Level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.

- Obtain 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President.

- Conclude on the appropriateness of President'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 Group's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our report of the *"Réviseur d'Entreprises Agréé"* to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"Réviseur d'Entreprises Agréé"*. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 14 January 2020

BDO Audit
Cabinet de revision agréé
Represented by

Jean-Philippe Barret

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF GROUPE ECORE HOLDING S.A.S.
FOR THE PERIOD FROM OCTOBER 1ST, 2018 TO SEPTEMBER 30, 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF GROUPE ECORE HOLDING S.A.S.
AT SEPTEMBER 30, 2019

K-EUR	Note	30 September 2019	30 September 2018
Revenue	3.7.1	**1.159.657**	**1.343.468**
Cost of raw material	*3.7.2*	***(825.460)***	***(997.201)***
Freight expenses		***(118.067)***	***(114.173)***
Cost of sales		**(943.527)**	**(1.111.374)**
GROSS PROFIT		**216.130**	**232.095**
External charges	3.8.3	**(78.072)**	**(82.537)**
Employee benefits expenses	3.8.4	**(72.812)**	**(71.248)**
Other operating income & expenses		**(2.270)**	**(3.374)**
EBITDA*		**62.976**	**74.935**
Depreciation		**(42.996)**	**(37.761)**
CURRENT OPERATING INCOME (LOSS)		**19.980**	**37.175**
Impairment of goodwill		**0**	**(30)**
Other non-recurring incomes and expenses	3.9.13	**(8.205)**	**(0)**
OPERATING INCOME (LOSS)		**11.775**	**37.145**
Cost of net debt	3.8.5	**(18.871)**	**(3.242)**
Other financial income and expenses	3.8.6	**(2.414)**	**(1.510)**
PROFIT (LOSS) BEFORE TAX		**(9.510)**	**32.393**
Income tax	3.8.7	**(16.824)**	**175**
PROFIT (LOSS) AFTER TAX		**(26.334)**	**32.568**
Portion of the income of the equity affiliates		**172**	**148**
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**(26.162)**	**32.717**
Result classified as held for sale		**0**	**0**
PROFIT (LOSS) FOR THE YEAR		**(26.162)**	**32.717**
Shareholders		**(26.324)**	**32.029**
Non-controlling interests		**163**	**688**

The notes are an integral part of the consolidated financial statements.
*EBITDA represents operating income before depreciation, amortization and impairment of property, plant and equipment, intangible assets and goodwill.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME OF GROUPE ECORE HOLDING S.A.S. AT SEPTEMBER 30, 2019

K-EUR	Note	30 September 2019	30 September 2018
Profit / (Loss) for the year		**(26.162)**	**32.717**
Foreign exchange translation differences		**56**	**(97)**
Cash flow hedges		0	156
Deferred tax on cash flow hedges		0	(44)
Cash flow hedges, net of tax		0	**112**
Profit / (Loss) recorded in equity and transferable through profit or loss		**56**	**15**
Actuarial gains(losses) on defined benefit plans		(394)	(213)
Deferred tax on actuarial gains and losses on defined benefit plans		99	73
Actuarial gains (losses) on defined benefit plans, net of tax		**(295)**	**(140)**
Profit / (Loss) recorded in equity and not transferable through profit or loss		**(295)**	**(140)**
Total other comprehensive Income / (Loss)		**(240)**	**(125)**
Total comprehensive Income / Lloss)		**(26.401)**	**32.592**
Total comprehensive income (loss) attributable to			
Shareholders		(26.563)	31.901
Non-controlling interests		161	691

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF GROUPE ECORE HOLDING S.A.S.
AT SEPTEMBER 30, 2019

K-EUR	Note	30 September 2019	30 September 2018
Assets			
Goodwill	3.9.1	109.052	108.907
Other intangible assets	3.9.2	4.610	8.766
Property, plant and equipment	3.9.3	222.052	226.346
Investment in associates and joint ventures	3.9.4	2.247	2.232
Deferred tax assets	3.9.5	24.327	37.324
Other non current financial assets	3.9.6	14.640	14.922
Total non current assets		**376.927**	**398.497**
Inventories	3.9.7	52.905	64.583
Accounts receivables	3.9.8	50.114	137.390
Income tax receivables	3.9.8	4.780	5.235
Other current assets	3.9.9	9.543	7.088
Cash & cash equivalents	3.9.10	57.699	75.788
Assets held for sale	3.9.11	872	2.238
Total current assets		**175.913**	**292.323**
TOTAL ASSETS		**552.840**	**690.820**
Equity			
Share capital	3.9.12.1	420	917
Addtional paid-in capital	3.9.12.2	257.360	92.146
Consolidated reserves - Group	3.9.12.3	(162.890)	269.678
Consolidated profit / (loss) for the year - Group		(26.324)	32.029
Shareholders equity		**68.565**	**394.771**
Non-controlling interests	3.9.12.4	5.099	4.466
Total group equity		**73.664**	**399.238**
Liabilities			
	3.4.19	1.950	23.006
Provisions - long-term portion	3.9.13	10.552	9.706
Long-term debt LT portion	3.9.14	270.096	17.951
Deferred tax liabilities	3.9.5	2.732	1.394
Other long-term liabilities	3.9.15	548	715
Total non-current liabilities		**285.878**	**52.772**
Preference shares - short-term portion	3.4.19	0	5.416
Provisions - short-term portion	3.9.13	5.972	4.115
Current portion of long-term debt	3.9.14	8.419	16.147
Accounts payable	3.9.16	172.704	204.044
Income tax payable	3.9.16	1.806	5.776
Other current liabilities	3.9.17	2.668	520
Short-term debt	3.9.18	1.729	2.792
Liabilities held for sale	3.9.11	0	0
Total current liabilities		**193.298**	**238.810**
TOTAL LIABILITIES AND EQUITY		**552.840**	**690.820**

The notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF GROUPE ECORE HOLDING S.A.S. AT SEPTE

K-EUR	Share capital	Additional paid-in capital	Conversion reserves	Actuarial reserves	Retained earnings	Profit (loss) for the year	Sh
30 september 2018	**917**	**92.146**	**(1.384)**	**693**	**270.368**	**32.029**	
Appropriation of prior year profit (loss)	-	-	-	-	32.029	(32.029)	
Profit (loss) for the year	-	-	-	-	-	(26.324)	
Conversion reserves	(0)	-	56	[2]	0	0	
Other comprehensive income	-	-	-	(295)	-	-	
Comprehensive income for the year	**(0)**	**-**	**56**	**(295)**	**0**	**(26.324)**	
Group restructuring (note 3.1)	(497)	165.213	-	-	(461.269)	-	
Conversion adjustments - ECOI	-	-	153	-	(153)	0	
Dividends paid	-	-	-	-	0	-	
Put non-controlling interests GDE	-	-	-	-	504	-	
Interests on GEH prefered shares	-	-	-	-	(1.950)	-	
Transactions with minority shareholders	-	-	-	6	(533)	-	
Reclassification non-controlling interests ECORE BV	-	-	-	-	(1.115)	-	
30 september 2019	**420**	**257.360**	**(1.176)**	**405**	**(162.120)**	**(26.324)**	

K-EUR	Share capital	Additional paid-in capital	Conversion reserves	Actuarial reserves	Retained earnings	Profit (loss) for the year	Sh
30 september 2017	**917**	**94 281**	**(1 287)**	**833**	**279 026**	**(6 617)**	
Appropriation of prior year profit (loss)					(6 617)	6 617	
Profit (loss) for the year						32 029	
Conversion reserves			(97)				
Other comprehensive income				(140)	109		
Comprehensive income for the year	**-**	**-**	**(97)**	**(140)**	**109**	**32 029**	
Share in capital increase							
Dividends paid		(2 134)					
Transactions with minority shareholders					192		
Other changes					(2 342)		
30 september 2018	**917**	**92 146**	**(1 384)**	**693**	**270 368**	**32 029**	

The notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS OF GROUPE ECORE HOLDING S.A.S. AT SEPTEMBER 30, 2019

K-EUR	Note	30 September 2019 12 Months	30 September 2018 12 Months
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) after tax		**(26.162)**	**32.717**
Depreciation/amortisation	3.8.2, 3.8.3	42.635	37.790
Increase (Decrease) in provisions	3.8.13	3.552	(2.520)
Elimination of gains (loss) on asset disposals		101	(1.814)
Share in net earnings (losses) of associates		(172)	(148)
Other non-cash (income) expenses		753	1.171
Income tax (current and deferred)	3.7.7	16.824	(176)
Net dividends received from associates		(4)	447
Cost of net debt	3.7.5	18.871	3.242
Income tax (paid) received		(4.988)	(271)
Net change in working capital		62.831	45.478
Net cash from operating activities		**114.242**	**115.916**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible assets		(18.704)	(17.943)
Disposals of property, plant and equipment and intangible assets		2.327	10.018
Acquisition of assets net of cash acquired		0	0
Acquisition of consolidated subsidiaries, net of cash acquired		0	0
Dividends received		174	0
Increase in financial assets		(16)	(389)
Decrease in financial assets		1.167	2.986
Net cash used in investing activities		**(15.051)**	**(5.328)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of share capital		0	0
Bonds		255.000	0
Other		(54)	0
Transaction costs of debenture loans		(7.938)	0
Effective Interest Rate (non cash financial charges)		(5.100)	0
Repayments of long-term debt	3.8.14	(17.966)	(17.588)
Acquisition of non-controlling interests		(239.754)	(875)
Increase (Decrease) in short-term debt		(128)	(64.335)
Interest paid		(13.923)	(3.431)
Payments to shareholders		(86.390)	(2.316)
Investment subsidy received		0	0
Net cash received from (used in) financing activities		**(116.253)**	**(88.545)**
Effect of exchange rate changes		(94)	(75)
Cash and cash equivalents at beginning of period	3.810.1	73.169	51.201
Cash and cash equivalents at end of period	3.8.10.1	56.011	73.169
Net change in cash and cash equivalents		**(17.157)**	**21.968**

The notes are an integral part of the consolidated financial statements.

3.1 Corporate information

In the frame of an internal reorganization, shareholders of the Group created in Luxembourg as at 16 October 2018 a new entity named GROUPE ECORE HOLDING S.A.S. (GEH or "the Company" or respectively "the Group"). The Company is registered in the RCS Luxembourg under number B228344 and has been incorporated for an indefinite period of life.

In November 2018, Ecore's current shareholders contributed to GEH part of their shares held in Groupe Ecore (Luxembourg) S.A.S. (GEL). The rest of GEL's shares were then purchased by GEH. GEH became new parent company of the Group and no change in shareholding of the Group has occurred.

To finance this acquisition, GEH issued, on 19 November 2018, €255 million in aggregate principal amount of senior secured floating rate notes due 2023. Interest are paid quarterly based on three-month EURIBOR + 6.25% (with 0% floor). The Notes is senior obligations of the Issuer and is guaranteed on a senior basis by Ecore B.V.

As part of the group restructuring, GEL made a payment to its shareholders of €86 million and was put into voluntary liquidation on 19 November 2018 and was liquidated on 8 January 2019. In the process of liquidation of GEL all its assets and liabilities have been transferred to GEH, which consequently directly holds the shares of the main holding subsidiary of the Group.

The principal business activities of Groupe Ecore Holding S.A.S. (the "Company") are the acquisition of participations in any company and the management of those participations. The principal business activity of its subsidiaries (the "Group" or "GEH Group") is the recycling of scrap metal, paper and plastic. The Group operates in France, Belgium, Luxembourg, Hungary, Romania and Switzerland. The principal office of the Company is at 21, rue du Puits Romain L-8070 Bertrange, Grand-Duché de Luxembourg.

These consolidated financial statements as at 30 September 2019 were approved by the President of GROUPE ECORE HOLDING S.A.S. as at 14 January 2020. Those consolidated financial statements of GEH include comparative figures of GEL of the twelve-month period from 1 October 2017 to 30 September 2018 and are prepared from 1 October 2018 even though the Company was created on 16 October 2018 based on the continuity of GEL's governance.

3.2 Main events of the period

3.2.1 Changes in the scope of consolidation

The consolidated financial statements include the impacts of the following events and transactions:

- Liquidation or merger of some subsidiaries, in the process of simplification of the organigram (note 3.15.2) without significant impact on the consolidated financial statements;
- GDE acquired all of the issued shares of MBF Environnement;
- ECORE BV acquired 0.25% of the issued shares of GDE.

3.2.2 Other events

- Offering by GEH of a € 255 million in aggregate principal amount of senior secured floating rate notes due 2023. (note 3.8.14);
- Reorganization of financing facilities (note 3.5.1.1);
- Destruction of the French waste sorting center.

3.3 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) effective 30 September 2019.

3.4 Significant accounting policies

The accounting policies set out below have been applied consistently throughout the period presented in these consolidated financial statements. The accounting policies have been applied consistently by all Group entities.

3.4.1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention except for assets and liabilities held for sale, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) presented at fair value through profit or loss. The consolidated financial statements have been prepared on a going concern basis.

3.4.2 Changes in accounting policies

3.4.2.1 New and amended standards adopted by the Group

Standards and interpretations adopted by the EU with mandatory application for the Group on or after 1 October 2018:

- IFRS 15 “Revenues from contracts with customers” ;
- IFRS 9 “Financial Instruments” ;
- Amendments to IFRS 2 “Share based payment” ;
- Amendments to IAS 7 “Statement of cash flows”;
- Amendments to IFRS 15 “Clarifications to IFRS15”;
- Amendments to IAS 40 “Transfers of Investment Property”;
- Amendments to IFRS 4 “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts”;
- Improvements to IFRS 2014-2016 ;
- IFRIC 22 “Foreign currency transactions”.

The group already applied the standards IFRS 15 and IFRS 9 during the previous exercise (the impacts of the first-time application of IFRS 15 and IFRS 9 are respectively described in the consolidated financial statements and notes as at 30 September 2018).

The other standards and interpretations mandatorily applicable as of 1 July 2018 had no impact on the consolidated financial statements.

3.4.2.2 New standards and interpretations applicable after 30 September 2019

The Group has not applied any standard, interpretation or amendment in advance.

- IFRS 16 “Lease”; applicable to fiscal years beginning on or after 1 January 2019.

IFRS 16 removes the distinction between operating and finance leases, resulting in almost all leases being brought onto the balance sheet. The standard requires recognition of an asset reflecting the right to use the leased item and a liability representing the obligation to pay rentals.

The discount rate used in valuing financial debt from operating leases is forecast to be between 2.5 % and 3.5 %.

This standard will be implemented for financial year beginning 1 October 2019 and the following results are expected:

- In the balance sheet :
  - Increase between €32.3 million and €35.7 million of usage rights in Property, plant and equipment
  - Increase between €35.5 million and €39.2 million of Long term debt LT (of which non-current portion and current portion)

- In the consolidated statement of profit or loss :
    - Decrease between €5.4 million and €6 million of external charges
    - Increase between €4.9 million and €5.4 million of depreciation
    - Increase between €0.9 million and €1.1 million of cost of net debt

- Improvements to IFRS 2015-2017 ;

- IFRIC 23 "Uncertainty over income tax treatments" applicable to fiscal years beginning on or after 1 January 2019;

- IAS 19 "Employee Benefits" applicable to fiscal years beginning on or after 1 January 2019.

The amendments in Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) are: If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The possible future impacts of those new standards or amendments to standards are currently under review by management.

3.4.3 Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of all subsidiaries, which the Company either directly or indirectly controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3.4.4 Foreign currency translation

3.4.4.1 Functional and presentation currency

The Group's presentation currency is the Euro (EUR) and all values are rounded to the nearest thousand (K-EUR) except when otherwise indicated. Euro is the functional currency of the Group's principal operating subsidiaries. Most of the markets in which the Group is involved are EUR denominated.

3.4.4.2 Foreign currency transactions

Subsidiaries record transactions in the functional currency of the economic environment in which they operate. Transactions in currencies other than the functional currency of the subsidiary are recorded at the rates of exchange prevailing at the date of the transaction in the accompanying statement of income.

Monetary assets and liabilities in currencies other than the functional currency are translated at the rates of exchange prevailing at the balance sheet date and gains and losses are reported in the statement of income.

3.4.4.3 Group companies

Upon consolidation, the balance sheets of subsidiaries with functional currencies other than the EUR are translated at the rates of exchange prevailing at the end of the year. The statements of income denominated in currencies other than the Euro are translated at the average rate for the year. The resulting exchange differences are recorded in equity through other comprehensive income and are included in the statement of income upon sale or liquidation of the underlying foreign subsidiary.

3.4.5 Business combinations and goodwill

The Company accounts for its business combinations under the acquisition method of accounting at the acquisition date, which is the date on which control is transferred to the Group.

Acquisition-related costs are expensed as incurred.

When the fair value of the consideration transferred for a business combination exceeds the fair values attributable to the Group's share of the identifiable net assets, the difference is treated as goodwill.

When the excess is negative, after a reassessment of the identification of all assets acquired and liabilities assumed, any remaining gain is recognized in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates and asset lives.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, which is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3.4.6 Intangible assets other than goodwill

Intangible assets other than goodwill include licenses and are stated at cost, less accumulated amortisation and accumulated impairment losses. Licenses are amortized on a linear basis over a period, generally not exceeding 5 years.

An intangible asset acquired as part of a business combination is measured at fair value at the date of acquisition and is recognized separately from goodwill if the asset is separable or arises from contractual or other legal rights.

Gains or losses on disposal of intangible assets are recorded in the statement of income under "Other operating income and expenses".

3.4.7 Property, plant and equipment

3.4.7.1 Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

The book value of property, plant and equipment is not revalued.

Gains or losses on disposal of an item of property, plant and equipment are recorded in the statement of income under "Other operating income and expenses".

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Assets in the course of construction are capitalized as a separate component of property, plant and equipment. Upon completion, the cost of construction is transferred to the appropriate category.

Assets which are the subject of finance leases are presented on the statement of financial position, in accordance with IAS 17.

3.4.7.2 Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Assets under construction are not depreciated.

The estimated useful lives of significant items of property, plant and equipment are as follows:

- Buildings 20-33 years
- Machinery and equipment 5-20 years
- Other fixed assets 3-5 years

The depreciation of property, plant and equipment is recognized in the statement of income within "Depreciation". Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4.8 Impairment of non-financial assets

Goodwill, intangible assets and property, plant and equipment are subjected to impairment testing in certain circumstances:

- for non-current assets whose useful life is indefinite (as in the case of goodwill), impairment testing is carried out at least once per year, and any time there is an indicator of impairment;
- for other non-current assets, testing is only carried out when there is an indicator of impairment.

Assets subject to impairment tests are grouped into CGUs which are groupings of similar assets whose utilization generates identifiable cash flows. When the recoverable amount of a CGU is less than its net carrying amount, an impairment is recognized. The recoverable amount of the CGU is the higher of the fair value less the costs to sell and the value in use. Based on the Group's organisational structure, a CGU includes all yards belonging to the same country.

Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

3.4.9 Other non-current financial assets

This category includes receivables related to loans to employees, assets available for sale (including investment securities), and other long-term receivables including deposits.

3.4.10 Financial assets

3.4.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and at fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

- Financial assets at fair value through other comprehensive income

These are equity instruments not held for trading, for which the Group had irrevocably elected at initial recognition, and on a line-by-line basis, to present changes in fair value in other comprehensive income. This category mainly comprises investments in non-consolidated companies, initially recorded at cost, and subsequently measured at fair value, with no recycling of gains or losses to income statement upon disposal. Only dividends received are recorded in financial result.

- Financial assets at fair value through profit or loss comprise :
    - Financial assets held for trading (acquired principally for the purpose of selling in the short term).
    - Equity instruments, for which the Group had not, when applicable, elected the option of fair value through other comprehensive income ;
    - Derivatives are also categorized as held for trading unless they are designated as hedges.
- Financial assets at amortized cost

These are financial assets held to collect contractual cash-flows that consist solely of payments of principal and interests at specified dates. They are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method.

This category mainly includes cash, trade receivables, time deposits and loans to non-consolidated entities. They are presented within the line items "Loans and receivables".

3.4.10.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are subsequently carried at fair value except for investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. If the fair value cannot be determined on a reliable method, the shares are recognized at cost price. The Group holds financial assets at fair value through profit or loss assets which are exclusively unquoted equity instruments.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through other comprehensive income" category are presented in the income statement within "other financial income and expenses" in the period in which they arise.

3.4.11 Impairment of financial assets

3.4.11.1 Assets carried at amortized cost

Accounts receivable are initially recognized at the amount invoiced to the customer. Impairment losses on trade accounts receivable are estimated using the expected loss method, in order to take account of the risk of payment default throughout the lifetime of the receivables. The expected credit loss is estimated for all accounts receivable at each reporting date using an average expected loss rate, determined primarily on the basis of historical credit loss rates. However, that average expected loss rate may be adjusted if there are indications of a likely significant increase in credit risk. If a receivable is subject to a known credit risk, a specific impairment loss is recognized for that receivable (Cf. note 3.4.14).

3.4.12 Derivative financial instruments and hedging activities

The Group uses derivatives to hedge its primary market risk exposures, primarily risks related to foreign currency movements and to a lesser extent, exposure to commodity prices movements and interest rate movements.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

3.4.13 Hedge accounting

The group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- hedges of a net investment in a foreign operation (net investment hedge).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months under caption "other non-current financial assets" or "other long-term liabilities" and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months under caption "other current assets" or "other current liabilities".

3.4.13.1 Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

As of today, the Group does not apply fair value hedge accounting.

3.4.13.2 Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the income statement within “Other financial income and expenses”.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions. The ineffective portion relating to foreign currency contracts is recognized in the income statement within “other financial income and expenses”.

The Group also uses interest rate swap. Swaps are used by the Group to switch from a variable rate to a fixed rate of interest. The effective portion of the interest rate swap’s gain or loss is directly recorded in other comprehensive income.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement within “Other financial income and expenses”.

3.4.13.3 Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.
Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income in currency translation adjustments (“CTA”). The gain or loss relating to the ineffective portion is recognised in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

3.4.14 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

Trade receivables may be written down for impairment which is recognized when credit losses are expected. The expected credit loss is estimated taking into account historical loss experience, the age of the receivables and a detailed risk assessment including insurance.

The fair value of accounts and notes receivable is deemed to be their nominal amount, since payment periods are generally less than three months.

3.4.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.4.16 Inventories

Stock of products is valued since origin at the lower of average purchase price including direct allocated costs and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the necessary sales costs including costs incurred to bring the stocks to their current location. Impairment losses are recognized when the probable realizable value of inventories is lower than their cost price.

3.4.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within short-term debt in current liabilities.

3.4.18 Assets held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are stated at the lower of the carrying amount or fair value less costs of disposal.

3.4.19 Share capital and preference shares

The Group's ordinary shares are classified as equity instruments.

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability.

In accordance with IAS 32, preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities.

Main characteristics of financial instruments issued by the Group

Shares	Number	Payment of dividends	Redeemable
Ordinary equity shares	40.881.375	Discretionary	n/a
Preference shares	1.095.974	Mandatory	Discretionary
Total	**41.977.349**		

The Preference Shares issued on 19 November 2018 are entitled to payment of a cumulative annual dividend whose amount is indexed on the high yield bond rate. No payment will be made annually with regards to those shares. The payment will be due only after the repayment of the bond.

Measurement of dividends

As at 30 September 2019, the mandatory dividends were recognized in liability at fair value which corresponded to the present value of the estimated future dividend payments discounted at a market rate of interest.

Measurement of preference shares

Preference shares issued are at discretionary redemption and have been recorded at the subscription price directly in equity.

3.4.20 Debts and borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement in cost of net debt over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

3.4.21 Current and deferred income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

3.4.21.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3.4.21.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.4.22 Employee benefits

3.4.22.1 Short-term benefits

Group employees are entitled to short-term benefits such as paid annual leave, paid sick leave, bonuses and other benefits (other than termination benefits), payable within 12 months of the end of the period in which the corresponding services are rendered by employees. These benefits are shown in “other current liabilities” and expensed in the period when the related service is rendered by the employee.

3.4.22.2 Post-employment benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using

interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.4.22.3 Jubilee benefits

The provision for jubilee benefits is composed of expected benefits payable to current employees. Jubilee benefits are rights to a benefit employees earn after a certain term of service with the company.

3.4.22.4 Agreements with employees related to GDE shares

Agreements have been put in place whereby GDE shares are sold to selected directors and senior employees based on the last available statutory net asset value of the shares of GDE. In these agreements the employees have taken the commitment to sell GDE shares back to the Group. The agreements also specify the circumstances under which GEH Group would be obliged to buy back the shares from the employees. Commitments are taken by the Group and the employees for a duration of fifteen years.

The price of the sale-back is defined in the agreement as the last available statutory net asset value of GDE shares at the date of the exercise. The buy-back is based on this value unless contractually agreed differently between parties at transaction date.

The Group is applying the following accounting method for this transaction with employees.

- A liability is recognized in relation to the commitment to buy back the shares from the employees;
- The liability is initially recognized at the last available statutory net asset value of GDE shares;
- Subsequently, the increase in liability is remeasured at each period end with counterparty in the profit and loss under “employee benefits”.

3.4.23 Provisions

The Group recognizes provisions for liabilities and onerous contracts that have been incurred as of the balance sheet date and can be reasonably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision following increase of the timespan is recognized as interest expense.

3.4.23.1 Provisions for claims, disputes and legal

Provisions for claims, disputes and legal proceedings are recorded if it is probable that the Group will be liable in a proceeding, for the estimated amount at which the liability can be settled.

3.4.23.2 Restoration, rehabilitation and decommissioning

Restoration, rehabilitation and decommissioning costs arising from the installation of plant, discounted to their net present value, are provided for and capitalized at the time such an obligation arises. The costs are charged to the statement of income over the life of the operation through depreciation of the asset and the unwinding of the discount on the provision. If the obligation results from production, costs are recognized when production occurs.

3.4.23.3 Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

3.4.23.4 Government grants

Grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.
Grants relating to property, plant and equipment are included in non-current liabilities as deferred grants and are credited to the statement of income on a straight- line basis over the expected lives of the related assets.

3.4.24 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

In accordance with IFRS 15 (Revenue from Contracts with Customers), revenue is recognized when GEH transfers control over the product to the customer; control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset.

3.4.24.1 Sales of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue from the sale of goods is recognized:

- the majority of the risks and benefits associated with the ownership of said goods have been transferred to the buyer; and
- the Group is no longer involved in the management of the goods, and no longer maintains effective control thereof.

3.4.24.2 Sales of services

Revenue from rendering of services is recognized in the statement of income to the extent it seems likely that the economic benefits will accrue to the Group and the income from rendering of services can be reliably measured. The revenue is recognized in the statement of in the accounting period in which the services are rendered.

3.4.25 Interest income and expense

Interest income and interest expense are recognized on a time-proportion basis using the effective interest method.

3.4.26 Lease

The Group is the lessee of machinery, equipment and buildings under various operating and finance leases. The Group classifies its leases as operating or finance leases based upon whether the lease agreement transfers substantially all the risks and rewards of ownership.

3.4.26.1 Finance leases

The Group leases certain property, plant and equipment, of which it has substantially all the risk and rewards incidental to the ownership. These assets are capitalized and recognized in the balance sheet at the commencement of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments, each determined at the inception of the lease. Each lease payment is allocated between the redemption of the liability and finance charges on annuity basis. The lease obligations are included in long-term debt without the interest charge. The interest element of the finance cost is charged to the income statement over the lease period so as to

produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under capital leases are depreciated on a straight-line basis over the useful life of the asset with depreciation included in depreciation expense.

3.4.26.2 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

3.4.27 Use of estimates and judgements

The preparation of the Group's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The Group has identified the following areas as being critical to understanding GEH's financial position as they require management to make complex and/or subjective judgments and estimates about matters that are inherently uncertain.

- Impairment test of goodwill (Cf. note 3.8.1 – Goodwill)
- Assessment of the recoverability of trade receivables exposure to credit risk, as well as the risk profile (Cf. note 3.5.1.3)
- Provisions for risks: Most claims involve complex issues, and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes more likely than not and when it is possible to make a reasonable estimate of the expected financial effect;
- Provision for employee benefits: The post-employment benefits lay on several assumptions such as:
    - The discount rate determined by reference to market yields at the closing on high quality corporate bonds;
    - Estimate of future salary increases mainly taking into account inflation, seniority, promotion, and supply and demand in the employment market.
- Income tax charges and assessment of deferred tax assets: The Group is subject to income and other taxes in numerous jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised. Management judgement is required to assess probable future taxable profits. In 2018, deferred tax assets on losses carried-forwards and on temporary differences have been reassessed on the basis of currently implemented tax strategies.
- Recognition of restoration, and decommissioning cost/provision (3.4.23.2).

3.5 Financial Risk Management

3.5.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency, interest rate and commodity), counterparty credit risk and liquidity risk.

Group Treasury under supervision of the Group Chief Financial Officer identifies, evaluates and hedges risks in close cooperation with the subsidiaries. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance, through the use of derivative financial instruments such as foreign exchange forward contracts. Derivatives are not used for speculative purposes.

3.5.1.1 Liquidity risk

Liquidity risk is the risk that the Group may have difficulty honouring its debts at their maturity. The Group manages its financing centrally. A cash management report is prepared, with the aim of providing a regularly updated overview of the Group's short-, medium- and long-term financing requirements. Nearly all the Group's financing is arranged centrally, as to ensure an appropriate mix of its sources of financing.

Group Treasury monitors rolling forecasts on the Group's liquidity requirements to ensure it has sufficient headroom to meet operational needs. Management monitor, on a weekly basis, the level of the "Liquidity Head Room" (total amount available based on committed facility agreement minus current utilization).

	30 September 2019						30 September 2018
	Uncommitted Credt Lines	Committed Credit Lines	VAT Facility	Revolving Credit Facility	Factoring	Total	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Facility Commitment	2 500	8 500	7 000	40 000	140 000	198 000	100 000
Amount Available	2 500	8 500	5 167	40 000	74 208	130 375	74 276
Amount Draw	-	-	(5 167)	-	(56 419)	(61 586)	2 823
Off-BS Commitments	-	-	-	-	-	-	-
Head Room	2 500	8 500	-	40 000	17 789	68 789	77 099

The Group has put in place:

- a non-recourse factoring facility ("Factoring") on 9 November 2018, which amounts to Euro 140 million as at September 30, 2019;
- a Revolving Credit Facility in 18 November 2018, which amounts to Euro 40 million as at September 30, 2019;
- a non-recourse VAT financing facility on 19 September 2019, which amounts to Euro 7 million as at September 30, 2019;
- several credit lines with its banking partners for a total amount of Euro 11 million as at 30 September 2019.

As at 30 September 2019, the undiscounted cash flow based on the residual contractual maturities of the Group's financial liabilities is broken down as follows:

	30 September 2019				
	Book Value	Contractual Cash Flow	< 1 year	1 - 5 years	> 5 years
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Preference shares (3.4.19)	-	-	-	-	-
High yield Bond (note 3.8.14)	243 877	255 000	-	255 000	-
Lease finance debt (note 3.8.14)	33 889	33 889	8 419	19 659	5 811
Other long-term liabilities	618	618	548	70	-
Short-term debt	1 729	1 729	1 729	-	-
Accounts payables including tax payables (note 3.8.16)	174 510	174 510	174 510	-	-
Other current liabilities excluding derivatives (note 3.8.17)	2 353	2 353	2 353	-	-
Total non-derivative financial liabilities	456 976	468 099	187 559	274 729	5 811

Derivative instruments including hedging (note 3.8.17)	315	315	315	-	-
Total derivative financial liabilities	315	315	315	-	-

And as at 30 September 2018:

	30 September 2018				
	Book Value	Contractual Cash Flow	< 1 year	1 - 5 years	> 5 years
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Preference shares (3.4.19)	28 422	28 422	5 416	23 006	-
Bank Loans (note 3.9.14)	8 907	8 903	8 903	-	-
Lease finance debt (note 3.9.14)	25 191	25 164	7 280	11 163	6 722
Other long-term liabilities	715	715	-	715	-
Short-term debt	2 792	2 792	2 792	-	-
Accounts payables including tax payables	209 820	209 820	209 820	-	-
Other current liabilities excluding derivatives	358	358	358	-	-
Total non-derivative financial liabilities	276 205	276 174	234 569	34 884	6 722
Derivative instruments including hedging	162	162	162	-	-
Total derivative financial liabilities	162	162	162	-	-

3.5.1.2 Interest rate risk

GEH's corporate debt, before hedging, is partially subject to a variable rate of interest. The Group uses hedging instruments to cover itself against any rise in interest rates, and to optimize the cost of its debt. The instruments used are swaps and are managed directly by the Group treasurer.

3.5.1.2.1 Exposure to interest rate risk

At the end of the reporting period 2019, the Group's net interest rate position based on nominal values can be analysed as follows:

	30 September 2019		
	Fixed portion	Variable portion	Total
	K-EUR	K-EUR	K-EUR
Preference shares - Long-term portion	-	1 950	1 950
Preference shares - Short-term portion	-	-	-
Long-term debt	34 637	243 877	278 515
Short-term debt	-	1 729	1 729
Cash and cash equivalents	-	(57 699)	(57 699)
Net position before hedging	34 637	189 857	224 494
Derivative instruments related to the above mentioned variable debt	-	-	-
Net position after hedging	-	-	-

And as at 30 September 2018:

	30 September 2018		
	Fixed portion	Variable portion	Total
	K-EUR	K-EUR	K-EUR
Preference shares - Long-term portion	23 006	-	23 006
Preference shares - Short-term portion	5 416	-	5 416
Long-term debt	31 277	2 820	34 098
Short-term debt	-	2 792	2 792
Cash and cash equivalents	-	(75 788)	(75 788)
Net position before hedging	59 700	(70 176)	(10 476)
Derivative instruments related to the above mentioned variable debt	1 072	(1 072)	-
Net position after hedging	60 772	(71 248)	(10 476)

3.5.1.2.2 Characteristics of derivative interest rate instruments

		30 September 2019		30 September 2018	
Denomination	Maturity	Nominal	Fair value	Nominal	Fair value
Interest rate SWAP	2019-04-30	0	0	1 072	(6)
				1 072	(6)
Total		0	0	1 072	(6)

3.5.1.2.3 Sensitivity analysis

The tables below show the impact on income statement of a sudden 1% rise in the interest rates applied to actual amounts of variable-rate financial liabilities, after hedging:

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Impact of a 1% rise in interest rates	(1 698)	(534)

3.5.1.2.4 Credit risk and counterparty risk

Counterparty risk corresponds to the loss that the Group could suffer if one or more counterparties were to fail to fulfil their obligations. The Group minimizes counterparty risk by carrying out financial transactions (loans, hedges on currencies, interest rate and raw material) with leading financial institutions. In the Group's opinion it is not exposed to any significant counterparty risk. The carrying amount of financial assets represents their maximum credit exposure.

Credit risk is the risk of financial loss incurred by the Group in the event that a customer or counterparty to a given asset was to fail to meet its contractual obligations. At present the risk arises mainly from trade receivables.

GEH has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

As a company policy, all sales are either:

- Credit insured;
- Prepaid before shipment;
- Covered by documentary letters of credit;
- On cash against document basis.

Payments on open account are mitigated through two credit insurance providers, namely Coface and Atradius.

When a customer reaches its credit limit, the Group stops deliveries unless a specific approval is given by the Group's CEO. Any new trading counterparty is vetted through an internal KYC ("Know your customer") procedure. Payment balances for all clients are reviewed at least weekly in order to identify overdue payments and if required, stop any further delivery even if due under commercial contract. GEH's operational structure is highly integrated and incorporates multiple controls to prevent the occurrence of any unauthorized trading or non-compliance with credit limits.

The Group has a very large portfolio of customers. The Group is not exposed to a significant credit risk as a result of concentration, as no customers represent more than 15% of the trade receivables, and the top five customers account for less than 33% of total receivables at the end of the year 2019.

The aged balance of financial assets at amortized cost at year-end 2019 is as follows:

		Past due not impaired			
	Neither past due nor impaired	Amounts overdue up to 1 month	Amounts overdue above 1 month	Gross amount impaired	Total Gross carrying amount at 30 September 2019
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Other non current financial assets (note 3.8.6)	14 640	-	-	13 948	28 588
Trade receivables (note 3.8.8)	39 160	701	79	1 000	40 940
Other account receivables (note 3.8.8)	10 175	-	-	-	10 175
Income tax receivables (note 3.8.8)	4 780				4 780
Other current assets (note 3.8.9)	7 578	-	-	1 965	9 543
Cash and cash equivalent (note 3.8.10)	57 699	-	-	-	57 699
Total	134 032	701	79	16 913	151 725

The aged balance of account receivables, and financial assets at amortized cost at the end of 30 September 2018 was as follows:

		Past due not impaired			
	Neither past due nor impaired	Amounts overdue up to 1 month	Amounts overdue above 1 month	Gross amount impaired	Total Gross carrying amount at 30 September 2018
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Other non current financial assets (note 3.9.6)	14 922	-	-	14 997	29 920
Trade receivables (note 3.9.8)	117 177	5 181	952	2 933	126 243
Other account receivables (note 3.9.8)	14 080	-	-	-	14 080
Other current assets (note 3.9.9)	5 353	-	-	1 834	7 187
Cash and cash equivalent (note 3.9.10)	75 788	-	-	-	75 788
Total	227 320	5 181	952	19 765	253 218

3.5.1.3 Currency risk

As the Group conducts its business in an international environment, Group entities may be exposed to currency risks with respect to purchases or sales transactions in currencies other than their functional currency, primarily for transactions settled in US dollars.

The Group reporting procedures and monitoring system ensure that all currency risk exposure arising out of commercial contracts is systematically identified, covered and that the information is reconciled on an on-going basis. Subsidiaries' current and future business transactions are generally hedged for periods of less than three months.

Hedge accounting as defined by IAS 39 is applied in this case, and the Group's foreign currency derivatives are therefore treated as cash flow hedge transaction in accordance with the aforementioned standard.

The principal currency hedging instruments used by the Group are forward purchases and sales of foreign currencies.

The Group's net exposure to foreign currency risk based on notional amounts arises on the following main currencies:

	30 September 2019		30 September 2018	
	K-local currency	K-EUR	K-local currency	K-EUR
US dollar	7 224	6 617	7 048	6 075
Trade receivables		6 617		6 075
US dollar	-	-	-	-
Subordinated debt	-	-	-	-
US dollar	306	271	303	268
Other currencies	-	-	-	-
Trade payables	-	271	-	268

	30 September 2019		30 September 2018	
	K-USD	K-EUR	K-USD	K-EUR
Sales	33 121	30 006	58 078	49 435
Purchases	395	357	625	531
Fair Value (assets)	-	(313)	-	(591)
Fair Value (liabilities)	-	(2)	-	7
Total fair value	-	(315)	-	(584)

3.5.1.3.1 Sensitivity analysis

The following table shows the sensitivity on profit before tax, before hedging, to a reasonable change in the US dollar exchange rates, all other variables being equal.

		30 September 2019 Before hedging	30 September 2018 Before hedging
		K-EUR	K-EUR
EUR/USD	-5%	(328)	(302)
	+5%	363	333

Management has determined that sensitivity on profit before tax after hedging is close to nil.

3.5.1.4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, meet bondholders requirements and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would enable the banks to immediately call

borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current period.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, issue new subordinated debts or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total long-term debt (including "Long-term and current portion of long-term debt" as shown in the consolidated balance sheet). Total capital is calculated as "group equity" as shown in the consolidated balance sheet plus net debt and subordinated debt.

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Long-term debt - long-term portion	270 096	17 951
Long-term debt - short-term portion	8 419	16 147
Total long-term debt	278 515	34 098
Liabilities		
Total group equity	73 664	399 238
Redeemable preference shares	0	23 006
Total long-term debt and group equity	352 179	422 244
Gearing ratio	79,08%	8,08%

3.6 Fair-value of financial instruments

Recognition and measurement principles regarding financial assets and liabilities are defined in IAS 32 and IFRS 9. The classification of financial instruments into specific categories is described in note 3.4.10 - Financial assets.

3.6.1 Financial instruments by category

The carrying amounts of assets and liabilities shown in the statement of financial position, are as follows:

As at 30 September 2019

	Assets at fair value through OCI	Assets at fair value through profit & loss	Derivatives used for hedging	Loans and receivables	Total - 30 September 2019
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Other non-current financial assets		287		14 353	14 640
Accounts receivables				40 725	40 725
Other current assets				5 986	5 986
Cash & cash equivalent				57 699	57 699
Total financial instruments - assets	-	287	0	118 763	119 050

As at 30 September 2018

	Assets at fair value through OCI	Assets at fair value through profit & loss	Derivatives used for hedging	Loans and receivables	Total - 30 September 2018
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Other non-current financial assets		287		14 636	14 922
Accounts receivables				125 697	125 697
Other current assets			472	4 881	5 353
Cash & cash equivalent				75 788	75 788
Total financial instruments - assets	-	287	472	221 003	221 761

As at 30 September 2019

	Liabilities at fair value through profit & loss	Derivatives used for hedging	Loans and payables	Total - 30 September 2019
	K-EUR	K-EUR	K-EUR	K-EUR
Dividends on preference shares	-	-	1 950	1 950
Long-term debt	-	-	278 515	278 515
Accounts payables	-	-	172 704	172 704
Other current liabilities			2 688	2 688
Short-term debt	-	-	1 729	1 729
Total financial instruments - liabilities	0	0	457 586	457 586

As at 30 September 2018

	Liabilities at fair value through profit & loss	Derivatives used for hedging	Loans and payables	Total - 30 September 2018
	K-EUR	K-EUR	K-EUR	K-EUR
Redeemable preference shares			28 422	28 422
Long-term debt	-	-	34 098	34 098
Accounts payables	-	-	204 044	204 044
Other current liabilities	7	155	358	520
Short-term debt	-	-	2 792	2 792
Total financial instruments - liabilities	7	155	269 714	269 876

The fair value of other non-current financial assets approximates their carrying amounts as at 30 September 2019 and at 30 September 2018.

The fair value of long term debt totalled Euro 278,5 million as at 30 September 2019.

The fair value is estimated by discounting future cash flows using a discount rate equals to Euribor 3 months plus appropriate credit rating at closing date. This method corresponds to Level 2 in the fair value hierarchy (Cf. note 3.6.2 – Fair value hierarchy).

The fair value of other current assets, accounts receivable, cash and cash equivalent, accounts payables, other current liabilities and short-term debt approximate their carrying amounts because these are mostly short-term in nature. The fair values are within level 2 of the fair value hierarchy (Cf. note 3.6.2 – Fair value hierarchy).

3.6.2 Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities);
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or the liability that are not based on observable market data (unobservable inputs).

Level 2 classifications primarily include interest rate swaps and forward transactions which derive their fair value primarily from exchange quotes and readily observable broker quotes.

Level 3: the fair value of assets available for sale cannot be reliably evaluated, therefore, they are valued at their acquisition costs less any possible impairment.

Financial instruments breakdown was as follows in terms of their different levels of fair value assessment:

	30 September 2019			
	Total	Level 1	Level 2	Level 3
	K-EUR	K-EUR	K-EUR	K-EUR
Assets				
Assets at fair value through OCI	-			
Derivatives used for hedging	-	-	-	-
Assets at fair value through profit & loss (3.9.6.1)	287	-	-	287
Total financial instruments - assets	287	-	-	287
Liabilities				
Liabilities at fair value through profit & loss	-	-	-	-
Derivatives used for hedging	-	-	-	-
Total financial instruments - liabilities	-	-	-	-

	30 September 2018			
	Total	Level 1	Level 2	Level 3
	K-EUR	K-EUR	K-EUR	K-EUR
Assets				
Assets at fair value through OCI	-			
Derivatives used for hedging	472	-	472	-
Assets at fair value through profit & loss (3.9.6.1)	287	-	-	287
Total financial instruments - assets	759	-	472	287
Liabilities				
Liabilities at fair value through profit & loss	7	-	7	-
Derivatives used for hedging	155	-	155	-
Total financial instruments - liabilities	161	-	161	-

There have been no transfers between Level 1 and Level 2 during the year 2019 and 2018.

The following table presents the change in Level 3 instruments for the year ended September 2019 and September 2018.

	30 September 2019	30 September 2018
	Assets at fair value through profit & loss	
Opening balance sheet	287	734
Restructuring transaction	-	-
Acquisition	-	-

Gains and losses recognised in profit or loss	-	(12)
Reclassifications	-	(436)
Others	-	-
Closing balance sheet	287	287

3.7 Acquisitions and disposals

3.7.1 Details of main acquisitions and disposals in interests held in subsidiaries:

During the year ended 30 September 2019, there were neither significant acquisitions nor disposals.

3.7.2 Transaction on GDE shares

Historically, GDE shares have been sold to directors and senior employees at the last available statutory net asset value of the GDE subsidiary. In the share transfer agreement, the employees have taken the commitment to sell GDE shares back only to the Group. The share transfer agreement also specifies the circumstances under which GEH Group would be obliged to buy back the shares from the employees. Commitments are taken by the Group and the employees for a duration of fifteen years.

3.7.3 Acquisition of GDE shares related to agreements with employees

For the twelve-month period, there was no significant acquisition.

3.7.4 Disposal of GDE shares related to agreements with employees

3.7.4.1 In 2019:

There was no disposal of GDE shares to directors and senior employees.

3.7.4.2 In 2018:

There was no disposal of GDE shares to directors and senior employees.

3.7.5 Transactions with non-controlling interests

3.7.5.1 Acquisition of additional interest in a subsidiary

There was no significant acquisition neither in 2018 nor 2019. In financial year 2018/19, GDE bought all the remaining shares in MBF ENVIRONNEMENT (note 3.15.2) for 110 KEUR and ECORE BV bought shares to employees in GDE for 867 KEUR.

3.7.5.2 Disposal of interest in a subsidiary without loss of control

There was no significant disposal neither in 2018 nor 2019.

3.7.5.3 Effects of transactions with non-controlling interests on the equity attributable to owners of the parent

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Changes in equity attributable to shareholders of the company arising from:		
Acquisition of additional interests in a subsidiary	(977)	(192)
Disposal of interests in a subsidiary without loss of control	-	-
Net effect on shareholders' equity	(977)	(192)

3.8 Details on consolidated income statement

3.8.1 Revenue

Revenue are broken down by market as follows:

	30 september 2019 12 Months	30 september 2018 12 Months
	K-EUR	K-EUR
Europe	1 068 203	1 260 534
America	0	0
Asia	75 365	69 918
Africa	16 089	13 016
Total revenue	**1 159 657**	**1 343 468**

The breakdown of revenue by category is as follows:

	30 september 2019 12 Months	30 september 2018 12 Months
	K-EUR	K-EUR
Sales of goods	1 126 386	1 308 580
Income from services rendered	33 271	34 888
Total revenue	**1 159 657**	**1 343 468**

Services include mainly rental and handling of dumpsters, storage and shearing.

3.8.2 Cost of raw material and other related cost and gross margin

Cost of raw material and other related cost includes mainly costs for ferrous and non-ferrous scrap as well as unavoidable costs to use the raw material such as commission paid out to intermediaries and landfill costs related to shredder waste. Gross margin is defined as the difference between sales, cost of raw material and other related cost and freight.

Cost of raw materials was impacted by the decrease in purchased volumes and by the decrease in the average purchasing price of ferrous and non-ferrous metals and amounts to Euro 825.5 million as at September 30, 2019.

3.8.3 External charges

This caption mainly includes:

- Lease rentals;
- Electricity and water;
- Fuel and gas;
- Insurances;

- Administrative expenses;
- Maintenance and repair of equipment.

Lease rentals included in external charges amounting to Euro 9.3 million relate to the lease of property, plant and equipment.

3.8.4 Employee benefits expenses

	30 september 2019 12 Months K-EUR	30 september 2018 12 Months K-EUR
Wages and salaries	(51 517)	(49 239)
Social charges	(15 286)	(15 924)
Pension costs	(3 806)	(3 990)
Other staff costs	(2 204)	(2 094)
Employee benefits expenses	**(72 812)**	**(71 248)**

	30 september 2019 12 Months Unit	30 september 2018 12 Months Unit
Western Europe	1 262	1 242
Eastern Europe	108	102
Total average number of employees	**1 370**	**1 344**

3.8.5 Cost of net debt

	30 september 2019 12 Months K-EUR	30 september 2018 12 Months K-EUR
Interest on loans, bank overdrafts and borrowing base facility	(18 040)	(2 772)
Leasing interests	(888)	(546)
Interest income	57	76
Cost of net debt	**(18 871)**	**(3 242)**

The major impact of the variation is is related to the interest paid on the Senior Secured notes issued on 19 November 2018.

3.8.6 Other financial income and expenses

	30 September 2019 12 Months K-EUR	30 September 2018 12 Months K-EUR
Foreign currency exchange result, net	(645)	(316)
Result on trading derivatives	(1 646)	(1 541)
Other financial result	(123)	348
Total other financial income and expenses	**(2 414)**	**(1 510)**

3.8.7 Income tax expenses

The Group's effective tax rate differs from the statutory income tax rate of the Luxembourg, which is 28,26% as at September 30, 2019, due to different tax rates in other countries, non-deductible items and unrecognized deferred tax assets.

	30 september 2019 12 Months K-EUR	30 september 2018 12 Months K-EUR
Current tax	(2 400)	(6 452)
Deferred Tax	(14 424)	6 628
Total tax on income	**(16 824)**	**175**

The following table reconciles the statutory income tax rate of the Luxembourg being 28,26% with effective income tax rate:

	30 september 2019 12 months K-EUR	30 september 2018 12 months K-EUR
Profit (Loss) before tax	**(9 510)**	**32 393**
Standard tax rate in Luxembourg	28,26%	28,26%
Theoretical income tax expense / (income)	**(2 687)**	**9 154**
Impact of		
Differences in tax rates applicable to foreign companies	(101)	1 423
Permanent differences between accounting income and taxable income	4 414	(3 093)
Unrecognised deferred tax assets and unused tax losses	4 920	9 652
Recognised deferred tax assets and utilised tax losses from prior years	10 245	(18 144)
Other	33	831
Group income tax expense / (income)	**16 824**	**(176)**
Effective tax rate	**not applicable**	**(0,54) %**

3.9 Details on consolidated statement of financial position

3.9.1 Goodwill

3.9.1.1 Table of changes in goodwill

	30 september 2019 K-EUR
Opening Balance Sheet - Gross carrying amount	**167 482**
Restructuring transaction	0
Disposals and others decreases	0
Reclassifications IFRS 5	0
Other Reclassifications	(30)
Translation adjustment	(199)
Gross carying amount at 30 september 2019	**167 253**
Opening Balance Sheet - Accumulated depreciation	**(58 575)**
Restructuring transaction	0
Impairement losses	0
Disposals and others decreases	98
Reclassifications IFRS 5	0
Other Reclassifications	30
Translation adjustment and others	247
Accumulated depreciation at 30 september 2019	**(58 201)**
Net carrying amount at opening	**108 907**
Net carrying amount at closing	**109 052**

	30 september 2018 K-EUR
Opening Balance Sheet - Gross carrying amount	**117 929**
Restructuring transaction	0
Disposals and others decreases	(499)
Reclassifications IFRS 5	0
Other Reclassifications	49 659
Translation adjustment	392
Gross carying amount at 30 september 2018	**167 482**
Opening Balance Sheet - Accumulated depreciation	**(9 627)**
Restructuring transaction	0
Impairement losses	(30)
Disposals and others decreases	499
Reclassifications IFRS 5	0
Other Reclassifications	(49 659)
Translation adjustment and others	242
Accumulated depreciation at 30 september 2018	**(58 575)**
Net carrying amount at opening	**108 302**
Net carrying amount at closing	**108 907**

3.9.1.1.1 Impairment testing

The value in use of CGUs and goodwill is determined as follows:

- post-tax cash flow projections covering a period of five years, prepared on the basis of the budgets and medium-term business plans drawn up by Group entities are discounted;
- cash flows beyond the five-year period are extrapolated by applying a perpetuity growth rate to normative forecast cash flows, corresponding to the last year of the plan;
- cash flows are discounted based on a rate which reflects current market assessments of the time value of money and the risks specific to the asset (or group of assets). This rate corresponds to the post-tax weighted average cost of capital (WACC). The use of a post-tax rate results in recoverable amounts that are similar to those that would have been obtained by applying pre-tax rates to pre-tax cash flows.

3.9.1.1.2 Cash flow projections

Cash flow projections are based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period for up to five years approved by the management are prepared using the estimated growth rates for key drivers including volumes (tons sold), prices, gross margin per ton and costs.

Changes in the economic and financial context, as well as changes in the competitive or regulatory environment may impact estimates of cash flow projections.

Forecasts are made at the smallest level (for each CGU), based on detailed projections of the recycling market by country, taking into account expected activity developments in the CGU's as well as demand for recycling in developed countries and growth in demand in emerging countries. Forecasts also include the impact of efficiency plans already launched by each cash-generating unit at the date of preparation of the budgets.

3.9.1.1.3 Key assumptions:

The assumptions underlying the impairment tests on Group CGU with material goodwill balances are as follows:

- a post-tax discount rate (WACC) of 8.52%

3.9.1.1.4 Impairment tests results

No impairment losses were recognized against goodwill in 2019 as a result of the impairment test.

3.9.1.1.5 Sensitivity of goodwill impairment tests

Changes in the three main assumptions were used to address the sensitivity of goodwill impairment tests:

- 0.5 point increase in the discount rate ;
- 0.5 point decrease in the PGR;
- 5% of decrease in the EBITDA used to determine the terminal value.

The headroom of the tests, representing the difference between the value in use and the net carrying amount, as well as the impacts of changes in key assumptions on this headroom, are presented in the table below:

	30 Septembre 2019					
	Headroom of the test Based on assumptions for 2019	WACC (+0.5 point)	Impact on the PGR (-0.5 point)	EBITDA (-5%)	Combination of the three factors	Impairment
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Total	350 354	-39 739	-35 363	-44 458	-119 560	0

These stress test did not result in the recognition of any impairment losses on goodwill.

3.9.2 Other intangible assets

3.9.2.1 Table of changes in other intangible assets

	Franchises/patents /similar rights	Leasehold	Other intangible assets	Intangible assets under construction	30 September 2019 12 Months
					K-EUR
Gross carying amount at 30 September 2018	**24 560**	**29**	**1 383**	**16**	**25 989**
Restructuring transaction	0	0	0	0	0
Acquisitions and others increases	60	0	107	292	460
Disposals and others decreases	(262)	0	(74)	0	(335)
Reclassifications IFRS 5	0	0	0	0	0
Other Reclassifications	238	0	16	(238)	17
Translation adjustment	(0)	0	0	0	(0)
Gross carying amount at 30 September 2019	**24 596**	**29**	**1 433**	**70**	**26 129**
Accumulated depreciation at 30 September 2018	**(16 600)**	**0**	**(623)**	**0**	**(17 223)**
Restructuring transaction	0	0	0	0	0
Amortization	(4 540)	0	(194)	0	(4 734)
Disposals and others decreases	259	0	74	0	333
Reversal of the year	0	0	0	0	0
Reclassifications IFRS 5	0	0	0	0	0
Other Reclassifications	142	(29)	(9)	0	104
Translation adjustment	0	0	0	0	0
Accumulated depreciation at 30 September 2019	**(20 738)**	**(29)**	**(752)**	**0**	**(21 519)**
Net carrying amount at 30 September 2019	**3 858**	**0**	**681**	**70**	**4 610**

	Franchises/patents /similar rights	Leasehold	Other intangible assets	Intangible assets under construction	30 September 2018 12 Months
					K-EUR
Gross carying amount at 30 September 2017	**25 767**	**29**	**492**	**959**	**27 247**
Restructuring transaction	0	0	0	0	0
Acquisitions and others increases	47	0	0	256	302
Disposals and others decreases	(1 639)	0	(18)	(1 073)	(2 730)
Reclassifications IFRS 5	0	0	0	0	0
Other Reclassifications	385	0	910	(126)	1 169
Translation adjustment	1	0	0	0	1
Gross carying amount at 30 September 2018	**24 560**	**29**	**1 383**	**16**	**25 989**
Accumulated depreciation at 30 September 2017	**(13 661)**	**0**	**(492)**	**0**	**(14 153)**
Restructuring transaction	0	0	0	0	0
Amortization	(4 478)	0	(149)	0	(4 627)
Disposals and others decreases	1 636	0	18	0	1 654
Reversal of the year	0	0	0	1 073	1 073
Reclassifications IFRS 5	0	0	0	0	0
Other Reclassifications	(96)	0	0	(1 073)	(1 169)
Translation adjustment	(1)	0	0	0	(1)
Accumulated depreciation at 30 September 2018	**(16 600)**	**0**	**(623)**	**0**	**(17 223)**
Net carrying amount at 30 September 2018	**7 960**	**29**	**761**	**16**	**8 766**

There is no internally generated intangible asset.

3.9.3 Property, plant and equipment

3.9.3.1 Table of changes in property, plant and equipment

	Land & Buildings	Machinery & Equipment	Other property, plant and equipment	Property, plant and equipment in progress	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Gross carying amount at 30 september 2018	**310 773**	**339 395**	**75 089**	**6 215**	**731 471**
Acquisitions	2 747	16 146	8 045	8 246	35 184
Disposals	(7 477)	(9 465)	(6 513)	(169)	(23 625)
Reclassifications IFRS 5	4 566	(229)	(258)	0	4 080
Other Reclassifications	1 396	4 520	(1 195)	(9 156)	(4 434)
Translation adjustment and others	(536)	(354)	33	(3)	(860)
Gross carying amount at 30 september 2019	**311 471**	**350 013**	**75 201**	**5 133**	**741 818**
Accumulated depreciation at 30 september 2018	**(139 426)**	**(300 979)**	**(63 734)**	**(987)**	**(505 126)**
Depreciation charge of the year	(12 504)	(21 891)	(3 604)	0	(37 999)
Reversal of the year	1 087	0	0	0	1 087
Disposals during the year	4 972	8 614	6 526	0	20 112
Reclassifications IFRS 5	(3 177)	260	239	0	(2 677)
Other Reclassifications	2 343	1 360	558	0	4 261
Translation adjustment	268	344	(36)	0	576
Accumulated depreciation at 30 september 2019	**(146 437)**	**(312 291)**	**(60 051)**	**(987)**	**(519 766)**
Net carrying amount at 30 september 2019	**165 034**	**37 722**	**15 151**	**4 145**	**222 052**

The reclassifications IFRS 5 are related to French sites classified as held for sale (note 3.8.11).

Assets disposals in 2019 relate to sales of unused sites for a gross value of € 7.2 million, otherwise mainly in scrapped or sales of machinery and equipment.

	Land & Buildings	Machinery & Equipment	Other property, plant and equipment	Property, plant and equipment in progress	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Gross carying amount at 30 september 2017	**315 143**	**325 592**	**70 017**	**5 042**	**715 794**
Acquisitions	3 376	14 911	6 357	8 310	32 954
Disposals	(4 992)	(3 187)	(2 221)	(9)	(10 409)
Reclassifications IFRS 5	(3 530)	54	513	0	(2 963)
Other Reclassifications	1 455	2 666	441	(7 109)	(2 547)
Translation adjustment and others	(680)	(641)	(18)	(19)	(1 358)
Gross carying amount at 30 september 2018	**310 773**	**339 395**	**75 089**	**6 215**	**731 471**
Accumulated depreciation at 30 september 2017	**(132 293)**	**(285 151)**	**(63 471)**	**(3 039)**	**(483 954)**
Depreciation charge of the year	(11 887)	(18 536)	(2 855)	0	(33 278)
Reversal of the year	287	0	0	0	287
Disposals during the year	1 174	2 775	2 165	0	6 114
Reclassifications IFRS 5	2 827	(150)	(597)	0	2 080
Other Reclassifications	161	(560)	1 006	2 034	2 641
Translation adjustment	305	641	18	18	983
Accumulated depreciation at 30 september 2018	**(139 426)**	**(300 979)**	**(63 734)**	**(987)**	**(505 126)**
Net carrying amount at 30 september 2018	**171 347**	**38 416**	**11 355**	**5 227**	**226 346**

Finance lease included within property, plant and equipment can be analysed as follows:

	30 september 2019	30 september 2018
	K-EUR	K-EUR
Lands & Buildings net leasing	282	340
Machineries net leasing	19 443	15 942
Others equipment leasing	11 890	8 314
Total leasing	31 615	24 596

3.9.4 Shares in associates and joint-ventures

The main contributions are as follows:

	30 september 2019	30 september 2018
	K-EUR	K-EUR
Associates	**1 967**	**1 949**
Cernay	*1 321*	*1 271*
Erco	*253*	*277*
Other	*392*	*401*
Joint-ventures	**280**	**283**
Net assets at closing	**2 247**	**2 232**

The Group has got interest in several associates, which are involved in the recycling and treatment of ferrous and non-ferrous scrap in Europe. The Group's interest in associates is accounted for using the equity method in the consolidated financial statements.

The other associates are private companies and there is no quoted market price available for their shares.

The Group has a 50% interest in Alsafer, a jointly controlled entity involved in the recycling and treatment of ferrous and non-ferrous scrap in France. The Group's interest in Alsafer is accounted for using the equity method in the consolidated financial statements.

Alsafer is a private company and there is no quoted market price available for its shares.

Summarized financial information of the associates and the joint venture, based on their IFRS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	Cernay Env.SA	ERCO	Other associates	Joint-ventures	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Net assets at 30 september 2018	**3 801**	**554**	**902**	**504**	**5 761**
Dividends	0	0	(150)	(165)	(315)
Net assets at 30 september 2018 (after distribution)	**3 801**	**554**	**752**	**339**	**5 446**
Restructuring transaction					
Profit/Loss for the period	146	(47)	177	159	435
Change scope of consolidation					
Other comprehensive income					
Foreign exchange gain/loss					
Net assets at 30 september 2019	**3 947**	**507**	**929**	**498**	**5 881**
IFRS adjustments	(57)	0	12	(28)	(73)
Net assets at 30 september 2019	**3 890**	**507**	**941**	**470**	**5 808**
Closing parent integration rate	33,95%	50,00%	41,70%	49,99%	
Interests in associates	1 321	253	392	235	2 202
Investments in associates				45	45
Net assets at 30 september 2019	**1 321**	**253**	**392**	**280**	**2 247**

Summarized balance sheet:

			30 september 2019		
	Cernay Env.SA	ERCO	Other associates	Joint-ventures	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Cash & cash equivalent	269	507	53	376	1 204
Current assets (excluding cash)	4 880	0	1 560	347	6 787
Total current assets	**5 149**	**507**	**1 613**	**723**	**7 991**
Financial liab. excluding trades	0	0	0	0	0
Others current liabilities	1 964	0	835	230	3 029
Total current liabilities	**1 964**	**0**	**835**	**230**	**3 029**
Total non-current assets	**3 980**	**0**	**164**	**22**	**4 166**
Total non-current liabilities	**3 275**	**0**	**1**	**45**	**3 321**
Net assets	**3 890**	**507**	**942**	**470**	**5 808**

Summarized statement of income:

	30 september 2019 12 months				
	Cernay Env.SA	ERCO	Other associates	Joint-ventures	Total
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR
Revenue	8 723	0	3 997	1 817	14 537
Other operational expenses	(8 028)	(47)	(3 797)	(1 589)	(13 461)
Depreciation	(549)	0	(23)	(7)	(580)
Interest received	0	0	0	0	0
Interest paid	0	0	0	0	0
Profit (Loss) before tax from continuing operations	**146**	**(47)**	**177**	**221**	**497**
Income tax expenses	0	0	0	(62)	(62)
Post tax profit from continuing operations	**146**	**(47)**	**177**	**159**	**435**
Result classified as held for sale	0	0	0	0	0
Other comprehensive income	0	0	0	0	0
Total comprehensive income	**146**	**(47)**	**177**	**159**	**435**
Dividends received from equity method	0	0	(75)	(82)	(157)

The transactions with associates and joint ventures throughout the year are presented below:

3.9.5 Deferred tax assets and liabilities

Deferred tax assets and liabilities result from the following temporary valuation and accounting differences between the carrying amounts of the financial statements prepared according to IFRS and their respective tax bases:

	30 September 2019 12 Months	30 September 2018 12 Months
	K-EUR	K-EUR
Deferred tax related to the following		
Tax carry forward	19 958	32 117
Temporary differences	560	865
Leasing	592	5 782
Internal profits on inventories	221	496
Pension liabilities	1 238	1 212
Financial instruments	86	(39)
Provisions on securities	(563)	(2 601)
Harmonisation of the depreciation period	(390)	(2 033)
Other	(108)	131
Net deferred taxes	**21 594**	**35 931**
Deferred tax assets	24 327	37 324
Deferred tax liabilities	(2 732)	(1 393)
Net deferred taxes	**21 594**	**35 931**

Total unrecognized deferred income tax assets amount to Euro 26.9 million. The group has concluded that the deferred assets related to losses carry-forward will be recoverable using the estimated future taxable income based on the approved business plans and budgets of each subsidiary.

The main subsidiary in France is expected to generate taxable income from 2020 onwards. The losses can be carried forward indefinitely.

Changes in net deferred tax assets over the fiscal year can be analysed as follows:

	30 September 2019 12 Months	30 September 2018 12 Months
	K-EUR	K-EUR
Deferred tax related to the following		
Opening balance	**35 931**	**29 292**
Restructuring transaction		
Tax income (/expense) during the period	(14 421)	6 581
Changes in fair value in other comprehensive income	99	74
Reclassification IFRS 5		
Other changes		
Translation adjustments	(14)	(17)
Closing balance	**21 594**	**35 931**

3.9.6 Other non-current financial assets

	Shares	Financial instruments	Other financial assets	**Total**
	K-EUR	K-EUR	K-EUR	**K-EUR**
Gross carrying amount at 30 september 2018	**14.748**	**0**	**15.172**	**29.920**
Restructuring transaction	(0)			(0)
Increase	0		21	21
Decrease / disposals during the year	(0)		(258)	(258)
Reclassifications	(513)		(582)	(1.095)
Translation adjustment and others	0		0	0
Gross carrying amount at 30 september 2019	**14.235**	**0**	**14.353**	**28.588**
Accumulated write down at 30 september 2018	**(14.461)**	**0**	**(537)**	**(14.998)**
Restructuring transaction				
Increase				
Decrease			446	446
Reclassifications	513		91	604
Translation adjustment and others			(0)	(0)
Accumulated write down at 30 september 2019	**(13.948)**	**0**	**0**	**(13.948)**
Net carrying amount at 30 september 2019	**287**	**0**	**14.353**	**14.640**

	Shares	Financial assets	Other financial assets	**Total**
	K-EUR	K-EUR	K-EUR	**K-EUR**
Gross carrying amount at 30 september 2017	**15 229**	**436**	**14 911**	**30 576**
Restructuring transaction	0			0
Increase	(0)	42	99	140
Decrease / disposals during the year	(30)		(1 973)	(2 003)
Reclassifications	(451)	(477)	1 682	753
Translation adjustment and others	(0)		453	453
Gross carrying amount at 30 september 2018	**14 748**		**15 172**	**29 920**
Accumulated write down at 30 september 2017	**(14 495)**		**(2 507)**	**(17 001)**
Restructuring transaction				
Increase			(24)	(24)
Decrease	19		308	327
Reclassifications	15		1 685	1 700
Translation adjustment and others			0	0
Accumulated write down at 30 september 2018	**(14 461)**		**(538)**	**(14 998)**
Net carrying amount at 30 september 2018	**287**		**14 635**	**14 922**

3.9.7 Inventories

	30 september 2019	30 september 2018
	K-EUR	K-EUR
Equipment spare parts	*8 748*	*9 014*
Impairment spare parts	*(1 192)*	*(975)*
Net Equipment spare parts	**7 556**	**8 039**
Inventory	*50 274*	*59 123*
Impairment inventory	*(4 925)*	*(2 579)*
Net Inventory	**45 350**	**56 544**
Total inventories	**52 905**	**64 583**

Impairment of inventories is included in "cost of raw material" in the consolidated statement of profit or loss.

3.9.8 Accounts receivable

	30 september 2019	30 september 2018
	K-EUR	K-EUR
Trade receivables	40 940	126 243
including trade receivables from related parties	0	0
Impairment on trade receivables	(1 000)	(2 933)
Trade receivables net	**39 939**	**123 310**
Advances	786	2 387
Tax and social security receivables	9 389	11 693
Total other accounts receivable	**50 114**	**137 390**
Income tax receivables	4 780	5 235
Total accounts receivable including income tax receivables	**54 894**	**142 625**

3.9.9 Other current assets

	30 september 2019	30 september 2018
	K-EUR	K-EUR
Prepaid expenses	3 576	1 735
Loans and deposits	2 116	2 869
Other receivables	3 852	2 485
Total other current assets	**9 543**	**7 088**

3.9.10 Cash and cash equivalents

Cash and cash equivalents include investment securities, short-term deposits current account balances due by banks and cash.

	30 september 2019	30 september 2018
	K-EUR	K-EUR
Securities	0	223
Cash at bank and in hand	57 699	75 565
Cash and cash equivalents	**57 699**	**75 788**

3.9.10.1 Net cash

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	30 september 2019 K-EUR	30 september 2018 K-EUR
Cash and cash equivalents	57 699	75 788
Bank overdrafts	(1 688)	(2 619)
Net cash	**56 011**	**73 169**

3.9.11 Assets and liabilities classified as held for sale

	30 September 2019 K-EUR	30 September 2018 K-EUR
Guy Dauphin Environnement	*872*	*1 041*
SCI Entrepôt du Plessis	*0*	*579*
Iron Horse France	*0*	*440*
Train à fil Herserange SCI	*0*	*179*
French assets	872	2 238
Total Assets held for sale	**872**	**2 238**
French liabilities	0	0
Total Liabilities associated with assets classified as held for sale	**0**	**0**

3.9.12 Shareholder equity

3.9.12.1 Share capital

As of September 30, 2019, the company's share capital consisted of 41 977 349 shares with a par value of Euro 0,01 each, corresponding to a total value of Euro 419.773,49.

The share capital can be detailed as follows:

	Ordinary Shares	Preference Shares	Total
Number of shares issued as at 30 September 2019 - Fully paid	40 881 375	1 095 974	41 977 349

- Ordinary shares

They are classified as equity instruments.

Holders of these shares are entitled to one vote per share at general meetings of the Company and are entitled to dividends following distribution policy.

- Preferred shares

They are classified as equity instruments.

Holders of those shares are entitled to an annual dividend which amount is indexed on the high yield bond rate (note 3.9.14.2). No payment will be made annually with regards to those shares. The payment will be due only after the repayment of the bond.

As at September 30, 2019 the mandatory dividends are recognised in liabilities at fair value which corresponds to the present value of the discounted estimated future dividends.

3.9.12.2 Additional paid-in capitalp

Additional paid-in capital represents the net amount received by the Company, in cash, in excess of the par value on issuance of GEH shares.

3.9.12.3 Other reserves

The retained earnings consist of the Group's consolidated profit for the year and of the accumulated profits from previous periods.

The retained earnings also include:

- Legal reserve;
- revaluation of net debt defined benefit obligations;
- Currency translation adjustment of foreign subsidiaries;
- Revaluation of derivatives qualifying for cash flow hedge

3.9.12.4 Non-controlling interests

Non-controlling interests consist of the interests in equity of consolidated subsidiaries held by other shareholders.

3.9.13 Provisions

	Provision for termination benefits	Long service awards	Environnemental provisions	Provision for sorting center	Liabilities on GDE shares	Other	**Total**
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	**K-EUR**
Provisions at 30 september 2018	**4 495**	**257**	**5 336**	**0**	**1 182**	**2 550**	**13 821**
Additions	109	6	330	5 595	0	126	6 166
Reversals	(46)	0	(774)	0	0	(1 793)	(2 613)
Reclassifications	0	0	(81)	0	(1 182)	81	(1 182)
Translation adjustment	0	0	(56)	0	0	(4)	(61)
Discounting	394	0	0	0	0	0	394
Provisions at 30 september 2019	**4 952**	**263**	**4 755**	**5 595**	**0**	**959**	**16 524**
Current	0	0	1 707	4 017	0	248	5 972
Non-current	4 952	263	3 048	1 578	0	711	10 552
Provisions at 30 september 2019	**4 952**	**263**	**4 755**	**5 595**	**0**	**959**	**16 524**

	Provision for termination benefits	Long service awards	Environnemental provisions	Provision for sorting center	Liabilities on GDE shares	Other	**Total**
	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	K-EUR	**K-EUR**
Provisions at 30 september 2017	**4 453**	**277**	**5 430**	**0**	**1 095**	**5 619**	**16 874**
Additions	242	0	300	0	87	473	1 102
Reversals	(415)	(20)	(290)	0	0	(3 540)	(4 265)
Reclassifications	0	0	(30)	0	0	0	(30)
Translation adjustment	0	0	(74)	0	0	(2)	(76)
Discounting	216	0	0	0	0	0	216
Provisions at 30 september 2018	**4 495**	**257**	**5 336**	**0**	**1 182**	**2 550**	**13 821**
Current	0	0	1 996	0	0	2 119	4 115
Non-current	4 495	257	3 332	0	1 182	440	9 706
Provisions at 30 september 2018	**4 495**	**257**	**5 328**	**0**	**1 182**	**2 559**	**13 821**

Provision for termination benefits

Benefits offered to Group employees consist of post-employment benefits (Cf. note 3.12 – Employee benefits).

Liability on GDE shares

Ecore BV is the controlling shareholder of GDE but has sold shares to employees with a valuation formula based on GDE's statutory equity.

This provision is equal to the total share repurchase commitment (number of shares held by the employees multiplied by the value of GDE shares). As of September 30, 2018, this provision for risks in ECORE BV accounts amounted to 1 182 209 €.

As of September 30, 2019, the accounting treatment was modified in consolidated accounts and the commitment was reclassified in a Long term debt account (Cf. note 3.9.14 - Long-term debt – long and short portion).

According to IFRS 9, this operation enters in the scope of puts on minority interests. As of September 30, 2019, the debt amounts to 678 608 €.

Provision for sorting center

The Group booked a € 8.2 million non-recurring charge in 2019. This provision is related to pluriannual contracts handled by our waste sorting center. Following the destruction of this facility, the total expected contracts costs exceed total expected revenue. Therefore, the cost of fulfilling these contracts have been booked and can be broken down as follow:

- € 2.6 million for margin losses and extra costs faced in 2019
- € 5.6 million for future losses linked to these pluriannual contracts

This item covers the provision for charges relating to future losses linked to pluriannual contracts.

Environmental provisions

This provision encompasses the legal and contractual obligations of the Group in the completion of operating activities, which exist at certain sites and are related to closure and post-closure costs at waste disposal facilities. Any provision related to environmental risks would also be recorded in this caption.

Other

This item covers the future outflows that are considered probable and that relate to litigation (employee, Jubilee or other) or commitment arising in the normal course of GEH group's business operations. It mainly consists in employment-related legal disputes and other litigations.

3.9.14 Long-term debt – long and short portion

3.9.14.1 Split by natures

	30 september 2019 K-EUR	30 september 2018 K-EUR
Non-current portion		
Bank loan-Long term	0	3
Financial debt related to GDE shares repurchased	679	0
Bonds	243 877	0
Finance leases-Long term	25 470	17 948
Other long term debt	70	0
Total long term debt - long term portion	**270 096**	**17 951**
Current portion		
Bank loan - short term	0	8 904
Finance leases - short term	8 419	7 243
Total current portion of long-term debt	**8 419**	**16 147**
Total long-term debt	**278 515**	**34 098**

3.9.14.2 Split by maturity and country

The carrying amounts of the Group's financial liabilities in 2019 were as follows:

	Amounts falling due within one year	Amounts falling due between 1 and 5 years	Amounts falling due after 5 years	Total due 30 September 2019
	K-EUR	K-EUR	K-EUR	K-EUR
Bank loans	0	0	0	0
Financial debt related to GDE shares repurchased	0	679	0	679
Bonds	0	243 877	0	243 877
Other long term debt	0	70	0	70
Finance leases	8 419	19 659	5 811	33 889
Total due	**8 419**	**264 285**	**5 811**	**278 515**

Finance lease commitments are mainly entered into for machinery and equipment with lease terms ranging from 5 years to 7 years.

The characteristics of the main credit lines of the Group are as follows:

GEH issued on 19 November 2018, senior secured floating rate notes with an aggregate principal amount of Euro 255 million. These senior secured floating rate notes are due in 2023. Interests are paid quarterly based on three-month EURIBOR + 6.25% (with 0% floor). The effective interest rate amounts to 7.60%. The notes are senior obligations of GEH and are guaranteed on a senior basis by Ecore B.V..

30 September 2019 Credit lines					
Denomination	Current value	Rate	Margin	Maturity	Start
High Yield Bond	255 000	Euribor 3M	6,25%	2023-11-15	2018-11-19
Total	255 000				

30 September 2018 Credit lines					
Denomination	Current value	Rate	Margin	Maturity	Start
Loans from financial institutions	1 600	Euribor 3M	2,25%	2019-04-01	2012-03-01
Loans from financial institutions	325	Euribor 3M	0,75%	2019-01-01	2009-01-01
Loans from financial institutions	280	0,00%	-	2020-12-31	2013-12-17
Loans from financial institutions	686	0,00%	-	2022-03-31	2015-04-07
Loans from financial institutions	430	4,42%	-	2023-10-31	2008-08-01
Loans from financial institutions	599	3,7% - 4,66%	-	Nov.18 - Mar. 25	-
Loans from financial institutions	-	Euribor 3M	3,00%	2020-06-30	2013-09-30
Loans from financial institutions	4 196	0,00%	-		
Loans from financial institutions	791	Euribor 3M	1,30%		
Loans from financial institutions	-	3,375%	-	2018-06-30	2016-03-31
Total	8 907				

3.9.15 Other long-term liabilities

As at September 30, 2019 other long-term liabilities mainly included prepaid income.

3.9.16 Accounts payable

	30 september 2019	30 september 2018
	K-EUR	K-EUR
Trade payables	75 588	88 449
Advances	2 400	3 364
Accrued expenses	77 915	92 949
Staff and social payables	12 190	12 305
Other taxes payable	4 611	6 978
Total accounts payable	**172 704**	**204 045**
Income tax payable	1 806	5 776
Total accounts payable including income tax payables	**174 510**	**209 821**

All accounts payable are current.

3.9.17 Other current liabilities

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Financial instruments trading/hedging	315	162
Other current liabilities	2 071	132
Prepaid income	282	226
Total current liabilities	**2 668**	**520**

3.9.18 Short-term debt

	30 september 2019	30 september 2018
	K-EUR	K-EUR
Short-term bank borrowings	41	173
Bank overdrafts	1 688	2 619
Total short-term debt	**1 729**	**2 792**

3.10 Contingencies and commitments

3.10.1 Contingent liabilities

In the normal course of business the Group has received legal claims in respect of business contracts. Management believes that no significant liability exists in respect of these claims, except for those contracts where specific provisions have been made.

3.10.2 Commitments

3.10.2.1 Commitments received

The Group has received the following commitments:

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Shareholder line of credit	-	30 000
Confirmed credit lines not used (1)	68 789	77 099
Total commitments received	68 789	107 099

(2) Confirmed line of credit not used relates to the Factoring (refer to note 3.5.1.1 – Liquidity risk Short-term debt).

3.10.2.2 Commitments given

In respect of the senior secured floating rate notes due 2023 issued on November 19, 2018 and the super senior revolving credit facility agreement signed on November 19, 2018, the company granted to the lenders a pledge of Ecore BV's shares.

Apart from the guarantee requirements for the senior secured notes and the revolving credit facility, the Group has given the following other commitments:

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Other commitments given	18 717	22 729
Total commitments given	18 717	22 729

Other commitments include letters of credit and guarantees delivered by financial institutions to Group creditors and suppliers guaranteeing operating activities.

3.10.3 Leasing agreements

3.10.3.1 Operating leases

The future aggregate minimum lease payments under non-cancellable operating leases as at 30 September 2019 are as follows:

	Amounts falling due within one year	Amounts falling due between 1 and 5 years	Amounts falling due after 5 years	Total Due at 30 September 2019
	K-EUR	K-EUR	K-EUR	K-EUR
Commitment - operating leases	5 672	11 608	20 050	37 330

The future aggregate minimum lease payments under non-cancellable operating leases as at 30 September 2018 are as follows:

	Amounts falling due within one year	Amounts falling due between 1 and 5 years	Amounts falling due after 5 years	Total Due at 30 September 2018
	K-EUR	K-EUR	K-EUR	K-EUR
Commitment - operating leases	4 606	10 570	23 553	38 729

3.10.3.2 Finance leases

The minimum future lease payments that will be made on finance leases are shown in note 3.9.14.2.

3.11 Significant litigation

The most significant litigations involving the Group are described hereinafter.

3.11.1 Litigation related to weighings

In February 2014, GDE (the French subsidiary of GEH) and its former CEO and Director have been indicted for an alleged fraud related to weighings performed on some of its French sites. In September 2017, a French Criminal Court convicted the subsidiary and its former CEO and Director to fines amounted to € 2.4 million. However GDE vigorously challenge the judgement and has appealed against the decision. Potential losses have been however fully recognized in 2017, and are fully paid as at September 30, 2019.

3.11.2 Landfill site of Nonant-le-Pin

On October 24, 2013 the newly opened landfill site of Nonant-le-Pin in France was blocked by environmentalist opponents who started a series of actions to prevent the subsidiary from operating the site. Despite a number of legal actions to defend its rights to do so, the cancellation of the legal authorisations to operate the site has been confirmed by the Supreme administrative court level ("Conseil d'Etat") on December 9, 2016. The company has afterwards appealed to the European Court of Human Rights. In that context, the landfill has been fully depreciated as at September 2017.

3.12 Employee benefits

In France, the employees of the Group benefit from state retirement plans and from an end-of-career compensation paid by the employer in accordance with the collective trade agreements.

In other countries, the plans depend on local legislation, the type of business and the past practices of the subsidiary concerned. The projected costs and obligations recognized in the consolidated financial statements have been determined based on the following actuarial assumptions:

	Actuarial assumptions 30 September 2019	Actuarial assumptions 30 September 2018
Discount rate	0,60%	1,60%
Long-term forecast salary growth rate	2,00%	2,00%
Expected return on assets		-
Mortality	INSEE tables M/W 2011-2013	INSEE tables M/W 2011-2013
Withdrawal rate	Turnover table with decreasing rates according to the ages and remains null after age 55, with an average rate of 3% for 2020	Turnover table with decreasing rates according to the ages and remains null after age 55, with an average rate of 2,5% for 2019
Retirement age - Executive	65	65
Retirement age - Non executive	63	63

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Actuarial value of commitments at opening	4 495	4 529
Restructuring transaction	-	-
Current service cost	366	379
Interest expense	68	65
Actuarial losses (gains) arising from changes in demographic assumptions	-	-
Actuarial losses (gains) arising from changes in financial assumptions	394	(195)
Employee contributions	-	-
Effect of settlement on the obligation	(206)	(236)
Benefits paid	(166)	(47)
Acquisitions, disposals, liquidations and reclassification	-	-
Changes in scope	-	-
Changes in exchange rates	-	-
Actuarial value of commitments at closing	4 952	4 495
Fair value of plan assets at opening	0	72
Plan assets	-	-
Implicit return on plan assets	-	1
Actuarial gains and (losses) generated during the period on plan assets	-	-
Employer contributions to the fund	-	-
Benefit paid by the fund	-	(73)
Fair value of plan assets at closing	0	0

Net value of commitments at closing	4 952	4 495
Amounts recognized in profit & loss		
Current service cost	366	379
Financial cost	68	64
Total	434	443

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Analysis of amount recognized in other comprehensive income		
Expected return on assets other than interest	-	-
Actual losses (gains) arising from changes in financial assumptions	394	(196)
Total losses (gains) recognized in other comprehensive income	394	(196)
Provisions Opening Balance Sheet	4 495	4 456
Restructuring transaction	-	-
Net expense for the year	434	443
Impact on comprehensive income	394	(196)
Reclassification	-	-
Benefits paid	(372)	(209)
Provisions at closing	4 952	4 495

3.13 Related parties

The consolidated financial statements include transactions carried out in the normal course of business between the Group and its related parties. Transactions consist mainly in sales and purchases of goods and consulting.

3.13.1 Income and charges

	30 September 2019	30 September 2018
	K-EUR	K-EUR
-		
Sales	-	-
Purchases	-	(966)
Interest received	-	-
Interest charged	-	-

3.13.2 Accounts receivable and payable

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Receivables from related parties	-	-
Other receivables from related parties	-	-
Other long-term liabilities	-	-
Payables to related parties	-	(771)

	30 September 2019	30 September 2018
	K-EUR	K-EUR
H.I.G Capital, L.L.C., a Delaware Limited liability company	-	(750)
GD Consulting SARL	-	(21)
Receivables (/payables) from related parties	-	(771)

3.13.3 Accounts receivable and payable

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Loan to related parties	-	-
Loan from shareholder	-	-

3.13.3.1 Key-management

The statutory directors as at September 30, 2019 receive the following amount of direct and indirect compensation of any kind:

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Short-term employee benefits	2 259	2 412
Post-employment benefits	358	-
Termination benefits	-	-
Other benefits	-	-
Total key management benefits	2 616	2 412

3.14 Audit fees

The expenses for services rendered by the Group auditor are as follows:

	30 September 2019	30 September 2018
	K-EUR	K-EUR
Legal audit Fees	373	343
Other assurance fees	-	127
Total audit fees	373	470

3.15 Subsequent events

No significant subsequent events.

3.16 Scope of consolidation

3.16.1 Parent company

Corporate Name	Country	30 september 2019			30 september 2018		
		Consolidation method	% voting power	% interest	Consolidation method	% voting power	% interest
Groupe Ecore Holding	Luxembourg	Full	100,00	100,00			
Groupe Ecore Luxembourg	Luxembourg				Full	100,00	100,00

3.16.2 Consolidated subsidiaries

Corporate Name	Country	30 september 2019			30 september 2018		
		Consolidation method	% voting power	% interest	Consolidation method	% voting power	% interest
GDE Equipement CO	France	Full	100,00	99,76	Full	100,00	100,00
Iron Horse FINCO1	France				Full	100,00	88,69
Iron Horse FINCO2	France				Full	100,00	100,00
Iron Horse FINCO3	France				Full	100,00	100,00
GDE CO 1	France	Full	100,00	99,76	Full	100,00	100,00
GDE CO 2	France	Full	100,00	99,76	Full	100,00	100,00
Iron Horse BV	Netherlands	Full	100,00	99,76	Full	100,00	100,00
Iron Horse France	France	Full	88,69	88,48	Full	88,69	88,69
Iron Horse Holding	France	Full	100,00	99,76	Full	100,00	100,00
Iron Horse Hungary	Hungary	Full	100,00	99,76	Full	100,00	100,00
Iron Horse Romania	Romania	Full	100,00	99,76	Full	100,00	100,00
La Petite Voevre Sarl	Luxembourg	Full	100,00	88,48	Full	100,00	88,69
SCI entrepôts du Plessis	France	Full	100,00	88,48	Full	100,00	88,69
La Petite Mouée SCI	France	Full	100,00	88,48	Full	100,00	88,69
Train A Fil Herserange SCI	France	Full	100,00	88,48	Full	100,00	88,69
Train A Fil Herserange SARL	Luxembourg	Full	100,00	88,48	Full	100,00	88,69
Alsadis SARL	France	Equity	35,18	54,05	Equity	35,18	53,92
Alsafer	France	Equity	49,99	49,81	Equity	49,99	49,68
Etablissements Breuil	France	Equity	49,00	48,82	Equity	49,00	48,70
Calduran NV	Belgium				Full	100,00	100,00
Cernay Environnement SA	France	Equity	33,95	33,82	Equity	33,95	33,74
Ecore Belgium SA	Belgium	Full	100,00	100,00	Full	100,00	100,00
Ecore International s.a.r.l.	Switzerland				Full	100,00	100,00
ECORE BV	Netherlands	Full	100,00	100,00	Full	100,00	100,00
ECORE SERVICES	France	Full	100,00	100,00	Full	100,00	100,00
Ecore Luxembourg SA	Luxembourg	Full	100,00	100,00	Full	100,00	100,00
Enningdal BV	Netherlands	Full	100,00	100,00	Full	100,00	100,00
ERCO	Germany	Equity	50,00	49,82	Equity	50,00	49,69
Ereco Zrt	Hungary	Full	100,00	100,00	Full	100,00	100,00
Ecore Transport Luxembourg Sarl	Luxembourg	Full	100,00	100,00	Full	100,00	100,00
Guy Dauphin Environnement	France	Full	99,63	99,63	Full	99,39	99,39
Transenvironnement	France	Full	100,00	99,63	Full	100,00	99,39
Ker-Hu Kft	Hungary	Full	100,00	100,00	Full	100,00	100,00
LOCA	Switzerland	Full	100,00	100,00	Full	100,00	100,00
MBF Envt	France	Full	100,00	99,63	Full	50,00	49,69
Newmal 2 BV	Netherlands				Full	100,00	100,00
Recylux SA (Luxembourg)	Luxembourg	Full	100,00	100,00	Full	100,00	100,00
Rohr Environnement	France	Full	50,36	50,17	Full	50,36	50,05
Recypatents SARL	Luxembourg				Full	100,00	100,00
Romrecycling	Romania	Full	100,00	100,00	Full	100,00	100,00
SCI Les Fiefs	France	Full	100,00	99,63	Full	100,00	99,39
SCI Des Grenadiers	France	Full	100,00	99,63	Full	100,00	99,39
SCI le Chamois	France	Full	100,00	99,52	Full	100,00	98,70
SCI Magnolia	France	Equity	50,00	49,82	Equity	50,00	49,69
SCI Merisiers	France	Full	100,00	99,63	Full	100,00	99,39
SCI Pommiers	France	Full	100,00	99,63	Full	100,00	99,39

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