

SYSTRA S.A.

**Statement by one of the statutory auditors of Systra SA
on the annual financial statements translated into
English as at December 31, 2022**



Statement by one of the statutory auditors of Systra SA on the annual financial statements translated into English as at December 31, 2022

General Manager
SYSTRA S.A.
72-76 rue Henry Farman
75015 PARIS

In our capacity as statutory auditors of SYSTRA SA and in accordance with your request, we have prepared this statement relating to the information contained in the attached document (the "Appendix") for the year ended December 31, 2022 and prepared for the needs of potential invitation to tenders.

The information was prepared under SYSTRA's management's responsibility and based on the accounting records used for the preparation of the annual financial statements of the Company established in accordance with the accounting rules and principles applicable in France for the year ended December 31, 2022.

It is our responsibility to report on:

- The concordance of the data presented in the Appendix compared to that contained in the annual financial statements we have audited as at and for the year ended December 31, 2022;
- The consistency of the translation into English of the items appearing in the Appendix with the annual financial statements of the Company established in French as required by the French Commercial code.

In the context of our role as statutory auditor, we have audited the annual financial statements of the Company as at and for the year ended December 31, 2022. Our audit was conducted in accordance with professional standards applicable in France, and was planned and performed for the purpose of forming an opinion on the annual financial statements taken as a whole and not on any individual component of the accounts used to determine the information. Accordingly, our audit tests and samples were not carried out with this objective and we do not express any opinion on any components of the accounts taken individually.

Furthermore, we have not performed any procedures to identify events that may have occurred after the date of our report on the annual financial statements of the Company which was issued on April 4, 2023.

We have not audited any interim accounts of the Company as of any date or for any period subsequent to December 31, 2022, and accordingly we do not express an opinion thereon.

*PricewaterhouseCoopers Audit, SAS, 63, rue de Villiers 92208 Neuilly-sur-Seine Cedex
Téléphone: +33 (0)1 56 57 58 59, www.pwc.fr*

Société d'expertise comptable inscrite au tableau de l'ordre de Paris - Ile de France. Société de commissariat aux comptes membre de la compagnie régionale de Versailles et du Centre. Société par Actions Simplifiée au capital de 2 510 460 €. Siège social : 63 rue de Villiers 92200 Neuilly-sur-Seine. RCS Nanterre 672 006 483. TVA n° FR 76 672 006 483. Siret 672 006 483 00362. Code APE 6920 Z. Bureaux : Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Neuilly-Sur-Seine, Nice, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.

Our engagement, which constitutes neither an audit nor a review, was performed in accordance with the professional standards applicable in France. For the purpose of this statement, our work consisted in:

- Verifying the reconciliation of the data presented in the attached document with that contained in the annual financial statements of SYSTRA SA we have audited as at and for the year ended December 31, 2022;
- Checking that the translation into English of the annual financial statements in the Appendix is consistent with the original French version of the annual financial statements of the Company as required by the French Commercial code.

On the basis of our work, we have nothing to report on the information contained in the attached document.

This statement has been prepared solely for your attention within the context described above and may not be used, distributed or referred to for any other purpose.

Our work should not be taken to supplant any additional inquiries or procedures that should be undertaken by a third party recipient of this statement and we make no representations regarding the sufficiency of the procedures we performed for the purpose of third parties.

In our capacity as statutory auditor of SYSTRA SA, our responsibility towards SYSTRA SA and the Shareholders is defined by French law and we do not accept any extension of our responsibility beyond that set out in French law. We do not owe or accept any duty of care to any third party including the financial institutions to which we are not party. In no event shall PricewaterhouseCoopers Audit be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentation or wilful misconduct on the part of the Directors, employees or agents SYSTRA SA

This statement is governed by French law. The French courts have exclusive jurisdiction in relation to any claim, difference or dispute which may arise out of or in connection with our engagement letter or this statement. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an illegitimate court or to claim that those Courts do not have jurisdiction.

Neuilly-sur-Seine, May 2nd, 2023

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Christophe Drieu

SYSTRA SA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBRE 2022



Contents

1.	INCOME STATEMENT	2
2.	BALANCE SHEET – ASSETS	3
3.	BALANCE SHEET – EQUITY AND LIABILITIES	4
4.	NOTES TO THE FINANCIAL STATEMENTS	5
4.1	INTRODUCTION	5
4.2	SIGNIFICANT EVENTS OF THE YEAR	5
4.3	BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS	5
4.4	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	5
4.4.1	Revenue from long-term contracts	5
4.4.2	Share of profit (loss) of jointly-controlled operations	6
4.4.3	Financial income and expenses	6
4.4.4	Non-recurring income and expenses	6
4.4.5	Income tax	6
4.4.6	Intangible assets and property, plant and equipment	6
4.4.7	Property leases	7
4.4.8	Long-term financial assets	7
4.4.9	Receivables and payables – Cash and cash equivalents	7
4.4.10	Employee benefit obligations	7
4.5	NOTES TO THE INCOME STATEMENT	8
4.5.1	Revenue	8
4.5.2	Other operating income	8
4.5.3	Wages, salaries and payroll taxes	8
4.5.4	Other operating expenses	8
4.5.5	Depreciation, amortisation and provisions	9
4.5.6	Jointly-controlled operations	9
4.5.7	Financial income and expenses	9
4.5.8	Non-recurring income and expenses	9
4.5.9	Income tax	10
4.5.10	Expense transfers	10
4.6	NOTES TO THE BALANCE SHEET	11
4.6.1	Fixed assets	11
4.6.2	Depreciation, amortisation and provisions for impairment	11
4.6.3	Maturity of receivables	12
4.6.4	Cash and cash equivalents	12
4.6.5	Share capital and additional paid-in capital	12
4.6.6	Shareholders' equity	13
4.6.7	Provisions for liabilities and charges	13
4.6.8	Financial liabilities	13
4.6.9	Maturity of payables	14
4.6.10	Accrued expenses and accrued income	14
4.6.11	Unrealised currency translation gains and losses	15
4.7	OTHER INFORMATION	15
4.7.1	Off-balance sheet commitments	15
4.7.2	Related-party information	15
4.7.3	Headcount	15
4.7.4	Employee share ownership plans and free share plans	15
4.7.5	Management compensation	16
4.7.6	Statutory Auditors' fees	16
4.7.7	Financial instruments and financial risk management	16
4.8	SIGNIFICANT EVENTS AFTER THE REPORTING DATE	17
4.9	LIST OF SUBSIDIARIES AND AFFILIATES	18

1. INCOME STATEMENT

(in € thousands)	2022	2021
Revenue	238,297	196,981
Reversals of depreciation, amortisation and provisions, and expense transfers	10,558	11,225
Other operating income	22,855	6,327
Operating income	271,709	214,533
Other purchases and external charges	(130,983)	(113,865)
Wages, salaries and payroll taxes	(111,586)	(93,672)
Other operating expenses	(18,128)	(7,364)
Depreciation, amortisation and provisions	(11,922)	(7,326)
Operating expenses	(272,619)	(222,227)
Operating profit (loss)	(910)	(7,694)
Jointly-controlled operations	710	69
Income from investments in subsidiaries and affiliates	31,601	4,879
Foreign exchange gains	7,194	14,597
Reversals of provisions for financial items	8	5,008
Other financial income	1,883	434
Financial income	40,685	24,918
Interest expense	(1,754)	(2,022)
Foreign exchange losses	(10,863)	(13,849)
Additions to provisions for financial items	(3,013)	(71)
Other financial expenses	0	0
Financial expenses	(15,631)	(15,943)
Net financial income	25,055	8,975
PROFIT (LOSS) BEFORE NON-RECURRING ITEMS AND TAX	24,855	1,350
Non-recurring income	12,373	163
Non-recurring expenses	(9,981)	(13,292)
Net non-recurring income (expense)	2,392	(13,130)
Income tax	(8,346)	(5,707)
PROFIT (LOSS) FOR THE YEAR	18,900	(17,487)

2. BALANCE SHEET – ASSETS

(in € thousands)	31 Dec. 2022			31 Dec. 2021
	Gross	Amort, depr. and prov.	Net	Net
Purchased goodwill	78,639	0	78,639	78,639
Other intangible assets	31,669	(9,672)	21,996	17,060
Intangible assets in progress	6,424	0	6,424	9,108
Intangible assets	116,732	(9,672)	107,060	104,807
Fixtures and fittings	2,116	(1,182)	934	6,777
Other property, plant and equipment	4,966	(2,081)	2,884	1,633
PPE under construction	790	0	790	669
Property, plant and equipment	7,871	(3,263)	4,608	9,078
Investments in subsidiaries and affiliates	135,223	(27,507)	107,716	108,968
Loans and other long-term investments	63,386	(3,123)	60,263	60,432
Guarantees and deposits	7,399	0	7,399	6,817
Long-term financial assets	206,007	(30,629)	175,378	176,217
Fixed assets	330,611	(43,564)	287,046	290,102
Trade receivables	156,784	(13,600)	143,184	128,317
Prepaid and recoverable taxes and payroll costs	49,343	0	49,343	59,221
Other receivables	29,331	0	29,331	46,711
Operating receivables	235,458	(13,600)	221,858	234,249
Marketable securities	3,647	0	3,647	4,630
Cash at bank and in hand	42,948	0	42,948	38,563
Cash and cash equivalents	46,595	0	46,595	43,193
Prepaid expenses	8,329	0	8,329	8,290
Other assets	8,329	0	8,329	8,290
Current assets	290,383	(13,600)	276,783	285,732
Unrealised currency translation losses	7,308	0	7,308	5,810
TOTAL ASSETS	628,302	(57,165)	571,137	581,644

3. BALANCE SHEET – EQUITY AND LIABILITIES

(in € thousands)	31 Dec. 2022	31 Dec. 2021
Share capital	33,302	33,302
Additional paid-in capital	142,296	159,783
Legal reserve	2,728	2,728
Other reserves	0	0
Retained earnings	0	0
Profit (loss) for the year	18,900	(17,487)
Untaxed provisions	0	0
Equity	197,227	178,327
Provisions for liabilities and charges	18,747	20,481
Bank borrowings	76,238	105,070
Other borrowings	91,786	109,070
Financial liabilities	168,024	214,140
Amounts due to fixed asset suppliers	48,495	32,741
Accrued taxes and payroll costs	69,520	75,216
Other payables	33,246	24,190
Operating payables	151,261	132,147
Deferred income	18,571	28,262
Other liabilities	18,571	28,262
Current liabilities	337,857	374,550
Unrealised currency translation gains	17,307	8,287
TOTAL EQUITY AND LIABILITIES	571,137	581,644

4. NOTES TO THE FINANCIAL STATEMENTS

4.1 INTRODUCTION

Systra SA is the parent company of the Systra Group.

The duration of the financial year ended 31 December 2022 was 12 months, the same as the previous financial year.

4.2 SIGNIFICANT EVENTS OF THE YEAR

As part of its policy of pro-actively managing its office leases, the Group entered into an agreement on 29 June 2022 to amend the lease for its head office. The new terms and conditions of the lease include a reduction in the leased floor area, an extension of the lease term, and a rent-free period. This project was carried out in parallel with a reorganisation of the Group's use of office space in order to adapt for the long term to the recent changes in working patterns and improve the employee experience. The main financial impacts of this transaction are presented in the notes below.

As part of analyses performed during the year, former tax receivable and payable positions were netted off, giving rise to non-recurring income in an amount of €7.2 million.

4.3 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of Systra SA have been prepared on a going concern basis in accordance with French generally accepted accounting principles, including the fundamental principles of prudence and segregation of accounting periods. Accounting policies have been applied consistently to all the years presented and accounting entries are based on the historical cost convention.

4.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.4.1 Revenue from long-term contracts

Revenue from long-term contracts is recognised using the percentage of completion method calculated by reference to contract costs.

The gross margin on long-term contracts is calculated on a contract-by-contract basis, based on the stage of completion of each contract and determined by reference to:

- Estimated total revenue for the contract, corresponding to the amount of the initial contract less any customer claims plus any additional work ordered by the customer.
- Estimated total contract costs, corresponding to the total costs that the Company expects to incur for the performance of all of its work under the contract.

Each year, a completion coefficient is calculated based on the proportion that contract costs incurred for work performed to date represents out of the estimated total contract costs. This coefficient is then applied to the estimated total revenue for the contract in order to calculate the amount of revenue recognised for the year.

Any excess revenue received compared with the amount actually invoiced to the customer based on the applicable contractual terms – which corresponds to revenue accruals – is recorded under "Trade receivables". Any amounts invoiced in excess of revenue received correspond to deferred income and are recognised under "Deferred income" in the financial statements.

Where the overall contract is expected to be loss-making, the Company records a provision for liabilities and charges corresponding to the full amount of the estimated loss.

4.4.2 Share of profit (loss) of jointly-controlled operations

The Company recognises only its share of the profit generated by “SEP” jointly-controlled operations in its income statement. It applies this accounting treatment to all of its SEP jointly-controlled operations, irrespective of whether or not it acts for them in the capacity of agent.

4.4.3 Financial income and expenses

Any available cash in foreign currencies is invested in term deposits with banks.

The Company carries out a substantial amount of business outside France and therefore receives a significant proportion of its revenue in foreign currencies.

In accordance with Regulation 2015-05 issued by the French Accounting Standards Board (*Autorité des Normes Comptables* – ANC), the Company recognises currency translation gains and losses either in operating profit or financial income and expenses, depending on the type of underlying transaction.

As a result of applying said Regulation, the Company recognises in “Currency translation gains on trade receivables and payables” and “Currency translation losses on trade receivables and payables” the foreign exchange gains and losses that have an impact on operating profit but not on financial income and expenses.

4.4.4 Non-recurring income and expenses

Non-recurring income and expenses correspond to items that fall outside the scope of the Company’s ordinary activities as well as those deemed to be exceptional in terms of their amount.

4.4.5 Income tax

“Income tax” includes withholding tax. Tax treaties in force between France and the countries in which the Company performs services permit withholding tax to be classified as income tax and therefore to generate tax credits in France.

4.4.6 Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are measured at their acquisition cost for purchased assets, at production cost for assets produced by the Company and at fair value for assets acquired free of consideration or in exchange for other assets.

Depreciation and amortisation are calculated over the estimated useful lives of the assets concerned, on a basis that reflects the pattern over which the future economic benefits of the assets are expected to be consumed.

Depreciation and amortisation expense recorded in the income statement is calculated by the straight-line method based on the following estimated useful lives:

Intangible assets:

Purchased goodwill and merger deficits	not amortised
Computer software	3 to 15 years

Purchased goodwill and merger deficits are not amortised but may be written down for impairment where appropriate, in the same way as other intangible assets and property, plant and equipment.

Property, plant and equipment:

Fixtures and fittings	5 to 18 years
Office equipment	5 to 10 years
IT equipment	5 to 10 years
Vehicles	5 years

4.4.7 Property leases

The terms and conditions of lease agreements for office buildings are negotiated on a case-by-case basis and therefore the terms and conditions may vary from one lease to another. These lease agreements are entered into for terms that generally exceed one year and may contain incentives.

If a lease contains incentives that result in uneven rents over time, the rents are recognised on a straight-line basis over the lease term in order to correctly reflect the underlying economic benefits generated year on year.

4.4.8 Long-term financial assets

The gross amount of long-term financial assets corresponds to their initial recognition value.

Investments in subsidiaries and affiliates are recorded at the cost of acquisition.

A provision for impairment in value is recognised if the results of impairment tests show that the fair value of any investments, based on the Company's equity in the underlying net assets of the companies concerned, is less than the cost of acquisition.

For loans to subsidiaries, provisions are set aside on a case-by-case basis by reference to the estimated risk of non-recovery.

4.4.9 Receivables and payables – Cash and cash equivalents

These items are recognised at nominal value.

The Company impairs its receivables using a provision matrix that incorporates lifetime expected credit losses on its trade receivables. In particular, the matrix is based on the age of the receivables and the estimated counterparty risk.

Marketable securities are stated at the lower of cost and market value.

Any cash and cash equivalents, receivables or payables that are denominated in foreign currencies are translated into euros at the year-end exchange rate.

Translation differences corresponding to unrealised losses are provisioned in full.

Currency translation gains and losses arising on trade receivables and payables are recorded within operating profit.

The Company's payables do not include any bills of exchange.

4.4.10 Employee benefit obligations

The Company's liability for employee benefit obligations is calculated on an actuarial basis in accordance with ANC recommendation 2013-02, based on the following assumptions:

For pension benefit obligations:

In %	2022	2021
Discount rate	3.8	1.0
Inflation rate	2.2	2.0
Payroll tax rate	45.0	45.0

Vested entitlements are in accordance with the Syntec collective bargaining agreement.

For long-service awards:

In %	2022	2021
Discount rate	3.6	0.45
Inflation rate	2.2	2.0
Payroll tax rate	45.0	45.0

Vested entitlements are in accordance with the Syntec collective bargaining agreement.

4.5 NOTES TO THE INCOME STATEMENT

4.5.1 Revenue

Breakdown of revenue:

(in € thousands)	2022	2021
Sales of services – Export	166,158	115,664
Sales of services – France	72,138	81,317
Total	238,297	196,981

4.5.2 Other operating income

Breakdown of other operating income:

(in € thousands)	2022	2021
Own work capitalised	7,318	4,576
Operating subsidies	48	0
Currency translation gains on trade receivables and payables	3,898	1,731
Miscellaneous operating income	11,591	20
Total	22,855	6,327

Miscellaneous operating income includes the reversal of the residual amount relating to the rent-free period under the lease agreement for the Company's head office as at the date on which this lease was amended, representing a total €6.8 million.

4.5.3 Wages, salaries and payroll taxes

Breakdown of wages, salaries and payroll taxes:

(in € thousands)	2022	2021
Wages and salaries	(97,422)	(80,465)
Payroll taxes	(14,164)	(13,207)
Total	(111,586)	(93,672)

4.5.4 Other operating expenses

Breakdown of other operating expenses:

(in € thousands)	2022	2021
Taxes other than on income	(3,763)	(4,167)
Currency translation losses on trade receivables and payables	(2,521)	(1,227)
Miscellaneous operating expenses	(11,844)	(1,970)
Total	(18,128)	(7,364)



4.5.5 Depreciation, amortisation and provisions

Breakdown of depreciation, amortisation and provisions:

(in € thousands)	2022	2021
Depreciation, amortisation and impairment expense	(8,582)	(6,055)
Additions to provisions for liabilities and charges	(3,340)	(1,271)
Total	(11,922)	(7,326)

4.5.6 Jointly-controlled operations

Breakdown of jointly-controlled operations:

(in € thousands)	2022	2021
SEP/SEA	710	69
Total	710	69

4.5.7 Financial income and expenses

Breakdown of financial income and expenses:

(in € thousands)	2022	2021
Additions to provisions for financial items	(3,013)	(71)
Reversals of provisions for financial items	8	5,008
Provisions for financial items	(3,005)	4,936
Dividends received	31,601	4,879
Income from investments in subsidiaries and affiliates	31,601	4,879
Net foreign exchange gains (losses)	(3,670)	747
Interest expense	(1,754)	(2,022)
Other financial income	1,883	434
Other financial expenses	0	0
Other financial income and expenses	(3,541)	(841)
Net financial income	25,055	8,975

Additions to provisions for financial items include the full write-off of an investment in a non-controlled company, corresponding to €1.2 million.

4.5.8 Non-recurring income and expenses

Breakdown of non-recurring income and expenses:

(in € thousands)	2022	2021
Provisions for non-recurring items	3,642	(248)
Non-recurring income from management transactions	3,059	(12,356)
Non-recurring expenses on capital transactions	(4,309)	(527)
Net non-recurring income (expense)	2,392	(13,130)

The €2.4 million in net non-recurring income for 2022 mainly comprises:

- a €3.6 million reversal of provisions previously set aside in relation to the lease agreement for the Company's head office, as these provisions were no longer required following the amendment of the lease;
- the netted-off balance of various accounting positions relating to former tax receivables and payables and former projects, representing €3.8 million in net income;
- the disposal of property, plant and equipment as a result of works currently being carried out at the Company's head office, corresponding to €4.7 million.

4.5.9 Income tax

Tax group

The Company is the head of a French tax consolidation group that includes Systra SA, Systra France SAS and several French subsidiaries of Systra SA. Under this agreement, the member companies of the tax group calculate their income tax as if they were taxed on a stand-alone basis. Any tax savings arising as a result of tax consolidation are recorded in the financial statements of the head company of the tax group, i.e. Systra SA.

Income tax

Breakdown of income tax:

(in € thousands)	2022	2021
Income tax expense	(7,453)	(4,326)
Withholding tax	(881)	(1,817)
Research tax credit	(12)	437
Total	(8,346)	(5,707)

The income tax expense figure includes the profit or loss of the French tax consolidation group that Systra SA heads up as well as the tax charges arising from the Company's foreign operations carried out mainly via its foreign branches.

Deferred taxes

The Company does not record any deferred taxes in its financial statements. However, the main temporary differences between the tax bases of assets and liabilities and their carrying amounts can be analysed as follows:

Type (in € thousands)	2021		Year-on-year change		2022	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
I-Permanent and temporary differences	59,648	0	2,412	5,710	56,350	0
1-Untaxed provisions						
2-Investment subsidies						
3-Temporarily non-deductible expenses						
C3S – “Organic” tax	125			75	50	
French governmental house levy	0		294		294	
Provisions for contract losses on completion	304			184	119	
Provisions for onerous contract	3,642			3,642		
Provisions for liabilities and charges	2,469		237		2,706	
Employee profit-sharing	27,151		356		27,507	
Provisions for pension benefit obligations	6,574			1,809	4,766	
Provisions for doubtful receivables	13,573		28		13,600	
Other provisions	5,810		1,498		7,308	
4-Temporarily tax-exempt income						
5-Expenses deducted or income taxed and not yet recognised						
II-Items to be added back for tax purposes	79,749	0	28,242	0	107,991	0
1-Tax loss carryforwards	79,749		28,242		107,991	
2-Long-term capital losses						
3-Other						
III-Potentially taxable items	0	0	0	0	0	0
1-Capital gains on non-depreciable assets						
2-Special long-term capital gains reserve						
3-Special construction gains reserve						
4-Other						
TOTAL TAX BASE	139,397	0	30,654	5,710	164,342	0

4.5.10 Expense transfers

Breakdown of expense transfers:

(in € thousands)	2022	2021
Miscellaneous rebilling	3,390	2,789
Total	3,390	2,789

4.6 NOTES TO THE BALANCE SHEET

4.6.1 Fixed assets

Breakdown of fixed assets:

(in € thousands)	Gross amount at 1 Jan.	Increase	Decrease	Gross amount at 31 Dec.
Purchased goodwill	78,639	0	0	78,639
Other intangible assets	24,853	7,413	598	31,669
Intangible assets in progress	9,108	6,528	9,211	6,424
Intangible assets	112,600	13,941	9,809	116,732
Fixtures and fittings	16,260	179	14,323	2,116
Other property, plant and equipment	3,855	1,888	778	4,966
PPE under construction	669	790	669	790
Property, plant and equipment	20,783	2,857	15,769	7,871
Investments in subsidiaries and affiliates	136,119	50	946	135,223
Loans and other long-term investments	62,403	5,567	4,584	63,386
Guarantees and deposits	6,817	2,120	1,538	7,399
Long-term financial assets	205,339	7,737	7,068	206,007
Total	338,722	24,535	32,646	330,611

Intangible assets consist mainly of software. The year-on-year change in this item is mainly due to acquisitions of business software.

Property, plant and equipment consist mainly of fixtures and fittings and office and computer equipment. The year-on-year change in this item is mainly due to the disposal of property, plant and equipment as a result of works currently being carried out at the Company's head office.

Long-term financial assets consist mainly of shares in the Company's subsidiaries and loans granted by the Company to its subsidiaries. The main year-on-year changes in the item are due to movements in loans to the Company's subsidiaries.

4.6.2 Depreciation, amortisation and provisions for impairment

Breakdown of depreciation, amortisation and provisions for impairment:

(in € thousands)	Depr., amort. and prov. for impairment (1 Jan. 2022)	Additions	Reversals	Depr., amort. and prov. for impairment (31 Dec. 2022)
Purchased goodwill	0	0	0	0
Other intangible assets	7,793	2,221	342	9,672
Intangible assets	7,793	2,221	342	9,672
Fixtures and fittings	9,483	1,314	9,615	1,182
Other property, plant and equipment	2,222	582	723	2,081
Property, plant and equipment	11,705	1,896	10,338	3,263
Investments in subsidiaries and affiliates	27,151	364	8	27,507
Loans and other long-term investments	1,971	1,151	0	3,123
Guarantees and deposits	0	0	0	0
Long-term financial assets	29,122	1,515	8	30,629
Total	48,620	5,632	10,688	43,564

Reversals of depreciation of property, plant and equipment mainly reflect the disposal of property, plant and equipment as a result of works currently being carried out at the Company's head office.

The year-on-year increase in provisions for impairment of loans and other long-term investments includes the full write-down of an investment in a non-controlled company in an amount of €1.2 million.

4.6.3 Maturity of receivables

Breakdown of maturity of receivables:

(in € thousands)	Gross	Due within 1 year	Due beyond 1 year
Loans and other long-term investments	63,386	0	63,386
Guarantees and deposits	7,399	0	7,399
Long-term financial assets	70,785	0	70,785
Trade receivables	156,784	155,812	972
Prepaid and recoverable taxes and payroll costs	49,343	49,343	0
Amounts due from Group companies	2,678	2,678	0
Other receivables	26,653	26,653	0
Operating receivables	235,458	234,486	972
Prepaid expenses	8,329	8,329	0
Other assets	8,329	8,329	0
Total	314,572	242,815	71,757

4.6.4 Cash and cash equivalents

Breakdown of cash and cash equivalents:

(in € thousands)	31 Dec. 2022	31 Dec. 2021
Marketable securities	3,647	4,630
Cash at bank and in hand	42,948	38,563
Total	46,595	43,193

At 31 December 2022, the amount recorded under marketable securities corresponded to the book value of treasury shares.

4.6.5 Share capital and additional paid-in capital

The Company's share capital is divided into 33,302,018 shares with a par value of €1 each, all issued and fully paid up. At 31 December 2022 the Company held 375,839 of its own shares.

Movements in share capital during the year were as follows:

(in € thousands)	Number of shares	Share capital	Additional paid-in capital
At 1 January 2022	33,302,018	33,302	159,783
Capital increase	0	0	0
Capital reduction	0	0	0
Other movements	0	0	(17,487)
At 31 December 2022	33,302,018	33,302	142,296

Other movements correspond to the clearing of the retained earnings account by transferring amounts to the additional paid-in capital account.



4.6.6 Shareholders' equity

Movements in equity before appropriation of profit for the year:

(in € thousands)	At 1 January 2022	Appropriation of 2021 profit	Profit for the period	Other movements	At 31 December 2022
Share capital	33,302	0	0	0	33,302
Additional paid-in capital	159,783	0	0	(17,487)	142,296
Legal reserve	2,728	0	0	0	2,728
Other reserves	0	0	0	0	0
Retained earnings	0	(17,487)	0	17,487	0
Dividends paid	0	0	0	0	0
Profit (loss) for the year	(17,487)	17,487	18,900	0	18,900
Untaxed provisions	0	0	0	0	0
Total	178,327	0	18,900	0	197,227

No dividends were paid during the year.

Other movements correspond to the clearing of the retained earnings account by charging additional paid-in capital.

4.6.7 Provisions for liabilities and charges

Breakdown of provisions for liabilities and charges:

(in € thousands)	At 1 January 2022	Additions	Reversals	At 31 December 2022
Subsidiary risks	2,469	263	(26)	2,706
Employee benefit obligations	6,815		(1,865)	4,950
Non-recurring losses	3,642		(3,642)	0
Currency translation differences	5,810	1,498		7,308
Financial risks	563	2,482	(563)	2,482
Other risks	1,182	595	(475)	1,301
Total	20,481	4,838	(6,572)	18,747

Provisions for risks include the €3.6 million reversal of provisions previously set aside in relation to the lease agreement for the Company's head office as these provisions were no longer required following the amendment of the lease.

4.6.8 Financial liabilities

Breakdown of financial liabilities:

(in € thousands)	31 Dec. 2022	31 Dec. 2021
Bank borrowings	76,238	105,070
Other borrowings	91,786	109,070
Total	168,024	214,140

Other borrowings include the balance of the current accounts of subsidiaries that form part of a cash-pooling system set up at the level of Systra SA, corresponding to a total amount of €89.8 million.



Financial covenants

Certain financing agreements include early repayment clauses in the event of failure to comply with specified financial ratios. All of these ratios were respected at 31 December 2022.

4.6.9 Maturity of payables

Breakdown of maturity of payables:

(in € thousands)	Gross	Due within 1 year	Due beyond 1 year
Bank borrowings	76,238	35,488	40,750
Other borrowings	91,786	91,786	0
Financial liabilities	168,024	127,274	40,750
Amounts due to fixed asset suppliers	48,495	48,495	0
Accrued taxes and payroll costs	69,520	69,520	0
Amounts due to Group companies	3,004	3,004	0
Other payables	30,242	30,242	0
Operating payables	151,261	151,261	0
Deferred income	18,571	18,571	0
Other liabilities	18,571	18,571	0
Total	337,857	297,107	40,750

Other borrowings include the balance of the current accounts of subsidiaries that form part of a cash-pooling system set up at the level of Systra SA, corresponding to a total amount of €89.8 million.

Due to the nature of the cash pooling agreements, this amount is presented in the table above as due within 1 year.

Deferred income corresponds to the difference between the revenue received at the year-end and the revenue invoiced based on the contractually-agreed billing dates.

4.6.10 Accrued expenses and accrued income

The amount of accrued expenses included in balance sheet items is as follows

(in € thousands)	2022	2021
Accrued interest on bank borrowings	263	122
Accrued trade payables	51,364	47,847
Accrued taxes and payroll costs	23,634	15,310
Total	75,261	63,279

The amount of accrued income included in balance sheet items is as follows:

(in € thousands)	2022	2021
Accrued trade receivables	87,105	85,577
Prepaid and recoverable taxes and payroll costs	0	0
Total	87,105	85,577



4.6.11 Unrealised currency translation gains and losses

Breakdown of unrealised currency translation gains and losses:

(in € thousands)	Unrealised currency translation losses	Unrealised currency translation gains
On trade and other receivables	5,921	16,299
On trade and other payables	1,387	1,008
Total	7,308	17,307

4.7 OTHER INFORMATION

4.7.1 Off-balance sheet commitments

Breakdown of off-balance sheet commitments:

(in € thousands)	2022	2021
Commitments given in relation to contracts	116,173	116,709
Commitments given in relation to financing of subsidiaries	41,359	38,767
Commitments given in relation to leases	66,703	52,442
TOTAL	224,235	207,918

As the parent company, Systra SA may be required to provide counter-guarantees for its subsidiaries' bank credit facilities (overdrafts and bank guarantees).

4.7.2 Related-party information

During 2022, no new agreements were entered into with related parties – within the meaning of Article R. 123-198 of the French Commercial Code – that represented a material amount and that were not on arm's length terms.

4.7.3 Headcount

The average headcount reported for 2022 and 2021 is the average number of monthly full-time equivalent staff.

Headcount (FTE)	2022	2021
Contract staff	331	327
Seconded staff	16	19
Branch staff	1,123	938
Total	1,470	1,284

4.7.4 Employee share ownership plans and free share plans

Employee share ownership plans

Employee share ownership plans are in place in France via an "FCPE" (corporate mutual fund), as well as in India and in the United Kingdom. At 31 December 2022, a total of 219,525 shares were held through these plans by current or former employees of the Group, i.e., 0.66% of the share capital (compared with 0.35% at 31 December 2021).

Free share plans (performance share plans)

Breakdown of performance share plans:

Grant of performance shares	2022
Grant date	16 Dec. 2022
Duration of the vesting period	3 years
Minimum lock-up period	-
Number of shares originally granted	114,000
Number of performance shares granted	
Number of performance shares outstanding at 1 January 2022	0
Number of shares granted during the year	114,000
Number of shares cancelled during the year	0
Number of shares that vested during the year	0
Number of performance shares outstanding at 31 December 2022	114,000

2022 Plan

On 16 December 2022, the Executive Board granted performance shares to certain employees and corporate officers of Systra SA or Systra Group companies. These shares will only vest if the underlying performance criteria are met, and if the beneficiaries are still with the Group on the vesting date (“continuous service” condition).

Concerning the performance criteria, 50% of the performance shares will vest if a pre-defined revenue target is achieved by 2025 and 50% will vest if a pre-defined EBIT target is achieved by 2025. The minimum achievement rate (the “trigger”) for the shares to partially vest is 85% and the maximum achievement rate (the “cap”) is 110%, with the actual number of shares that will vest determined on a straight-line basis between the trigger and the cap.

4.7.5 Management compensation

During 2022, the members of the Executive Board received total gross compensation of €1,907,000 for the performance of their duties or offices.

Only the independent members of the Supervisory Board received attendance fees during the year, representing a total amount of €120,000.

4.7.6 Statutory Auditors’ fees

Breakdown of the Statutory Auditors’ fees:

(in € thousands)	PwC	Mazars
Statutory audit work	134	191
Non-audit services	0	0
Total	134	191

4.7.7 Financial instruments and financial risk management**Foreign exchange risk management**

In the ordinary course of its business, the Company is exposed to foreign exchange risks when it submits bids or signs contracts in currencies other than the functional currencies of its entities (i.e. the euro for the Company and non-standalone branches and local currencies for standalone branches). The Company therefore endeavours to minimise this foreign exchange risk.

For foreign exchange risk generated from bids submitted in foreign currencies, depending on the probability of winning the contract, as well as on the contractual framework and market conditions, the Company may in rare cases hedge part of the bids by using options.



For the exchange rate risk generated from operations, the Company always favours natural hedging (costs denominated in the same currency as sales) or contractual hedging (indexing the bid to fluctuations in exchange rates). In all other cases, revenues and costs denominated in a foreign currency are hedged mainly through foreign exchange transactions and the use of options.

Interest rate risk management

In order to finance its general business needs the Company takes out long-term debt at either variable or fixed rates, depending on the level of interest rates at the time the financing is put in place. Interest rate swaps can be set up when the financing is put in place for the purpose of creating synthetic variable- or fixed-rate borrowing. The Company may also set up interest rate swaps on an *ad hoc* basis in order to alter the borrowings' interest-rate structure.

Liquidity risk management

The Company manages its cash position in line with its principal objectives of maintaining a satisfactory level of liquidity and minimising the cost of borrowing, based on an overnight benchmark rate.

Counterparty risk management

As part of its foreign exchange and interest rate risk management policies described above, the Company may enter into hedging contracts with leading financial institutions. The counterparty risk arising from these contracts is not deemed to be significant.

4.8 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There were no significant events that took place after the reporting date.



4.9 LIST OF SUBSIDIARIES AND AFFILIATES

in thousands of monetary units

	Country	Currency	% share capital held	Share capital	Equity other than share capital and profit (loss)	Carrying amount of shares held (ii)		Loans and advances granted (ii)	Guarantees and endorsements given (ii)	Pre-tax revenue (i)	Profit (loss) (i)	Dividends received (ii)
						Gross	Net					
1. Subsidiaries (more than 50%-owned)												
SYSTRA ENGENHARIA E CONSULTORIA LTDA	Brazil	BRL	100%	26,100	51,567	28,680	13,654	0	0	131,204	7,920	0
SYSTRA SCOTT LISTER	Australia	AUD	100%	14,000	366	10,867	10,867	896	0	0	(736)	0
MVA CONSULTANCY GROUP LTD	United Kingdom	GBP	100%	0	0	8,567	0	0	0	0	0	0
SYSTRA LIMITED	United Kingdom	GBP	100%	7,552	20,427	9,296	9,296	0	0	177,432	15,149	23,260
SYSTRA SAI	India	INR	100%	28,046	409,497	9,123	9,123	0	9,073	1,221,459	14,531	0
SYSTRA AB	Sweden	SEK	100%	100	12,129	4,523	4,525	1,800	0	293,847	(11,719)	0
SYSTRA USA INC	United States	USD	100%	156	24,520	15,070	15,070	11,499	15,807	0	1,484	0
SYSTRA SOTECNI SPA	Italy	EUR	100%	2,503	755	2,425	2,425	0	160	8,061	(50)	0
MVA HONG KONG LIMITED	Hong Kong	HKD	100%	22,485	35,690	2,221	2,221	2,414	601	108,716	(880)	0
SYSTRA CANADA INC.	Canada	CAD	100%	28	13,074	2,434	2,434	0	1,801	48,783	(5,906)	0
SYSTRA KOREA CO. LTD	Korea	KRW	100%	200,000	2,675,578	480	480	0	0	9,376,064	1,192,273	700
SYSTRA FRANCE SAS	France	EUR	100%	17,371	265	17,371	17,371	38,074	0	250,899	7,802	5,031
SYSTRA SWS ENGINEERING SpA	France	EUR	100%	1,719	3,324	18,000	18,000	0	0	28,942	1,987	600
French subsidiaries (not listed) (iii)						0	0	0	0			0
Foreign subsidiaries (not listed) (iii)						903	808	1,818	13,610			959
2. Investments (more than 10%-owned and less than 50%-owned)												
SAS MESEA	France	EUR	30%	3,815	2,886	1,145	1,145	0 -		41,606	1,938	1,050
NAKO SYSTRA	South Africa	ZAR	49%	11,837	(6,453)	350	166	25 -		2,088	(3,119)	0
in French companies (not listed) (iii)						25	25	0	0			0
in foreign companies (not listed) (iii)						40	38	0	0			0
3. Investments (less than 10%-owned)												
UIJEONGBU	South Korea	KRW	4.77%	ND	ND	3,381	0	1,971	-	ND	ND	0
in French companies (not listed) (iii)						0	0	0	0			0
in foreign companies (not listed) (iii)						322	169	0	0			0
TOTAL						135,223	107,716	58,498	41,052			31,601
