Registration Document 2018

Trusted partner for your **Digital Journey**

Atos

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Annual Financial Report items are clearly identified in this summary with the aid of the AFR pictogram.

Atos

registration document 2018

including **Annual Financial Report**

AMF

This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail.
The original document has been filed with the Autorité des Marchés Financiers (AMF) on February 22, 2019, in accordance with article 212-13 of the AMF's General Regulations. This document can be used for a specific financial operation, if completed by a prospectus approved by the AMF. This document has been issued by the Company and commits its signatories.

A

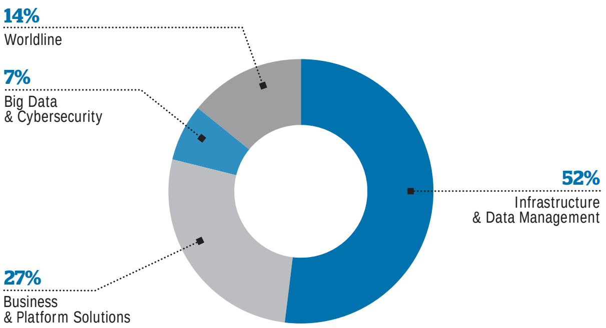
Group overview

A.1 Revenue profile

[GRI 102-6] [GRI 201-1]

A.1.1 By Division

In 2018, 73% of the Group revenue was generated by multi-year contracts, deriving from Infrastructure & Data Management (52% of total revenue), 75% of Worldline transactional services (10%), application management contracts included in Business & Platform Solutions, and half of Big Data & Cybersecurity (respectively 7% and 4%).

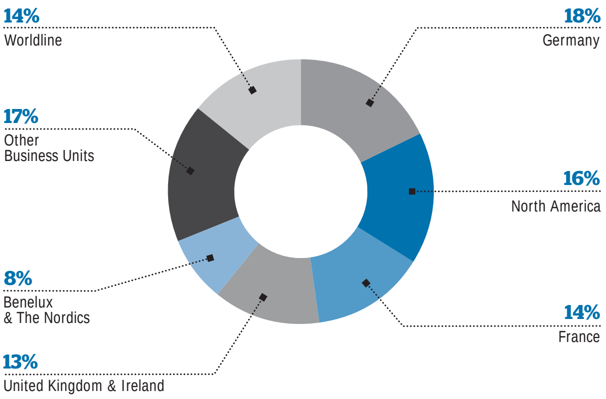


(in € million)	2018
Infrastructure & Data Management	6,328
Business & Platform Solutions	3,361
Big Data & Cybersecurity	895
Worldline	1,674
TOTAL GROUP	**12,258**

A.1.2 By Business Unit

[GRI 102-4]

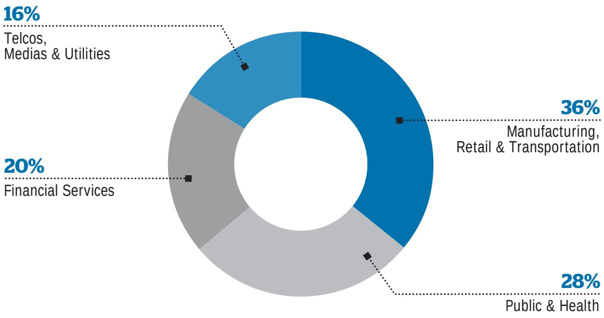
Europe and North America are the Group's main operational bases, generating 93% of total revenue in 2018.



(in € million)	2018
Germany	2,161
North America	2,022
France	1,710
United Kingdom & Ireland	1,612
Benelux & The Nordics	1,017
Other Business Units	2,061
Worldline	1,674
TOTAL GROUP	**12,258**

A.1.3 By Market

The Group provides high value-added digital services and solutions to many industry sectors. Customers are addressed through four global markets which are Manufacturing, Retail & Transportation, Financial Services Public & Health, and Telcos, Media & Utilities.



(in € million)	2018
Manufacturing, Retail & Transportation	4,492
Public & Health	3,387
Financial Services	2,449
Telcos, Media & Utilities	1,930
TOTAL GROUP	**12,258**

A.2 Business profile

[GRI 102-1] [GRI 102-2]

Atos SE (Societas Europaea) is a leader in digital transformation with 120,000 employees in 73 countries and annual revenue of over € 12 billion. European number one in Cloud, Cybersecurity and High-Performance Computing, the Group provides end-to-end Orchestrated Hybrid Cloud, Big Data, Business Applications and Digital Workplace solutions through its Digital Transformation Factory, as well as transactional services through Worldline, the European leader in the payment industry, and a comprehensive portfolio of cybersecurity products and services. With its cutting-edge technologies and industry knowledge, Atos supports the digital transformation of its clients across all business sectors. As an emblematic example, the Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games.

Atos' objective is to empower its clients on their digital journey thanks to its in-depth market knowledge and extensive portfolio of services. Pursuing this objective, Atos identified four key challenges that its customers face, whatever their industry sector and whatever their geography. Atos has the resources, the scale, and the expertise to help its customers meet all these challenges related to their digital transformation:

- reinvent business model;
- improve the customer experience;
- ensure trust and compliance;
- reinforce operational excellence.

Atos is listed on Euronext Paris and is included in the CAC40 stock index. Atos operates under the brands Atos, Atos|Syntel, Unify, and Worldline.

A.2.1 Atos Digital Transformation Factory

In order to answer the holistic challenges and needs of large organizations in their digital transformation, the Group designed a Digital Transformation Factory based on four end-to-end offers relying on the joint skills and capabilities of all the Group divisions and the consistent sales organization focusing on its top clients.

With *Hybrid Cloud*, Atos leverages all the Group strengths and the expertise of its unique and powerful ecosystem of partners. It proposes an industrial end-to-end approach to transform customer applications and infrastructures and to migrate them to a common framework managing and orchestrating the bi-modal landscape of legacy and multi-sources of cloud.

Leveraging 33 years of experience, the Group provides a unique end-to-end SAP HANA value proposition with a recognized set of tools and accelerators, flexible SAP HANA hosting and cloud services, and the leading SAP HANA appliance, the Bullion. With *Business Accelerators* end-to-end approach from Consulting & Integration to Digital & Analytics, Atos accelerates innovation and transformation by simplifying and optimizing its clients IT costs with the combination of both classical SAP and new SAP HANA.

In a context of consumerization redefining the way we work and business requirements of the end user, the *Digital Workplace* end-to-end offering is answering its clients' needs of productivity of employees, security, and costs. The Atos solution encompasses automated help & interaction centers, cloud & mobile solutions, unified communication and collaboration tools such as Circuit from Unify.

Connected Intelligence is a suite of business-driven analytics and IOT solutions and services which accelerates client´s Digital Transformation. It supports public and private sector organizations to transform data into actionable business insight using cognitive capabilities. In this field, the Atos difference relies on an open innovation model to collect the world's intelligence and make it works for its clients, made to measure platforms to perfectly fit to the unique business context of its clients, in a fully secured environment.

A.2.2 Atos expertise covers a wide range of specialties and always accompanying its customers for new opportunities and innovations

Infrastructure & Data Management (IDM): transforming today's IT landscapes to future hybrid IT environments

Atos is at the forefront of transforming its client's IT infrastructures to the new world of hybrid IT landscapes. This is built on Atos' expertise in delivering IT outsourcing for many years, strengthened by the *Hybrid Cloud*. Atos has been recognized several times by independent analysts as the most visionary workplace services provider in Europe thanks to its *Digital Workplace* offering leveraging on its unique unified communications capabilities from Unify, and as a leader in European and Asia-Pacific Datacenter Outsourcing and Infrastructure Utility Services as well as global leader in outsourcing services globally. Finally, Atos delivers Business Process Outsourcing (BPO) services in Medical and Financial areas.

Business & Platform Solutions (B&PS): transforming business through innovative business technologies

In order to better answer to market needs, Business & Platform Solutions has fundamentally changed the way it conducts its business and more particulary with the acquisition in October 2018 of Syntel, an Indian Leading company in Digital and Automation. The organization focuses on global delivery with strengthened management for strategic accounts and offering development to ensure high quality standards, improve customer satisfaction and drive operational performance.

Business & Platform Solutions contributes to the Group Digital Transformation Factory and proposes an industrial end-to-end approach to transform customer applications and to migrate them in the scope of *Hybrid Cloud* solutions. Through *Business Accelerators* offering, it delivers innovation for key customer business processes with an innovative platform and a consulting approach based on design thinking. As part of the *Digital Workplace* offering, Business & Platform Solutions delivers solutions for mobile apps and devices as well as SaaS integration. And finally, with *Connected Intelligence*, an analytics, cognitive & IoT solution allowing enterprises across all industries to minimize their time to value, B&PS delivers fast track solutions to identify and accelerate development of new use cases and scenarios that can scale massively on an open, industrial analytic platform fabric.

The Atos Consulting practice is part of the Business & Platform Solutions division and aims to transform business through innovative business technologies. As such, Atos helps its clients to deliver innovation to their customers, reduce costs, and improve effectiveness by leveraging business technologies. Atos Consulting's comprehensive Digital Transformation solutions enable organizations to connect and collaborate both within and outside the organization much more effectively.

Big Data & Cybersecurity (BDS): a business differentiator empowering digital transformation

Atos works with organizations in the private and public sectors, including manufacturing, telecommunications, Financial Services and defense to generate value from their growing volumes of data, with the highest levels of security. Through its technologies mostly brought by Bull, Atos develops High Performance Computing platforms, security solutions, software appliances and services allowing its customers to monetize and protect their information assets.

Worldline: ePayment Services

Worldline [Euronext: WLN] is the European leader in the payments and transactional services industry. With innovation at the core of its DNA, Worldline core offerings include pan-European and domestic Commercial Acquiring for physical or online businesses, secured payment transaction processing for banks and financial institutions, as well as transactional services in e-Ticketing and for local and central public agencies. Thanks to a presence in 30+ countries, Worldline is the payment partner of choice for merchants, banks, public transport operators, government agencies and industrial companies, delivering cutting-edge digital services. Worldline activities are organized around three axes: Merchant Services, Financial Services including equensWorldline and Mobility & e-Transactional Services. Further to the acquisition of SIX Payment Services on November 30, 2018, Worldline employs circa 11,000 people worldwide, with estimated pro forma revenue of circa € 2.3 billion on a yearly basis.

A.2.3 Atos industry expertise

Atos forges long-term partnerships with both large and multinational groups and small and medium size companies. Its high technological expertise and industry knowledge allow the Group to work with clients in the following sectors:

Manufacturing, Retail & Transportation

Atos helps enterprises to transform and optimize their business processes and IT infrastructures. In the manufacturing sector, Atos designs, builds, and runs solutions covering the entire value chain. Atos' solutions include strong focus on Enterprise Resource Planning (ERP) and Manufacturing Execution Systems (MES) and drive improvements in Product Lifecycle Management (PLM) and Customer Relationship Management (CRM). Atos enables its Retail customers to meet the challenges presented by the increasingly empowered consumer. Atos' ubiquitous commerce and payment solutions help its clients to understand and address their customers via all available channels (Online, Store, Call Desk) in the most efficient manner. Across the Manufacturing, Retail & Services sectors, Atos offers the entire solution portfolio as a Cloud service and enables the mobile users with enterprise mobility services.

Public & Health

Atos is an active partner in business improvement and technology for governments, defense, healthcare, and education. Citizen and patient-centric services, cognitive and analytics platforms, effective application modernization, shared services and securing systems have become pivotal as cultural changes and new streamlined processes become the norm. In a rapidly transforming world, Atos helps its clients invent the public and health digital platforms of the future.

As an expert in powerful, secured and mission-critical systems, infrastructures and applications, Atos' products and commercial solutions under the Bull brand help defense and homeland security authorities and organizations to take current risks into account. From services (engineering and integration of complex hardware/software systems) to solutions, Atos helps nations and industrial players build the new defense systems and technologies of tomorrow. The Group has been involved in projects as diverse as the largest European supercomputers for nuclear simulations, countrywide border control, battlefield and warship information systems, mobile tactical communications, intelligence and reconnaissance systems.

Financial Services

Atos supports the world's leading Financial Services organizations globally by offering solutions to improve their operational performance and IT agility on the long term. It enables them to manage risks and ensuring compliancy with changing regulations across multiple geographies. In the world of the connected customer, Atos provides the banking and insurance sectors with end-to-end smart solutions to attract and engage customers across multiple channels and to understand them more intimately and respond quicker to their needs thereby building stronger loyalty rate.

Telcos, Media & Utilities

Across telecommunications, media, energy and utilities sectors, operators face the challenges of increased competition, deregulation, consolidation and disruptive technologies. Within this context, the pressure is on to establish new business models to maintain leading market positions or increase market share. Using IT to transform its clients' operations and customer relations, Atos helps them to increase their agility while reducing their costs. Atos powers progress for its clients by accelerating and securing the adoption of transformational technologies, such as data-centric approaches in telecommunications, multi-channel and interactive media delivery, and smart grid systems for energy and utilities.

For additional information on the Group value creation model, please refer to B.1 Business Model.

A.3 Interview with Thierry Breton

[GRI 102-14]

Thierry Breton
Chairman & Chief Executive Officer

The past year has confirmed that Atos had entered a new dimension as ranked as a global leader in enterprise technology solutions. The Group has seized opportunities to expand its geographical footprint, its capabilities, and the range of solutions we offer to our clients.

In 2018, the Group strengthened its global profile and capabilities, most notably through two transforming acquisitions: Syntel, a digital services company with revenue of € 0.9 billion, and SIX Payment Services, a company specialized in electronic payments with revenue of € 0.5 billion, thereby enhancing Worldline's position as the undisputed payment leader in Europe. The Group's growth and the evolution of its range of services led Atos to launch ADVANCE 2021, a new 3-year plan designed to building on its reinforced position as a global digital services company.

As part of this plan, Atos announced its project to distribute 23.4% of Worldline's share capital to Atos shareholders and to create two listed pure play global leaders with increased strategic and financial flexibility. While the two companies will still benefit from their industrial and commercial partnership, this decision will provide Worldline with a stronger equity profile and a greater ability to pursue consolidation opportunities, and will reinforce Atos' focus as a leading digital pure player. Capitalizing on this increased financial flexibility, Atos will be very well positioned to participate in the consolidation of the industry, to expand its customer base, and to strengthen its key technological capabilities.

Over the next three years, with ADVANCE 2021, Atos will be fully able to support its customers as they face the disruption created by the digital shockwaves, meet the challenge of securely managing and leveraging the value of their data, and use it to create new business insights.

Atos will further develop its customer centricity through a stronger vertical go-to-market approach, involving all of Atos' capabilities and mobilizing its people skills and key talents to accelerate the digital transformation of its main customers and complete their transition to the Cloud and Hybrid Cloud infrastructures. Atos will continue to leverage the most advanced technologies for Smart Data Management, IoT, Ecosystems of Infrastructures, Digital Workplace, Automation, Artificial Intelligence, and Machine Learning. Atos will also provide the high-end computing capabilities that Big Data algorithms, Cybersecurity and Mission Critical technologies require, to help its customers succeed in the era of gigantic data.

To deliver this three-year plan, Atos has a strong foundation in its organizational values, and in its continuous commitment to the best Corporate and Social Responsibility practices. Its digital employee experience, fully integrated with operations, will keep contributing to a customer experience of the highest standard and to the Group's operational excellence. It will leverage its powerful combination of digital productivity levers and agile collaboration at scale, which is the bedrock of sustainable value creation.

2019 will mark a new, promising chapter of the Group's history. With a clear path to growth and sustainable value creation for its shareholders, employees, and all its stakeholders, Atos Group is ideally positioned to capture future opportunities, expand and enhance its offering, and deliver on the promise we make to each and every one of our clients: being the trusted partner of their digital journey.

A.4 Persons responsible

A.4.1 For the Reference Document

Thierry Breton

Chairman & Chief Executive Officer

A.4.2 For the accuracy of the document

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Reference Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I hereby declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the other companies included in the scope of consolidation, and that the management report (here attached) gives a fair description of the material events, results and financial position of the Company and all the other companies included in the scope of consolidation, as well as a description of the main risks and contingencies with which the Company may be confronted.

I obtained a statement from the statutory auditors at the end of their engagement affirming that they have read the whole of the Reference Document and examined the information in respect of the financial position and the accounts contained herein.

Thierry Breton

Chairman & Chief Executive Officer

Bezons, February 22, 2019

A.4.3 For the audit

APPOINTMENT AND TERM OF OFFICES

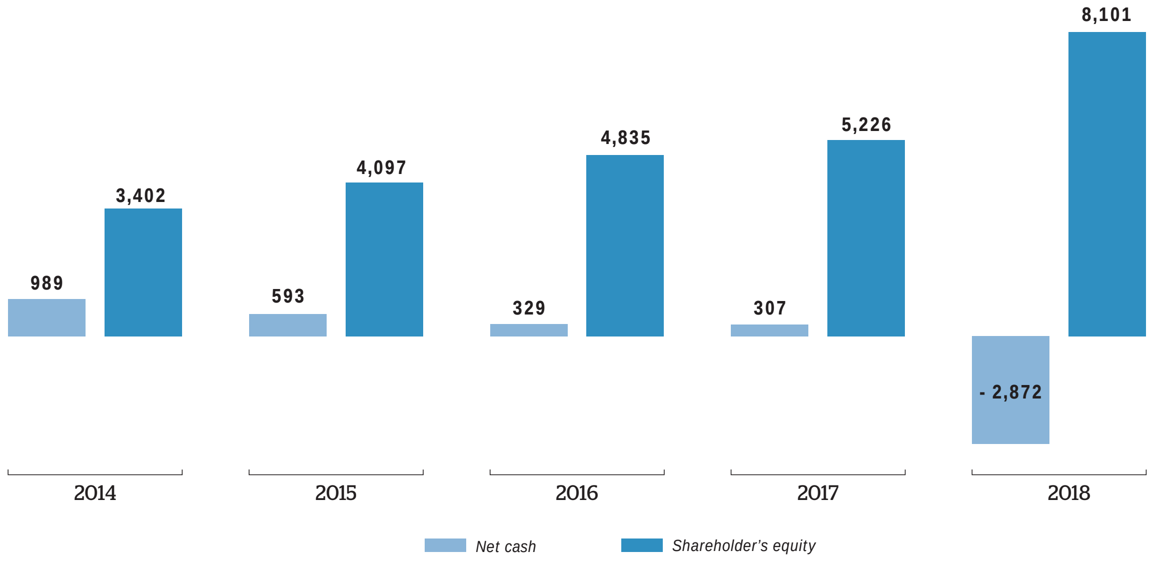
Statutory auditors	Substitute auditors
Grant Thornton Virginie Palethorpe	**Cabinet IGEC**
• Appointed on: October 31, 1990, then renewed in October 24, 1995, in May 30, 2002, in June 12, 2008, and in May 17, 2014	• Appointed on: October 31, 1990, then renewed in October 24, 1995, in May 30, 2002, in June 12, 2008, and in May 17, 2014
• Term of office expires: at the end of the AGM held to adopt the 2019 financial statements	• Term of office expires: at the end of the AGM held to adopt the 2019 financial statements
Deloitte & Associés Christophe Patrier	
• Appointed on: December 16, 1993, renewed in February 24, 2000, in May 23, 2006, in May 30, 2012, and in May 23, 2018	
• Term of office expires: at the end of the AGM held to adopt the 2023 financial statements	

A.5 Atos in 2018

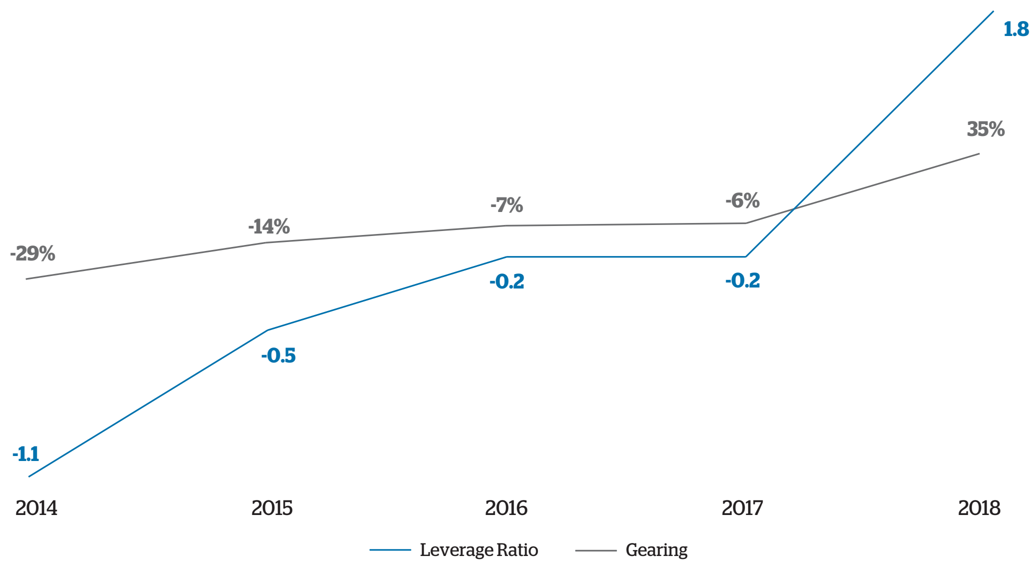
[GRI 102-7]

A.5.1 Key graphs

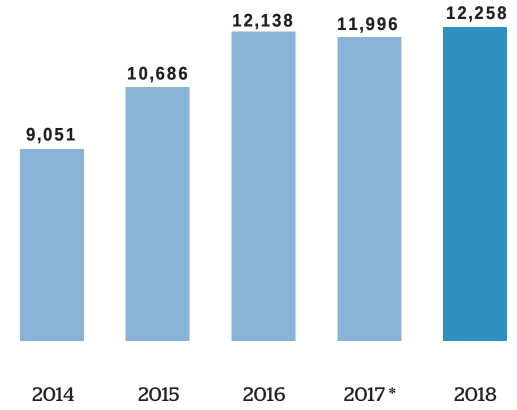
NET CASH AND SHAREHOLDERS EQUITY
(in € million)



GEARING (NET DEBT/EQUITY) AND LEVERAGE RATIO (NET DEBT/OMDA)

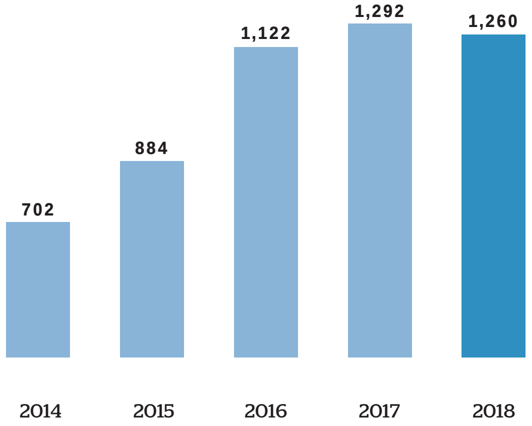


5-YEAR REVENUE PERFORMANCE
(in € million)

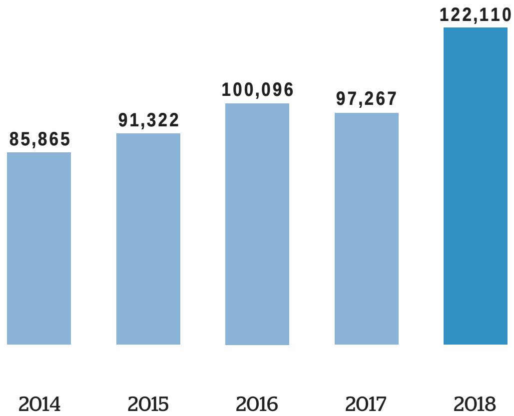


** 2017 restated for IFRS15*

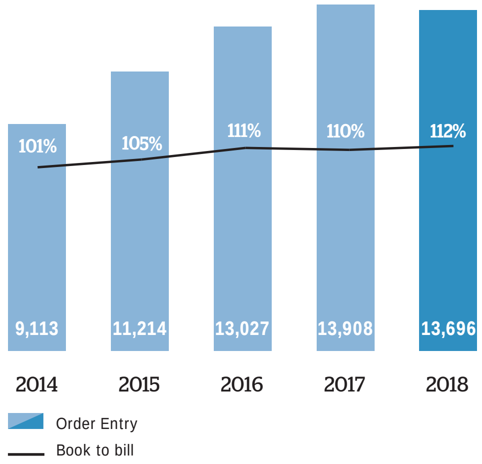
5-YEAR OPERATING MARGIN
(in € million)



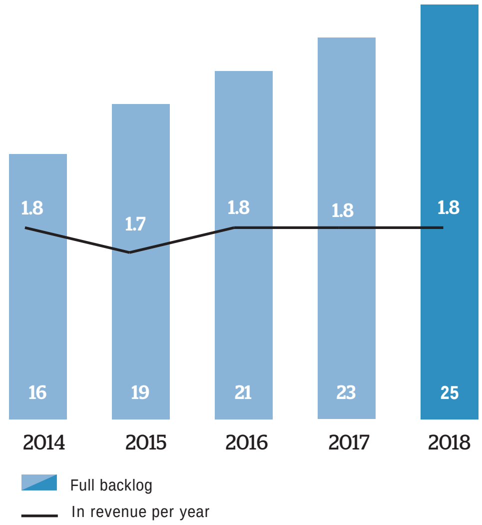
5-YEAR EMPLOYEE EVOLUTION



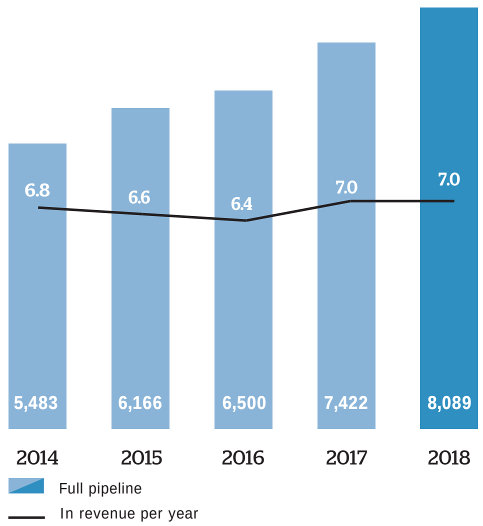
ORDER ENTRY AND BOOK TO BILL RATIO
(in € million and in %)



FULL BACKLOG
(in € billion and in year of revenue)



FULL PIPELINE
(in € million and in month of revenue)



A.5.2 2018 key achievements

January

Atos announced on **January 2**, the completion of the acquisition of the Siemens' subsidiary, Convergence Creators Holding GmbH (CVC), a global multi-industry digital transformation solutions provider. CVC delivers software-based solutions in the fields of communication networks and enterprise cybersecurity.

On **January 22**, Atos signed a contract to deliver its latest supercomputer, the 'BullSequana X1000', to Forschungszentrum Jülich in Germany. The 12-petaflop machine (able to execute more than 12 million billion operations per second) will be Germany's fastest supercomputer and one the most powerful computers in the world. Among numerous other activities, the BullSequana will be used in research for the Human Brain Project, which has as its goal to improve the understanding of the processes in the human brain through simulation.

Atos signed on **January 30** a contract to deliver large scale IT outsourcing services to Henkel, a global leader operating worldwide in three business areas: Adhesive Technologies, Beauty Care and Laundry & Home Care. As part of the contract, Atos is responsible for Henkel's Datacenter infrastructure, globally hosted in two main sites in Germany and the US. The new contract enables Henkel to react to the digitization of the market and to strengthen its position. Atos is Henkel's partner for managing their servers for applications as well as management and support for Oracle and SAP databases, Storage & Backup, Operations for Application Data, as well as Active Directory, File and Print servers in remote locations.

February

On **February 8**, Atos signed a key contract with the European Space Agency to enable new services with satellite data. It has been selected by ESA, the European Space Agency, to deliver and operate Copernicus Data and Information Access Services (DIAS). The DIAS will combine real-time geo data from Copernicus, the world's largest single Earth Observation program, with data from multiple sources and turn it into information products for companies in sectors such as manufacturing, insurance, utilities, agriculture, forestry, urbanism and emergency services.

Atos announced on **February 15**, that it has signed a contract in Sweden with EuroMaint Rail AB, Europe's leading independent supplier of maintenance services for the rail transport industry, to create a modern flexible infrastructure with solutions for the digital workplace of the future. This 5-year contract will significantly reduce the Company's costs while ensuring security and compliance at all times.

On **February 21**, Atos announced its Full Year 2017 results and achievement of all of its annual objectives. Revenue was € 12,691 million, +10.1% at constant exchange rates, and +2.3% organically, particularly led by the Atos Digital Transformation Factory which represented 23% of 2017 revenue (vs. 13% in 2016) benefitting from the strong demand of large organizations implementing their digital transformation. Operating margin was € 1,292 million, representing 10.2% of revenue, compared to 8.9% in 2016 at constant scope and exchange rates. This improvement by +130 basis points notably came from a fast-increasing hybrid or private cloud business, the synergies with Equens and Unify, and the continuous execution of the TOP transformation program. In 2017, the Group continued to execute its pension schemes optimization plan which resulted in operating margin one-offs for € 28 million, compared to € 41 million in 2016. Excluding these effects, the Group profitability was up +140 basis points at 10.0% in 2017. The commercial dynamism of the Group was particularly high in 2017 with order entry reaching € 13.9 billion, up by +6.8% compared € 13.0 billion statutory in 2016. It represented a book to bill ratio of 110% in 2017, of which 123% during the fourth quarter.

March

On **March 22**, Atos has, in its role as Worldwide IT Partner to the IOC, run and orchestrated the key IT systems that helped secure the success of the Olympic & Paralympics Winter Games PyeongChang 2018. This year for the first time in the history of the Olympic Games, all critical applications were hosted 100% in the Cloud. Atos ensured that the results were delivered around the world in 0.3 second. Atos' new delivery model combined a Central Technology Operations Center (CTOC) supervising the operations from Barcelona, Spain, jointly with the PyeongChang 2018 Technology Operations Center. All critical applications, Olympic Management System and Olympic Diffusion System – including the systems for accreditation, team entries, sport qualification and workforce management – have been delivered remotely by Atos.

Atos and Siemens, a global engineering leader announced on **March 26**, the reinforcement of their strategic co-operation, with plans to accelerate their joint business until 2020 through an ambitious joint go-to-market plan and the strengthening of their joint innovation and investment program. The program has been increased by € 100 million, totaling € 330 million – more than three times the original sum. This will further support the Siemens and Atos IoT MindSphere-Codex strategic co-operation as well as the joint go-to-market.

April

Beginning of April, Atos delivered end-to-end services as Official Partner of the Gold Coast 2018 Commonwealth Games (GC2018). The appointment reflects Atos' contribution towards delivering the largest sporting event in the southern hemisphere this decade as well as the successful partnership with the Gold Coast 2018 Commonwealth Games Corporation (GOLDOC).

On **April 9**, following on from the 4th meeting of the Atos Quantum Scientific Council held on Friday at its headquarters, Atos announced unprecedented simulation features in Quantum computing. Researchers at the Atos Quantum Laboratory have successfully modeled 'quantum noise' and as a result, simulation is more realistic than ever before, and is closer to fulfilling researchers' requirements. The Atos Quantum Learning Machine (QLM) now has advanced quantum hardware modeling capabilities such as physics-based realistic qubit noise simulation and optimization of quantum software for real quantum processors.

On **April 24**, Atos entered into a global agreement with Google Cloud to address the digital transformation needs of enterprise customers. This agreement will see the creation of secure solutions in areas including hybrid Cloud, data analytics and machine learning, and the digital workplace. Thanks to these solutions, Atos will offer enterprises a fast and frictionless way to use Google Cloud technologies alongside their existing assets and processes, while at the same time leveraging data to create new insights and value for their own customers. To accelerate product availability for customers, Atos established three artificial intelligence and machine learning customer innovation labs and R&D centers in France, UK and the US.

Atos announced on **April 25** the revenue for its first quarter of 2018. Q1 2018 revenue was € 2,945 million, +3.7% at constant exchange rates and up +2.0% organically. The Group strategy focused on Digital Transformation Factory drove growth acceleration in Business & Platform Solutions with an organic growth at +4.8% and in Big Data & Cybersecurity at +14.4%, while Worldline pursued its healthy trend at +5.8%. The Group positioning in Infrastructure & Data Management enabled it to sustain the trend of the Division while this quarter an unexpected management execution issue impacted North America. The Division posted an organic revenue evolution at -1.6%. The Group pursued its strong commercial dynamism with order entry at € 2,941 million leading to a book to bill ratio of 100%.

May

On **May 15**, Atos announced that its subsidiary Worldline, European leader in the payments and transactional services industry, signed an agreement with SIX to enter into a strategic partnership where Worldline would acquire SIX Payment Services, the payment services division of SIX Group.

On **May 25**, Atos announced that it has been identified as a 'Leader' by global research and advisory firm NelsonHall in its latest Vendor Evaluation & Assessment Tool (NEAT) for General Data Protection Regulation (GDPR) Services. According to the report, Atos' GDPR offering covers data protection impact assessments, governance and business process update, cybersecurity, data protection implementation and control, as well as data breach notification.

On **May 28**, Atos published its 2017 Corporate Responsibility report and announced that it has successfully fulfilled the requirements of the Global Reporting Initiative (GRI) Standards "Comprehensive" option in accordance with the International Integrated Reporting Council (IIRC). The GRI is an international independent standards organization widely used for its CSR reporting guidelines. For the sixth consecutive year, Atos has published an integrated report which includes the Group's key information: its financial results, strategy, materiality, and its CSR challenges and initiatives. This ongoing commitment demonstrates Atos' outstanding sustainability performance and sets Atos apart as a responsible employer, a leader in data protection and a trusted partner in the digital transformation of its clients.

June

On **June 27**, Atos has been selected by the PSA group, French car manufacturer and innovative mobility solutions provider, to support the acceleration of the digital transformation of the Group and the integration of Opel-Vauxhall. This major seven-year contract draws on Atos' global centers of expertise and includes the resumption of PSA's IT activities in Argentina. The overall framework will cover all the entities of the PSA group, across all its divisions and geographies.

The Centre of Computation Research and Technology (CCRT), located at the CEA (French Alternative Energies and Atomic Energy Commission) center in Bruyères-le-Châtel, and Atos announced on **June 27** their collaboration to provide CCRT's industrial users with one of the most powerful quantum simulators in the world. Built by Atos, the machine will allow partners such as EDF, Safran, IFPEN, and the CEA itself to evaluate the potential of quantum technologies regarding their specific needs.

July

On **July 3**, Atos announced Atos Codex AI Suite, the most comprehensive artificial intelligence (AI) software suite available on the market, to support businesses and research institutes in the development, deployment and management of AI applications. With Atos Codex AI Suite data scientists now have an easy-to-use, efficient and cost-effective solution to rapidly build and deploy artificial intelligence applications, better extract value from data and develop new business opportunities.

On **July 3**, Atos announced a new multi-national contract with the Coca-Cola Hellenic Bottling company (Coca-Cola HBC), one of the world's largest bottlers for The Coca-Cola company with operations in 28 countries in Europe, Russia and Nigeria serving approximately 595 million consumers. Under the new contract, Atos will provide end-to-end IoT services for the Coca-Cola HBC Connected Cooler program. The program delivers valuable insight into consumer behavior and retail performance while helping to improve operational efficiency and increase sales revenue.

On **July 3**, Atos announced the latest version of its more powerful and scalable Atos Quantum Learning Machine (Atos QLM), with a doubled power capacity and the ability to simulate physical Qubits. The Atos Quantum Learning Machine is the first commercially available and ready-to-use quantum system, capable of simulating up to 41 quantum bits (Qubits). Just one year after its launch, the Atos Quantum Learning Machine has had a strong commercial success with universities, research laboratories and companies: at the US department of Energy's Oak Ridge National Laboratory, in France (at the CEA and the University of Reims) in the Netherlands, in Germany and most recently at the University of Applied Sciences in Upper Austria.

Atos announced on **July 22** its agreement with Syntel Inc., a leading global provider of integrated information technology and knowledge process services, with respect to the acquisition of Syntel by Atos for an aggregate consideration of circa $3.4 billion or $41.0 per Syntel share.

On **July 23**, Atos announced its financial results for the first half of 2018 which confirmed its strong commercial dynamic. Revenue was € 6,005 million, up +3.4% at constant exchange rates restated from IFRS 15 and +1.7% organically, deriving from the demand of large organizations implementing their digital transformation. This particularly benefitted to Business & Platform Solutions, Big Data & Cybersecurity, and Worldline. The Group grew by +2.8% excluding North America which is expected to go back to growth by year-end. Operating margin was € 545 million, representing 9.1% of revenue.

September

On **September 17**, Atos announced that it has been ranked number one as the most sustainable company in its industry group in the Dow Jones Sustainability Index (DJSI) World and Europe, following the publication of the 2018 DJSI results. Atos has been ranked as the leader in the IT Software & Services industry (Gold level), a sector which includes 117 companies worldwide. With a total score of 78 points out of 100, Atos is once again in the global leading position in the study based on an annual evaluation of over 3,900 listed companies, a ranking resulting from its top performance in the social, environmental and economic categories.

October

On **October 8**, Airbus Defence and Space, through its Airbus Cyber-Security unit and partnering with Atos as coprime entity, has been selected by the Council of the European Union to provide cyber security expertise, products, services and solutions to help protect the IT systems of 17 European institutions, services and agencies.

On **October 9**, Atos announced that it has completed the acquisition of Syntel Inc., a leading global provider of integrated information technology and knowledge process services headquartered in Michigan, with $ 924 million revenue in 2017 of which 89% is in North America, 25% operating margin, and approximately 40% of its activities in digital, automation, and robotization. Syntel offers its customers high value-added digital services in several specific verticals such as Banking and Financial Services, Healthcare, Retail and Insurance.

On **October 15** Atos launched their first artificial intelligence (AI) lab under the Atos and Google Cloud’s global partnership. The Atos AI lab in London will bring together expertise in AI along with private and public sector organizational capabilities to collaborate and unlock cross-enterprise opportunities.

On **October 17**, Atos and the NATO (North Atlantic Treaty Organization) Communications and Information Agency signed an industry agreement to commit to a rigorous and continuous exchange of information concerning cybersecurity and potentially relevant cyberthreats. This will improve both parties' capacity to detect, prevent and respond to cyber threats rapidly. The NATO Communications and Information Agency oversees the operation and protection of the organization’s networks. Now, Atos is among industry partners that have established a cybersecurity agreement of this kind with NATO.

On **October 23**, Atos announced the revenue of its third quarter of 2018. Revenue was € 2,884 million, up +1.8% at constant exchange rates restated for IFRS 15 and +0.1% organically. During the third quarter, the Group continued to deliver its offerings for large customers in their digital transformation. This particularly benefitted to Business & Platform Solutions, Big Data & Cybersecurity, and Worldline.

November

On **November 5**, Atos announced the successful placement of its € 1.8 billion bonds issue on October 31, 2018.

On **November 12**, Atos announced the BullSequana XH2000, the Company’s most efficient supercomputer. The BullSequana XH2000 is a hybrid supercomputer and responds to today’s demand for a high-performance computing power which can orchestrate workloads between on-premises, public and private Cloud environments, enabling businesses to benefit from optimum flexibility, efficiency and performance.

On **November 12**, Atos entered into a contract with Argonne National Laboratory to deliver its latest Atos Quantum Learning Machine, the world’s highest-performing commercially available quantum simulator. The 35-qubit Atos Quantum Learning Machine will help accelerate research efforts at the science and technology powerhouse. Argonne, a U.S. department of Energy Office of Science national laboratory, focuses on computation, modeling, and simulation as a key component of its research efforts.

On **November 22**, Atos announced a major three-year contract with the Centre for Development of Advanced Computing, an organization within the Ministry of Electronics & Information Technology, India, to supply its BullSequana supercomputers. This contract is part of the National Supercomputing Mission, a seven-year plan of INR 4500 crores (c. $ 650 million) led by the Government of India, which aims to create a network of over 70 high-performance supercomputing facilities for various academic and research institutions across India.

Atos officially launched on **November 27** the start of the construction of its new global Research and Development Lab in Les Clayes-sous-Bois, in Yvelines. The new 8,000 square meter lab will be built on Atos’ existing R&D site. It will provide a modern space dedicated to research in quantum computing, closely connected with the high-performance computing and cybersecurity research programs of the Group. Built within Atos’ site at Les Clayes-sous-Bois which employs almost 1,000 people, the future lab will host Atos’ R&D teams with around 350 highly qualified engineers.

On **November 30**, Worldline closed the acquisition of SIX Payment Services as approved by its shareholders during the Combined General Meeting. From a strategic point of view, Worldline and SIX Payment Services perfectly complement each other in terms of geography and product offering. As a result, the combined Group is now the leading and largest European provider in the payments industry, reaching circa 10% European market share in Merchant Acquiring and circa 20% in Financial Services.

December

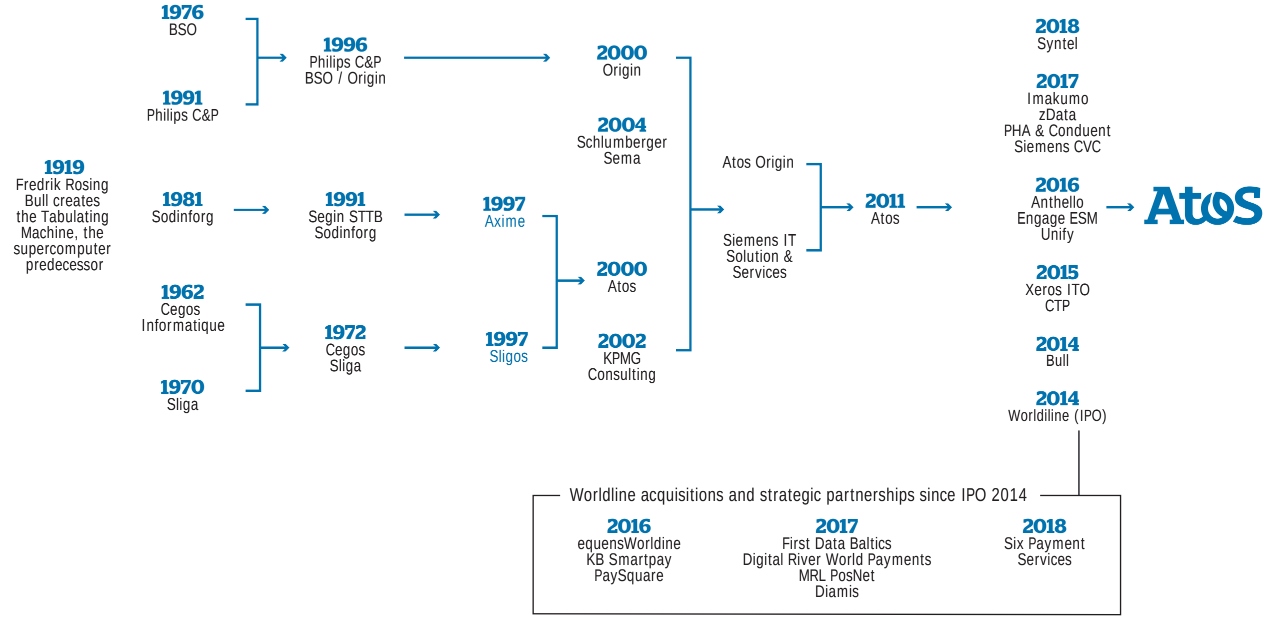
On **December 4**, Atos held its 5th Atos Quantum Scientific Council meeting in Bezons. The members of the Scientific Council, made of universally recognized quantum physicists and mathematicians, reviewed the two research and development projects selected for the "Quantum Flagship" (a one-billion-euro EU-funded initiative to develop quantum technologies) and acknowledged the European leadership of Atos in the quantum field.

On **December 18,** Atos together with the Yvelines departmental Council, officially inaugurated its new energy-efficient global datacenter in Les Clayes-sous-Bois, in Yvelines. This modern optimized datacenter will house the most recent servers and technologies to guarantee Atos' clients, who wish to locate their data and applications on French territory and in compliance with European regulations, optimal performance, storage capacity, security, scalability and cost-efficiency.

A.6 Group presentation

A.6.1 Formation of the Group

For over 80 years Atos has served a diverse range of customers. During this time the business has grown and developed through a series of strategic mergers and acquisitions making it a global leader in digital transformation.



Atos was formed from the merger in 1997 of two French-based IT services companies: Axime and Sligos. By 2000, before its merger with Origin, Atos employed 11,000 staff and generated annual revenues of approximately € 1.1 billion.

Origin was a subsidiary of Royal Philips Electronics, which had been formed in 1996 from the merger of BSO/Origin and Philips Communications. At the time of the merger with Atos in October 2000, Origin employed more than 16,000 staff in 30 countries worldwide and generated annual revenues of approximately € 1.6 billion.

KPMG Consulting's businesses in the United Kingdom and The Netherlands were acquired in August 2002 to establish Atos Consulting, the consulting branch of Atos Origin, offering to the Group a major presence in this segment of the IT services market.

Sema group, part of Schlumberger, was acquired by Atos Origin in January 2004, creating one of the leading European IT services companies. At the time of the acquisition, Sema group employed 20,000 staff and generated annual revenues of approximately € 2.4 billion, whereas Atos Origin employed 26,500 staff and generated annual revenues of more than € 3 billion.

On July 1, 2011, Atos announced the completion of the acquisition of **Siemens IT Solutions and Services -** a powerful combination of two highly complementary organizations. The deal created a new company with pro forma 2011 annual revenues of € 8.5 billion and 74,000 employees across 48 countries. Ranked in the top ten global IT services providers; number five in Managed Services worldwide.

On August 11, 2014, Atos announced the successful completion of its tender offer for all the issued and outstanding capital shares of **Bull**. The transaction represented a key milestone in the creation of a Europe-based world leader in cloud, Cybersecurity, and Big Data. The deal created a new company with annual revenue of circa € 10 billion and 86,000 employees in 66 countries.

On July 1, 2015, Atos announced that it has completed the acquisition of **Xerox ITO**, whose business was mainly in the United States. This acquisition was a strategic move to broaden the Company's footprint outside of Europe and enter the world stage. With circa US$ 2 billion revenue, North America became the largest geography for Atos, which was ranked number 9 in ITO services. As a result, Atos employed 93,000 staff across 72 countries.

In February 2016, Atos finalized the acquisition of **Unify**, a top 3 player worldwide in unified communications, strengthening Atos global offering for unified communications and real time processing, optimizing social collaboration, digital transformation and enhancing sales performances of its clients.

In September 2016, Atos acquired **Anthelio Healthcare Solutions**, furthering its strength in digital health services in the ever-growing US health market. This acquisition reinforced the Atos customer base and further expanded Atos' footprint in North America by adding more than 1,700 Anthelio employees, of which 1,300 based in the US. In Q3 2017 Atos continued this track by acquiring 3 healthcare consulting companies: **Pursuit Healthcare Advisors**, **Conduent's Healthcare Provider Consulting** and **Conduent's Breakaway group**.

In September 2017, Worldline announced the completion of a successful transaction with **Equens**, to reinforce the Worldline Group. The transaction enabled Worldline to expand its position in Europe, notably within the Netherlands, Germany and Italy.

On October 9, 2018, Atos announced the completion of the acquisition of **Syntel Inc.**, a leading global provider of integrated information technology and knowledge process services. The Company, which is headquartered in Michigan, had a 2017 annual revenue of $ 924 million of which 89% by serving blue-chip clients in the USA from its delivery platform in India. Syntel offers its customers high value-added digital services in several specific verticals such as banking and Financial Services, healthcare, retail and insurance with around 40% of its activities in digital, automation, and robotization.

On November 30, 2018, Worldline acquired **SIX Payment Services** consolidating European payments. With revenues reaching an estimated c. € 2.3 billion in 2019, Worldline thereby reinforced its existing n°1 position within the European payments landscape.

For additional information on Group entities, please refer to E.5.7 Note 15 Main operating entities part of scope of consolidation as of December 31, 2018 and to Note E.6.4 Note 2 Financial fixed assets, and for acquisition, please refer to E.5.7 Note 1 Changes in the scope of consolidation.

A.6.2 Management and organization

Atos is incorporated in France as a "Société Européenne" (European company) with a Board of Directors, chaired by Thierry Breton, Chairman and Chief Executive Officer.

A.6.2.1 Group General Management Committee (GMC)

The general management is composed of a Chairman and Chief Executive Officer, Thierry Breton, a Deputy Chief Executive Officer and Chief Financial Officer, Elie Girard, and three Senior Executive Vice-Presidents. They form the General Management Committee (GMC). The role of the Atos General Management Committee (GMC) is to develop and execute the Group strategy and to ensure value is delivered to clients, shareholders, partners and employees. This Committee is in charge of the global coordination of the Group Management.

Name	Title	Responsibility
Thierry Breton	Chairman and Chief Executive Officer Worldline Chairman	
Elie Girard	Deputy Chief Executive Officer Chief Financial Officer	
Eric Grall	Senior Executive Vice-President Global Operations and RACE Program	Coordinating global operations (Divisions and Business Units)[1] and RACE Program; Head of Global Infrastructure & Data Management
Robert Vassoyan	Senior Executive Vice-President Group Chief Commercial Officer	Acting as Head of Financial Services and Head of Telcos, Media & Utilities
Adrian Gregory	Senior Executive Vice-President CEO United Kingdom & Ireland	

1 *Excluding Worldline that is under the responsibility of Gilles Grapinet.*

Thierry Breton, Atos SE Chairman & Chief Executive Officer and Worldline Chairman

Former French Minister of Economy, Finances and Industry, Thierry Breton was Chairman and Chief Executive Officer of France Telecom, the second European leader telecommunications operator, and Chairman and Chief Executive Officer of Thomson. He was previously Executive Managing Director and then Vice-Chairman of the Bull group. Thierry Breton taught leadership and corporate governance at Harvard Business School. He is graduated of the École Supérieure d'Électricité "Supélec" of Paris and of the Institut des Hautes Études de Défense Nationale. He has been honored with the prestigious awards of "Commandeur de la Légion d'Honneur" and "Grand Officier de l'Ordre National du Mérite." He is Atos Chairman and Chief Executive Office and since the creation of Worldline through the carve-out in July 2013, he is in addition Chairman of Worldline.

Elie Girard, Deputy Chief Executive Officer & Chief Financial Officer

Elie Girard is a graduate of the École Centrale de Paris and of Harvard University. He began his career as auditor at Andersen, before joining the Ministry for the Economy, Finance and Industry in the Treasury department. Between 2004 and 2007, Elie Girard worked for the Office of Thierry Breton, the Minister for the Economy, Finance and Industry in France. He joined Orange in 2007 and was appointed Chief of Staff to the Chairman and Chief Executive Officer. Since September 2010, he was Senior Executive Vice-President in charge of Strategy & Development of the Orange group, member of the Group Executive Committee. In April 2014, Elie joined Atos as Deputy Chief Financial Officer of Atos Group. He has been appointed Group Chief Financial Officer in February 2015 and Group Senior Executive Vice President in February 2018. In March 2019, Elie has been appointed Group Deputy Chief Executive Officer.

Eric Grall, Senior Executive Vice-President, coordinating Global Operations and RACE Program, Head of Infrastructure & Data Management

Eric Grall comes from HP that he joined as a graduate in 1986, and where he held first positions in marketing and R&D in the product business, before entering the Services activities of the Group in 1998. He then had several management positions related to outsourcing, from pre-sales to operations. In 2005, he was appointed Vice-President and General Manager in charge of the Global Services Delivery for HP in the EMEA region, covering outsourcing, consulting and support services and led a major transformation of its delivery model. After the EDS acquisition in 2008, Eric led the ITO activities of the new outsourcing business. Eric joined Atos in 2009 as EVP of the Infrastructure & Data Management Division. Since 2017, he is Executive Vice-President in charge of Atos Global Operations (Infrastructure & Data Management, Business & Platform Solutions, Big Data & Cybersecurity, and Unify Software & Platforms), RACE Program, and Geographic Business Units. He is part of the Atos General Management Committee since February 2018.

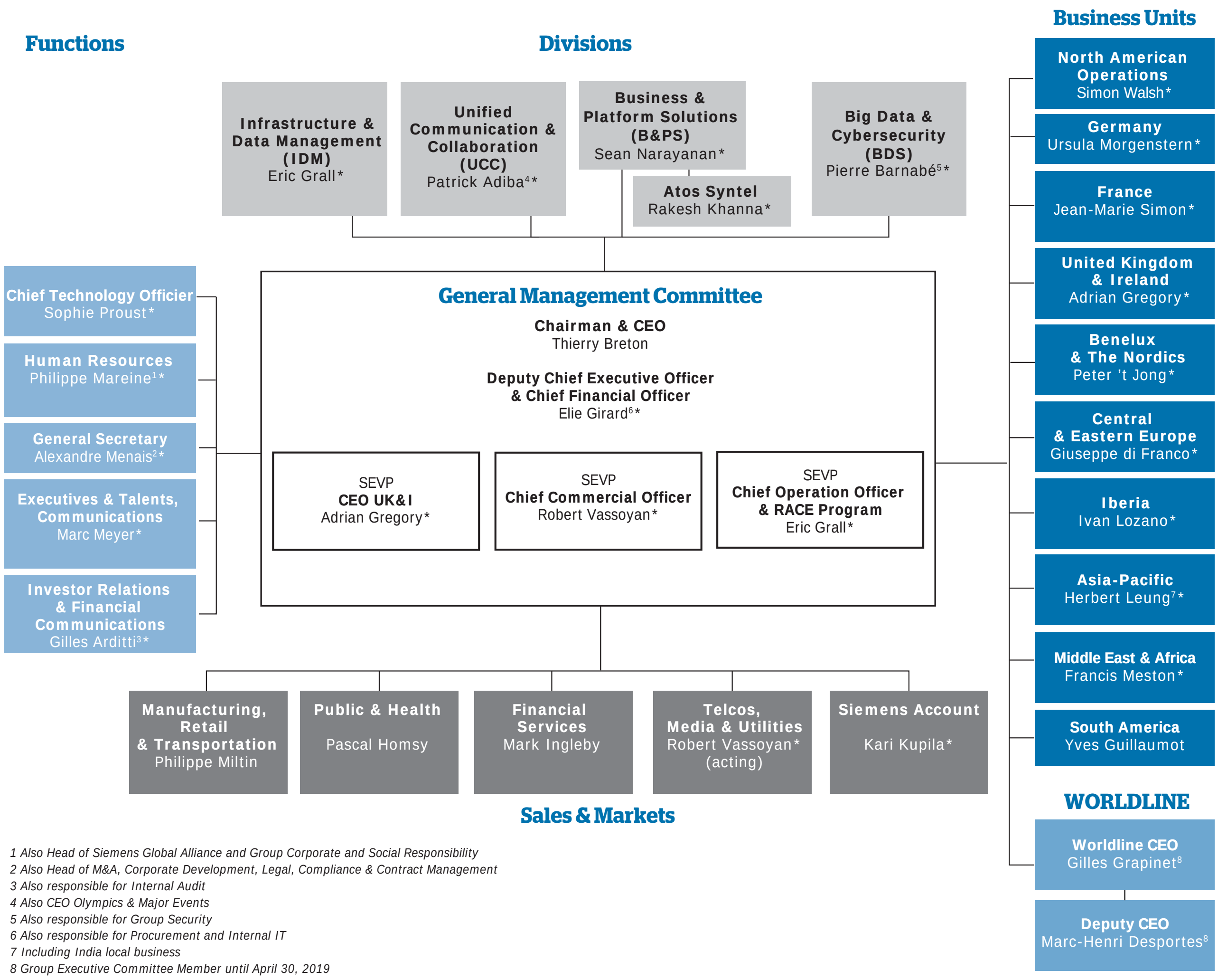
Robert Vassoyan, Senior Executive Vice-President, Chief Commercial Officer

Robert Vassoyan is a graduate of ESSEC business school. Robert career spanned from Renault, Compaq to HP where he served in various senior management positions in Sales and Marketing. In 2007 he joined Cisco and became in 2011 the President of Cisco France. Robert joined Atos as Senior Executive Vice-President, Chief Commercial Officer in March 2018.

Adrian Gregory, Senior Executive Vice-President, Chief Executive Officer United Kingdom & Ireland

Adrian Gregory joined Atos in 2007 and has a 20-year blue-chip background with experience of a wide range of technology solutions and multiple client sectors. Most recently he was Senior Vice-President for Public sector, Health & BBC with responsibility for all aspects of client business and future strategy. In July 2015 he was appointed Chief Executive Officer of the United Kingdom & Ireland and joined the Atos Executive Committee. He joined the Atos General Management Committee in October 2018.

A.6.2.2 Organization chart



1 Also Head of Siemens Global Alliance and Group Corporate and Social Responsibility
2 Also Head of M&A, Corporate Development, Legal, Compliance & Contract Management
3 Also responsible for Internal Audit
4 Also CEO Olympics & Major Events
5 Also responsible for Group Security
6 Also responsible for Procurement and Internal IT
7 Including India local business
8 Group Executive Committee Member until April 30, 2019
** Group Executive Committee Member*

A.6.2.3 The Executive Committee

The role of the Executive Committee is to develop and execute the Group strategy and to ensure value is delivered to clients, shareholders and employees; it is also to improve interaction and cooperation between the Specialized Business Units, such as Worldline and Atos|Syntel, the countries and the global markets, divisions and functions.

The Atos Executive Committee is composed of the General Management Committee and of:

Global Divisions

Eric Grall, Senior Executive Vice-President, coordinating Global Operations and RACE Program, Head of Infrastructure & Data Management

Please refer to his biography in A.6.2.1 Group General Management Committee.

Patrick Adiba, Head of Unified Communication & Collaboration, CEO Olympics & Major Events

Patrick Adiba holds a degree in Electronic and Telecommunications Engineering from INSA, Lyon and did an Executive MBA at Stanford University in 2001. Prior to joining Atos, he held various management positions at Schlumberger and including the position of Vice-President and General Manager of the Mobility Solutions Division before becoming General Manager of the Latin America region. He joined Atos in 2004 to take responsibility for Major Events, an entity within Atos that manages the Olympic and Paralympic Games and other Sport events. After a move to Madrid, he took on the additional role of managing the Atos activities in Iberia. In 2013, he was entrusted with the Management of the Group Human Resources and the following year he was appointed Chief Commercial Officer. In 2018 Patrick took on the management of the Unified Communication & Collaboration (UCC) Division and continues to manage Major Events.

Sean Narayanan, Head of Business & Platform Solutions

Sean Narayanan has over 20 years experience in IT and management consulting across the world. He is currently Executive Vice-President and Head of Business & Platform Solutions at Atos. Prior to Atos he was Chief Business Officer at digital company Liquidhub. He has also served as Chief Delivery Officer of iGATE (now Capgemini) and worked with Cognizant as Vice-President and consulting firm Booz Allen Hamilton. Mr. Narayanan is a recognized expert on management and technology, a speaker at various seminars and conferences and has been widely quoted in the international media. Mr. Narayanan has a master's degree in regional and city planning from the University of Oklahoma and a bachelor's degree in architecture from the Regional Engineering College, Trichy, India.

Rakesh Khanna, Head of Atos|Syntel

Rakesh Khanna is Chief Executive Officer of Atos|Syntel and has more than 30 years of experience in technology services, having held leadership roles in North America, Europe and Asia. He served as Syntel's Chief Operating Officer from 2012 until 2016 and was President of Banking and Financial Services from 2005 until 2012. Rakesh was rated among the world's top Chief Operating Officers multiple times by executive placement firm ExecRank. Earlier, he spent 10 years in various leadership roles at i-flex solutions and was a core member of the team that developed FLEXCUBE, the world's best-selling banking solution. He also spent 11 years at Tata Burroughs, managing projects for global clients. He holds a Bachelor of Engineering in Mechanical Engineering from Victoria Jubilee Technical Institute and a Master of Business Administration in Marketing from NMIMS, Mumbai. Rakesh serves on the academic council and Board of studies of NMIMS, a top 10 management college in India.

Pierre Barnabé, Chief Operating Officer Big Data & Cybersecurity

Pierre Barnabé is Chief Operating Officer of the Global Division Big Data & Cybersecurity within the Group Atos, following the successful merger of Bull with Atos. He joined Bull in August 2013 as Chief Operating Officer. Previously, Pierre was General Manager of SFR Business team. He began his career in the venture capital department of Thalès. In 1998, he joined Alcatel Lucent with various successful sales positions (Vice-President Sales France, Vice-President Sales South Europe) before being appointed Chief Executive Officer of Alcatel Lucent France then Group Executive Vice-President Human Resources & Transformation. Knight of the French National Order of Merit, Pierre Barnabé is graduated from NEOMA Business School and from CentraleSupélec.

Worldline

Gilles Grapinet, Worldline Chief Executive Officer

A graduate of the École Nationale d'Administration, Gilles Grapinet's previous roles include financial auditor, Head of Strategy & Information System of the French tax directorate, Director of the nation-wide Copernicus program for IT transformation of the tax administrations and Executive Committee member at Credit Agricole SA, in charge of Strategy and, then, Payments systems & Services. He served as advisor for Economic and Financial Affairs of the French Prime Minister and as Chief of Staff for two French Ministers of Economy and Finance. He joined Atos in 2008 as Senior Executive Vice-President in charge of Global Functions, Responsible for Global Support Functions, Global Sales and Markets, Siemens Strategic Partnership, Global Consulting & Technology Services, and Hi-Tech Transactional Services. In addition to his role and since the creation of Worldline through the carve-out in July 2013, he is Worldline Chief Executive Officer. He received the French Légion d'Honneur (Chevalier) in 2011.

Marc-Henri Desportes, Worldline Deputy Chief Executive Officer

Marc-Henri Desportes is a graduate from École Polytechnique and École des Mines de Paris. From 2006 to 2009, he was Chief Information Officer in BNL, Italian subsidiary of BNP Paribas. From 2005 to 2006, he took control of coordination at BNP Paribas. From 2000 to 2005 he was Deputy Program Director of Copernic at the French Ministry of Finance. In 2009, he joined Atos where he was Head of Global Innovation, Business Development & Strategy, and then he was Executive Vice-President of Hi-Tech Transactional Services & Specialized Business. In July 2013, he was appointed General Manager of Worldline.

Global Business Units

Simon Walsh, Head of North American Operations

Simon Walsh is Chief Executive Officer of Atos North America, reporting to Atos Chairman and Chief Executive Officer Thierry Breton. Prior to Atos, Simon was Chief Operating Officer of Virtustream, Dell Technologies' global cloud business, where he led its global expansion and supported the Chief Executive Officer's daily execution of the Company's strategy.

Before Virtustream, Simon was Senior Vice-President and Chief Operating Officer of EMC Europe Middle East & Africa. He also spent 17 years with Computacenter PLC, with the latter four years as Managing Director of the United Kingdom & Ireland, delivering IT services and solutions throughout the United Kingdom & Ireland. Simon is Chairman of Beds on Board, a startup focused on providing accommodation on stationery yachts. Simon is based in Irving, Texas, at Atos' North America regional headquarters.

Ursula Morgenstern, Head of Germany

Ursula Morgenstern joined Atos in 2002 through the acquisition of KPMG Consulting. From 2007 to 2009, she was Senior Vice-President responsible for Systems Integration, and then she was Senior Vice-President responsible for Private Sector Markets. Prior to that, she held a variety of roles in Systems Integration including management roles for sectors and various practices. In 2011, she was Chief Operating Officer of the United Kingdom & Ireland and in 2012 she took on the role as Chief Executive Officer of the geography. From July 2015 to February 2018 she managed the Global Business & Platform Solutions Division. Since February 2018 she is Chief Executive Officer of Germany. Additionally, she has been appointed as Managing Director of Atos Information Technology in March 2018.

Jean-Marie Simon, Head of France

Jean-Marie Simon held various R&D and Production positions within Schlumberger, first in Clam art in France then in Oslo in Norway. He worked in Indonesia as Operations Technical Director for Asia. He was Chief Information Officer for Schlumberger Oilfield Services for three years. He moved to Schlumberger Sema following the acquisition of Sema group and then to Atos, developing the Consulting and Integration Systems practices around Human Resources. He was previously Human Resources Director for France, Germany, Italy and Spain from 2005 to 2007 and Group Human Resources Executive Vice-President from 2007 to 2013. He is currently Chief Executive Officer of Atos France.

Adrian Gregory, Head of United Kingdom & Ireland

Please refer to his biography in A6.2.1 Group Global Management Committee.

Peter 't Jong – Head of Benelux & The Nordics

As an experienced IT leader, Peter has a proven track record in delivering results and managing complex customer relationships. He started his career in technical automation with AT&T and Philips, and then continued a career in technology with Lucent working in the Netherlands and in the USA. In 2001 Peter joined Atos as Head of Managed Services in the Netherlands and expanded his scope to Executive Vice-President for Sales and Chief Operating Officer for Atos Northern Europe. From 2015 Peter was responsible for leading the Managed Services organization in Germany and managed the carve-out and integration of Unify within Atos, followed by his appointment as Chief Executive Officer of Benelux and & The Nordics in May 2016.

Giuseppe Di Franco, Head of Central & Eastern Europe

Giuseppe Di Franco has more than 25 years of experience in the Information and Communication Technology sector. After several years in Business Consulting, acquiring broad experience in international Mergers & Acquisitions and Information and Communication Technology Outsourcing, he joined Siemens in 2005 as Senior Vice-President, assuming different roles as Chief Executive Officer and Director of the Region South West Europe for the Energy Industry. In 2013, he assumed the role of Chief Executive Officer of Atos Italy and Head of the Energy & Utilities Industry market at Atos Global level. Since February 2018 Giuseppe Di Franco is Chief Executive Officer of Central & Eastern Europe. Giuseppe Di Franco has a degree in Engineering Management achieved at the Politecnico di Milano and is Alumnus Top Influencer of the University. He is also a Board member of several Italian Information and Communication Technology associations.

Iván Lozano, Head of Iberia

Iván Lozano Rodríguez has spent most of his career in Atos, after joining the Group in June 1994 as a Consultant in the Telecom Unit. There he held different positions from 1995 to 2008, among them Operations Manager and Operations Business Unit Manager. In April 2008, he was appointed Head of Systems Integration. Iván Lozano's task, already as a member of Atos Iberia Executive Committee, was to design, build and deploy the new Business Unit. In November 2010, Iván Lozano was appointed as Chief Operations Officer at Atos Iberia. Iván Lozano is an Engineer in Telecommunications from the Universidad Politécnica in Madrid, and a Postgraduate in International Leadership Capability from the Glasgow Caledonian University (United Kingdom).

Herbert Leung, Head of Asia-Pacific

Herbert Leung spent most of his career at Schlumberger where he began as Regional Director for China and Canada, then as International Technical Director, and then as Vice-President for a Europe-Africa region. In 2004, at Schlumberger Sema, he was in charge of Managed Services for the United Kingdom, the Americas and the Asia-Pacific. He then joined Atos in 2004 and became Chief Executive Officer of Asia-Pacific, where he was supported in July 2011. Herbie completed his Bachelor of Science in Electronics with a first-class honors University of Dundee, Scotland, United Kingdom.

Francis Meston, Head of Middle East & Africa

Francis Meston joined Atos as Head of Consulting & Systems Integration from the E.D.S French subsidiary where he has been appointed Chief Executive Officer since January 2002. In 1996, he joined AT Kearney as Vice-President in charge of Europe Middle East & Africa business transformation and strategy practices as well as MIA Global practice. He was previously Vice-President of Capgemini Consulting where he led the French operations, the Europe Middle East & Africa Telecommunication practice and the Europe Middle East & Africa business reengineering practice. Francis Meston is a graduate of École Centrale Marseille and holds a MBA in Finance from Purdue (Indiana). Francis Meston is "maître de conférences" at HEC Business School. In July 2015 he has been appointed Head of Middle East & Africa, and Group Digital Transformation Officer.

Sales & Markets

Kari Kupila, Head of Siemens Account

Kari Kupila began his career with Siemens Osakeyhtiö, Espoo in 1986 holding various management-level positions within the Company in Germany, notably Head of Equipment Financing, Head of Corporate Finance, Head of Regions and Sales Management. In 2010, he was appointed Chief Executive Officer Cluster for South West Europe and CEO SIS Verwaltungsgesellschaft GmbH, in 2011 he was appointed GBU Head North South West Europe. He is currently managing the Siemens Account. Kari Kupila is graduated from Helsingin kauppakorkeakoulu and holds a Master of Science and Economics with a focus on Law and Finance.

Group Functions

Sophie Proust, Group Chief Technology Officer

Sophie Proust is graduate of the École Supérieure d'Electricité "Supélec" of Paris. She joined Bull in 1989 where she held various technical managerial positions in the mainframe, IT administration solutions and HW server design. In 2010, Sophie headed the Tera100 Project which delivered the CEA with the first Petaflops-scale calculator in Europe. She joined the Atos Group in 2014 following the acquisition by Atos of Bull, where she held the position of Head of Research & Development. At Atos, Sophie was head of the Research & Development for the Big Data & Cybersecurity division from 2014 to January 2019. In January 2019, Sophie was nominated Group Chief Technology Officer (CTO), joining the Atos Executive Committee. Alongside this, Sophie is part of the Atos Quantum Advisory Board, chaired by Thierry Breton with Serge Haroche (Nobel 2012). She has been a member of the Board of Directors of Worldline since December 2016 and a member of the Board of Directors of the Université Technologique de Troyes (UTT) since December 2018.

Philippe Mareine, Head of Human Resources, Logistics, Housing and Head of Siemens Global Alliance & Head of Group CSR

Prior to his current position, he was Deputy Manager in the French Treasury department's Inspection Générale des Finances unit and, previously, he was in charge of Human Resources in the Public Accounts department of the French Ministry for the Budget. From 2005 to 2007, he was technical adviser in charge of employee relations and reform in the office of the French Minister of the Economy, Finance and Industry. He held several managerial positions at the French Tax Administration. He joined Atos in 2009 as General Secretary of the Board of Directors in charge of legal functions, compliance, audit, security and social responsibility policy. He is today Head of Human Resources, Head of Siemens Global Alliance and Head of Group CSR. He is a graduate from the École Polytechnique and École Nationale d'Administration.

Marc Meyer, Head of Executive & Talent Management, Communications

Marc Meyer comes from Dexia where he served as Head of Group Communications. Marc joined Bull Group in 1986, where he held several senior positions in corporate and marketing communications. In 1997, he joined Thomson, a consumer electronics firm and in 2001 was promoted to the Company Executive Committee. Then, he joined the France Telecom/Orange Group as Executive Vice-President for Communications. Marc Meyer has been promoted as Head of Executive & Talent Management, Communications in 2014. He is a graduate from the Sorbonne University in Paris. He received the French Légion d'Honneur (Chevalier).

Alexandre Menais, General Secretary, Head of Mergers & Acquisitions, Legal & Compliance

Alexandre Menais joined Atos in 2011 as Group General Counsel. Before Atos, Alexandre Menais worked as Senior Associate at Hogan Lovells in Paris and London. In 2006, he became General Counsel at eBay France (eBay, Paypal and Skype) before being promoted as Europe Legal Director of eBay. In 2009, he joined Accenture as General Counsel France and Benelux. Alexandre holds a LLM in Business law from the University of Strasbourg and a MBA from HEC.

Gilles Arditti, Head of Investor Relations & Financial Communication, and Responsible for Internal Audit

After six years at Bull and four years at KPMG, Gilles Arditti joined Atos in 1990, where until 2006 he was, successively, Director of Mergers & Acquisitions, Director of Finance and Human Resources for Atos Origin in France, and Chief Financial Officer of France, Germany and Central Europe. In 2007, Gilles Arditti became Head of Investors Relation & Financial Communication for the Atos Group, a position he still holds. In March 2014, he was appointed Group Head of Mergers & Acquisitions and member of the Executive Committee. Since June 2014, Gilles Arditti is member of the Board of Directors of Worldline. Holding a master's degree in Finance from the University Paris-Dauphine and a master's degree in International Finance from HEC Paris, Gilles Arditti is also graduated from the engineer school École Nationale Supérieure de Techniques Industrielles et des Mines d'Alès (ENSTIMA) and is a Certified Public Accountant (CPA).

B

Atos positioning and strategy

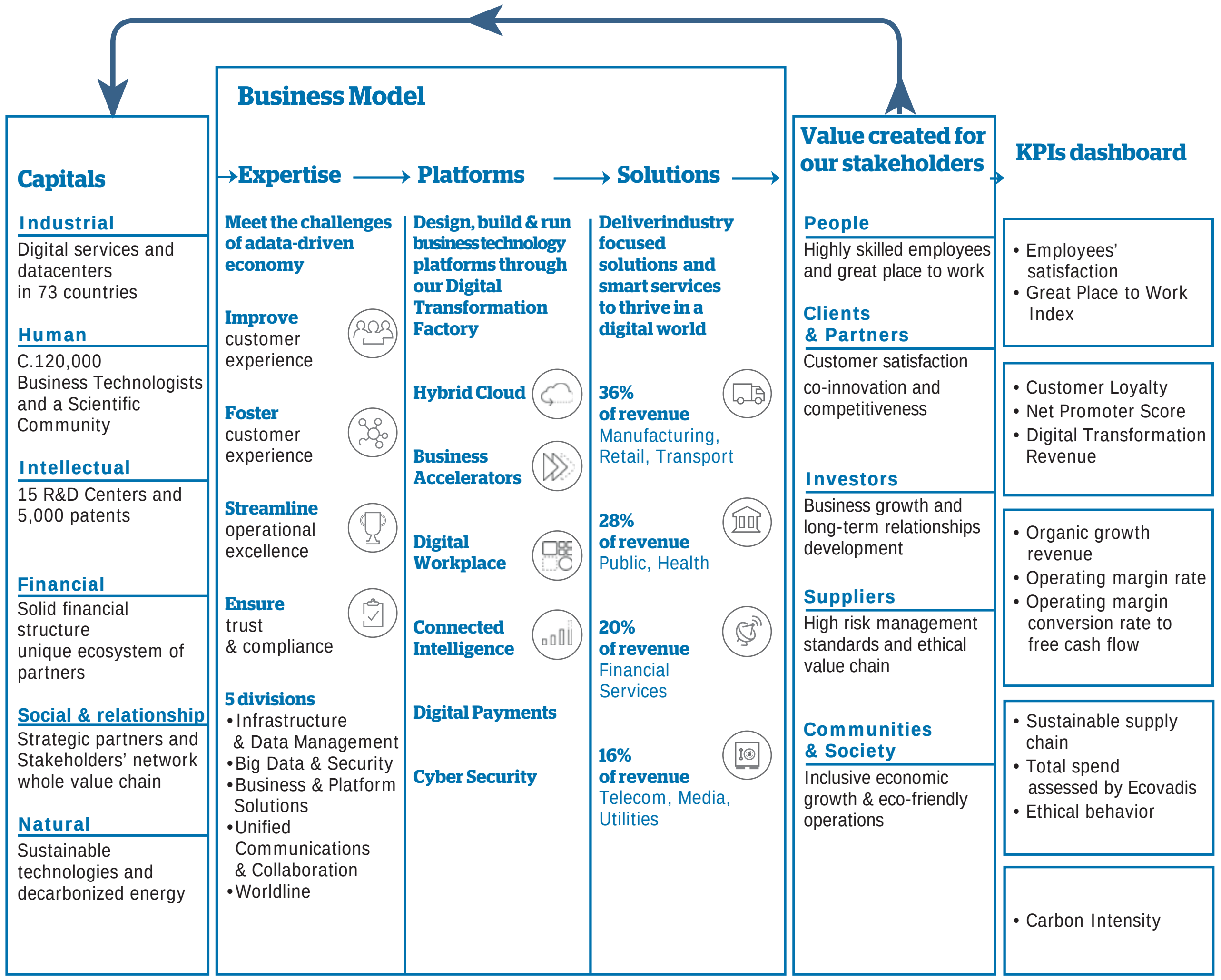
B.1 Business Model

B.1.1 Sustainable Digital Transformation

Over the last decades, the **digital revolution** has transformed our lives as consumers. Now it begins to deeply transform our business world in all sectors. By 2022, analysts estimate that 60%+ of the global GDP will be digitized, transforming offerings, operations, and business ecosystem relationships throughout the whole economy. Significant breakthroughs in exponential technologies such as the Internet of Things (IoT), Artificial Intelligence (AI) and blockchain are accelerating transformations in all verticals, offering both tremendous opportunities and challenges. For enterprises and public organizations, successfully navigating digital transformation is therefore of paramount importance in a world where digital is increasing connected and entangled with the physical world, and where business models and values must evolve - as highlighted by Atos in its "Journey 2022" vision. To succeed at scale, corporations need robust, innovative and sustainable partners.

As a global leader in digital transformation, Atos Company purpose is to be the **trusted partner of its clients for their sustainable digital transformation journey**. In its mission, it leverages both powerful assets built overs years, and a solid business model based on distinctive expertise, platforms and vertical solutions. As a result, Atos consistently creates shared value for all its stakeholders: people, clients and partners, investors, suppliers, community and society, enabling the capability to attract new capitals into its sustainable growth model.

The following value creation model explains how Atos creates inclusive and sustainable value for all its stakeholders. Atos integrated management dashboard measures both financial and extra-financial performance.



Atos business model is based on a sustainable Digital Transformation Factory running according to corporate digital responsibility principles: being exemplary on people, innovation, ethics and environment commitments.

B.1.2 Our capitals

Over the years, Atos has built strong assets that brings the Group a solid and distinctive position on the digital transformation market, and constitutes a firm foundation its business model relies on:

- an **industrial capital** of digital service and data centers serving 73 countries. Gathering the latest hybrid cloud technologies and digital design, development and operation tools, processes and best practices, these centers enable to serve and support Atos customers 24x7 anytime anywhere, with the ability to provide either local, nearshore and offshore delivery;
- a **Human capital** of 120,000 business technologists. Distributed over 73 countries, Atos experts include consultants, developers, integrators and operation specialists, sourced from tier one universities worldwide, with many of which Atos has developed partnership programs. Highly skilled on the whole spectrum of digital technologies, Atos people benefit from a continuous and high investment in the latest technological and leadership trends throughintensive and dedicated training programs;
- an **intellectual capital** leveraging the work of 15 R&D center, and €300 million R&D investments, with a focus on strategic technologies such as Payment & e-Commerce, Industry 4.0, Cognitive Computing & Data Analytics, Internet of Things, Unified Communication, Next Generation Infrastructures, Next Generation Applications, Collaborative Workplace, Cyber Security and Cloud Solutions. Atos excellence in R&D is illustrated by a world class portfolio of IP solutions and 5,000 patents. It is nurtured by a group wide community of 2,000 Experts and Fellows, and by a dedicated Scientific Community;
- a solid **financial capital**, backed by strong financial assets and cash flow management processes. Atos proven financial discipline enables to deliver seamlessly the short, medium- and long-term investments needed for services and product development and operations. It offers all stakeholders a stable foundation for development and growth;
- an extended **Social and Relationship capital,** relying on a strong network of partners with leading technology providers (Google Cloud, Dell Technologies, Cisco, SAP, Microsoft, Red Hat, Oracle…), customers (Siemens, CEA, Xerox…), research institutions and industry consortia. As a leading business technologist in a rapidly digitalizing world, Atos is committed to support the society as a whole, with strong contributions to diversity and social inclusion programs;
- a strong **natural capital**, relying on Atos deep commitment to sustainability. Atos involvement in sustainability is embodied in pioneering and ambitious environmental program to reduce its carbon emissions through measurement, reporting, optimization, offsetting and the use of decarbonized energy sources. 95% of the energy used by Atos' strategic datacenters is decarbonized, and 100% of the CO_2 emissions produced by Atos data centers are offset.

B.1.3 Our business model

As a whole, Atos capital assets support Atos business model to be the trusted partner of its clients and help them create the digital firm of the future. This business model relies on a deep expertise in meeting digital transformation challenges, and on powerful platforms to help firms design, build and run customer-centric, data-driven information systems, all delivered through industry vertical solutions and smart services.

An expertise: meeting the challenges of a data-driven economy

In a world disrupted by Digital, Atos has built specific know-how to help public and private organizations meet their digital transformation challenges. It has notably developed a business-driven approach to help its clients:

- reshape **Customer Experience** in a world where the digital and physical universes blur, seamlessly orchestrating physical and digital channels to provide the best on-demand, contextual and personalized service to end customers and users;
- streamline **Operational Excellence** accordingly, using digital capabilities to radically re-align cost structures and generate efficiencies through all processes;
- foster **Business Reinvention** thinking and implementation, applying digital innovation to develop new monetization models and taking leadership positions in the upcoming platform economy;
- guarantee **Trust & Compliance** to protect assets and data, but also and most importantly, to lay the global foundation for digital trust.

To do so, Atos leverages the deep expertise of its divisions:

- **Infrastructure & Data Management**, dedicated to create business benefits through intelligently managed IT, cloud and digital services. From Data Centers to Edge Computing and the Digital Workplace, Atos IDM is recognized as a global leader in managed IT and Cloud services, as well as a key player in Business Process Outsourcing (BPO), notably in the Medical and Financial areas. It leverages the latest automation technologies to help clients achieve excellence in digital operations;
- **Big Data & Cybersecurity**, dedicated to create competitive advantage for clients from Big Data and Artificial Intelligence, and ensure data is delivered safely and securely to the right parties. With uniquely innovative solutions in critical domains such as High-Performance Computing, advanced threat protection and mission-critical systems, Atos BDS is among the very few leaders worldwide able to help its clients succeed at scale in the data-deluge era;
- **Business & Platform Solutions**, dedicated to transform strategic approaches to technology, combining innovative solutions with established ones. From consulting and applications development up to applications outsourcing, Atos B&PS (including Atos | Syntel) leverages the latest intelligent platforms to help its clients deliver the best customer experience, while optimizing their processes and value chains;
- **Worldline**, providing unrivalled leadership in expert solutions for the fast- changing payment and digital services market. As the European leader in the payments and transactional services industry, Worldline [Euronext: WLN] enable its customers to seamlessly serve end consumers with Merchant Services & Terminals, Mobility & e-Transactional Services, Financial Processing & Software Licensing;
- **Unified Communication & Collaboration**, combining voice, data and video, to help customers benefit from a unique collaboration experience. A recognized world-class player, integrated within the IDM activity, Atos Unify enables large and small organizations to make a leap forward in people efficiency and customer relations, and build the digital workplace of the future.

Digital platforms: Atos Digital Transformation factory

When it comes to implementation, successful digital strategies require fast to value, agile and scalable solutions. To deliver the best results on time, at cost and at specification, Atos has developed ready to deploy, end-to-end blueprint and accelerators to help its customers design, build and run business technology platforms: Atos digital transformation factory. Combining the expertise and resources of its divisions, and the best mix of own and partner technologies, this set of solutions and services provide agile, scalable and trusted foundations to support customers in their digital journey, and are at the heart of Atos differentiation:

- **Hybrid Cloud** solutions enable the transition of customers' existing IT assets into the cloud, to create the foundations for digital business. They enable support for the agility, scalability and security required by any organization committed to digital transformation;
- **Business Accelerators** help enterprises build and run customer real-time business processes in this Cloud environment. They enable the evolution towards the real-time enterprise, notably thanks to Atos strong partnership with SAP and expertise around the SAP HANA technology;
- **Connected Intelligence** with Codex solutions and services transforms the data flowing through these processes into business outcomes. With deep vertical and functional knowledge, *Connected Intelligence* allows notably the design, build, and run of secure data platforms, Internet of Things solutions and smart business services, helping corporations to unlock the value of their data today;
- **Digital Workplace** allows collaborators and customers to benefit from information in the most easy and efficient way, through intelligent and collaborative connectivity, automation and cognitive capabilities. It helps to create an agile, secure and affordable digital workplace in which employees can thrive to improve competitiveness and accelerate business growth.

In complement, two transversal offers provide added value to the Digital Transformation Factory:

- **Cybersecurity** enables to set up end-to-end, prescriptive security solutions to identify and block threats before they may have a substantial impact;
- Atos Digital Transformation Factory also leverages the services of **Worldline**, which is the largest payment service provider in Europe, and eXpands powerful transaction technology services to provide end to end protection across process, people and things, foster revenue, fight fraud, mitigate risks and ensure regulation compliance.

Leveraging orchestrated offerings and joint best practices from all Atos divisions, these pillars of digital transformation support the upselling and implementation of Atos digital solutions, from industry 4.0 or the Internet of Things to digital customer experience.

The market adaptation: addressing vertical specificities

As each business context is unique, Atos ultimately adapts its approach and go-to-market to the specific digital transformation strategies suited in each vertical. It considers vertical transformation contexts, and how digital disrupts value chains across business ecosystems. Through its markets, Atos notably addresses:

- **Manufacturing, Retail & Transportation**, with pioneering offerings in Industry 4.0, digital payments and customer experience in retail, and transports as a service. From design to supply, production, distribution and services, Atos has unique capabilities in helping its clients accelerate the shift to agile manufacturing and direct-to-consumer services. It is also an expert in ubiquitous commerce for retail and multimodal transports;
- **Public & Heath**, with specific focus on citizen centricity for central governments, Smart Cities and education, and patient centricity for healthcare; Atos notably helps its clients pioneer the move to next generation digital public services and to precision medicine. Atos also helps nations design, build and manage the new defense and homelands security systems of tomorrow;
- **Telecom, Media & Utilities**, with emphasis on telecom infrastructure transformation, digital media, sport digitization with the Olympics, and smart grid in utilities; Atos notably powers progress for its clients by accelerating and securing the adoption of data-centric innovation in telecommunications, multi-channel and interactive media delivery, and smart grid systems;
- **Financial Services**, with a strong focus on real-time, customer centric business engagement and fintech support for banking, plus smart agility for Insurance, all in a fast-changing regulatory environment that brings both threats and opportunities. From consulting to operations, Atos help its clients successfully position in the new finance and smart living ecosystems of tomorrow.

Through next-generation smart services, Atos brings together people, business and technology to accompany clients in all sectors to help them to thrive in a digital world and deliver sustainable growth.

B.1.4 The value we create for stakeholders

As a result of its capital assets and of its business model, Atos strives to generate massive value for all its stakeholders:

- **People**. Putting people first is the foundation of the Atos way of working and growth strategy. Atos is committed to attract and nurture today's most talented digital experts from diverse backgrounds, and offer them front row seats to building the new digital world. Atos is a responsible employer, promoting collaborative working, diversity and well-being at work. With dedicated programs for talented and high potential individuals, the Group offers tremendous opportunities to fast track career growth;
- **Clients & Partners**. Atos aims to be the trusted partner of its customers in their digital transformation journey. It is committed to providing them the best range of services and solutions to anticipate and meet their needs, co-innovate, and help them create the firm of the future. The Group also offers strong business growth and co-innovation opportunities to its large ecosystem of partners, ranging from large groups such as Dell Technologies or Google Cloud up to multiple startups, that are deeply supported by Atos Labs and Business Technology Innovation Centers;
- **Investors**. Combining organic growth and a proven know-how in large acquisitions in strategic markets, Atos strategy is underlined by a strict financial discipline, and strong culture of credibility and commitment. Atos is fully committed to generating long term, high value to investors and shareholders through continuous business and profit growth, enabling sustainable stock value growth and dividend distribution;
- **Suppliers.** Atos is committed to delivering high value to its networks of suppliers. The Group has built solid governance, using ethics and compliance to drive organizational processes, and business, thereby securing a sustainable supply chain. Atos was also the first ICT company to obtain the approval of its Binding Corporate Rules (BCR) by European data protection authorities putting data protection as a key component of its business culture, for both customers, partners and suppliers;
- **Community & Society**. Atos aspires to excellence in its community and society contribution. For the sixth consecutive year, it has been selected as a member of the Dow Jones Sustainability Index, and ranked as a leader in sustainability in the IT services sector for its corporate sustainability commitments and performance both globally (2017 DJSI World) and in Europe (2017 DJSI Europe), at Gold level (n°1 of its Industry sector). Atos is also recognized by international non-profit organization CDP as a world leader for corporate action on climate change, supporting the transition to a low-carbon and climate resilient economy.

B.2 Market trends

B.2.1 Digital transformation momentum accelerates

With the acceleration of Digital transformation, we are entering a world of paradox, marked by extraordinary growth prospects, but also by significant challenges. Everywhere, the pace of change is increasing. In a more and more fluid and networked world, the rules of business are changing, creating multiple Schumpeterian earthquakes: Generations Y and Z reinvent customer behaviors. New competitors take advantage of disintermediation and of innovative business models. Intelligent automation and the gig economy change the economics of operations. Security, safety and privacy risks rise.

For years, digital transformation has been at the heart of C-level executives' agendas. The digital agenda is now at a turning point for companies and public organizations: how to survive and thrive in unchartered territories where customers, competitors and business models themselves evolve rapidly within complex, multi-players ecosystems across all industries? For organization, adapting to the new era will increasingly require a quantum leap:

- become fully customer or citizen experience-centric, moving from a pure 'produce and sell' to a 'sense-&-respond' customer-led approach;
- provide intelligent data-driven orchestration, being able to adapt to market changes and evolving customer or citizen demands in a real-time, prescriptive way;
- adopt open platform foundations and real-time process automation across physical and digital worlds, to deliver the best products and services at the lowest cost while being ready to adapt in hours or just seconds.

From manufacturing to transport, retail, utilities, telco, financial or public and healthcare domains, these evolutions are changing the game dramatically. In this context, the key question for each Executive Board is: how to be a disrupter rather than being disrupted? How to position in the new value chains that are transformed by digital, and be in a central position in newly reshaped ecosystems? How to adapt business models, customer relations and operations to survive and thrive in this new economy?

To answer these questions, more than 70% organizations have put in place board-level digital strategies, and heavily invest in business technologies. To do so, they need digital partners that help them design, build and run the business technology platforms needed to win in the digital age. This fuels a huge technology and services market growth, notably around the 6 core business technology domains covered by Atos: hybrid cloud infrastructures, real time business process management, analytics and Artificial Intelligence, digital experience, security, and payments.

B.2.2 A demand boost in hybrid cloud digital infrastructures

As the world is moving into the digital era, digital platforms are becoming more than ever the foundation of organizations' competitiveness, notably through new generation cloud-computing, edge and Internet of Things (IoT) technologies.

This drives a strong demand in consulting, integration and management of hybrid infrastructures and ecosystems. What's needed: combine the transformation of existing data centers with 'private cloud' – notably for applications that require to fully remain under enterprise control – and the use of public cloud platforms from providers such as Google (with which Atos has set up a strategic partnership), AWS or Microsoft Azure, that are often mediated by integrators such as Atos. The imperative: consistently automate, manage and orchestrate these hybrid infrastructures, and adapt and build the business applications with new generations' technologies such as DevOps and Microservices. There are all domains where Atos excels, and is recognized as a leader by industry analysts.

B.2.3 The rise of real time business processes

On these agile infrastructures, new technologies appear that enable to run business processes in a much simpler, faster way thanks to the combination of real time and unified Data Management solution. This transformation particularly impacts Enterprise Resource Planning (ERP) systems and related applications on which core process rely (Finance, Human Resources, Supply Chain Management…). The benefit for organizations: reduce process costs by up to 40%. The world leader in ERP, SAP, is particularly instrumental in these evolutions, with the decision to progressively move all its customers base on its real-time SAP HANA platform by 2025. This offers tremendous market opportunities on SAP services, on which Atos is particularly focused, by bringing an end-to-end, one-stop shop set of technologies and services that is unique on the market. In the same way, Atos is providing differentiated services to support customer's transformation pathways on other major enterprise software platforms such as Oracle or Microsoft.

B.2.4 The next big thing: Artificial Intelligence and IoT

In tomorrow's interconnected digital, economies, Data will be the new oil. The ability to acquire and analyze data from billions of things, millions of people and thousands of organizations will make the difference for digital winners. At stake: improve customer experience, optimize operations, reinvent business models and foster trust & compliance, leveraging technologies such as prescriptive decision support, virtual assistants, knowledge engineering, smart machines and more.

As a result, Data Management and analytics is the most rapidly growing segment in Digital, with notably more than 40% yearly market growth in Artificial intelligence, and more than 50% of large organizations projecting to deploy High Performance Data Analytics solutions by 2020. These are domains that are uniquely pioneered by Atos, which is bringing both a huge network of partners and a powerful set of analytic and cognitive IP solutions, encompassing advanced IoT expertise, strategic Artificial Intelligence technologies developed in partnership with Google, unique High-Performance Computing technologies and pioneering research in Quantum computing. This is opening disruptive business opportunities in domains such as Utilities, Industry 4.0, Government, Autonomous Transports, Precision Medicine, Aerospace, Defense, and more.

B.2.5 The race to digitally engaging customers and employees

The growth of the digital economy is irreversibly changing the way people live, consume and work, transforming both customer and employee experience. The fast development of mobile, social networks and e-commerce is driving public and private organizations alike to seamlessly combine their physical and digital touchpoints to provide personalized, customer or citizen centric experiences. This also drives organizations to deploy next generation workplaces, leveraging the latest technologies in mobile devices, augmented reality, unified communication and collaboration, intelligent help & interaction centers, Artificial-Intelligence, robotics process automation, etc. Both represent a strong market demand where Atos capacity to address both customers and employees experience enables organizations to benefit from both an internal productivity boost and an improved customer or user engagement. This is a domain where Atos is recognized as a leader, both in digital workplace and in connected living and omnichannel commerce.

B.2.6 Trust at the heart of digital strategies

Digital brings in multiple opportunities for value creation. It also brings new risks, from fraudsters, "hacktivists", mafias and even hostile organizations and states. Cybercrime is already estimated to cost around $ 400 billion per year and may exceed the $ 1 trillion mark by 2020. Due to improper security, industry analysts estimate that 60% of organizations will be victims of major breaches by 2020. This threatens not only business activities – notably in the most sensitive sectors such as finance, health and government. It also threatens compliance: new regulations such as GDPR enforce strong obligations for the protection of customer data, with possible fines up to 4% of revenue. Last but not least, breaches may even threaten human lives with the development of smart machines in Industry, Utilities, Transports, Defense…. As a result, security is more than ever on the top of customer preoccupations, and is moving to the Artificial Intelligence era. The perspective is that organizations will move from a reactive security approach to AI-powered prescriptive security, leveraging next generation security-as-a-service platforms to detect and block threats before they can have an impact. By combining unique Security with Big Data / Artificial Intelligence and Mission-Critical Systems expertize, Atos is among the world pioneers and the European leader of this fast-growing market.

B.2.7 The emergence of a cashless world

The trend towards non-cash payment instruments continues both in the retail and wholesale payment sectors, as the result of a complex interaction between consumer's financial institutions, merchants and regulation authorities. According to A.T. Kearney, the number of non-cash transactions in the European Union has grown at an annual rate of 6% over the last 10 years. A.T. Kearney also estimates that this growth rate will accelerate to 7% per year from 2020 through to 2025, reaching 238 billion transactions. This will be accelerated by new technologies including next generation payment terminals, mobile payments, blockchains, etc. This drives a strong demand for the redesign or extension of existing payment and transaction systems, with the development of integrated end-to-end platforms that cover the full range of payment processing and related functions. These integrated new platforms are enabling payment service providers to offer more and improved services at lower costs and across more geography. This is a place in which Atos is a pioneer and the European leader with its Worldline subsidiary, supporting both merchants and financial institutions in this strategic transformation.

B.3 Market sizing and competitive landscape-

[GRI 102-6] [GRI 102-10]

B.3.1 Overall market size

Overall IT spending is estimated to be worth $4.11 trillion worldwide, with a 3.14% growth in constant currency in 2018. Due to the strong market transformation towards hybrid Cloud, the digitization of business process, the rise of next generation analytics and the race to omnichannel engagement for customer and employees, key segments have contrasting growth rates:

- communications services (consumer fixed services, consumer mobile services, enterprise fixed services and enterprise mobile services) represent today 38.9% of the IT market. In 2018, these services have seen an overall modest growth of 1.5% to $1.6 trillion at constant dollars;
- devices (PCs and tablets, mobile phones, and printers) represent 18.6% of the market, or $765 billion. This segment showed a near falt 0.1% growth rate in 2018;
- enterprise software (including security software products) represents 10.6% of the market, or $436 billion. It showed a strong growth of 8.5% in 2018, with progress notably nurtured by the development of analytics, Data Management, Customer Relationship Management (CRM) and Supply Chain Management (SCM) software solutions;
- data center systems and servers represent 5.4% of the market, at $222 billion. They experienced a solid growth of 10% in 2018. User demand is expected to stay robust thanks to the development of Hybrid Cloud, despite the disruptive forces of software-defined infrastructure and public cloud delivery. High-end servers for High Performance Computing – in which Atos is positioned with its Bull Sequana offering - continues to outperform the overall segment growth, with 9.6% CAGR over the next 4 years;
- IT services (Business IT services and IT product support) represent 26.5% of the market, or $1.082 trillion. Worldwide, IT services grew by 4.5% in 2018, with a special traction in Business and Technology consulting and BPO. By 2022, IT services are expected to continue to grow globally at 4.8% CAGR. This offers solid growth perspectives for the Group.

Overall, IT spending results vary greatly by region. The largest region remains North America with $1.250 trillion and a 3.5% growth rate in 2018. With $833 billion in overall IT expenses, Western Europe is the second largest market, and grew at 2.1% in 2018. With a $2.023 trillion, the rest of the world experienced a 3.42% growth last year.

When looking only at IT services, the segment on which Atos is primarily positioned Americas and Europe are by far the two leading markets today:

2018 IT Services spend and growth	*(in $ billion)*	2018 growth
North America	442.9	+4.4%
Western Europe	305.0	+4.0%
Rest of the World	335.0	+5.3%
TOTAL	**1,082.9**	**+4.5%**

Source: Gartner for IT Services in constant currency - (Constant 2018 Dollars).

The combination of North America and Western Europe therefore continue to represent the very largest share of the IT services market worldwide, even if regions such as Greater China and Emerging Asia Pacific – yet with limited local markets – experience substantial CAGR of 13.9% and 10.6% over the 2017-2022 timeframe.

B.3.2 Competitive landscape and new expected position of Atos

Looking at the IT services market, Atos is ranked number 10 in the world, is a significant and growing player in the US, and is the third largest IT business Services Company in Europe with a market share of around 4.4%, just behind IBM and Accenture.

Atos is one of the few companies able to cover all the European geographies. In the largest European countries, the main competitors of Atos are IBM, Accenture, Capgemini, CGI, DXC and some local champions with strong regional footprint like Fujitsu (UK), T-Systems (Germany) and Indra (Spain). Indian based players start to have significant presence in Europe, but this is still predominantly in the UK (TCS, Cognizant, Infosys and Wipro).

In 2018, major industry analyst firms have assessed Atos capabilities and positioned Atos as follow:

- global leader in IT outsourcing;
- global leader in private cloud and European leader in hybrid cloud;
- global leader in SAP HANA and European leader in SAP services;
- visionary provider in analytics;
- global leader in IoT services;
- global leader in digital workplace;
- major player and visionary in Unified Communications & Collaboration;
- major player and European leader in security.

B.3.3 Market size and Atos market share in North America and Western Europe

Atos is well positioned on the largest and most promising segments of the North America and Western European IT services market: Managed Services and Cloud Infrastructure services, where Atos is a leader ($296 billion, +3.1%/year), Implementation services ($167 billion, +3%/year), business and technology consulting ($145 billion, +8.5%/year), and BPO ($139 billion, +3.9%/year).

Atos market shares in each main country are presented below, reflecting the positioning of Atos as the European IT champion and a significant player in the US, where Syntel acquisition end 2018 will enable Atos to reinforce in 2019 its strategic traction.

The figures are based on Gartner's 2018 estimates on yearly external end-user spending for IT Services.

(in $ billion)	Market size			Atos	
	2018	Weight	Growth vs. 2017	2018	Market share
USA	412	38.1%	4.4%	2.4	0.6%
United Kingdom & Ireland	95	8.8%	2.3%	1.9	2.0%
Germany	53	4.9%	4.7%	2.5	4.8%
France	40	3.7%	4.1%	2.0	5.1%
Benelux & The Nordics	58	5.4%	5.8%	1.2	2.1%
Rest of Europe	68	6.3%	4.1%	1.6	2.3%
Rest of the World	356	32.8%	4.4%	0.9	0.2%
TOTAL	**1,082**	**100%**	**4.5%**	**12.5**	**1.2%**

Based on Gartner Service line Forecast 2018 Q4, in constant currency, $Bn.

Note that Atos market share will significantly rise in 2019 in the US thanks to the full integration of Syntel revenue within Atos.

In addition, Atos is also competing in other markets where the Company is now perceived as a key player:

- in the information security market, Atos has been ranked by PAC as one of the top three leading security IT services providers in Europe, the Middle East & Africa. Worldwide spending on information security has reached $ 125 billions in 2018, an increase of +10.2% over 2017, according to Gartner. The increase in spending is being driven by government initiatives, increased legislation such as GDPR in Europe and high-profile data breaches. IT outsourcing, and identity and access management present among the biggest growth opportunities for technology providers, both domains in which Atos is a European leader;
- Atos is the leading European player in the High-Performance Computing (HPC) technology market. According to hyperion research, the HPC market (which includes servers, storage, middleware, applications and services) will reach $38.3 billion in 2022, with 9.6% CAGR by that date. The largest HPC markets are government, defense and academic sector, followed by Manufacturing, BioScience and Weather forecasting. With its Bull Sequana offering, Atos is very well positioned on the high-end part of this market that will be further boosted by massive computing power needs linked to the development of Artificial Intelligence. The domain also offers promising synergies with the Hyperscale segment, involving large-scale infrastructures for Internet activities requiring the use of HPC technologies for efficiency at scale, at companies such as Google, Amazon, or Baidu.

B.4 Strategy and ADVANCE 2021

2021 targets

The Group aims to deliver:

- **revenue organic growth: +3% to +4% CAGR over the 2019-2021 period;**
- **operating margin rate: c. 13% of revenue in 2021;**
- **free cash flow: between €1.2 billion and €1.3 billion in 2021.**

To reach its 2021 ambition, ADVANCE 2021 will focus on 8 levers:

- complete the transition to Cloud/Hybrid Cloud of its main customers and accelerate the transformation of the IDM business towards the next growth drivers: Smart Data Management, IoT, Ecosystems of Infrastructures, Digital Workplace, Automation, Artificial Intelligence, and Machine Learning;
- accelerate the Industry Specific Digital business transformation of Atos' customers by successfully integrating Syntel and generate the synergies to reach a profitability level above 13% in Business & Platform Solutions;
- provide the high-end computing for Big Data algorithms, Cybersecurity and Mission Critical technologies to help customers succeed in the gigantic data era and to sustain a solid double-digit growth over the next three years;
- delivering the next wave of Digital transformation, increasing the focus on industry verticals and solutions, deepening customer expertise and intimacy pulling through all Atos services and capability;
- R.A.C.E.: a powerful combination of digital productivity levers and agile collaboration to sustain our compelling value creation;
- maintain excellence in People skills and CSR;

- continue to participate in the IT industry consolidation to eXpand its customer base and to strengthen its technological capabilities;
- support Worldline to remain the undisputed European leader in payments.

B.4.1 Complete the transition to Cloud/Hybrid Cloud of its main customers and accelerate the transformation of the Infrastructure & Data Management's business

While 68% of its TOP100 customers have already migrated to its Cloud and Hybrid Cloud offering, the Group considers that the transition of its customers will be very largely advanced by end of 2021. During the period of the three-year plan, beyond the lever of extension of Cloud and Hybrid cloud implementation, a new lever of growth will contribute to revenue: IoT and Edge Computing will start being the new lever of growth for IDM. It would represent 3% of Group revenue in 2021 and over 10% by 2025 with the expected explosion of connected smarter objects and edge computing. According to Gartner, by 2022, over 70% of enterprise-generated data will be created and processed outside the data center or cloud, up from 10% to 20% today. Beyond the accelerated growth of these new infrastructures that will need to be managed and operated, an exponential growth of data will have to be collected, processed, secured, integrated and possibly stored. These are services which are at the core of Atos IDM business.

In the context of the 2019-2021 plan, **Infrastructure & Data Management is expected to improve its operating margin rate to double-digit as soon as 2019 with positive revenue organic growth over the next 3 years and c. +1% in 2021**.

B.4.2 Accelerate the Industry specific Digital business transformation of Atos' customers by successfully integrating Atos | Syntel in Business & Platform Solutions

Further to the acquisition of Syntel, Business & Platform Solutions aims over the next 3 years to double its size in Digital (AI, Analytics, IOT, Automation, CX, Mobility, Cloud) to €2.4 billion representing 50% of Business & Platform Solutions revenue. While the retention rate on Syntel's customers amounts to 100% since the announcement of its acquisition by Atos, the Group proceeds at a fast implementation of revenue synergies with first signatures already materialized and cross-sell initiatives valued at half billion euros in full pipeline. Business & Platform Solutions targets to increase its offshore and nearshore rate on total headcount from 48% in 2018 to 60% in 2021.

As a result, **Business & Platform Solutions ambitions to accelerate its organic growth to c. +5% CAGR, while increasing its operating margin rate between 13% and 14% in 2021.**

B.4.3 Provide the high-end computing for Big Data algorithms, Cybersecurity and Mission Critical technologies to help customers succeed in the gigantic data era and to sustain a solid double-digit growth over the next three years

This end-to-end approach will enable Big Data & Cybersecurity to lead the consolidation of trusted intelligent platforms with cybersecurity products and services for the new machine age and to be the "Infra of Infras" security leader solutions.

To succeed in a fierce digital competition environment, customers will need to rapidly capitalize on the new technologies to generate business data, to leverage intelligence instantly so to turn data into automated actions, while protecting their end-user larger and more exposed digital information. In each of its business segments and by reinforcing its transversal and international expansion, **Big Data & Cybersecurity provides this new balance between digital efficiency and trust, and is expected to continue growing double-digit CAGR over the 2019-2021 period while maintaining its current strong operating margin rate at circa 15%.**

B.4.4 Delivering the next wave of Digital transformation, increasing the focus on industry verticals and solutions, deepening customer expertise and intimacy pulling through all Atos' services and capability

Atos clients' needs are changing, they need to increasingly evolve their business models to deliver new experiences or engage with their customers in different ways. With the next wave of smart data, technology is playing an ever-greater role in those new business models. Delivering digital solutions needs to be coupled with industry expertise and client knowledge to ensure the right outcome for end customers in a secure and compliant way. Atos is strengthening its customer centricity through a reinforced vertical go-to-market approach, pulling through all of Atos' capabilities from Infrastructure & Data Management, Business & Platform Solutions, Big Data & Cybersecurity and Atos' partners.

This new approach is built on a robust Industry engagement and a strong focus on top account management with:

- a stronger focus on 7 key vertical markets; Manufacturing, Financial Services, Health, Public Sector, Retail & Logistics, Energy & Utilities and Technology, Media & Telecoms;
- centers of excellence built on vertical competencies, for example Life & Pensions in Edinburgh, or Manufacturing innovation in Austria;
- 200+ additional sales resources and Industry specific experts and consultants;
- more empowered senior client executives, assessed and developed to match industry top quartile;
- dedicated client delivery executives representing all divisions;
- dedicated cyber specialists;
- new global distribution agreements and industry specific partnerships for Atos' technologies and products.

In order to accelerate the deployment of this vertical approach, the Group is preparing its workforce on the next wave of disruption. It has introduced new training programs building on the best practices in the Group and enabling its people to help customers take advantage of the next wave.

B.4.5 R.A.C.E.: a powerful combination of digital productivity levers and agile collaboration to sustain our compelling value creation

With R.A.C.E., a new productivity & efficiency program launched to sustain the operating margin targeted trajectory, Atos benefits from tangible operational improvement by fully taking advantage of automation in all productivity levers, like the GOAL initiative where we combine Robotic Process Auomation (RPA) experts and libraries to amplify the impact of ongoing Lean waves.

Additionally, the Group is generating significant improvements with continuous integration of digital and automation into traditional levers like procurement, contract management, SG&A or workforce management.

Atos will continue transforming its workforce through agile collaboration and leveraging new Syntel talent and resource management to optimize its onshore/offshore headcount mix, enabling scaling of our digital services and offerings.

B.4.6 Maintain excellence in People skills and CSR

In order to realize its three-year plan, the Group relies on strong values and best practices in Corporate and Social Responsibility. These values are fully integrated in its operations.

To power its ambition, Atos is aiming to drive customer experience through best-in-class employee digital experience.

In this respect, its People strategy 2021 will leverage on 5 major Human Resources programs:

- *My future:* to combine Atos' strengths around Campus management, Performance management 2.0 and expert and talent programs and create a unique end-to-end value proposition for our employees;
- *Be digital:* to equip all our employees with certified digital skills by 2021;

- *MyExperience:* through the "We are Atos" engagement program, to leverage on the successful Wellbeing@work initiative putting specific emphasis on social value, diversity and inclusion. As far as gender diversity is concerned, Atos' objective is to double the percentage of women in the top management over the next 3 years while decreasing the gender compensation gap by 3% / year;
- *Value Sharing:* to further engage -besides the already existing incentive plans for managers - all employees to the Company's success;
- *Entrepreneurship:* To explore new ways of collaboration with Atos, further leveraging on our eco system of startups and contingent workers.

Atos set medium term extra-financial objectives including:

- a clear focus on customer satisfaction through sustainable and innovative solutions;
- as a sustainable player, Atos manages its operational efficiency in environmental footprint with the objective to further reduce by 7% to 20% CO_2 Emissions per revenue unit (tCO_2 per € million) by 2021.

B.4.7 Continue to participate to the IT industry consolidation to expand its customer base and to strengthen its technological capabilities

After a first phase of acquisitions in order to get scale, a second phase which ended last year was to get the right skills and resources. The M&A strategy for the next years is focused on specific verticals to acquire new clients and technological capabilities, and on cybersecurity where the Group intends to be a major player in the consolidation to come. The acquisitions will be performed with the same financial discipline as in the previous years.

B.4.8 Strongly support Worldline to remain the undisputed European leader in payments

For the next three years, Worldline intends to fully leverage its Pan-European competitive leadership, to keep a strong commercial focus on new large outsourcing deals and bank alliances and to ensure the fastest possible delivery of equensWorldline and SIX Payment Services synergy plans.

Based on its bank-friendly strategy, Worldline more than ever maintains a strong focus on the next wave of European payment consolidation.

2021 targets in Digital Services (Atos excluding Worldline)

In its digital services activities, Atos aims to deliver:

- **revenue organic growth:** +2% to +3% CAGR over the 2019-2021 period;
- **operating margin rate:** 11% to 11.5% of revenue in 2021;
- **free cash flow:** between €0.8 billion and €0.9 billion in 2021.

Regarding its dividend policy, the Group intends to pursue its current policy in line with the pay-out ratio between 25% and 30% of Net income Group share. The result from the distribution of 23.4% share capital of Worldline to Atos' shareholders will be excluded from the 2019 Net income Group share.

C

Sales and delivery

C.1 Sales and business development approach

C.1.1 The Atos sales and business development approach

[A12]

The Atos sales and business development approach is aligned with the Group strategy. As described in the "B.1 Business Model" section, Atos helps large organizations adapt, thrive, and leverage digital opportunities for competitiveness and growth in the upcoming digital era. To do so, its sales approach is underpinned by the understanding of the customers' digital transformation challenges, adapted to their business and market, and delivered with a portfolio of end-to-end offerings applying all of Atos expertise and experience (the Atos "Digital Transformation Factory").

C.1.2 Sales organization

At Group level, the sales organization is managed by Atos Chief Commercial Officer, with the global responsibility of steering the overall sales effort, driving Global Market heads, Global Business Units heads of Sales, Divisions sales heads, Global Strategic Sales Engagement, Global Alliances, Marketing and the "5C" program.

Atos is organized to be the trusted partner for its customers digital journey, with a strong focus on its client base across the various industry sectors (Financial Services, Manufacturing, Retail & Transportation, Public & Health, Telecom, Media & Utilities, Siemens account).

Customers are at the heart of Atos go-to-market strategy and are an essential part in Atos growth approach, through cross-sell and up-sell initiatives, notably around the Digital Transformation factory and related strategic offerings as well as selected partnerships.

In 2018, a "5C" sales transformation program has started to further drive value for our customers and as such for the Atos Group, notably around:

- **Client centricity** with a GIA (Global Integrated Accounts) organization launched to further build a truly global and integrated customer-centric approach for major customers. GIA accounts have a Global Client management (CEX) and a Global Divisional Executive (CDX) to ensure an integrated approach, bring the full Atos portfolio of capabilities and deliver distinct business value. In 2018, the first 32 GIA accounts have been set up, with the plan of further eXpanding the number of GIAs in 2019. A Client Innovation Director has also been appointed to drive innovation together with our clients, through customer co-creation workshops;
- **Closing Improvement** to systematically roll out sales process best practices, further industrializing key deals management and end-to-end sales methodologies with the "Atos Planet" model and new sales blueprints;
- **Channels and Partners** to boost products sales through a unified group Channel and stepping up selected Partnerships, fully leveraging Atos partnership ecosystem to generate incremental new businesses;
- **Cybersecurity and digital sales** to boost Atos cybersecurity and digital sales by investing in cybersales teams to capture the full potential of the market;
- **Culture & capabilities** redesigning the compensation schemes and capabilities to support growth and digital sales, with changes in incentives to drive sales and attract, develop and retain the best talent to support top line transformation.

Within Sales, Marketing is organized as a group function reporting to the Chief Marketing Officer. It brings together client, demand- and deal-based marketing in the geographical Business Units, Market marketing, portfolio and offer marketing, the digital platforms & channels in corporate shared services as well as market & customer intelligence, sales enablement, and the network of the Business Technology and Innovation Centers (BTIC) for running the client innovation workshops. Finally, the Industry Analysts & Advisors team are ensuring that the Atos expertise is best placed in vendor assessments and other reports, as well as in key deals.

Global Alliances, as a Sales channel, ensures that Atos is fully leveraging its partnership ecosystem to generate incremental businesses.

C.2 Infrastructure & Data Management

Infrastructure & Data Management Division (IDM), is a recognized industry leader at the forefront of innovation and one of the few companies that can provide a complete design build and operate capability globally coupled with technology transformation services to advance our customers environments to meet their digital ambitions.

C.2.1 Data Centers & Managed Infrastructures

Atos datacenters are the powerhouses behind Atos customers' digital transformation. They house the Group's core infrastructure capabilities worldwide, and provide both traditional and digital services across the domains of cloud, workplace, applications, mainframe and Internet of Things environments. Spanning 5 continents in 30 countries, Atos has more than 100 datacenters including 6 cloud hubs providing Tier 1 levels of service quality and security for both traditional and digital services. IDM is able to move, migrate and transform customer workloads to the most appropriate environment depending on the business need.

The IDM global data center strategy is based on the 7 'C' key principles of Cloud, Carbon, Capacity, Continuity, Competitive, Cost and Cash. These principles ensure that IDM's datacenters continue to provide its customers with the right solutions with the right capacity, the right time, in the right place and for the right price.

In accordance with this strategy, Atos monitors and drives major programs for datacenter consolidation, renewal and acquisition. In the last 7 years Atos has migrated and closed 69 datacenters, opened 31, extended 10, upgraded 3, and integrated 30 datacenters from acquisitions (McGraw Hill, Bull, Xerox, Anthelio and Arvato). Based on the current footprint, Atos intends to migrate and close 24 further DCs by 2023, and, additionally, open 2 new state-of-the-art datacenters, upgrade 3 and extend a further 4 existing ones.

There is clear guidance for new Atos datacenters that is based on delivering economies of scale. Specifically all new datacenters will follow the TIA 942 Rated 3 standard, provide an average power density of 1.5 kW/sqm with a possibility for high density zones, have a PUE of approximately 1.2 or less if new built, and guarantee high security standards – VESDA, automatic fire extinguishing, access control, 24/7 monitoring and CCTV.

Innovation in environmentally responsible datacenter services is central to Atos datacenter planning and strategy and has helped maintain its green leadership position. During the last 3 years Atos reduced the energy consumption of its datacenters by 78.500 mwh and increased the portion of renewable energy to 95%.

To further strengthen the leadership position of Atos in Datacenter Management, Atos will look to leverage cognitive technologies towards a "cognitive data center" approach to enable:

- predictive maintenance (e.g. capacity usage forecasting);
- self-monitoring and healing;
- further strengthening the green leadership position.

C.2.2 Hybrid Cloud

Hybrid Cloud services are a key enabler for the digitalization of enterprise customers. This past years revealed a growing trend within IDM customers to deploy comprehensive cloud strategies and cloud frameworks. "Cloud first" strategies are becoming the default consideration in enabling and sustaining the digital transformation. *Hybrid Cloud* fully addresses these emerging trends by delivering comprehensive industrialized end-to-end capabilities for the transformation of its customer's applications and infrastructures.

Hybrid Cloud computing makes significant contributions to digital transformation in three key areas:

- Hybrid Cloud computing allows enterprises to improve their operational efficiency through the implementation of an IT infrastructure that delivers significant improvements in agility and flexibility on and off premise, allowing the deployment of new services at a very rapid pace. Certain cloud technologies such as business-driven policies for IT automation and self-service play a key role in these developments;
- Hybrid Cloud computing proposes a modernized approach to customer and user experience driven by mobility and collaboration, allowing access to information anytime and from any location in the world;
- Hybrid Cloud computing drives the rapid emergence of new, web-native application landscapes that can deploy, scale and evolve very quickly so that IDM customers can reinvent their businesses in a very competitive landscape.

To fully leverage these benefits, enterprise cloud will be hybrid by nature, with a private and a public part, plus legacy applications and platforms which may never move to cloud.

In support of the overall hybrid cloud end-to-end approach, IDM provides a comprehensive range of secure and resilient, managed, private IaaS cloud services offering enterprise customers an integrated user experience with a choice of platforms, SLAs (Service Level Agreements) and service management options delivering business agility without compromising security. For a true hybrid experience Atos integrates leading public clouds like GCP (Google Cloud Platform), Microsoft Azure and AWS (Amazon Web Services) into the *Atos Hybrid Cloud Management Platform* and enriches public cloud services with additional value-added services relevant for today's enterprise. This is being achieved based on industry leading ServiceNow business orchestration and IT Service management.

Following our cloud strategy as part of the *Atos Digital Transformation Factory*, *Atos Digital Private Cloud* in 2018 was extended with a High-Performance hardware option based on Atos Bullion. This is extending the use cases of Digital Private Cloud to high performance Big Data environments and to hosting platforms for SAP HANA. Additionally, Digital Private Cloud supports the extension into AWS to deliver a true hybrid vmware-based environment to enable an efficient path of on-prem applications into Public Clouds.

In 2018 Atos announced a global partnership with Google Cloud. Going beyond the traditional IT landscape, today's data-centric digital transformation generates an ever-increasing need for data lakes, Data Management, analytics and cognitive technologies. Machine Learning (ML) is key to discovering and leveraging new business and marketing opportunities, but also demands secure solutions to protect data against cyber risks and ensure compliance.

Addressing this fast-growing demand, Atos is working with Google Cloud to provide businesses worldwide with secure cutting-edge solutions:

- Secured Hybrid Cloud: Atos is developing and eXpanding its *Hybrid Cloud* with Google Cloud Platform as Atos' preferred public Cloud platform, leveraging its scale, security, reliability and availability while ensuring data localization;
- Data Analytics & Machine Learning: Atos is developing a machine learning practice that will leverage Google Cloud's ML APIs to create industry specific solutions across multiple verticals;
- see *Digital Workplace* for Google G Suite enhancements.

To accommodate the world of multi cloud/hybrid IT services and helping customers in transforming workloads, Atos has developed an industrialized "cloudification" approach to move applications from legacy systems to the different cloud platforms fitting the nature of the application. This is leveraging state-of-the-art platform as a service technologies and automation tools. Cloudification execution is taking advantage from the Atos Cloudification Factory in India which is ramping up in scale.

Atos has delivered a 30% year-on-year growth in cloud services for the last 3 years whilst delivering 20% to 30% price reduction to its customers in line to the 2019 cloud growth ambition. Atos has continuously gained recognition as a Leader in cloud from leading analyst firms.

In 2019 IDM will continue to further leverage on software defined and hybrid services capabilities to deliver the digital platform for enterprises and to invest into its cloudification factory to support the customers in their digital transformation journey. This includes enabling Continuous Integration and Deployment by leveraging marketing leading platform and container technologies, enabling "Micro-DCs" as core design element in IoT and driving automation improvements by taking advantage from AI/ML.

C.2.3 Digital Workplace and Help & Interaction Center

Atos Digital Workplace Services provides modular and innovative end-user services to enable the new ways of working to support digital transformation. Based on extensive, proven experience in all industry sectors Atos manages more than 3.8 million end-user devices, from a combination of global production centers for service desk, operating as one virtual global delivery unit, complemented by globally distributed local production centers who handle more than 36 million tickets annually in 38 languages. This is combined with onsite support capability in 115 countries, giving IDM a true global workplace services footprint.

The global delivery organization has a total headcount of more than 10,000 staff.

The business requirement to make their employees more engaged has resulted in a significant interest in Digital Workplace services. It is a must in every major workplace transformation program today. Key solutions such as Unified Endpoint management, combined with application management, virtual desktops, and intelligent collaboration solutions deliver a different way of working, with the functionality and security required anytime, anywhere and access from any device.

Atos strong focus on customer care and the total end-user experience including omni-channel support with self-help, virtual assistant, chat, and self-healing solutions, has a direct impact on the user's experience.

Atos has a key focus to improve user productivity and experience in order to deliver value to the business through technology, embedding wearables, IoT, cognitive computing and analytics.

Following the 2018 announcement of the global partnership with Google Cloud, Atos is working with Google Cloud and other partners to reshape user support with new technology such as artificial intelligence or analytics enhancing the support experience and reducing costs. In line with its vision for the future, Atos is delivering proactive support, relying on end-to-end service intelligence, in order to improve the quality of the service and most importantly the experiences of the users.

Intelligent collaboration is at the heart of the Digital Workplace to engage employees and enable new ways of working. Atos integrates SaaS based workplace offerings, including Microsoft with Office 365, Google with G-suite, ServiceNow and others, combined with private cloud services and device-as-a-service to enrich the workplace for end-users, while reducing costs and increasing agility and mobility of end users, closing the gap between physical working environments and digital collaboration solutions.

Atos is enhancing it Microsoft Office 365 offering and developing a G-Suite practice as well as further developing its Unify Circuit product in order to support enterprise's requirements and help customers get the most value out of technology. This is supported by a transformational consulting-led approach and the development of an orchestration communication platform.

Atos will continue to build a Digital Workplace of the future which includes moving to hybrid delivery models and offering "workplace as a service" business models.

C.2.4 Business Accelerator Capabilities

Atos Business Accelerators help companies to set up a roadmap for evolving to the real-time enterprise, thanks to our partnership with SAP. SAP HANA offers a platform for effective real-time business, and Atos provides the business insight and technical skill our customers need to exploit its full potential.

The Atos IDM service covers SAP HANA and non-HANA platforms, as well as a range of SAP environments, from private customer specific, to managed public cloud as well as those managed in Atos Data Centers, and hybrid across all.

Atos IDM service scope includes the full stack of end-to-end services up to and including application operations which offers a compelling alternative to in-house application support due to the breadth and scale of Atos application capabilities and wide scope of options available. Spanning services such as database services, middleware, application technical management, web services, and SAP application services. Business & Platform Solutions Division complements Infrastructure & Data Management Application Operations and Application Technical Management by providing consulting and integration with third party applications and Application Functional management, thereby ensuring customers receive a complete and seamless end-to-end service from Atos.

IDM SAP services have been considerably enhanced this year through the launch of *Hybrid Cloud* for SAP on the Microsoft Azure platform, to be followed by SAP on Managed Google Cloud Platform in 2019. This complements the existing SAP service, on Atos private cloud platforms using our own high-performance appliances. Atos Bullion hardware is a key differentiator for Atos being one of the most scalable, certified, SAP HANA hardware platforms in the industry.

At TechEd Barcelona in September 2018, Atos and SAP made a joint announcement on a major partnership agreement regarding the SAP Cloud Platform (SCP) Private Edition. SCP is the platform for hosting SAP and third party applications where customization and integration are required for business processes. Atos is to become one of only five SAP partners globally, and the preferred partner in the Europe, Middle East and Africa region, to deploy and operate the platform.

SCP Private Edition is a key part of the SAP intelligent enterprise vision. It will be used to develop and test new applications, customize existing SAP applications and integrate these with third party capabilities, to develop new business models and new services that incorporate innovative technologies such as IoT analytics, Machine Learning and Natural Language Processing. SCP is already available on public cloud platforms. SAP Cloud Platform private edition by Atos provides the capability to leverage SCP in environments where regulation, privacy or technical concerns prohibit the use of public cloud services.

SAP and Atos have a history of success together that spans over more than 30 years and that enables both companies to combine their respective capabilities and jointly deliver superior customer solutions. Atos is a global certified SAP partner, with more than 13,000 skilled SAP professionals and more than 40 local SAP teams.

C.2.5 Networks

IDM Network services provide customers with fully managed connectivity services to meet their customer's digital transformational challenges. Network services, both traditional and software defined, are the enablers for digital transformation to cloud and SaaS services, and are a fundamental component of all Atos pillar solutions including Digital Workplace, Hybrid Cloud, Connected Intelligence and Business Accelerators.

Network services launched in 2018 include the IDM 'Digital Connect' suite of services. As part of this suite, the (software defined) Cloud-WAN v2.0 provides an orchestration layer to efficiently manage existing, transport layer, network connectivity services through centralized policy enforcement and single pane of glass management. It has the potential to save costs, through offloading of non-critical data from MPLS to other network connectivity services and to provide cloud-on-ramping secure connectivity to SaaS and IaaS providers.

Digital Connect improves the way customers connect to applications and services. The evolution of software defined technologies has enabled the Cloud WAN service to abstract and virtualize the WAN resulting in the ability to make changes faster, provide greater analytics and visibility into network traffic and report performance and problems.

Our new range of services provide the speed and flexibility required by our customers to transform to and maximize the benefits from digital services. In short, they are the network enablers for Digital Transformation.

Atos operational capabilities in networking cover 3 globally operated delivery centers complemented by 9 local production centers which manage the operations of DC network infrastructure in over 100 data center locations. Atos has over 2,500 network experts supporting over 1.6 million LAN ports, 55,000 switches and over 450,000 voice ports, operating in more than 40 countries worldwide.

C.2.6 Codex IoT

IoT is a key enabler for digital transformation in every industry. *Connected Intelligence* enables customers to continuously create value from their assets, resulting in greater efficiency, intelligent decision-making, new revenue sources and enabling new business models. Our business outcome focused approach delivers fast time-to-market of new use-cases that are scalabe and reliable through our extensive experience of managing and running complex large IoT deployments.

With *Codex Managed IoT* we provide a catalogue of services to manage the full IoT value chain from things to edge to datacenter. Our IoT Service Management Framework includes management of devices, connectivity, data and storage, change and release control, incident management, service desk and support, and the operations to increase resilience against failures or disturbances. These services will be delivered with business-defined service levels, including the necessary cybersecurity measures.

We support our customers in accelerating IoT adoption with clear focus on sector-specific opportunities, such as in Retail, Transportation, Manufacturing and Smart Cities.

Codex Connected IoT solutions provide our clients complete end-to-end managed business solutions that deliver valuable improvements in their operational efficiency and competitiveness. With our own innovative services and best of breed partner ecosystem, we create end-to-end business solutions to easily connect, collect, and manage the data from connected assets.

These connected IoT Solutions cover generic and industry specific IoT solutions, ranging from connected retail to connected cities to connected production. Example solutions are Connected Cooler, Connected Locker and Digital Video Analytics.

Atos has a special focus on Industry 4.0 within our comprehensive Internet-of-Things approach. To deliver maximum value to our customers, Atos and Siemens are in a strategic partnership around MindSphere, their open ecosystem for optimizing and transforming plant performance by collecting, analyzing and monetizing large datasets in industry. Atos delivers a broad set of IT and digital services around MindSphere and is the prefered partner offering MindSphere On Premise hosting: Codex Private IoT Platform powered by MindSphere.

Codex Infrastructure Services for MindSphere provides a suite of services to connect, secure, deploy, operate and manage MindSphere on-premise or on private or hybrid cloud, enabling and supporting IoT solutions on the MindSphere platform. With Codex Private IoT Platform powered by MindSphere, Atos targets customers that have high requirements for a secure data environment, latency time, or compliance with legal regulations.

According to several Industry Analyst firms, Atos has one of the most well-rounded, industry leading, offerings in the IoT services market, spanning across the range of services from integration to Managed Services, both on its own and third-party platforms, hardware expertise and a best of breed partnership network.

Atos is clearly not a new player in the field of IoT. For more than a decade our IoT solutions and large-scale IoT deployments helped a growing number of Atos' business customers improve bottom lines, enhance products, streamline operations and create new revenue streams. Atos has more than 1,500 IoT experts and manages more than 8 million devices including 4 million smart grid end points, 1.6 million connected vehicles, 1.2 million payment terminals, 300,000 connected coolers and 400,000 industrial connections.

C.2.7 Technology Transformation Services

IDM' comprehensive Technology Transformation Services (TTS) portfolio assists clients embrace business reinvention through digital transformation. TTS new solutions are architecting, provisioning, building and integrating a future state technology eco-system which supports IDM clients' agility and sustainability for IT and business growth. IDM approach and best practices leverage proven blueprints that deliver expected outcomes and create business and IT value with a focus on industry specific business requirements. TTS solutions are customizable and flexible to help clients create their workplace of the future, innovate the way they work, build the foundation for their cloud environment, and transform for tomorrow's computing and digital service needs. TTS services and solutions span the IT spectrum from the workplace to the data center and from the data center to the cloud to meet the demands of todays digital business:

- **Technical Advisory Consulting** consists in structured engagements, in line with the Technical Consulting Framework, that are designed to guide the customer to commit on a Technical Transformation Project. These are specific, pre-defined engagements that deliver tangible customer value and are built with a modular and industrial design ethos;
- **Workplace Transformation services** provide cloud, fixed and mobile solutions for a Digital Workplace, with the latest innovations in delivering end-user compute environments, native cloud office services, and unified communications for consumption on any device at any time for an enhanced user experience;
- **Data Center Transformation services** provide public cloud solutions for Google, AWS and Microsoft Azure, an array of private cloud solutions and the integration of both private and public cloud services, to provide a full spectrum transformation service to enable a hybrid IT backbone for your business;
- **Application Platforming services** provides application migration and platform services with CloudFoundry and other technologies for secure delivery of business and critical applications in public and private cloud environments. Application Platforming also provides extensive application testing services to ensure a safe migration and ongoing change environment for its customer critical applications in the cloud;
- **Service Integration** provides the fundamental implementation and orchestration of IT Management and Enterprise Services, usng the ServiceNow solutions suite to enable seamless integration and automation of traditional IT and business services, for enterprise management. Following the acquisition of the ServiceNow Gold Partners, Engage ESM and imaKumo, we have created a global center of excellence, providing a true 24x7 "follow the sun" consulting and operational support capability as a key service for global customers.

Together with the strong ecosystem of partners, TTS core offerings provide the infrastructure technology, and the optional services to maintain, monitor, and proactively manage the infrastructure to ensure transformed environments are operational and available 24x7.

IDM demonstrates its depth of expertise every day with over 600 transformation projects per year and gained scale with over 1,900 dedicated business technology consultants, architects, and engineers worldwide.

C.2.8 Business Transformation Services

Atos has one of the leading BPO (Business Process Outsourcing) businesses in the United Kingdom especially in Business Transformation Services. The combined direct headcount represents circa 3,500 staff, with a sizeable proportion of offshore utilization through a dedicated BPO team in its Global Delivery Centre. One of the key differentiators, particularly in Public Services, Financial Services and Health, is that in these sectors IDM manages the full end-to-end service, deploying digital technology, transformation and employees with specific technical and industry expertise. This enables IDM to add value via its domain expertise in addition to the traditional benefits associated with BPO.

Atos continued to capture business thanks to continued success in industry leading customer contact centers, case and document management and print operations, as well as bookings and account relationship management systems that are unique in the marketplace. Atos' growing focus and expertise in customer experience is also providing Atos' clients and their customers with a unique understanding of the transformation required and its huge impact on service and quality.

Atos also foresees that the integration of Robotic Process Automation (RPA) is vital to apply as it will outmatch the operational cost savings in comparison to the cost benefits of an old-style BPO labor arbitrage. Atos intends to be at the forefront of this development by leveraging its new RPA capabilities and strategic partnerships with RPA technology and service providers such as Thoughtonomy and UiPath.

C.2.9 Automation

With a streamlined approach to automation through a core set of standardized tools deployed globally, IDM has industrialized deployment of automation. With a unique modularized automation toolset strategy, centered around machine reasoning and machine learning enabled AI engine, structured processes like incident management, ticket resolution, service desk requests like password reset are set to be fully automated.

As a next evolutionary step, leveraging true machine learning, predictive analytic AI engines are being piloted to anticipate potential failures and to initiate proactive remediation.

C.3 Business & Platform Solutions

In today's digital world, the place where technology and business come together is the platform. The Business & Platform Solutions Division (B&PS) works with its clients to enable them to deliver on their own Digital Journey. The integration of Atos | Syntel into our B&PS business brings with it Digital at Scale to add to our B&PS portfolio. Atos|Syntel brings industrial strength in our capabilities in North America and the Financial Services market and further strengthens our Global Delivery Centers in line with the needs of our global clients.

C.3.1 Digital Transformation continues to reshape the B&PS market

The Digital revolution continues at pace and our Atos Digital Transformation Factory solution framework continues to find market traction accordingly.

The scale of the changes brought by digitalization across all industries has reshaped the way Atos clients consume technology and services. Our clients continue to shift their priorities and budgets to support digital initiatives in their business and implement business-driven technologies for customer experience, process automation and data insights.

B&PS is bringing to clients the business platforms, skills and experience needed by clients to meet all of these challenges as their relationships in their own business environment change through customer experience, automation and digital insights using data analytics and machine-based data.

Through 2018 B&PS has further evolved its portfolio of offerings as part of the Atos Digital Transformation Factory, with all portfolio assets attached to it.

B&PS continues to support Atos' clients with its business applications landscape. B&PS brings to clients cost reduction through legacy application modernization, cloud-based applications, the use of automation, and artificial intelligence. Our integrated approach through the Atos Digital Transformation Factory is delivering on our client's needs whether they are buying as part of an outsourcing arrangement or on a project by project basis.

Following our ambition to be a trusted partner for our customers in these times of rapid change, B&PS engaged with our customers on some significant digitalization projects in 2018 such as:

- enabling a large telco operator to use analytics for improved decision making, by providing a Data-as-a-Service catalogue for fueling decisions and triggering better actions based on insights;
- improving operational efficiency and accelerate delivery of services by transforming ICT from "own and operate" to a consumption-based model by providing a service catalogue for application management for a large public organization in Australia;
- allowing a large European airline to improve the traveler experience for their customers by setting up an automated claims management system;
- accelerating digital transformation in sports for some major football (soccer) teams around the globe by digitizing their back-end systems to be more compliant, as well as their customer platforms to allow for a better fan experience;
- providing more transparency, clarity and compliance to new regulations for multiple large European organizations by improving the way data is stored, accessed and used to provide better customer services while staying compliant;
- supporting a large Scandinavian Pharma company to find a better, faster, and more flexible solution for their archiving headaches, we were able to set up a SaaS archiving model that allows the speed and flexibility they needed while staying compliant with new and existing regulations;
- defining the Robotic Process Automation (RPA) at a large Government body in the United Kingdom by engaging with key stakeholders, selecting the right RPA tools, identifying a Proof of Value (PoV) project, and implementing the identified use cases via PoV projects.

C.3.2 B&PS organization matching customer needs

A new unit has been created within the Atos B&PS organization, operating under the Atos|Syntel brand to deliver 'Digital at Scale' to clients. This unit is focused on the existing Atos|Syntel accounts and eXpanded to include North America, UK Private Sector, Global and Strategic Accounts.

Alongside Atos|Syntel, B&PS practices for Application Transformation Services, Digital Transformation Services and Atos Consulting continue to serve our clients worldwide. Application Services focus on scale, industrial delivery and cost, while the Digital Transformation mobilizes requires a local and agile workforce with digital skills and expertise.

C.3.2.1 Atos | Syntel

Atos|Syntel brings industrial strength to our capabilities in North America and the Financial Services market, increases our automation and artificial intelligence capabilities through the Syntbots platform, and further develops our Global Delivery Centers into class leading capabilities.

Atos|Syntel delivers 'Digital at Scale' to clients through three value levers:

- **accelerate the digital journey:** Increase enterprise agility and business performance through end-to-end accountability for digital transformation. Key services include digital customer experience, mobile applications, analytics for insight-driven decisions, agile development on cloud native platforms, smart devices and IoT, and industry-specific digital solutions;
- **serve mission-critical business**: Evolve clients' infrastructure and applications to "Digital Native" standards to help them exceed customer expectations. Key services include application modernization, microservices, cybersecurity, "always on" cloud, big data analytics and cognitive automation;
- **deliver scale and flexibility**: Meet fast-changing business requirements combining local context and operational excellence at scale through global delivery and a digital-ready workforce.

C.3.2.2 Application Transformation Services

The focus of Application Transformation Services is improvements for our clients' competitiveness though business and application transformation and cost reduction.

Application Transformation Services brings service transformation, application modernization, operational excellence and efficiencies using automation and artificial intelligence including the Atos Intelligent Automation Platform (AIAP) and the Atos|Syntel SyntBots Platform.

Global factories guarantee consistency, standardization and cost competitive delivery on a global scale. Our Global Delivery Centers in India, Poland and Bulgaria supported by our regional delivery centers provide our clients with an E2E-network offering the highest business value in the most cost-efficient model with a uniform process.

Atos' global factory in India has been combined into the Atos|Syntel Delivery Center to deliver scale and flexibility for our Global clients' requirements.

Our Enterprise Platform Solutions practice helps clients to integrate multiple platforms and products (like SAP, Oracle & Microsoft) into a single business solution.

The Application Transformation Services manage end-to-end services and commit to business outcomes.

C.3.2.3 Digital Transformation Services

In this area, B&PS is exploiting its proximity to its clients as 15,000 staff work close to them, leveraging investment into digital technologies, and digital platforms and solutions such as the Atos Digital Transformation Factory.

The B&PS Digital offering proposes an end-to-end approach covering the entire digital ecosystem, from Consulting Services to full Digital Transformation, addressing business areas such as Digital Commerce, Digital Integration, Cloud Solutions and Services, Analytics and IoT through *Codex*, Atos' fully integrated and cross market end-to-end analytics solutions for connected intelligence.

The Atos Digital offering provides services and solutions that enable organizations to maximize the value of their data quickly and cost efficiently. It specifically focuses on the following key aspects of digital transformation for Atos clients:

- increasingly connected solutions that are specific to the client and the market they operate in;
- improved business efficiency through digitalization of processes;
- customer and business insights through *Codex* connected intelligence, leveraging IoT platforms;
- secure mobile solutions integrated into their wider business applications;
- increased connections with consumers through Social Media;
- the advantages of cloud in terms of innovation, agility and flexibility;
- the end-to-end capability to address both the needs of the client in the digital world and connect to or transform their existing legacy estates;
- using the latest delivery methods such as Dev Ops and Agile with market leading technology partners.

C.3.2.4 Atos Consulting

Atos Consulting's role is to help clients deliver measurable business value through the smart application of business technology. The consulting unit offers a range of cost effective transformation and innovative solutions which support clients on their digital transformation journey. The unit combines its depth of knowledge in business and technology areas to deliver industry specific solutions - especially for the public, healthcare, manufacturing, retail, and transport sectors.

Atos consulting offerings are managed in five global practices:

- Digital Transformation which focuses on helping clients to move forward their digital business agenda by, amongst others, advising how they digitally engage with customers, improving collaboration, and applying data analytics to derive business insights;
- Digital Technology Unit which works in conjunction with the other practices to define a digital technology strategy and show value quickly through proof of concepts;
- IT Strategy & Transformation, supporting executive teams in the transformation of their organizations by optimizing the IT landscape, leveraging cloud-based solutions, and introducing agile ways of application development;
- Information Governance, Risk, and Compliance which helps clients to manage the risks and threats associated with information security, privacy, and data protection;
- Business Performance Improvement which focuses on helping clients to reduce costs and to improve performance through operational excellence.

C.3.3 Key changes that will allow for margin uplift

Atos B&PS is integrating Atos|Syntel into the B&PS operating model. Our Global and Large Accounts are being migrated into Atos|Syntel to deliver the next step in performance and business synergies.

C.3.3.1 Operating model changes

Atos|Syntel combines Atos' scale, market presence, and capabilities in Orchestrated Hybrid Cloud, big data, business applications, and digital workplace solutions with Syntel's industry focus, global delivery model, and core and digital services powered by intelligent automation. Atos|Syntel partners with clients in the banking, Financial Services, insurance, manufacturing, retail, logistics, healthcare, telecom, media, and technology industries.

Atos|Syntel provides advantages and synergies to deliver enhanced capabilities with B&PS. These include a wider presence in North America, a portfolio of longstanding partnerships with blue chip clients, increased expertise in banking, Financial Services, insurance, and healthcare, innovative new IP for digital transformation and intelligent automation, greater scalability in staffing and resource planning, and a best-in-class global delivery platform with one of the highest margins in the industry.

C.3.3.2 Increasing the account segmentation

Building on the success in growth and profitability from the account segmentation of 2017 the number of Strategic accounts has been increased from 10 to 24 during 2018:

- **strategic international private and public sector clients.** B&PS have eXpanded the global approach and industrialization into these accounts. This set of accounts along with the North America and UK Private Sector clients, are now in the Atos | Syntel unit to drive the next level business growth and synergies;
- **large local and public sector** accounts in Europe have potential for offshoring and can benefit from industrialization best practices. They are benefiting from the implementation of Atos B&PS global capabilities, embedding artificial intelligence and automation;
- **local accounts** require client proximity which is boosted by B&PS' onshore capabilities. For this type of client, B&PS is focused mainly on staffing and delivering flexible professional services.

C.3.3.3 "Two in a box" model for simplified account governance

In the Two-in-a-box model, the Sales lead and the Delivery lead of an account are paired working together through the sharing of a common set of key performance indicators related to client satisfaction, employee satisfaction, quality indicators, account growth and operational performance.

Atos moved to a "Two in a box" simplified account governance last year for private accounts from a geography-led delivery model. This continued to bring improved client relationships and simplified accountability as well as growth and improvements in all key KPIs listed above.

C.4 Big Data & Cybersecurity

Big Data & Cybersecurity (BDS) Division gathers the Big Data, Security and Mission-Critical Systems expertise developed in house. This advanced know-how meets critical customer challenges in today's digital transformation and is particularly leveraged in the *Connected Intelligence* offering. It makes Atos the trusted partner of organizations that intend to leverage the benefits of the new "Economy of Data" that is rising today, notably through the development of "smart technologies" and the Internet of Things (IoT).

The Division is structured in five complementary businesses:

- Big Data: uniquely powerful HW/SW solutions and services to compute massive data flows and turn them into business outcomes;
- HPC: High-performance technologies for insight platforms & Data Management;
- cybersecurity products: intelligent platforms for digital security, trust & compliance;
- cybersecurity services: expertise of business technologists to build ongoing up to date extreme security;
- Mission Critical Systems: highly efficient mission systems for organizations that ensure the wellbeing of people, protection of nations and integrity of infrastructure. We particularly address the homeland security, defense, telco, aerospace and transportation sectors.

The Division relies on R&D teams whose expertise is recognized internationally and strongly contributes to the development of Atos technology portfolio.

C.4.1 Big Data & HPC: from the value of the data to the power of Artificial Intelligence

BDS is considered as the European leader in HPC (High Performance Computing) and Big Data, and a pioneer of next generation analytic platforms ("insight platforms") that will be at the heart of tomorrow's business information systems, notably with the development of the Internet of Things (IoT) and cognitive analytics. These domains represent a strategic, and very high growth market. By providing high-performance infrastructures and platforms for real time computing and specific designed server for Artificial Intelligence, analytics, real time computing and cloud delivery, BDS offerings are at the heart of *Connected Intelligence* innovation and strongly contribute as well to *Hybrid Cloud*, *Business Accelerators* and *Digital Workplace* value propositions:

- **Big Data software and services:** through its expertise in parallel computing and in Big Data, the Division designs on-measure analytic, simulation algorithms and software platforms. These offerings rely on the Division global mastery of the Data Management chain (from acquisition to decision-making) and of the various analysis modes that can be used, depending on business context and needs (real time event processing, complex analytics, massive data analysis, Artificial Intelligence, machine learning and deep learning). This breadth of offerings enables customers to unleash the value of data and get true competitive advantage in all strategic domains from innovation customer relationship, business reinvention, operational excellence to trust and compliance, in all verticals;
- **high-performance computing and high-end platforms:** As one of the main player in High Performance Computing (HPC), BDS is the designer, maker and integrator of numerous of the most powerful supercomputers worldwide. In 2018, the Division has launched in Europe a very large range of leading exascale-class supercomputers & servers, BullSequana Series X. The new BullSequana X is a hybrid supercomputer which responds to today's demand for high-performance computing power that can handle converged workloads simultaneously, and offers the flexibility run these workloads in the cloud or on-premises. Also recognized as the #1 European solution in large open servers, BullSequana S series enables real time analysis for very large data sets, notably for new generation "in memory" software such as SAP HANA & Oracle environment for which BullSequana S series supports the largest implementation worldwide. BullSequana S series also targets intensive computing usages such as the consolidation of new generation converged infrastructures for "datalakes", Artificial Intelligence, private clouds and virtualization. As a strong signal of such top-class technology, three world class companies signed with Atos a reselling agreement: Cisco, Dell-EMC & Hitachi Vantara;
- **GCOS servers and Legacy modernization solutions:** The Division provides new generation servers and software solutions that leverage existing Bull GCOS mainframe environments for the long run and migrate competing mainframe environments (notably IBM) towards open environments. As a whole, these solutions enable organizations to leverage their historical application and data capital, while increasing business agility and reducing costs. The BullSequana M is the new generation of servers supporting the GCOS software.

C.4.2 Cybersecurity

In the security domain, Atos is considered as the #1 European player and as a world-class leader in digital cybersecurity, in a high-growth market. The cybersecurity business unit has been split into two activities, Services & Products.

This end-to-end security expertise, strengthened by a very active R&D in Identity and Access Management, encryption and Internet of Things security and also an expertise in analytics technologies enables Atos to set up predictive and prescriptive security analytic solutions that are very innovative on the market. For its customers, Atos can therefore manage the whole security process, from consulting to operation, and position as a trusted partner of organizations benefitting from its own technologies and meeting both the concerns of security specialists, executive management, and business functions.

C.4.2.1 Cybersecurity services: the expertise of business technologists to build ongoing up to date extreme security

The security services activity is split in two different activities:

- **security advisor:** these services enable organizations to audit their security and compliance levels (PCI DSS, ISO 27001, etc.) to define and integrate the most adapted security policies and solutions – depending on their business context and needs. For 2018, with the General Data Protection Regulation (GDPR) entering into effect the Division supported its customers on the GDPR journey with a dedicated offering. Atos has been recognized as Leader by Nelson Hall on GDPR. Atos experts help their customers understand their risk exposure and build their cybersecurity strategy by strengthening the security level of the organization with security services and solutions;
- **integration & operation services:** to face the increasing number of ever more sophisticated cyberattacks, (such as ransomware, DDOs, botnet, Advanced Persistent Threats), customers require constant and efficient security solutions so that they can remain focused on their core business. Since 2017, BDS launched its new Prescriptive Security Operations Center (PSOC). Combined with Atos Big Data analytics capabilities and powered by Bullion servers, the new security solution makes possible for customers to predict security threats before they even occur. Detection and neutralization time is improved significantly compared to existing solutions. The Atos Data Lake Appliance powered by BullSequana S and Atos research in Artificial Intelligence is at the heart of what makes our Prescriptive Security Operations Center unique. With the growing number of connected objects in the Operational Technology (OT) and the IoT world, Atos is also developing orchestration and monitoring of the connected objects to ensure to manufacturing companies a comprehensive view of their OT landscape. Cloud adoption and digital transformation being at the heart of the companies strategies, BDS is proposing security services and technologies to strengthen, support and manage the security of those new environments.

C.4.2.2 Cybersecurity products: the niche state of the art technology for extreme security

The cybersecurity products global business line includes three different activities:

- **Identity Governance & Management Software:** make sure right people access right resource at the right time. BDS is recognized as the major European player in Identity Governance and Management (IGA: directory, user provisioning, access control…) by industry analysts such as Gartner and Kuppingercole with notably its Evidian offerings. This high growth strategic domain enables organizations to manage their employees and customers with à high level of protection, compliance and trust. In 2018, BDS has completed its "as a service" Evidian offering with Web Access Management as-a-Service (WAM aaS). In 2017, BDS had already launched Evidian Enterprise Single Sign-On as-a-Service (E-SSO aaS). This is the only solution on the market that enables users to access their applications, without the need to enter passwords, on both cloud-based and on-premises applications. In 2018, Evidian has obtained the France Cybersecurity label for its Evidian products recognizing the high level of security of the product;
- **Data Security Products:** encryption, the key to protect your data. BDS offers comprehensive data encryption solutions, to protect sensitive data and effectively manage data security relying on Trustway range of products. This powerful platform enables businesses to protect, securely manage and migrate sensitive data wherever it resides, on-premises or in virtual, public, private or hybrid cloud environments. With its Trustway Dataprotect solution, which is a combination of Trustway Hardware Security Module (HSM) with a "Gemalto Software Inside" Data Protection suite, BDS is providing clients with a complete end-to-end and interoperable data encryption solution. In 2018, BDS has launched its Trustway IP Protect, a new encryptor range. This 100% European solution, assembles the most advanced security features to enable businesses to effectively protect themselves against the theft of sensitive data;

- **IoT Security Solutions:** trusted identities for people and devices. The Internet of Things (IoT) is leading the way for a digital transformation in all sectors: SmartCity, SmartGrid, SmartHealth, SmartFactory, SmartCar… In this complex context, BDS with its BullHorus solutions provides trust services of the Internet of Everything (IoE) and ensures the safety of the IoT on every level. Our Digital Identities offer guarantees that exchanges of Data are totally protected, by enabling applications to integrate authentication, non-repudiation and confidentiality services. The Division also offers a comprehensive range of cyber security components including metapki (digital certificate lifecycle management) and vericert (digital certificate validation). In 2018, BDS has announced the Horus range of trust infrastructures appliances, a complete range of pre-configured software appliances to support the deployment of trust services based on digital identities. There are five in total: Public Key Infrastructure (PKI), electronic signatures, timestamping, user explicit consent for qualified signature and blockchain services.

C.4.3 Mission Critical Systems: providing efficiency and safety for mission-critical activities

BDS is positioned as a major European player for mission-critical systems in defense, homeland security, telecom and critical industries. BDS Mission-Critical Systems (MCS) supplies products and systems in three main areas:

- **Critical Communications:** Atos designs and produces a range of solutions that deliver secure, resilient communication systems for field operations in Homeland Security and Defense, as well as critical connectivity for Industry 4.0, IoT and smart cities. This includes compact transportable private LTE networks, secure smartphones, portable modules ensuring communication resilience, mission recorders and gateways to legacy PMR/LMR. Atos also supplies a range of integration and support services for professional mobile radio systems. In addition, Atos supplies software to Telco operators for subscriber-based public communication networks. Atos designs and sells the SCR database, an in-memory standard common repository for Telco operations. Its software supports user Data Management, network virtualization function and end-to-end IMS and EPC;
- **Command, Control and Intelligence:** Atos supplies innovative and proven solutions in Command and Control for defense and homelad security. This activity is grounded in Atos-developed software designed to be integrated with sensors and field communication modules. The Bull BMS software was selected by the French Army as the basis of SICS, the single unified battle management system within the SCORPION program. In 2018 the Belgium army included SICS / Bull BMS as part of its CaMo program. The GEMMA software equips Public Safety Answering Points (PSAP) for emergency management. The VIGIA and CENTINELA software respectively equip nationwide border control systems and checkpoint and area control monitoring. Atos also delivers Codex for Intelligence, an integrated software platform using big data technology to handle the information gathered by intelligence processes, providing intelligence analysts with an alerting, analysis and decision-making environment;
- **Aerospace and Defense Electronics:** Atos designs and manufactures a range of modules designed to be integrated into defense and civilian systems. The BEN Marine range of navigation instruments equips a large number of civilian and military ships worldwide. At Euronaval 2018, Atos announced LMN6, the latest generation of its LMN line of speed logs launched in 1970. The Avantix line of electronic warfare modules delivers signals intelligence, including a line of ELINT radar characterization and analysis. The Air-Land-Sea electronics activity supplies onboard equipment for communication, processing and analysis. The Atos SkyMon software detects and locates the source of interferences affecting satellite signals and is targeted at satellite operators. Lastly, the Atos EGSE line of satellite ground testing modules makes it possible to validate the power and radio subsystems of satellites before launch. Targeted at the developing offer of satellite constellations, Atos EGSE was used in validating the BepiColombo launched in November 2018 towards the planet Mercury.

In January 2018 Atos integrated Siemens Convergence Creators (CVC), a vendor of high-tech solutions in the communications and industrial solutions areas. In April 2018, Atos announced the acquisition of Air-Lynx, an innovative start-up specialized in private LTE networks. Both of these strategic acquisitions reinforce Atos capabilities in field and subscriber communications and provide the basis for next-generation field communication systems based on LTE. The CVC acquisition also extended the MCS activities to the Space sector for the first time.

The mission-critical systems activity benefits from a strong convergence with Atos cybersecurity, analytics, High Performance Computing (HPC) and Big Data technologies to create the intelligent defense and homeland security systems of tomorrow.

C.4.4 R&D in the DNA of the division

R&D team is involved in major worldwide or European innovation programs in Digital Simulation, Big Data and Cybersecurity. In addition, BDS is working in tight cooperation with customers and suppliers such as CEA (Commissariat à l'Energie Atomique) recognized as one of the best research public bodies in the world, Siemens with the joint R&D program on data analytics and also Dell EMC and VMware.

BDS ranked its BullSequana X Supercomputer (integrating its own developed BXI interconnect) configuration installed at CEA at the 14th place of the Top500 world Supercomputers ranking in November 2017. In November 2018 Atos counts 22 configurations ranked at the Top500 most powerful Supercomputers, together with good Green500 rankings.

The value-added SuperComputer SW suite, enables such ranking, and brings solution improving Data Management with Artificial Intelligence features integrated as well as power management increasing the efficiency of our configurations.

The general availability in 2018 of the new BullSequana S offering confirms the excellent performance of our Enterprise servers. Our mainframe developments, both GCOS7 and GCOS8 are evolving and ready to be delivered in a virtualized environment.

The Quantum Learning Machine, launched in 2016, offers many new features, among which noise simulation for different HW Qubit implementations. Its performance, enables to simulate up to 41 Qubits. The partnerships engaged enables agile developments with a quick feedback loop.

Our Codex for AI SW suite, announced during the 2018 Atos Technology Days, enables easy development of ML algorithms by data scientists as well as easy application deployments on multiple infrastructures (cloud, High Performance Computing or on premise).

The enhanced IAM (Identity and Access Management) features, Cloud services for IAM and encryption, together with the MiddleWare (MW) implementation offering PKI and security services to IoT components enlarges our Cybersecurity offering.

C.5 Worldline

Worldline, an Atos Company, is the European leader in the payments and transactional services industry. Worldline delivers new-generation services, enabling its customers to offer smooth and innovative solutions to the end consumer. A key player in the B2B2C market, Worldline has over 45 years of payment systems expertise.

It operates in 29 countries, throughout Europe and in several emerging markets in Latin America and Asia (where Worldline also has a leading position in India as a payment processor and in Asia-Pacific in payment Software Licensing). Through its recent acquisition of Six Payment Services, the Group extended and reinforced its geographic presence in Europe notably in Switzerland, Austria, Germany and Luxembourg.

The Group operates across the full extended payment services value chain, providing an extensive range of merchant acquiring, payment processing and business solutions services to financial institutions, merchants, corporations and government agencies. It offers a unique and flexible business model built around a global and growing portfolio.

The Group works closely with its clients to build and run outsourced services, typically under long-term contracts where it receives fees for the initial implementation of the solution as well as recurring revenue over the life of the agreement based on business transaction volumes or transaction values. Worldline's strong culture of innovation allows it to help clients enhance their existing services and harness advances in technology to create new markets and services.

As at December 31, 2018 Worldline standalone employed c.11,500 staff worldwide and generated total revenues of €1,720 million, OMDA of €391 million and net income group share of €100 million.

Worldline has three Global Business Lines, each with its own portfolio of services, solutions and significant opportunities for growth, that together form the foundation for Worldline's business strategy:

- the **Merchant Services** includes pan-European and domestic commercial acquiring for physical or online businesses;
- the **Financial Services** global business line targets banks and other financial institutions. Its mission is to secure payment transaction processing in a challenging and evolving regulatory environment, by leveraging Worldline's industrial scale processing operations and continuously providing innovations that support alternative pricing models, while taking into account new payment methods and value added services;
- the **Mobility & e-Transactional Services** global business line goes beyond traditional payment transactions, helping public transport networks, government entities and business develop new paperless digital services and evolve their business models by leveraging digital advances in mobility and data analysis and solutions originally developed in Worldline's payment business.

Worldline operates its business through a unified worldwide strategy for carrying out contracts aimed at maximizing economies of scale by leveraging a combination of standard processes and tools, shared best practices and efficient use of global resources to deliver high quality services at competitive prices.

Worldline announced during the Atos Investor Day held on January 30, 2019 its ambitions for 2019–2021, reflecting the increase of its business after the recent acquisitions of SIX Payment Services:

- organic revenue growth: +7% and +8% CAGR *vs* 2018;
- profitability: OMDA percentage improvement between +400bp and +500bp in 2021, compared with 2018 pro forma of c.21%;
- free cash flow: €370 million to €410 million in 2021, representing between +75% and +95% increase compared with 2018.

To reach its 2021 Ambition the Group will focus on the following levers:

- leverage Worldline's size, unique European reach and product excellence in Merchant Services;
- fully deliver the scale benefits of the established European processing market leader;
- bringing payment, high scale processing and regulation expertise to new adjacent markets.

C.5.1 Merchant Services

The Merchant Services global business line offers merchants and retailers the unique opportunity to accompany their customers at each step of the business relationship. Worldline supports merchants before the sale, through targeted origination, during the sale, by offering a range of services across the electronic payment value chain (from acquiring services to multi-channel payment acceptance and payment processing), and after the sale, through targeted loyalty programs and analysis of data generated during their interactions with their customers. Worldline's payment solutions and value-added services thereby allow consumers to seamlessly transition between the merchant's various physical and virtual sales platforms.

Worldline Merchant Services business actively pursued its expansion and acceleration, through the recent acquisition of SIX Payment Services, through which it gained new #1 market positions in Switzerland, Austria, Luxembourg and major reinforcement in Germany, complementing its existing strong position in Belgium, the Netherlands, France and Germany.

As a result of both organic growth and the acquisitions done in 2016, 2017 and 2018, Worldline now serves over 400,000 merchants in Europe, from micro merchants through to large international enterprises, pursuant to which it provides over 300,000 points of sale, manages 2.2 million terminals worldwide and more than 80,000 e-Commerce websites. In Europe, Worldline processed (acquired) over 3.4 billion card transactions in 2018. In the field of e-Commerce, Worldline processed and/or collected over 900 million transactions in 2018 across a wide range of more than 150 on-line payment methods.

C.5.2 Financial Services

The payments industry has entered a new era, triggered by transformative technological innovation, new regulations and increasing competition. Consumers want to be able to initiate payments at any time, in every context and across any channel.

As a pan-European leader in financial processing, Worldline Financial Services invests heavily in new and innovative solutions for payment and card transactions, developed by its expert brand equensWorldline. With Worldline's know-how and experience, Financial Services helps clients adapt to the new reality of instant payments and digital transactions, enabling them to transform their business models, manage risks and fraud and anticipate regulatory changes anywhere in the world. Leveraging Worldline's scale and complete service portfolio, Financial Services works closely with clients to help them prepare for a future full of opportunities.

The Financial Services Global Business Line is grouped in four business areas and operates under two brands, viz. equensWorldline and Worldline:

- Issuing Processing;
- Acquiring Processing;
- Account Payments; and
- Digital Banking.

Worldline Financial Services is consolidating payment processing in Europe. More than 320 financial institutions entrust their services to Worldline. The Group has approximately 125 million payment cards under management and processes circa 11 billion card transactions and circa 16 billion payment transactions per annum. Worldline Financial Services has leading market positions in key European markets including France, Germany, Benelux, Switzerland, Italy and the Baltics. Its client base includes numerous tier-1 financial institutions such as BNP Paribas, Commerzbank, DZ Bank, Nexi and ING.

Worldline Financial Services is also present outside Europe. It offers Software Licensing solutions to financial institutions throughout LATAM, Africa and Asia-Pacific region, where in China three out of the top five banks use Worldline's products and services.

C.5.3 Mobility & e-Transactional Services

Worldline's Mobility & e-Transactional Services is leveraging Worldline core payment capabilities and regulatory expertise to capture in real-time high-volume transactions, authenticate and secure, process business critical bi-directional transactions and archive (fraud management, regulation).

Hence Mobility & e-Transactional Services is targeting those markets that are impacted by the same structural changes than the payment market is facing: the move from paper to digital, the revolution in customer engagement created by Digital, the need for secured business critical transactions and to comply with regulation.

Mobility & e-Transactional Services offers clients a breadth of solutions designed to accelerate and enhance new digital services and new business models that take advantage of the increasing digitization of the physical world. The emergence of new digital businesses has been fueled by an explosion of new types of consumer needs. More and more devices are becoming connected— from smartphones and tablets to cars, trucks, and buildings. New digital services are generating huge volumes of consumer data, which can be used to further enrich customers' experiences. Moreover, consumers benefiting from these new digital services are becoming more mature, more active and are ever increasing in number. Meanwhile, companies and government entities are being forced to evolve in order to adapt to new technologies, new usages, new customer expectations, and new payment means, while having to optimize processes that are becoming more and more costly. Together, these businesses help differentiate the Group from numerous players in the market and demonstrate an ability to help Worldline's partners with all aspects of their transactional related businesses.

The Group is focusing its efforts on several areas where it believes new digital services have significant potential:

- e-Ticketing covers a full set of solutions and services to Public Transport Authorities, Passenger Transport Operators, Government Agencies and Infrastructure Providers:
  - including Digital Ticketing open payment solutions leveraging Worldline's payment capability,
  - revenue settlement services, service planning, resource allocation and real time proactive decision support;
- Trusted Digitization provides paperless secured systems to public and private organizations for better services through the digitization of processes for citizens, including implementation of national digital identity schemes, the enabling of electronic payments (taxes, fines, etc.), and e-healthcare services, as well through a variety of trusted services, including track & trace solutions, e-contracts and electronic invoicing, legal archiving solutions for companies and e-safe services for individuals;
- e-Consumer & Mobility provides cloud contact and consumer cloud services that improve the customer engagement and generate new business models, as well as Connected Living solutions that offer context-driven mobility solutions for consumers, patients and citizens. Also, Worldline's Industrial IoT solution provides highly secured connection of globally spread machines in the after sales area.

C.6 Innovation and partnerships

Over the last few years, the Group has massively invested into innovation to anticipate new trends in order to develop IT solutions that fulfill clients' and stakeholders' expectations. Atos position as a global leader in digital services was also reinforced through acquisition of companies with strong technological mindset and know-how, in particular on cloud, Big Data, mobility, and security in order to help Atos' clients to transform their business globally through the use of digital technologies, thanks to a circa €300 million R&D per annum, a 5,000 patents portfolio and a unique ecosystem of partners.

The Group innovation strategy mainly relies on 2 bodies: The Scientific Community and the Expert Community created in 2017. The Scientific Community brings together more than 150 of the best business technologists from all Atos geographies and businesses. With their rich mix of skills and backgrounds, community members work together to anticipate upcoming technology disruptions and craft Atos' vision of the future business and technological challenges Atos clients will face. They are "creators of change", making sure that whenever Atos clients choose to work with the Company, they always get the best solution available.

Atos Scientific Community members participate in a wide range of Atos activities:

- shaping Atos' Vision on the evolving world of business, society and technology through the publication of its Ascent Journey series; providing insights to technology trends and how businesses can use technology to grow and transform;
- contributing to the Ascent Magazine and Ascent Look Out trends report, Atos' biennial collaborative horizon scanning publication;
- mentoring the Atos IT Challenge, an annual competition encouraging the next generation of IT talents from universities across the world;
- and, in addition to solving clients' business challenges, they also support patent creation, participate in innovation workshops with clients and partners, and develop cutting-edge proofs of concepts.

The vision of the Scientific Community is backed by the technologies the Expert Community develops and analyses for short and long term. The Expert Community works on 13 Technology domains covering the whole Vision scope and anticipates their evolution through mega trends. The Expert Community by regrouping our experts in technological domains develops the know-how and skills of our experts enabling disrupting innovations.

To make sure its innovation program matches its clients' needs, the Client Innovation Workshops Program are customer-focused and customer-tailored events in which the Group is sketching with its clients how the emerging technologies and trends can be leveraged for their business success in the digital area. Around 20 topics that are considered to be of critical importance to the market – such as AI, Data Analytics and Cognitive Technologies, Cybersecurity, Industry 4.0, Cloud transformation, Digital Workplace and Augmented Reality – are put forward for each customer to choose from.

C.6.1 Research & Development

The Digital Transformation Factory which is at the heart of Atos ADVANCE 2021 leverages very high added value technologies developed by Atos within its €300 million yearly R&D and co-innovation investments with large customers, notably Siemens.

In April 2018, Atos and Google Cloud have signed a partnership agreement where Atos will work with Google Cloud to bring enterprises new secure business solutions encompassing Data and Artificial Intelligence, Machine Learning, Hybrid Cloud, and the Digital Workplace. Atos will provide an additional **end-to-end security solution** covering policy enforcement, compliance, security monitoring and remediation. Enhancing user experience and increase productivity will be provided thanks to machine learning technologies Atos has decided to develop in its R&D Labs and more specifically in its CODEX for AI Suite.

CODEX for AI Suite has been launched during Atos Technology Days in July 2018, it is a perfect illustration of fast track for our customers to artificial intelligence, enabling the development and deployment of AI applications, leveraging machine learning and deep learning capabilities on multiple environments such as on premise, cloud or High-Performance Computing systems.

The Group already has 15 R&D centers and has created a new quantum research and development laboratory in France, near Paris, with a dedicated quantum team. It is of course complemented by Atos technology agnostic consulting, integration and operation services across the whole information technology landscape, plus vertical focused digital solutions. As a whole, Atos therefore brings the best of today's technologies complemented by unique IP differentiators that providing its customers a unique advantage in the current business technology race.

Atos benefits from in-house R&D, patented technologies, specifically designed hardware and software products in selected segments, such as cybersecurity, Artificial Intelligence, electronic payments, and cloud security. All the Divisions of the Group benefit from this unique set of assets in order to win new businesses.

Atos Research & Innovation (ARI) has been investigating emerging technologies and anticipating market demand for emerging innovative solutions for more than 28 years. ARI experts cover a wide range of disciplines, from the latest technological areas to social sciences and economics and provides a reliable business services to our customers: from developing strategy to managing projects; from generating ideas to identifying funding opportunities and selecting partners; from ideas and opportunities to real results.

Since the delivery in November 2017 of the first Atos QLM (Quantic Learning Machine), the world's most powerful quantum simulator, the machine is now capable of simulating up to 41 quantum bits (Qubits) and is the subject of permanent innovations by Atos quantum teams. After Oak Ridge National Laboratory and Argonne National Laboratory, several other Labs in the world have acquired an Atos QLM in 2018, notably the Austrian University of Hagenberg.

In collaboration with our customers and research Labs, Atos has developed in 2018 new functionnalities to improve the quality of the simulation and make it even more close to the quantic physic. Atos also supports its clients in enhancing quantum algorithms to benefit from quantum acceleration and reduce the complexity of problems.

In parallel with its quantum simulation work, the Atos Group also participates in the development of new standards of so-called "quantum-safe" algorithms, i.e. those capable of withstanding quantum attacks to make current applications (the Internet, e-commerce, and personal data) inviolable by quantum methods. As such, the Atos Group has responded to a recent call for proposals launched in the United States by the National Institute of Standards and Technology (NIST).

The highly innovative nature of the Atos Quantum program is recognized not only at an international level but also at a regional level. To illustrate, during the laying of the foundation stone of Atos new Quantum & HPC R&D Lab in Les Clayes-sous-Bois on November 27, 2018, Valérie Pécresse, president of the Île-de-France Regional Council, infensized the immense technological and industrial contribution that quantum computing embodies. It is within this framework that Île-de-France region has already started in 2018 to fund up to €5 million in research and development to the Atos Quantum laboratory located in Les Clayes-sous-Bois in Yvelines.

On the Aeropsace domain, the acquisition of CVC and especially its R&D completes the existing R&D performed in France on the satellites area. In addition, the R&D performed by the last acquisition of Airlynx performed by BDS division in France is leveraging the one performed by CVC in Austria. Teams have started to work together and share their experience to build R&D aligned roadmaps.

C.6.2 A unique ecosystem of technological partners

Atos partnership approach consists in collaborating with a selected eco-system of partners steadily strengthened according to market expectation in order to leverage an extensive technology portfolio to ensure the delivery of world-class solutions that enable real and tangible business benefits to clients across almost all markets and sectors.

Alliances and partnerships are key in the Group's strategy to further grow its market share in specific services and markets that can fully benefit from combining and leveraging specific skills, resources or local knowledge for innovation. The Digital Transformation Factory which is at the heart of Atos 2019 Ambition leverages advanced technologies from Atos Global Alliance partners - notably Dell-EMC and SAP and industry expertise with large customers, notably Siemens.

SAP and Atos partner together to provide customers with state of the art solutions in the areas of sustainability and IT, relying on Atos recognized digital leadership in sustainability and SAP® solutions for sustainability. The global strategic alliance covers a co-operation on SAP Business Process Solutions, SAP Industry Solutions, SAP HANA Solutions.

The partnership with Siemens, the largest shareholder of the Company, is unique in the IT services market in its threefold approach: Siemens is not only Atos' largest client, there is also a joint go to market strategy in several identified fields (Manufacturing, Healthcare, Energy, Mobility…) to address new opportunities. In particular, Siemens and Atos recently put a special emphasis on fields as cybersecurity for industrial companies. The offer ranges from security assessment, installation of protective mechanisms to the continuous monitoring of plants and offices.

The partnership with the Dell-EMC Federation is based on the common view that customers want to consume Technology as a Service, in a context where the sharing economy tends to become a massive business model. A cloud-based infrastructure is one of the conditions for deploying on-demand services at large scale. As a result, cloud computing lowers IT operational costs while boosting efficiency and agility. Globally, it reduces the environmental negative externalities and improves the bottom line. To strengthen this partnership, Atos signed a new reseller agreement in which Dell EMC will resell Atos' high-end 8 to 16 sockets x86 Bullion servers. This new agreement is in line with the ambition of both parties to accompany customers in their digital transformation to support the massive "data-ization" of their businesses. Bullion servers are certified by SAP and Oracle and complete Dell EMC's existing portfolio of high-end advanced PowerEdge servers.

In April 2018, Atos and Google Cloud have signed a partnership agreement where Atos will work with Google Cloud to bring enterprises new secure business solutions encompassing Data and Artificial Intelligence, Machine Learning, Hybrid Cloud, and the Digital Workplace. Atos will provide an additional **end-to-end security solution** covering policy enforcement, compliance, security monitoring and remediation.

The Group expects continued strategic partnerships with technology leaders to enhance its skills and know-hows in areas related to innovative and disruptive offerings.

D

Corporate Responsibility

D.1 Extra financial performance in Atos 2019 Ambition

D.1.1 Building an integrated thinking

[GRI 102-18] [GRI 102-19] [GRI 102-20] [GRI 102-21] [GRI 102-26] [GRI 102-27] [GRI 102-29] [GRI 102-30] [GRI 102-31] [GRI 102-32] [GRI 103-2 Economic performance] [GRI 103-2 Market presence] [GRI 103-2 Indirect economic impacts] [GRI 103-2 Procurement practices] [GRI 103-2 Anti-Corruption] [GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 103-2 Employment] [GRI 103-2 Training and education] [GRI 103-2 Diversity and equal opportunity] [GRI 103-2 Customer privacy] [GRI 103-2 Socio-economic compliance]

D.1.1.1 Vision

[GRI 103-2 Economic performance] [GRI 103-2 Market presence] [GRI 103-2 Indirect economic impacts] [GRI 103-2 Procurement practices] [GRI 103-2 Anti-Corruption] [GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 103-2 Employment] [GRI 103-2 Training and education] [GRI 103-2 Diversity and equal opportunity] [GRI 103-2 Customer privacy] [GRI 103-2 Socio-economic compliance]

In the age of digital transformation, the ability to collect data on people is unparalleled in human history. Virtually everything can be elicited, monitored, and analyzed, ranging from credit card numbers to family medical histories and shopping patterns. As the use of mobile devices and new technologies (3D printer, artificial intelligence, etc.) becomes an increasing part of the daily life of citizens, the need for ensuring ethical behaviors, protecting data privacy, avoiding digital breaches, and even protecting the use of natural resources is critical to advance in Atos digital journey.

The Atos strategy described in section B.4 includes a strong Corporate Responsibility Program to support its customers and deal with digital challenges while reinventing their future growth models in a responsible way.

Integrated thinking is applied from the decision-making phase to the definition of strategic action plans and performance dashboards, covering financial and non-financial issues that enable the creation of value over the short, medium and long term.

Atos embraces the principle of shared value, which involves creating economic value in a way that also establishes value for society by addressing its needs and challenges -in other words- connecting Company success with social progress. Atos ultimate mission is the pursuit of financial profitability with a responsible social and environmental impact.

D.1.1.2 Strategy

[GRI 103-2 Economic performance] [GRI 103-2 Market presence] [GRI 103-2 Indirect economic impacts] [GRI 103-2 Procurement practices] [GRI 103-2 Anti-Corruption] [GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 103-2 Employment] [GRI 103-2 Training and education] [GRI 103-2 Diversity and equal opportunity] [GRI 103-2 Customer privacy] [GRI 103-2 Socio-economic compliance]

Atos corporate responsibility and sustainability principles are embedded in Atos strategy, structured in four axes and additional extra financial targets:

- **operate as a responsible employer:** Atos intends to be recognized as one of the best employers in the IT sector and to build best-in-class employee digital experience. In this field, Atos' ambition is to keep increasing the Atos Great Place To Work TrustIndex® reflecting employee satisfaction to the top 10% industry benchmark, based on the number of rewarded countries as Great Place To Work®;
- **generate value for clients through sustainable and innovative solutions:** a clear focus on customer satisfaction through sustainable and innovative solutions with a 2019 objective to continue to raise the Net Promoter Score above 50% for its TOP Clients, and strengthen innovation with the increase of the Digital Transformation Revenue from 14% to 40% by 2019;
- **behave as an ethical and fair player within Atos' sphere of influence:** in the field of ethics and data protection, the Group intends to train all its employees on its Code of Ethics and attain a 70% level of its total spend by 2019 assessed by EcoVadis, an external agency. In terms of diversity, Atos intends to double the number of women in top management positions to 25% until 2021;

- **support the transition to a low-carbon economy:** as a sustainable player, Atos manages its operational efficiency in environmental footprint with an objective to reduce by 10% to 20% CO_2 emissions per revenue unit (t CO_2 per € million) by 2021 (baseline 2016).

To achieve this, Atos Corporate Responsibility strategy is aiming to:

- maintain **corporate sustainability leadership in the IT sector**: consolidation of and increasing Atos' position in recognized sustainable rankings such as Great Place To Work and extra financial ratings (DJSI, FTSE, etc.) are continuous exercises for Atos to challenge its corporate performance and consolidate credibility in the market. Numerous awards received during the year in diverse areas show the increased worldwide commitment of the Group, and its ambition to consolidate position within best-in-class companies worldwide;
- place **corporate responsibility at the core of Atos business and processes**: Atos drives sustainability in the Company's DNA through corporate values, innovation, green operational excellence, social responsibility and business development. Atos has also developed robust systems and procedures to embed corporate responsibility consistently and effectively in its business operations following integrated thinking and reporting principles. Corporate responsibility matters are specially embedded in Atos risks and opportunities management, compliance requirements, quality and customer satisfaction processes and human capital management.

  Atos aims to progressively embed corporate responsibility in our employees' daily working life regardless of where they are located. Continuous efforts are made to provide the regions with a coherent approach that strengthens Atos' positioning as a multi-national group, integrating local needs and concerns;
- identifying **challenges, establishing priorities,** and **measuring performance**: Atos' ambition is to strengthen open stakeholder dialogue in order to endorse strategic challenges for the Company, as well as key performance indicators that will measure and publicly report the advancements of Atos Corporate Sustainability program. The review of the challenges is undertaken annually through a material assessment that prioritizes the areas where the Group must focus on incorporating best practices in the market, trends in the Information and Communication Technology sector, and compliance with existing regulations and international standards.

D.1.1.3 Governance

[GRI 103-2 Economic performance] [GRI 103-2 Market presence] [GRI 103-2 Indirect economic impacts] [GRI 103-2 Procurement practices] [GRI 103-2 Anti-Corruption] [GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 103-2 Employment] [GRI 103-2 Training and education] [GRI 103-2 Diversity and equal opportunity] [GRI 103-2 Customer privacy] [GRI 103-2 Socio-economic compliance]

At Board of Directors' level, the Board of Directors has created in 2018 a specific committee, composed of 4 Directors (see section G.2.6), and lead by Mrs. Valérie Bernis (President) and Marie-Christine Lebert (Vice President), dedicated to Atos´corporate and social responsibility matters.

At management level, the Head of Human Resources and Siemens Global Alliance, member of the Group Executive Committee reporting directly to the Chairman & CEO, supervises Atos' Corporate Responsibility and Sustainability Program, and provides guidance on the actions performed.

He presents on a regular basis to the Group Executive Committee the latest achievements and planned objectives both at global and regional levels on the environmental and social initiatives of the Group.

The Group Executive Committee is associated with the strategy and implementation roadmap of the Corporate Responsibility and Sustainability Program.

The Corporate Responsibility and Sustainability Office is a global entity led by a Program Director and composed of an international team of up to 20 people, including 10 Group Business Unit heads of corporate responsibility, as well as representatives of all support functions. Weekly and monthly workshops are organized to design, implement, and monitor main axes of actions and targets. Specific channels are in place to facilitate communications across Business Units and regions.

Wellbeing@work Council and Scientific Community members are active think tanks providing the Program with innovative ideas and project proposals to strengthen corporate commitments and positioning in the market.

D.1.2 Atos' stakeholders approach

[GRI 102-13] [GRI 103-1 Economic performance] [GRI 103-1 Market presence] [GRI 103-1 Indirect economic impacts] [GRI 103-1 Procurement practices] [GRI 103-1 Anti-Corruption] [GRI 103-1 Energy] [GRI 103-1 Emissions] [GRI 103-1 Employment] [GRI 103-1 Training and education] [GRI 103-1 Diversity and equal opportunity] [GRI 103-1 Customer privacy] [GRI 103-1 Socio-economic compliance]

Atos' corporate responsibility process is supported by on-going dialogue with all stakeholders, including clients, employees, business partners and suppliers, as well as communities and public authorities. Stakeholders' dialogue plays a critical role not only in the corporate responsibility process, but also in business operations, either by showcasing Atos' capacity for innovation, enhancing its appeal among clients, investors and employees, creating opportunities to develop services and solutions with high growth potential or by protecting the Group's reputation.

Dialogue takes place at every level of the organization:

- at a global level, teams at corporate headquarters serve as the primary interface for various international organizations and coordinate all the initiatives undertaken within Atos;
- at a country level, local teams strive to foster close ties with local stakeholders, especially national authorities.

The Atos' framework regarding relations with stakeholders has three main purposes:

- mapping stakeholders' expectations;
- prioritizing corporate responsibility issues in accordance with their relative importance to stakeholders, likeliness to occur, and criticality to business operations;
- defining Key Performance Indicators that assess Atos' Corporate Responsibility performance.

This approach is defined according to several international referential and standards such as the AA1000 Standards and the Global Reporting Initiative Standard guidelines on which Atos has based its actions in order to:

- structure its stakeholders' approach;
- manage its annual materiality review;
- guide its reporting process.

Every three years, an external consultancy firm supports Atos to update its materiality assessment, process that this year has included a round of external and internal stakeholders' direct interviews in order to get their expectations in terms of extra-financial performance expectations. Since 2017, Atos performs an impact evaluation assessment with the objective to measure most relevant externalities.

D.1.2.1 Mapping of stakeholders' expectations

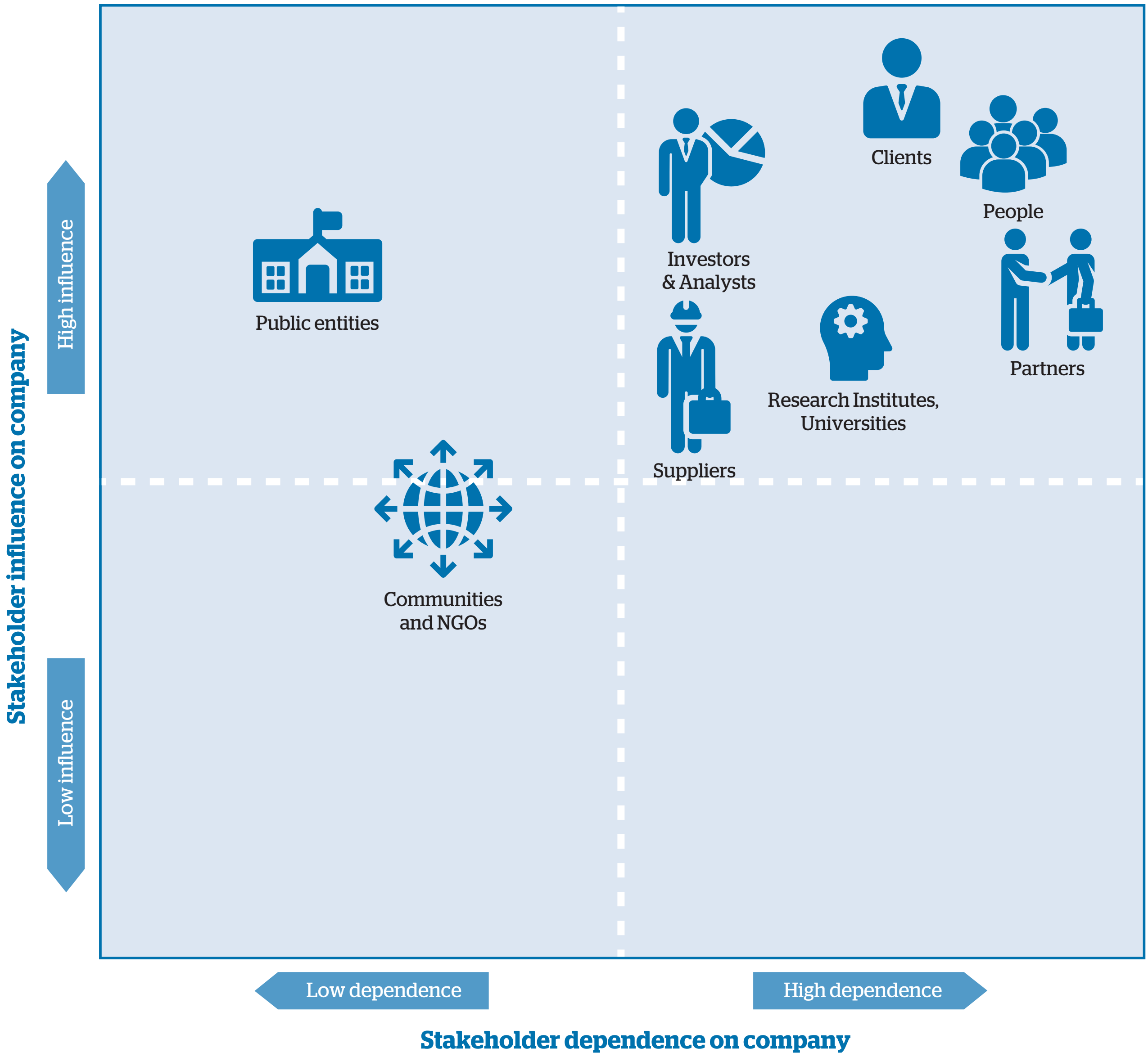
[GRI 203-2] [GRI 102-40] [GRI 102-42] [GRI 102-44] [GRI 102-21] [GRI 102-27]

The table below presents Atos' main stakeholders and their key expectations.

Clients	Investors & Analysts
Atos' clients expect to benefit from the right digital tools and expertise to meet their own challenges. In order to adapt and develop in a constantly evolving market place, their expectation for innovation is steadily increasing. They also rightly request a very high level of data protection.	Atos' Investors expect profitability and efficiency. They need to be informed about the Group strategy and its Corporate Responsibility component(s) including achievements and objectives. Above all they request clarity and transparency.
Partners	**Internal stakeholders**
Collaboration with Atos' partners is key to face the challenges of the global IT sector and ensure the development of innovation. Atos works with its business partners, research institutes and universities to face these challenges and help customers achieve their goals. **Public entities** Public bodies deliver administrative authorizations and determine the regulatory context in which Atos does business.	Atos' employees want to work in the best possible environment and to have the opportunity to evolve and grow inside the Company. They expect a genuine recognition for their work. The protection of their personal data is also key for Atos' employees. Internal stakeholders include young talent (selected members of the Juniors Group and the Wellbeing@work council) and management whose business activities are closely linked to Atos sustainability strategy and initiatives (global datacenter manager, HR).

Clients	Investors & Analysts
Suppliers	**Communities**
Atos' suppliers want to benefit from access to new markets, revenue growth and fair margins. They expect a long-term relationship and the respect of their contracts.	The main expectations of Society and local communities towards Atos include: socio-economic impacts of Atos' operations, job creation, new technologies and smart solutions enabling both progress and a limited environmental footprint. NGOs can also have specific requests and seek for collaboration with Atos to share best practices and positively benefit from initiatives at the local level.

To define its level of engagement towards each stakeholder, Atos analyzes their influence on strategic topics and their dependence on the Company.



D.1.2.2 Stakeholders' dialogue

[GRI 102-42] [GRI 102-43] [GRI 102-44]

Since 2011, Atos has organized an annual Global Stakeholders' meeting to review and openly discuss strategic topics on the sustainability agenda to thereby enrich the materiality exercise.

In 2018, a workshop was held to update stakeholders about results of Atos materiality assessment and to share with key stakeholders the new challenges in the IT sector and sustainability 3.0. The role of Atos in securing responsible digital services, as well as the ethical and security aspects is embedded in new systems like artificial intelligence, robots, etc.

Atos has a four step-approach to engage dialogue with stakeholders:

- consult: Atos consults stakeholders on its business, its sustainability strategy and its impacts;
- involve: Atos occasionally involves its stakeholders in defining or deploying action plans;
- collaborate: Atos develops long-term relationships with some of its stakeholders with the objective of collaborating on innovation and across the value creation chain;
- negotiate: depending on the influence of the stakeholders on the Company, Atos can initiate negotiations to find the best approach for combining stakeholder expectations and Atos business interest.

D.1.3 Atos materiality assessment and the Corporate Responsibility dashboard

[GRI 102-46] [GRI 102-47] [GRI 103-1 Economic performance] [GRI 103-1 Market presence] [GRI 103-1 Indirect economic impacts] [GRI-103-1 Procurement practices] [GRI 103-1 Anti-Corruption] [GRI 103-1 Energy] [GRI 103-1 Emissions] [GRI 103-1 Employment] [GRI 103-1 Training and education] [GRI 103-1 Diversity and equal opportunity] [GRI 103-1 Customer privacy] [GRI 103-1 Socio-economic compliance]

Atos' Corporate Responsibility approach is based on a materiality analysis in order to prioritize its actions taking into accounts its business activities and stakeholders' expectations. In this context, materiality analysis is a tool used to connect and prioritize financial and non-financial considerations. It permits Atos to focus on those issues that are truly critical in order to achieve the organization's goals, secure its business model, and manage its impact on society.

Atos aims to continuously progress towards an integrated reporting by aligning with the International Integrated Reporting Framework.

For the ninth consecutive year, Atos fulfilled the highest requirement of Global Reporting Initiative (GRI) application level, today named GRI Comprehensive level for its Corporate Responsibility Integrated report (Registration Document and Corporate Responsibility Report).

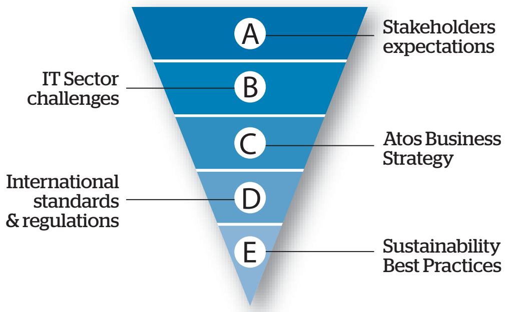
The overall report was prepared by an external auditor. Atos has successfully completed the GRI Content Index Service. Content of the report and methodology applied according to AA1000 principle are assured by an external auditor. Atos aims to demonstrate that the additional financial performance disclosures are accurate and exhaustive, and in line with the GRI Standard requirements.

Atos is also a member of the IIRC – International Integrated Reporting Committee – network and directly participates in the work of its Technical Committee in order to assess how IT and new digital tools can help implement integrated reporting in quoted corporations.

D.1.3.1 Identification and prioritization of relevant Corporate Responsibility issues

[GRI 102-49] [GRI 103-1 Economic Performance] [GRI 103-1 Market presence] [GRI 103-1 Indirect economic impacts] [GRI-103-1 Procurement practices] [GRI 103-1 Anti-Corruption] [GRI 103-1 Energy] [GRI 103-1 Emissions] [GRI 103-1 Employment] [GRI 103-1 Training and education] [GRI 103-1 Diversity and equal opportunity] [GRI 103-1 Customer privacy] [GRI 103-1 Socio-economic compliance]

IDENTIFICATION AND PRIORITIZATION OF RELEVANT TOPICS



Since 2010, the Group has performed regular materiality assessments in order to identify the principal challenges that the market and key stakeholders consider as essential for Atos. These are the main steps:

A Atos takes into account stakeholders expectations identified based on regular communications with them;

B Atos collaborates with IT sector partners to promote innovation and contribute to global thinking on sector-specific challenges;

C Atos holds annual interviews with Executive Committee members, including Business Units managers, on the Group's materiality and corporate responsibility strategy. The main objectives of these interviews are to understand top management's commitment level, specific local issues and to validate the materiality analysis;

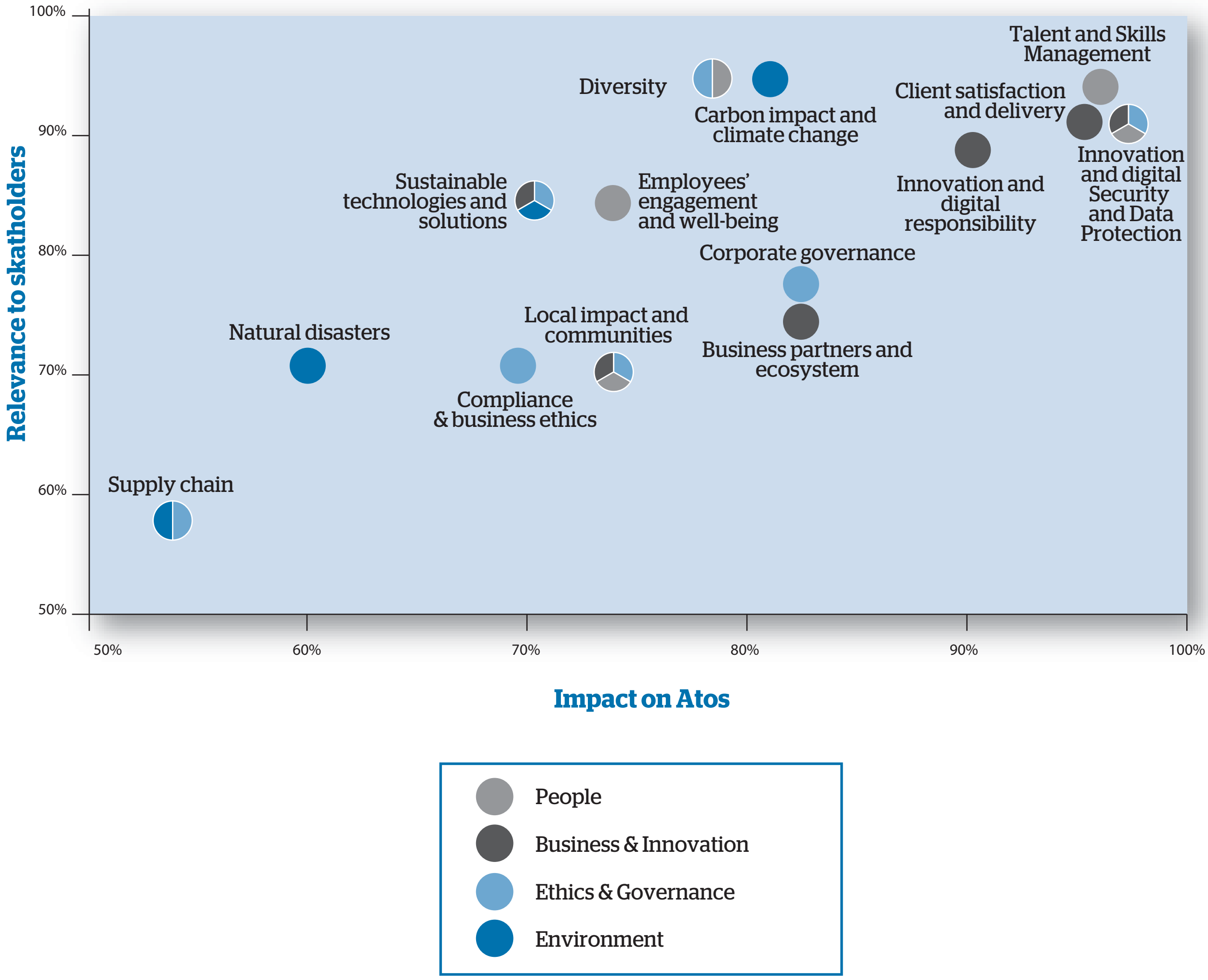
D International standards and regulations were also taken into account in the materiality review to help managers and the Corporate Responsibility teams prioritize the different challenges;

E Finally, a benchmark against other companies in the IT sector allowed for the identification of sectorial best practices regarding sustainability strategies and reporting.

D.1.3.2 Atos materiality matrix

[GRI 102-14] [GRI 102-15] [GRI 102-47] [GRI 102-44] [GRI 103-1 Economic performance] [GRI 103-1Market presence] [GRI 103-1 Indirect economic impacts] [GRI 103-1 Procurement practices] [GRI 103-1 Energy] [GRI 103-1 Emissions], [GRI 103-1 Employment] [GRI 103-1 Training and education] [GRI 103-1 Diversity and equal opportunity], [GRI 103-1 Anti-corruption] [GRI 103-1 Customer privacy] [GRI 103-1 Socio-economic compliance]

Based on the results of 2017, the analysis driven by Atos in 2018 with both internal and external stakeholders, led to the design of the following Materiality Index which summarizes Atos' Corporate Responsibility challenges related to each key stakeholder group.



As a result, four focus areas have been selected and reprioritized according to stakeholders' expectations. For each, Atos has a structured area of intervention involving the development of internal policies and strategies, the monitoring of objectives and the management of its performance. These four focus areas and their deployment rely on Atos' engagement towards stakeholders:

- PEOPLE – Being a responsible employer: Atos has the responsibility and ambition to constantly support a diverse, talented and motivated workforce, and provide employees with relevant skills for the digital transformation;
- BUSINESS & INNOVATION – Generating value to clients through sustainable and innovative solutions: Atos is expected to provide added value to its customers, through innovative and sustainable solutions, and to protect their valuable data. Atos also has the responsibility to build a better digital world;
- ETHICS & GOVERNANCE - Being an ethical and fair player within Atos' sphere of influence: as a global company, Atos is expected to have strong corporate governance and ethical standards, applied from the top and disseminated to its stakeholders;
- ENVIRONMENT – Supporting the transition to a low-carbon economy: Atos has to be able to mitigate the risks arising from natural disasters, and to improve the efficiency of operations, in order to support the transition to a low-carbon economy.

Being a responsible employer

Challenge	Material issues	Areas of action and objectives
At Atos, human capital and talent management are key assets to ensure employees' expertise and its effective use in providing high quality services. The main purpose of a People value chain is to ensure that the right people with the right skills are in the right place at the right time and are able to accompany clients through the digital journey. It is also to ensure well-being at work and overall employees' commitment and satisfaction. Therefore, employees' commitment is critical to meeting clients' needs. The capacity of the Group's to fulfill its employees' expectations is key to develop its leadership and to build a strong brand to attract the best talents in the market.	The material issues for Atos in relation to its employees are: • Talent & Skills management; • Diversity; • Employees' engagement and well-being. Regarding GRI Standard aspects, these main issues correspond to: • Employment; • Training and Education; • Diversity and Equal opportunity; • Equal remuneration for women and men. For more information on GRI Standard aspects, see section D.7.1.	**People Management:** Atos has developed a well-articulated and optimized employee management approach spanning the critical steps of an employee lifecycle: recruitment system, performance management process, learning and development offerings, and mobility and succession planning, all orchestrated by talent workforce planning. To ensure maximum collective efficiency, one of our main objectives is to ensure that all of our employees receive an annual performance and career development review with the Individual Development Plan as an output. **Employee engagement and well-being:** Atos' belief is that the overall performance of the Company stems from the commitment of every single employee, this commitment being the result of HR policy, L&D and Care. Modern material working conditions environment being a prerequisite, Atos Campus Offices approach is yielding high benefits in the growing number of sites where the concept is deployed. This campus approach is part of the Wellbeing@work program that aims at ensuring that all kind of fruitful services are actually offered or delivered to employees to ensure that they operate in the best-in-class working environment. **Diversity:** Atos has deployed a Diversity program worldwide. In order to share best practices around the globe on gender equity, disability, seniority & other facets of diversity.

Generating value for clients through sustainable and innovative solutions

Challenge	Material issues	Areas of action and objectives
In an evolving world, Information Communication Technology (ICT) is not only a lever for optimizing operational and financial performance, but also an enabler for transforming the business, organizational processes and working methods. Leveraging on a worldwide ecosystem, Atos creates inspired and innovative solutions to deliver increasing value for clients. This must be done in a way that ensures a high level of safety, security and data protection. Atos also has the responsibility to favour a culture of digital responsibility, from design to delivery of solutions.	The material issues for Atos in relation to its customers are: • Clients satisfaction and delivery; • Security & data protection; • Innovation; • Business partners and ecosystem; • Sustainable technologies and solutions. GRI Standard aspects, these main issues correspond to: • Product responsibility labeling; • Customer Privacy. For more information on GRI Standard aspects, see section D.7.1.	**Client satisfaction:** Atos is committed to ensuring a high level of customer satisfaction and improving scores every year. **Security and data protection:** Atos has developed a comprehensive data protection approach that relies on the Group Data Protection Policy, the principle of privacy by design in its technologies and the continuous development of outstanding skills. The overall objective is to reduce the number of incidents and to avoid any breaches of customer privacy and losses of customer data. **Innovation and digital responsibility:** The Group is continually strengthening its portfolio of offerings to better meet sustainable challenges of its clients. Innovation is encouraged via the development of relationships with industrial analysts, partners, start-ups and academics. To accelerate open-innovation with clients, Atos sets yearly objective of innovation-workshops. Moreover, the involvement of the Scientific Committee members with its clients is part of the approach. **Business partners & ecosystem:** The Group forges long-term partnerships with main IT industry players while involving increasingly start-ups in solution designing and delivery. Continuously strengthening this ecosystem has the ambition to design solutions combining disruptive mindset and best in class technologies, able to cope with a sustainable digital transformation. **Sustainable technologies and solutions:** Atos is committed to design solutions that are not only eco-designed and energy-efficient, but also that contribute directly or indirectly to reach the 17 sustainable development Goals. In this respect, the technologies developed by Atos enable small, medium or large organisations to answer crucial sustainable issues dealing with climate and environmental issues, economic and value creation, people and well-being or trust and governance. The approach is to encourage the use of digital in all sectors, and to estimate the impact of the solutions from a sustainability point of view.

Strive for exemplary business within all of Atos' spheres of influence

Challenge	Material issues	Areas of action and objectives
The Group has to comply with an increasingly regulatory framework. This also means ensuring that business across the value chain is done in an ethical and responsible way. With its offers, Atos contributes to developing local economies; therefore, involving communities is critical.	The material issues for Atos in relationto its chain and local communities are: • Corporate governance; • Compliance and business ethics; • Supply chain management; • Local impact and communities. Regarding GRI Standard aspects, these main issues correspond to: • Economic Performance; • Market Presence; • Indirect Economic Impact; • Procurement Practices; • Anti-corruption; • Compliance. For more information on GRI Standard aspects, see section D.7.1.	**Corporate governance:** In 2018 the Board of Directors was composed of 50% of women, exceeding the threshold of Copé-Zimmerman law. 6 nationalities were represented in the Board. In 2018, the Board held 15 meetings. **Compliance and business ethics**: At Atos, high ethical standards, supported by Group-wide strategy, policy and training procedures, underpin the delivery of excellent business technology solutions. Atos' objective is to always be compliant and to act as a fair player in business. **Supply chain:** Atos has developed a permanent dialogue with its suppliers to enforce strong and fair relationships and to ensure the respect of its values and rules. Working together in these conditions is a prerequisite for building trust and long-term relationships. By assessing its suppliers, Atos aims to monitor and ensure the respect of its values. Atos objective is to carry out assessments on key new suppliers originating for exemple from acquisitions. **Local impact and communities:** With the development of innovative ICT solutions that help reduce the digital divide, Atos contributes to improving the Company's social impact in the community. The Group also supports volunteer programs, university relations and corporate citizenship actions in order to improve social links and impact at local level.

Take part in the transition towards a low carbon economy

Challenge	Material issues	Areas of action and objectives
Environmental efficiency is key for limiting the impact of the Group's activities, for improving its operational excellence and for supporting its clients in the necessary transition to a low-carbon economy. Improving the Group's environmental efficiency notably implies reducing its energy and carbon intensities and limiting the impact of business travels. Supporting the transition to a low-carbon economy relates to the positive impacts of new sustainable solutions. And, in a warming climate, resilience to extreme natural events is also becoming more and more material.	The material issues for Atos in relation to environment are: • Carbon impact and climate change; • Reliance to natural disaster. Regarding GRI Standard aspects, these main issues correspond to: • Energy; • Emission; • Product Responsibility compliance. For more information on GRI Standard aspects, see D.7.1.	**Environmental impact:** Atos monitors a global Environmental Program to measure and reduce its overall environmental impact. It designs, promotes and consolidates specific initiatives addressing its main environmental challenges: carbon intensity, energy efficiency, low-carbon and renewable energy, travel impact and sustainable solutions. **Carbon impact and climate change:** Since 2008, the Group has reduced its carbon emissions by 50% both in intensity and absolute. Its new carbon targets to limit the rise of climate change to 2°C have been approved by the Science-Based Target Institute and the CDP ranks Atos as one of the best-in-class for its action to combat climate change. **Natural disasters:** The specific risks related to natural disasters are monitored through tools and processes. Dedicated processes aiming at assessing employees' safety and at ensuring business continuity have been implemented.

D.1.3.3 Atos Corporate Responsibility Key Performance Indicators

The following dashboard is the overall list of performance indicators. Atos' main KPIs are highlighted in blue.

Topic	List of the main challenges identified	KPIs	GRI Standard Label	Chapter
People	Talent & Skills Management	Average hours of training that employees have undertaken during the year	404-1	D.2.3 Right People with the right skills
		Number of employees' digital competency certifications	404-2	D.2.3 Right People with the right skills
		Percentage of employees with and Individual Development Plan	404-3	D.2.3 Right People with the right skills
		Programs for skills Management and lifelong learning that support the continued employability of employees and assist hem in managing career endings	404-2	D.2.3 Right People with the right skills
		Number of internships	404-1	D.2 Being a responsible employer
		Number of employees with an Individual Development plan	404-3	D.2.3 Right People with the right skills
		Number of certifications obtained	404-2	D.2.3 Right People with the right skills
		Internal fulfilment	404-3	D.2.3 Right People with the right skills
		Percentage of total employees who received a regular performance and career development review during the year	404-3	D.2.3 Right People with the right skills
	Diversity	Percentage of females within Atos	401-1	D.2.6 Employees, Atos main asset
		Percentage of women identified in talent pools	405-1	D.2.4.3 Promote diversity
		Diversity of employees: Employee category according to gender, age group, and other indicators of diversity (seniority, nationalities, minorities)	405-1	D2.4.3 Promote diversity
		Diversity of employees: Number of disabled employees	405-1	D.2.4.3 Promote diversity
		Ratio of basic salary and remuneration of women to men	405-2	D.2.4.3 Promote diversity
	Employees' engagement and well-being	GPTW diversity perception	AO6	D.2.7 Being a responsible employer - KPI overview
		Absenteeism Rate (%)	AO16	D.2.4.2 Recognition and Loyalty
		Return to work and retention rates after parental leave	401-3	D.2.7 Being a responsible employer - KPI overview
		Percentage of positive responses to "Taking everything into account, I would say this is a great place to work"	AO2	D.2.7 Being a responsible employer - KPI overview
		Atos Trust Index® informed by Great Place to Work (GPTW)	AO2	D.2.5.2 Awareness and involving employees
		Coverage of the organization's defined benefit plan obligations	201-3	D.2.4.2 Recognition and Loyalty
		Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	401-2	D.2.4.2 Recognition and Loyalty
		Percentage of voluntary attrition	401-1	D.2.7 Being a responsible employer - KPI overview

Topic	List of the main challenges identified	KPIs	GRI Standard Label	Chapter
Business & Innovation	Client satisfaction and delivery capability	Net Promoter Score	102-43 102-44	D.3.2. Meeting client needs and expectations
		Results of surveys measuring customer satisfaction	102-43 102-44	D.3.2.1 Permanent improvement of the clients satisfaction
	Innovation and digital responsibility	Innovation workshops delivered with customers	AO10	D.3.4 Innovative approach of sustainable business
		Development and impact of infrastructure investments and services supported	203-1	D.3. 5 Meeting sustainability challenges of clients through offerings
	Security and data protection	Percentage of coverage ISO 27001 certifications	AO3	D.3.3.1 Security Policy
		Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	418-1	D.3.3.2 Protecting personal data in a data driven world
		Information security	AO3	D.3.3 Building client trust through Security and Data Protection
	Business partners and ecosystem	Digital Transformation factory revenue (euros millions)	AO12	D.3.5.1 Atos Digital Transformation Factory
	Sustainable technologies and solutions	Total Revenue of 'sustainability offering' (euros millions)	AO7	D3.7 Generating valuewith co-innovative and sustainable business solutions - KPI overview
		Global average PUE (Power Usage Effectiveness) of the strategic datacenters	302-5	D.5.3.3 Energy consumption and intensity ratios
		Reductions in energy requirements of products and services	302-4	D.5.3.3 Energy consumption and intensity ratios
		Offsetting of all data centers GHG emissions (%)	305-5	D.5.3.1 Carbon emissions in climate change
		WEEE collected or recovered and reused/recycled (in Kg)	AO19	D.5.3.4 Other environmental challenges
Ethics & Governance	Corporate governance	Percentage of females within the Board of Directors	405-1	D.2.4.3 Promote diversity
		Attendance rate at Board Meetings	102-28	G.2.5 Assessment of the works of the Board of Directors
	Compliance and business ethics	Percentage of management employees trained in Code of Ethics - Classroom	205-2	D.4.2.1 Atos ethics and compliance program
		Number of significant fines (higher than € 100K) and total number of non monetary sanctions for non compliance with laws and regulation	419-1	D.4.2.1 Atos ethics and compliance program
		Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	205-1	D.4.3.2 Enhanced sustainable relation
		Confirmed incidents of corruption and actions taken	205-3	D.4.5 Ethical and governance excellence in Atos' sphere of influence - KPI overview
	Supply chain	Percentage of strategic suppliers evaluated by EcoVadis	AO17	D.4.3.2 Enhanced sustainable relation
		Total percentage of spend assessed by EcoVadis	AO17	D.4.3.2 Enhanced sustainable relation
		Proportion of spending on local suppliers	204-1	D.4.3.1 Permanent dialogue with Atos suppliers
	Local impact and communities	Total number of employees recruited	202-2	D.2.4.3 Promote diversity
		Ratios of standard entry level wage by gender compared to local minimum wage	202-1	D.4.5 Ethical and governance excellence in Atos' sphere of influence - KPI overview
		Direct economic value generated and distributed - Community Investments	201-1	D.4.4 A trusted partner for the benefits of the local ecosystem

Topic	List of the main challenges identified	KPIs	GRI Standard Label	Chapter
Ethics & Governance	Local impact and communities	Significant indirect economic impacts, including the extents of impacts	203-2	D.4.3.1 Permanent dialogue with Atos suppliers
		Proportion of senior management hired from the local community at significant locations of operation	202-2	D.2.4.3 Promote diversity
		Financial assistance from governments	201-4	D.4.4 A trusted partner for the benefits of the local ecosystem
Environment	Carbon impact and climate change	Energy consumption within the organization	302-1	D.5.3.3 Energy consumption and intensity ratios
		Energy intensity by revenue (GJ per euro million)	302-3	D.5.3.3 Energy consumption and intensity ratios
		Energy intensity by employee (GJ per employee)	302-3	D.5.3.3 Energy consumption and intensity ratios
		Global GHG intensity ratio by revenue	305-4	D.5.3.1 Carbon emissions in climate change
		Global GHG intensity ratio by employee	305-4	D.5.3.1 Carbon emissions in climate change
		Number of sites certified ISO 14001	AO14	D.5.2.3 Environmental Management System and ISO 14001 Certification
		Energy consumption outside the organization	302-2	D.5.3.2 Travel and new ways of working
		Reduction of energy consumption	302-4	D.5.3.3 Energy consumption and intensity ratios
		GHG emissions - Scope 1 (tones of CO_2e)	305-1	D.5.3.1 Carbon emissions in climate change
		GHG emissions - Scope 2 (tones of CO_2e)	305-2	D.5.3.1 Carbon emissions in climate change
		GHG emissions - "Operational" Scope 3 (tones of CO_2e)	305-3	D.5.3.1 Carbon emissions in climate change
		Total GHG reductions achieved (tones of CO_2e)	305-5	D.5.3.1 Carbon emissions in climate change
		Monetary value of significant fines and total number of non monetary sanctions for non compliance with laws and regulations concerning the provision and use of products and services	419-1	D.5 Supporting the transition to a low-carbon economy - KPI overview
		Financial implications and other risks and opportunities due to climate change	201-2	D.5.2.4 Main environmental opportunities and risks
	Natural disasters	Percentage of the strategic data centers that have synchronous data replication capacities	AO20	D.5.2.4 Main environmental opportunities and risks

\ The four pillars of digital solutions are: Hybrid Cloud, SAP Hanna, Digital Workplace and Atos Codex.

*** Operational scope 3.*

D.2 Being a Responsible employer

D.2.1 People management extra-financial performance

Technology is a fast-moving job market that globally shifted the power from employer to employee. Global sociological trends have been impacting the behaviors of talents on the market. According to them, their employer's engagement on Social Responsibility matters more and more.

Attracting these talents, to ensure that the accumulated abilities and knowledge in Atos can prosper further and that the Company will keep on being state-of-the-art to its customers, can only be done thanks to the development of values and programs that are externally recognized and esteemed by our prospective employees.

Besides the Financial and Operational performance of the Company, that is central to its long-term viability and financial health, Atos had put together some meaningful programs which resonate in its DNA:

- Wellbeing@work programs, to offer our employees a workplace where they can grow and flourish (professionally and personally) thanks to an ad'hoc working environment, and to the reassurance that all situations are managed with fairness and in accordance with prevailing rules around ethics and human rights;
- Diversity Programs, to accelerate the inclusion of all in our work teams and to overcome any bias (most of them unconscious) that may occur in decision making around recruitment or promotion.

Thanks to these comprehensive programs, Atos has grown as an internationally renowned key player in matters such as its unwavering commitment:

- to promote Human Rights: by adhering fully to the International Labor standards by applying principles of the ILO Conventions and adhering to the Global Compact of the United Nations;
- to enhance Diversity: by sponsoring all Diversity initiatives within the Group in the framework of the Diversity program;
- to offer career perspectives and sustainable employability to each of its employees: by nurturing programs such as Internal first, the Expert Community, and other numerous up-skilling programs endorsed by our Centers of Expertise.

Besides the growth in headcount resulting from the many acquisitions and deals gained by Atos, the Group is successfully facing a fully reshuffled job market where millennials are aspiring to career experience - quite different from their elders.

Very committed to playing a key part in the education of the future young professionals, Atos has developed strong institutional partnerships with major universities on a worldwide basis. The Group proposes every year thousands of opportunities to enhance the students' education via internships or apprenticeships. Its close proximity with the future young professionals is crucial when the time comes for them to choose a new employer, offering them a project matching their willingness to play a meaningful role through their daily job.

- Thanks to this upstream presence, and through its dedicated programs around Diversity, Atos is able to on-board year on year 13,510 new joiners;
- These new staffs do represent our drive to diversity since, besides the geographical spread the proportion of female vs male is of 32.24% (above the % of female within Atos global Population);
- Numbers have shown in 2018 that 14,874 employees departed from the Company, with a female percentage of 29.06%. Atos retention of top talents and experts is 92%, above industry benchmarks, with attrition for this population divided by 2 since 2016.

As a commitment to our employees, Atos has developed extensive rewarding programs to make sure that part of the value created by the Company with its customers is captured directly by employees in a mid to long term perspective.

With a total headcount of 97,824 in 2018 (Excluded Syntel & SIX Payments & Services), Atos is reinforcing its drive towards enhanced social collaboration. The Group believes Employees should be regularly consulted:

- via a direct mode, ensuring that employees are able to deliver direct and regular feedback through Internal consultations, such as the Great Place to Work survey and the internal Customers satisfaction survey (CSAT) - where employees and managers are invited to express their views and appreciations;
- or via the employee's representative organizations through responsible Social Dialogue.

Managing such an organization does require common values and rules known, and accepted by all. These values, and the fundamental principles according to which the Company wants to operate, are summurized into the Ethics policy that is an imperative to be known by all.

D.2.2 Attract and develop talents

[GRI 103-1 Training and education]

Recruitment

Along 2018, Atos hired 13,510 employees to support the growth of the Group.

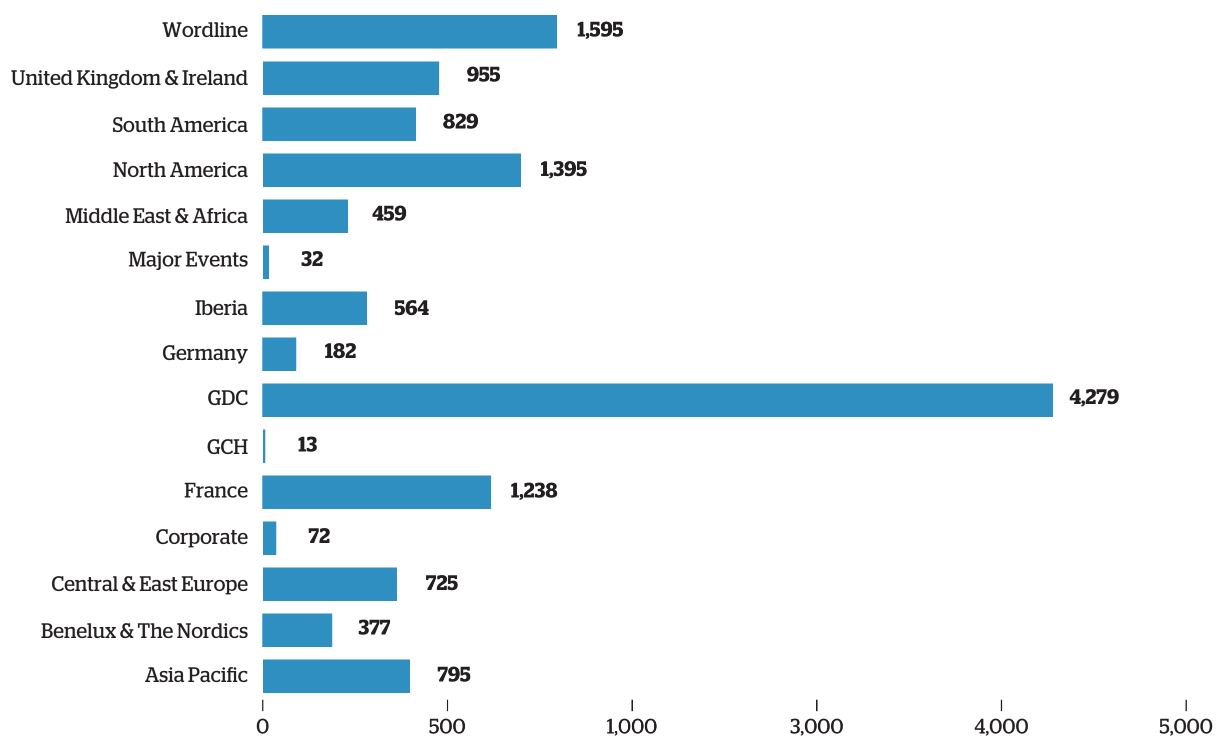
In its drive to increase the excellence of the services delivered to its Clients, the Group continued its Tier-One University program and developed a working plan with 125 top universities (recognized worldwide) with the full sponsorship and monitoring of Group Executive Committee. This approach resulted in an increase by over 300% since 2016 in the hiring of graduates coming from this selected pool of Tier-1 Universities with more than 1,100 recent graduates joining the Group.

As part of Atos commitment to propose career opportunities to recent graduates, Atos increased in 2018 the hiring of interns coming from Tier-1 Universities by over +17%, on-boarding some 6,085 graduates to work along Atos' team, and grow their understanding of the industry and of their own skillsets and ability to contribute to teamwork with professionals. This opening to interns and apprentices, the trust Atos puts into these individuals who are yet to graduate is highly notice by the students; in France, for instance and for many years in a row, Atos has earned the label of "Happy Trainees" and "Happy Candidates".

Keen to offer to its staff career perspectives, Atos initiated in 2016 an "Internal First" program. The purpose of the program is to promote internal mobility when staffing new positions. Therefore, employees can develop their experience, skills and employability within new career opportunities and through mobility. Atos filled 80% of its positions (GCM 4-9) with its own employees in 2018, in comparison to 60% in 2017 and 40% in 2016.

The Atos Recruitment Centre of Excellence is supporting Atos policy with a team able to drive cross-country initiatives and global strategies, as well as share and implement best practices across the function. Key projects in 2018 include the implementation of a new recruitment tool and increased hiring in Atos' offshore centers across the Americas, Europe, and Asia in order to support the Group growth strategy in these regions.

NUMBER OF PEOPLE ENTERING IN THE COMPANY PER BUSINESS UNIT
[GRI 401-1]



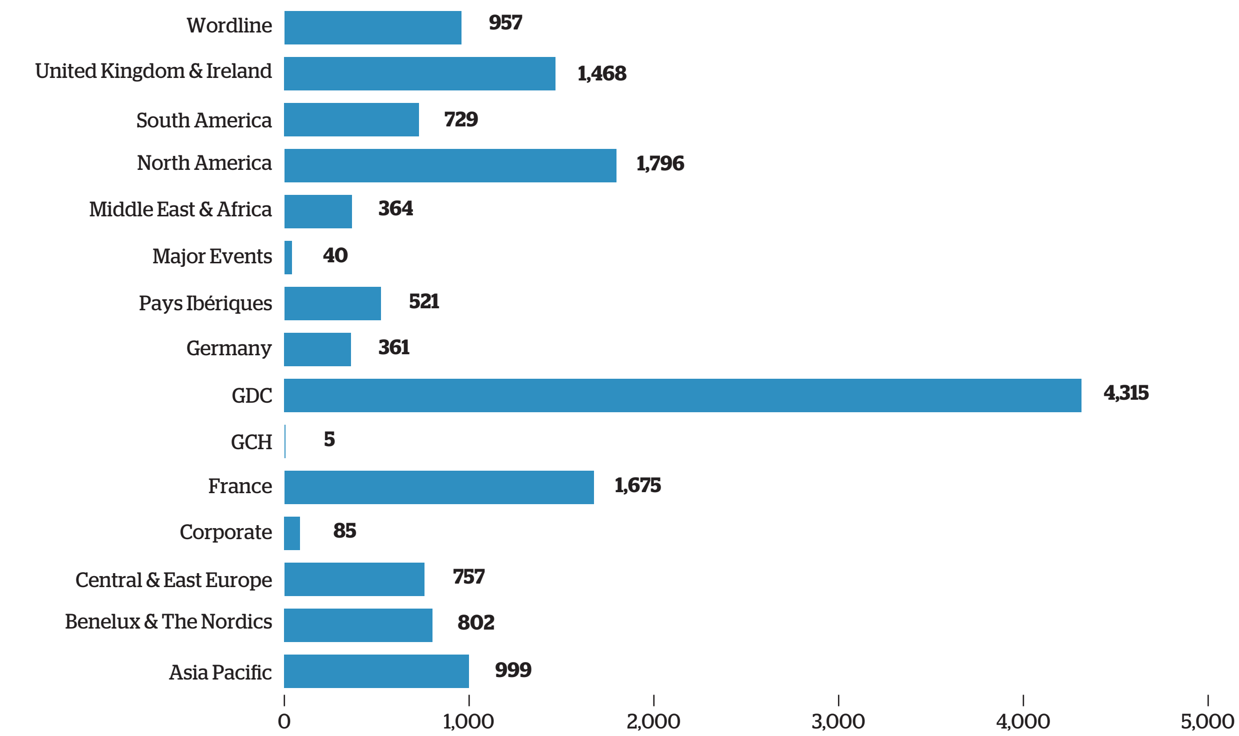
NUMBER AND RATE OF PEOPLE ENTERING IN THE COMPANY PER GENDER AND AGE
[GRI 401-1]

	Female	% total employees Female	Male	% total employees Male	Female and Male	% total employees
<=30	2,545	19%	4,728	35%	7,273	54%
30><=50	1,547	11%	3,944	29%	5,491	41%
>50	263	2%	483	4%	746	5%
TOTAL	**4,355**	**32%**	**9,155**	**68%**	**13,510**	**100%**

It is to be noted that 32% of the hiring made in 2018 were female; this percentage being above the percentage (29%) of the female representation in the Atos staff, its does contribute to increase the female population within Atos; this effect is compounded by the fact that the female leavers percentage is below their representation in the general population.

During the same period, 14,874 employees left the Company (more details on headcount evolution are provided in section E.1.7 "Human Resources", including dismissals). The workforce turnover in 2018 was 15.2%.

NUMBER OF PEOPLE LEAVING THE COMPANY PER BUSINESS UNIT
[GRI 401-1]



NUMBER AND RATE OF PEOPLE LEAVING THE COMPANY PER GENDER AND AGE
[GRI 401-1]

	Female	% total employees Female	Male	% total employees Male	Female and Male	% total employees
<=30	1,926	13%	3,719	25%	5,645	38%
30><=50	1,783	12%	5,459	37%	7,242	49%
>50	614	4%	1,373	9%	1,987	13%
TOTAL	**4,323**	**29%**	**10,551**	**71%**	**14,874**	**100%**

Talent Development

Sustainable and long-term employability of Atos staff is the cornerstone of the Talent & Training policies. Further enhanced in 2018, Atos Talent Development programs do reinforce our talents' capabilities and accompany them along their successful career path.

Each of these programs is directly sponsored by an Executive Committee member to ensure a strong link between Talent development and growth strategies. These programs include:

LAUNCH for future leaders

Part of Atos Talent management, LAUNCH is self-organized and international. LAUNCH's mission is to develop the best individual potential of its 50 members through a combination of personal development sessions, networking opportunities with top management and international colleagues, and work on innovative projects that contribute to Atos global business performance.

Gold for Business Leaders

Nominated by the Atos Executive Committee annually, 80 members of the Group Talents are invited to take part in the prestigious Gold for Business Leaders. In cooperation with HEC Paris, Europe's leading business school, the Gold for Business Leaders aims to develop the future leaders of the Company and create ambassadors for the Company's values.

The Atos Gold for Business Leaders has been awarded by the European Foundation for Management Development (EFMD) in the Talent Development category in 2013.

PRM Master Class

In 2018, 58 Atos' employees have increased their skills and knowledge in a project and program management Masterclass (PRM Masterclass), delivered in partnership with the Cranfield University School of Management. In addition, Atos has successfully trained more than 120 Project Managers and Senior Project Managers in a similar internal Program.

SDM Academy

In 2018, Atos conducted the Service Delivery Management Academy in cooperation with the ESCP Business School. This strategic training program focused on all aspects of Service Delivery and Client Management. More than 200 participants from all GBUs participated in this program during the year.

Gold for Technology Leaders

The Gold for Technology Leaders was launched in 2013 in cooperation with the Institute for Manufacturing Education and Consultancy Services (IfM ECS) of Cambridge University in the United Kingdom, and the Paderborn University in Germany. The goal is to give to Atos Talents with Expert profiles a vision and capability to define innovative end-to-end solutions, helping clients to gain competitive advantage.

VALUE for Executive Leaders

Developed in partnership with INSEAD, this training is taken by all Atos Group executive leaders (VP and above), that is to say over 350 persons. In 2018, already over 200 of them went through a first online module to develop their awareness and capability to design strategies in the digital disruption age. They were also invited in a classroom module to engage into the transformations needed to drive that change. They finally took an online module to further develop the relevant leadership, communication and cultural diversity agility to drive the transformation of their teams.

FUEL for Emerging Leaders

Previously known as the "Junior Group", the FUEL training is offered to selected Atos talents, in possession of at least a six-year experience in the Group but still a limited number of years of work experience. Each year, 45 FUEL participants get the chance to participate to three international physical meetings and to access the Franklin Covey and Leadership Personal development online sessions. They are also invited to engage in personal coaching sessions and to benefit from a global mentor throughout the year.

All around, this development program creates a virtual network of innovative and highly motivated individuals working as a self-organized, international and cross-functional team. They gain visibility and recognition through networking opportunities with top management. They develop further a manager's mindset, by obtaining the big picture of Atos as a Global company, and they also get the chance to work with multicultural and diverse teams.

Experts Policy

Development of expertise – attracting, retaining and growing key experts is critical to maintain Atos' leadership position in the digital market and to transform our Company into a Technology Company. Therefore, Atos has developed and implemented an Expert policy including a dedicated career path, to offer a great career to a technologist who is not willing to pursue a career in the management. The career path ensures our technologist symmetry of attention compared to the management path.

Experts are identified during specific application campaigns. Candidate files are reviewed internally by validation bodies composed of technical attendees (expert of the highest levels, CTO or R&D Head, GBU Management and HR). This process is monitored by the Group CTO Office. It has allowed Atos to identify, since 2016, more than 2,000 digital experts in 13 technological domains, who are now acting as a solid community and taking part in dedicated events throughout the year.

Madrid was the city chosen for the 2018 Atos Expert Convention, in September. It has welcomed 300 Atos experts worldwide and some of our most strategic partners during a one-of-a-kind event. Tremendous energy, inspiring presentations and impactful Social Media Campaign are the best outlines for this successful seminar, which won't be the last in the Atos history. Partners are already committed to join the next session.

D.2.3 Right People with the right skills

[GRI 103-1 Training and education] [GRI 404-1] [GRI 404-2] [GRI 404-3]

People and skills development is a key priority for Atos and a cornerstone of the Group Strategy. In order to support the ramp up of the Digital Transformation Factory (see section C.1.1), the Group has launched a dedicated program to train and certify people in those domains. This program has delivered training curricula and certifications for Sales, Pre-Sales, Management and Delivery. In all areas Atos has set very ambitious development targets and as a result more than 14,000 people have been trained on Digital Factory related topics and obtained a certification [GRI 404-2].

A huge number of certified learning paths are made available to all employees. These certified learning programs are specific to the needs of the various target groups within the Company: Sales, Delivery, Project & Program Management, technical Experts as well as Management and Support Functions. These learning programs are often offered online, by academic institutions or by educational technology companies (often partnering with academic institutions or industry leaders).

Certificates are typically earned by completing college or college-like courses, often with lectures, assignments, and exams. The effort and duration vary, based on the objectives and the content of the program.

In addition to the Digital Transformation Factory Upskilling program, to generate a detailed and professional understanding of their role and the respective requirements of their job in the digital age, employees have access to various Atos University Academy programs:

- Architect Academy;
- Contract Management Academy;
- Finance Academy;
- HR Academy;
- Leadership Academy;
- Lean Academy;
- Project Management Academy;
- Procurement Academy;
- Quality Management Academy;
- Sales Academy;
- Service Delivery Management Academy;
- Workforce Management Academy.

Those Academies contain different learning programs and curricula as well as certifications. This is often done in partnership with leading Universities and Business.

Overall, the Atos workforce benefited from an average 17.43 hours of formal training per employee [GRI 404-1].

Furthermore, because employees spend much more time learning informally on-the-job, in a digital environment such as 'YouTube' or collaboratively in coaching or peer communities, Atos is planning to report such learning based on the hours of education recorded in the ESS time-sheeting tool. In 2018, Atos estimated the number of hours of informal training as greater than 30 hours per employee. Accordingly, there were more than 3.37 million hours of education reported for 2018. This represents an average of 37.90 hours per employee. The Company plans to capture this effort even more effectively in line with the clear path to digitization.

Sales capabilities

Selling digital services requires a trustworthy, consultative and digitally literate sales force. After implementing a common sales methodology, Atos has focused the sales training 2018 on the Digital Transformation Factory as well as other new portfolio, such as Unify and Bull. This was supported also by the usage of the new Adaptive Learning solution Atos has put in place globally for Atos e-learnings. In addition, Atos launched some adaptive training sessions around key portfolio offerings, so that Atos Sales team members can acquire the required knowledge as quickly and effectively as possible.

Service Delivery capabilities

To equip its workforce with digital solutions design and delivery capabilities, Atos invests heavily in training and certification programs focusing on key technologies and skills required for Digital Transformation (e.g. virtualization, Internet of Things, big data, hybrid cloud, high performance computing). This effort is also supported by Atos' eco-system of technology partners (e.g. EMC² Federation, Microsoft, SAP) and strategic alliances (e.g. Siemens or Google Cloud).

At the end of 2018, Atos had an average of 22 different skills identified per employee [GRI 404-2].

Management capabilities

The year 2018 was the year of Management Development within the Atos Group. The Company has put in place a variety of new management development programs in order to be able to have a consistent and globally standardized approach for Leadership Development. All levels of management are now supported with training curricula: Team Leaders with the "Team Leader Curriculum", Senior Managers with "Leading in the Digital Age", Directors and Senior Talents with "GOLD for Managers" and Executives with "VALUE – Vision and Leadership Unfolding Excellence". In addition to those specific enabling programs Atos has enhanced its offerings of Management Trainings for all employees with the introduction of "Harvard Manage Mentor" – an e-Learning solution that helps leaders to improve their capabilities in 40 different areas.

In addition to that, Atos has created specific overview courses for the Digital Factory Offerings. Also here completion rates have been high and the trainings have been appreciated by the managers.

Careers within Atos

In order to meet its strategic market development ambition, Atos intends to attract and develop talented professionals. For this, Atos needs to build end-to-end vision and processes related to career development and mobility. The Career & Mobility department's role is to leverage career development for Atos employees by coordinating and driving career path and mobility initiatives across the organizations. By providing career perspectives, Career and Mobility contributes to reduced attrition and increases the appeal of Atos.

Every Atos employee is entitled to an Individual Development Plan, as part of his/her regular career and performance-related conversations with management. Atos reinforces systematic and consistent semester-based objectives setting and appraisal reviews, supported by policies and tools. 87.57% of employees received regular performance and career development reviews in the last 12 months [GRI 404-3]. This not only secures a solid basis for further development of Atos employees; it also helps with the alignment of people objectives across the organization, increases clarity and transparency in workforce capabilities, and helps to identification of potential gaps. Those gaps are then intended to be filled primarily with internal candidates, to further enhance the development opportunities for Atos' employees. More than 13.4% of our staff received a horizontal or vertical promotion in 2018.

Global mobility

In the wake of 2016, where the Mobility Function was globalized within Atos to keep pace with the maturation of the service delivery model, Atos enjoyed in 2017 all the benefits from a sustainable and risk managed delivery model providing more efficiency, clarity, and accountability in supporting business mobility requirements. This model has also delivered increased flexibility to anticipate future needs and support Group strategy. It is also more transparent to the employees on mobility options and provides them the opportunity to pro-actively further their career ambitions.

The media and collaboration platform "MyFuture@Atos", introduced in 2015, reached approximatively 38,000 followers and cites more than 30,000 visits per month, providing a clear example of the efforts Atos is deploying in this area.

Throughout 2018, Atos feels that the economic climate will continue to place productivity and return on investment high on the agenda, and this accentuates the need to develop employees and to ensure smooth, productive international assignment experiences for the benefit of customers and employees.

D.2.4 Enhance the Wellbeing@work

D.2.4.1 Working conditions
[GRI 102-12] [GRI 102-13]

General statement of respect of international labor right [GRI 102-12]

The protection of labor rights has long been a part of Atos policy. The Atos Code of Ethics confirms that Atos will always make decisions based on competencies without consideration for nationality, sex, age, disability or any other distinctive trait. Participating in the UN Global Compact since 2010 is another way of showing that Atos is willing to ensure such protection. As an active participant, Atos ensures the respect of the following principles:

- supporting and respecting the protection of internationally proclaimed human rights;
- ensuring that Atos is not complicit in human rights abuses;
- upholding the freedom of association and the effective recognition of the right to collective bargaining;
- elimination of all forms of forced and compulsory labour;
- effectively participating into the abolishment of child labour.

In addition, in order to apply to public tenders, Atos has to follow the requisites of local labor laws which has always been managed accordingly.

Atos initiated several initiatives which aim to guarantee a better balance between the professional and personal lives of Atos employees.

Health

Following a Health@work blueprint being drawn up in 2016, a new framework has been developed embodying the term "Care" right into its centre. This has been drawn up with the aim of ensuring everyone in Atos understands the importance of looking after and caring for colleagues, and ensuring our managers always show positive team-oriented behaviors. This "Care" pillar highlights best practices undertaken accross Atos' geographies, whilst taking into account their local legal and social factors.

Atos is committed to ensure it continues to comply with legal standards and also strives to meet best practices. For example, it has been awarded successively by the UK Royal Society for the Prevention of Accidents (RoSPA) and the Gold Award for Health and Safety.

One initiative to encourage physical activity and healthy living has been designed through a website, "atosrevitalized.com": a multi-media and interactive health & wellbeing tool launched in 2012 that has more than 37,000 registered users within Atos, also including the App version.

With regard to the Wellbeing Scores across 2018, the following has to be considered:

- overall Wellbeing Score is almost 44.4% - which is firmly in the "Good" category and is 7% higher than the average Wellbeing Score across the entire Revitalized client base of 400 organizations;
- there are more than 54,000 registered users at end of December 2018, around 17,000 more than in 2017, with over 30,000 of them active on the site during the previous 4-week period.

On top of this, Atos offers a large variety of mandatory and non-mandatory e-learning materials which cover health and wellbeing topics.

Even given that Atos is not seen as a high risk for occupational diseases, it is vital that it keeps in place a proactive or preventative approach to manage any issues, especially regarding psychosocial risks, the health@work and Care Pillar are therefore vital programs to ensure that psychosocial risks are managed appropriately.

E-learning programs are part of the proactive systems of support, especially in relation to "soft skills" around communication skills, working across cultural differences, how to work effectively from a remote base and managers having effective coaching skills. There are also e-learning programs to help employees understand and detect psychosocial risks such as stress. These e-learnings are available in all countries, and in multiple languages.

In addition, across many European countries and in North America, Atos has put in place employee health checks to ensure that any issues of stress are identified quickly so that a health intervention can be promptly put in place. Some additional actions may include the involvement of management if the employee agrees in order to address any perceived work-related stress.

D.2.4.2 Recognition and Loyalty
[GRI 103-1 Market presence]

Minimum wage comparison

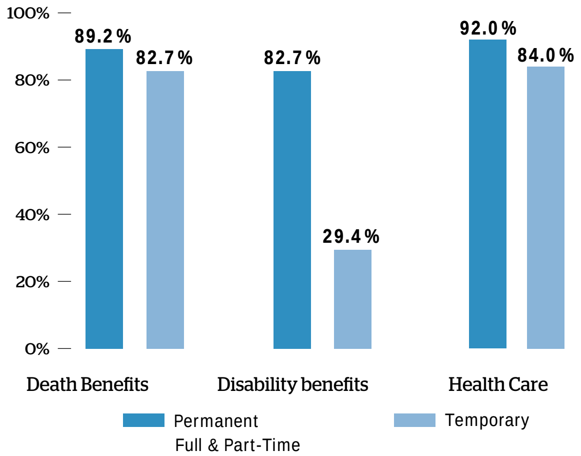
In all countries where the Group operates, Atos entry level wage (lowest wage in Atos paid to a permanent and full-time employee) is in line with local policies and above local minimum wage.

Atos is operating in 75+ geographies and 72.37% of these countries have minimum wages dictated by law; and where a minimum wage is dictated by law, Atos is paying more than this level of wage [GRI 202-1].

Health care coverage, death and disability benefits

Health care is offered to 92% of permanent employees and disability benefits are offered to 83% of permanent employees [GRI 401-2]. Additional occupational medical/health benefits are rare in Germany, Austria, Switzerland and Sweden. In these countries, the compulsory health insurance is fairly comprehensive, so supplementary medical benefits are generally not necessary.

Death benefits are offered to 89% of the permanent employees [GRI 401-2]. In Austria, Germany and Switzerland, death benefits are included in the pension plans and provided in the form of pension for spouse and children. In other countries, death benefits are mainly provided in the form of lump sum payments. The principal lump sum amount is sometimes increased according to the family status (France, Morocco, Denmark) and sometimes doubled for a death as a result of an accident (China, Japan, Thailand, Poland, Spain, Brazil, Chile, Mexico, and UAE).



Coverage of the organization's defined benefit plan obligations
[GRI 201-3]

Funding strategies for defined benefit pension plans vary per plan and country and are set up to reflect the relevant local funding requirements, respecting legally required timelines for recovery plans for plans in deficit.

Atos Group Compensation Policy

Atos' compensation policy is designed to reinforce its position as Tier One Company for IT services and payments solutions, and to become a referenceable Wellbeing@work Company.

The Compensation policy is based on Atos Human Resources values and aims to:

- attract and retain talents;
- reward performance and innovation collectively and individually in a balanced and competitive way.

To ensure that Atos continuously reaches these objectives, the compensation policy is regularly reviewed and deployed in all countries where Atos operates according to local specificities and regulations. All acquired companies are transitioned to Atos compensation policy. The Group conducts an annual benchmarking exercise with Atos competitors in the ICT (Information and Communication Technology) market to ensure competitiveness, both in level and structure, and ensure that compensation packages are in line with market practices in every location.

The Atos Total Compensation Package includes a fixed salary, a variable bonus for eligible employees and benefits aligned with market practice. Key individuals may also receive Long Term incentives such as stock-options and performance shares.

Atos variable remuneration

For all Atos employees that are eligible to bonus policy, variable compensation has been determined for several years now on a semester and not an annual basis. This approach fosters ambitious objectives setting, and contributes to the alignment of business and strategic goals with missions assigned to employees.

Targets are split in four major categories:

- financial Objectives, cascading Group targets at employee's scope (mainly External Revenue, Order Entry, Free Cash Flow and Operating Margin);
- quality, such as customer satisfaction survey results, applicable especially to Sales and Global Functions;
- efficiency Objectives, such as individual objectives linked to TOP programs deployment;
- managerial or individual objectives, focused on people development and also including the Wellbeing@work initiative roll-out.

Each semester, the Group Executive Committee reviews the Global Variable Compensation Policy to make sure that it is aligned with the Group's operational strategy and that objectives are SMART (Specific, Measurable, Achievable, Relevant and Time-bound). The Executive Committee ensures that the Variable Compensation Policy encourages the Group employees to deliver the best collective and individual performance. Atos' financial results have a real impact on bonus payouts at all levels and for all functions.

Reward and Recognition Programs

Recognition is a key motivating factor. In order to allow every great contributor to be recognized at fair value, the Group rolls-out major programs, as part of the Wellbeing@work initiative, such as:

- "Accolade", which empowers managers to instantaneously reward their teams according to three levels (Bronze, Silver and Gold) for exceptional performances. In 2018, 17,000 Accolades have been distributed over the countries in which Atos operates;

- "Success Story Awards", which rewards the best project teams working at clients' offices. Group Executive Committee and Market Leaders select the best projects. Extensive communication supports this program and key players are invited to a dedicated ceremony with the Group Executive Committee. In 2018, 35 projects entered the competition participating in one of the several categories. Since its creation in 2011, this internal contest became a major event for Atos Business Technologists.

Remuneration analysis

Atos ensures its competitiveness in the market. In 2018, 44% of the Atos population was working in a country where the ratio between the highest OTE and the median one is below 10 [GRI 102-38]

[GRI 102-39].

Ratio between the highest OTE and the median OTE	% of the Headcount
Under 10	44%
10<X<20	54%
More than 20	2%
TOTAL	**100%**

In 2018, in line with Atos' policy to reinforce the evolution of remuneration levels in local employment markets, both the categories of "<10" and "10<X<20" have increased, with more employees now reflected in these two categories in comparison to 2017.

Employee stock ownership and management: long-term incentive plans

Employee stock ownership plans

In 2011, 2012 and 2014, Atos has offered large Employee Stock Ownership plan, open to a large number of employees. These plans, called Sprint, offered to employees the opportunity to buy Atos shares through two vehicles:

"Sprint Dynamic" (which offered a 20% discount on Atos reference share price plus matching shares) and "Sprint Secure" (which allowed employees to buy units of a leveraged product benefiting from the share value growth, providing also a capital guarantee in euros).

To positively affect the program's overall success, Atos introduced a new plan in 2016: Share 2016 offering the opportunity for employees to buy Atos shares at a 20% discount on the reference share price plus company matching shares. This plan was a real success garnering more than 10,500 participants in 23 countries and leading to a participation rate of more than 12%.

To build on the success of Share 2016, Atos launched a similar Employee Stock Ownership program in 2018: "Share 2018". The scope of the plan reached an unprecedented coverage of more than 98.5% of Atos employees based in 46 countries. The opportunity to participate was also given to employees from the recently acquired companies in 2018.

Share 2018 confirmed the success of Share 2016 with a participation of more than 12,500 Atos employees.

Atos' ambition is to continue to offer such successful Employee Stock Ownership programs in the future.

Management Equity Plans

In order to reward and retain key talents and top managers, Atos implemented stock option plans and performance share plans, detailed in section G.3 Executive compensation and stock ownership (including former stock option plans).

On July 22, 2018, in line with the Group's main strategic guidelines, c.1,200 Atos employees - comprised of senior managers, executives, selected technical experts, high-potential employees and graduates from Tier 1 universities - have been granted Atos performance shares. Ambitious, cumulative performance conditions have been set for this performance share plan.

Atos performance share plans are detailed in the section G.3 Executive compensation and stock ownership specifically the Corporate Responsibility's condition of the performance share plan granted in 2013, 2014, 2015, 2016, 2017 and 2018.

Smart working conditions
[GRI 102-8]

Atos provides permanent, full time working relationships with its employees: 98.34% of the total workforce is under a permanent employment contract and 88.62% is full time. Atos accepts part time job when an employee considers that it is better for their work life balance; part time is at the initiative of the employee, not of the Company.

Atos operates in a collaborative mode, which allows remote work, offering more flexibility for employees in their work life balance. The whole set of initiatives to promote a smart, healthy work environment has reduced the absentee rate of the Company.

The absenteeism percentage regarding the direct operational workforce in 2018 was 2.38% [A16]. In addition, the total work-related accidents numbered 236.

D.2.4.3 Promote diversity
[GRI 103-1 Diversity and equal opportunity] [GRI 202-2] [GRI 405-1] [GRI 405-2]

Atos is strongly convinced of the importance of Diversity as a key driver for the Group's continuous growth and competitiveness. Diversity is firmly embedded into our People Strategy and is focused on embracing people's differences to create productive environment, where diverse talents are identified and retained, and employees can thrive. This feeling of being valued strongly contributes to the professional development of our diverse employee population, and to our Group's future success as an innovative, inclusive, and ethical employer of choice.

The Diversity Program contemplates five main dimensions: Gender, Cultural Diversity, Disability, LGBT, and Generations to further develop of diversity initiatives as a way to bring excellence in people management and to improve the Group's operational performance. The Program is sponsored by a Steering Committee with Group Executive Committee member.

Throughout 2018, Atos has continued development of the Diversity Program, offering webinars, mentoring opportunities, community outreach efforts, and book clubs that focus on our 5 dimensions, which include the following:

- Millennials Book Club: employee-led group that reads business-related books and meets to discuss them. 2018 titles included:
  - What Got You Here Won't Get You There by Marshall Goldsmith,
  - Strengths Finder 2.0 by Gallup;
- launch of additional employee affinity groups:
  - women in Germany: sponsored by a member of the Executive Committee, focused on developing women in the GBU,
  - AHShe: sponsored by IDM senior leadership, focused on development of women in the AHS division,
  - LGBT in France: focused on developing LGBT employees in France,
  - NAO Veterans: sponsored by Global Chief Diversity Officer, focused on developing veterans in NAO,
  - 10+ for employees with >10 years of work experience: sponsored by Global Chief Diversity Officer, focused on developing employees who have tenure of greater than 10 years;
- the Invest In Yourself diversity and inclusion certification program: an 8-part series attended by over 2,200 global learners, achieving gender balance in attendance with 49% women and 51% men participating:
  - communicating with power,
  - cross cultural communication,
  - communicating across the generations,
  - disability awareness,
  - leading with your strengths,
  - unconscious bias,
  - sharing your success stories,
  - creating your diversity brand;
- the Inclusive Leader diversity and inclusion certification program: a 5-part series for leaders based on studies from Deloitte on what competencies leaders should cultivate to become more inclusive:
  - interviewing without bias,
  - removing gender bias from the performance review process,
  - integrity in leadership,
  - leading multi-generational and multi-cultural teams,
  - leading differently abled employees;
- Global Accessibility Awareness Day: development and delivery of webinars featuring world-renowned experts in accessibility and disability awareness, streamed live with close captioning across the globe;
- NAO Veterans Appreciation Day: creation and employee distribution of a thank you card for Atos employees who served, or are serving, in the military, providing community connections through The US Marine Corp's Toys For Tots program, and conducting resume development workshops for local veterans groups;
- women in TechNOWlogy webinar series: quarterly panel discussion of topics affecting/enhancing women's development;
- volunteer efforts with:
  - UK Code First Girls: Atos women volunteering to mentor young women in STEM,
  - State University of New York at Geneseo: Atos women serving as mentors to college women on career development and preparation to enter the workforce after college,
  - Girls Code Fun: Atos women mentoring young women in STEM,
  - Romania Captial Filles: Atos women mentoring young women,
  - Avon Breast Cancer Research via Avon 39: NAO senior women leaders representing Atos in fundraising efforts for Breast Cancer research,
  - **"Ladies only"** Hackathon, **"Challenge The Force Within Her"** in Greece: invitation to all Tier-One Universities in Greece, as well as developers' communities,
  - UK STEM Ambassadors: Atos volunteers provide mentoring and career advice to school-aged children interested in STEM careers,
  - USA FIRST Robotics: Global Chief Diversity Officer provides mentoring and event sponsorship for all-girls robotics team in Rochester, New York,
  - Our Lady Of Mercy High School Career Mentors: Global Chief Diversity Officer hosts annual career development conference with girls 11-13 to discuss STEM and other career paths;
- Quarterly A Seat At The Table panel discussions: Global Chief Diversity Officer provides insights and information to Atos women on advancing their careers and getting noticed for accomplishments;
- NAO *Diversity Dimensions* newsletter: monthly newsletter sent to NAO employees highlighting diversity events and programming;
- Women Who Succeed Tech Talks: monthly webinars hosted by Atos women from the Scientific and Expert communities to increase awareness of technologies in development/use at Atos;

- UK & I Diversity Expo: 2-days series of seminars, streamed live with close captioning to over 54 countries, focused on diversity topics such as gender balance, LGBT rights, men's mental health;
- International Men's Day: webinar featuring senior Atos men as they shared advice and guidance on how to remain relevant in the ever-changing technical landscape, achieve work/life balance, and develop employees;
- International Women's Day: follow the sun webinar series to ensure that Atos women globally are celebrated for their achievements. Production of an essay collection written by Atos women on the continuing to focus on achieving gender equity;
- UK's Aspire and Together Network Newsletters: quarterly publications for these 2 employees networks developed by employees for employees;
- AtosPride newsletters (UK & France): quarterly newsletters featuring articles, profiles, and resources for our global LGBT employees;
- Group level LGBT Pride Week webinar: annual event to showcase our AtosPride Allies program, hear from LGBT external experts, and provide resources to our employees.

Although Atos has a major part of its staff in Europe, Atos employs people from 140 different nationalities [GRI 405-1]. 6 nationalities are represented in the Board of Directors.

In addition, Atos supports a territorial anchor with 92.64% of the senior management coming from the local communities [GRI 202-2].

12,090 national employees were recruited in 2018 [GRI 202-2].

Promoting gender
[GRI 405-1]

Atos has made a commitment to increasing the number of women employed from 29.42% and has programs and measures in place. "Women who succeed" is part of the new initiatives launched in 2018. It proposes targeted conversations with Excom and senior level women to provide additional resources, contact names and suggested courseware to position them for promotion. In 2018, the percentage of women as members of the ExCom increased to 15.48% from 11.60% in 2017.

The chart below reflects the increase in the number of women, in Top positions (GCM7 +) from 2017 to 2018.

	Number of women in 2018	Number of women in 2017	Variable
Executive Vice President	1	1	
Senior Vice President	15	12	+3
Vice President	25	23	+2
TOP Positions (GCM7 +)	92	88	+4
TOTAL	**133**	**124**	**+9**

* *Germany & Corporate Germany are excluded.*

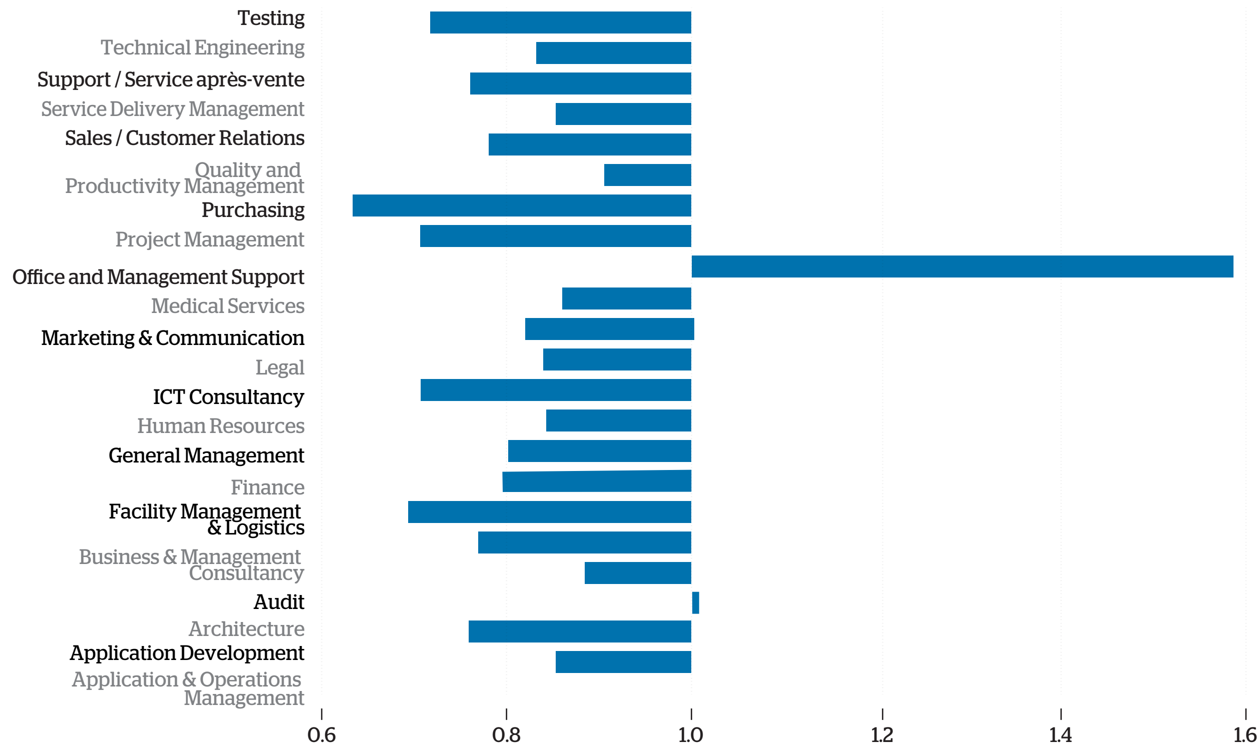
Atos has decided to disclose the improvement of the women ratio in the SVPs and VPs, representing 0.135% and 0.172%, respectively, of Atos global headcount (Excluded Syntel & SIX Payments Services).

By end of 2018, the percentage of women as SVP increased to 11.4% from 9.2% in 2017, and the percentage of women as VP increased to 15.1% from 14.5%.

In addition, during the year 2018 the Board of Directors was composed of 50% of women. The Company is fully complying with the 40% rate of women Directors set forth by the French law n°2011-103 dated January 27, 2011.

Atos is adhering to the legal frameworks related to diversity to abolish discrimination. Many countries have introduced legislation to enforce the principle of equal pay for work of equal value. This issue is supported by ILO Convention 100 on "Equal Remuneration for Men and Women Workers for Work of Equal Value".

RATIO OF TOTAL REMUNERATION OF WOMEN TO MEN BY JOB FAMILY
[GRI 405-2]



Some differences of salary between females and males still exist but the gap is narrowing thanks to some steps taken by the Company (e.g. in France pursuant to an agreement with unions, a special reserve is set aside every year to come on top of the traditional salary review exercise so that the relative difference in average income per category between men and women is reduced). Though many factors can account for an apparent salary gap between male and female (seniority in the position, total years of seniorities, etc.) the Company is adressing any systematic bias that may have survived through process and adapted benchmarks.

A renewed focus on accessibility

As we provide IT support for the Paralympic Games, specific programs have been implemented in different locations, in collaboration with union representatives, to attract, hire, and develop disabled people. A partnership with Learning and Development has ensured access to required courseware for all employees. Our external web interface has also been tested to ensure ease of access.

A cross-functional collaboration to develop a Group level Accessibility Policy has been a key focus in 2018. The Inclusive Leader internal certification program offers a session on leading differently disabled employees. In May 2013 Atos signed a collective agreement related to the employment and development of disabled people with French trade unions representatives. The goal of these initiatives is to support this population and encourage others to consider career opportunities at Atos.

In 2018, Atos Group employed 1,551 people with disabilities [GRI 405-1].

D.2.5 Building a Great Place to Work

[A6]

D.2.5.1 Social collaboration

Atos has made Social collaboration one of its main levers to ensure that our Clients are served to the optimum of our collective capabilities:

- Atos' campus concept deployed in our different offices and structured around open spaces combined with desk sharing;
- the extensive use by our employees of our ESN (Enterprise Software Networks) used to share the Atos way of working and its values, as well as the different expert communities;

- the rapid deployment and adoption of Circuit, a Unified Communication and Collaboration platform developed by our colleagues in the recently acquired Unify.

All of the above are key in fostering, and deploying further, the cooperation spirit that our employees expect, and that the Company promotes, to ensure that our staff, our clients and our company benefits from our best-in-class digital workplace.

D.2.5.2 Awareness and involving employees

Atos ensures the full compliance with the International Labor standards, by applying principles of the ILO Conventions, as is required through its adherence to the Global Compact of the United Nations, which states as principle 3 that Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

To ensure the respect of freedom of association, Atos has built a concrete organization for social dialogue.

Communication with employee representatives is a permanent and constructive dialogue within the employee bodies at European and country levels.

Social dialogue is constructive and positive and can be illustrated by effective social discussions at European and country levels.

A culture of permanent social dialogue

The SEC (Societas Europaea Council) representing more than 60,000 people across Europe in 26 different countries is deeply involved in events concerning the Company. Atos Chairman & CEO, regularly comes to the SEC to present the Company's strategy and ambition; information about transformation or acquisition are shared with the SEC very early in the process. This demonstrates a high level of mutual trust and a strong desire to have the SEC promote complete transparency.

The Societas Europeas Council agreement planned for at least 3 meetings per year; in 2018 six meetings were scheduled and effectively took place (both ordinary and extraordinary) not to mentions the many opportunities for exchanges via the different commissions.

From social dialogue to social effective collaboration

On top of organizing the meetings with Societas Europeas Council, the Management and the Employees representatives have agreed to set up additional Commissions that work very closely with management in order to have productive, useful and profitable dialogue. In addition to the commissions created last year, Atos has created several new Commissions, which meet regularly. Subjects that are to be discussed within these commissions include, but are not limited to, the following:

- training;
- economics;
- data privacy;
- transnational projects.

In addition, Atos recognizes the role of collaboration of the social representatives for the biggest and most confidential topics within the Company. Thierry Breton, Chairman & CEO of Atos Group, presented to the employee representatives of the SEC the follow up of the Atos 2019 Ambition. In addition, Atos has created for several years a Board Participative Body, composed of 4 representatives of the SEC who are associated to the works of the Board of Directors, through direct participation to the meeting or discussion on the agenda points with the Secretary of the Board and one Director.

Social dialogue at local level

Beyond the extensive discussions with the SEC on European and multinational issues in many countries, regular consultations take place with local employee representatives in work councils and/or unions.

As a companion to the regulatory and legally required obligations, Atos values this social dialogue as an important means to ensure that employees are informed and involved in the development of the Company. The local implementation of acquisitions/integrations, like Xerox ITO, Unify and Equens, are important elements of this. Local organization structures and working conditions are topics in these consultations and negotiations.

These are the most important topics discussed in France during 2018:

- psycho-social risks (10 meetings);
- incentives (6 meetings);
- negotiation of new social architecture (8 meetings);
- negotiation of amendment to the Group committee agreement (2 meetings).

Collective bargaining agreements

Atos realizes that job security contributes to the psychological health of its workforce. Therefore, Atos follows local and international regulations concerning minimum notice period(s) regarding significant operational changes. 61% of employees are covered by collective bargaining agreements [GRI 102-41].

Collective bargaining agreements are agreements regarding working conditions and terms of employment between an employer, a group of employers and, one or more employers' organizations [GRI 401-3].

Atos' collective agreements cover health and safety matters, length of maternity/paternity leave, working time, wages, notice periods, vacation time (usual and exceptional such as wedding, birth, house moving, etc.) or training.

Taking into account employees' expectations [A2]

To go beyond the collaboration of the employee representatives, since 2010 Atos has committed to surveying employees through the annual Great Place To Work Survey. This global survey, managed by the Great Place to Work Institute®, helps Atos determine employee's expectations and focused areas for improvement.

The survey is structured around five dimensions: Credibility, Respect, Fairness, Pride and Camaraderie.

In 2018 the survey was conducted in 94 entities in 66 different countries. In total 89,751 employees were invited to take part in the survey and the final response rate was 66% reflecting the voice of 59,180 employees.

The average score communicated by GPTW on the 59 statements improved with 3.7% from 53.6% in 2017 to 57.3% in 2018. This result of the Trust Index score demonstrates the commitment and involvement of employees to share their views and to help building a great working environment together.

Compared to 2017, Atos has improved 2018 results in all areas:

GPTW Dimensions	2018 Rate	Improvement ratio
Average Credibility	55%	4.2%
Average Respect	55%	3.8%
Average Equity	60%	3.5%
Average Pride	58%	2.6%
Average Camaraderie	60%	3.8%

The internal Atos Wellbeing@work program has identified dedicated actions in each participating geography, to improve well-being and as a consequence, the GPTW results in 2018.

Atos is in a continuous improvement mode regarding well-being at work, setting sights on a 3 points improvement in GPTW results within each Business Unit CEO and Business Unit HR Director for the 5th year in a row.

Develop awareness and encourage dialogue

Wellbeing@work is Atos' key Group transformation program for the continuous improvement of our way of working all together.

Started in 2010, the Wellbeing@work program continues to have a forward-looking approach to explore digital opportunities to enhance people career development and virtual collaboration across the world:

- the program is driven by a network of people from all parts of the organization with GBU leaders, Division leaders, Functions leaders and Initiative leaders;
- this network approach supports local priorities, local flavor and sharing best practices from all parts of our company;
- a special group in this network is the Wellbeing@work council, the think tank of Wellbeing@work.

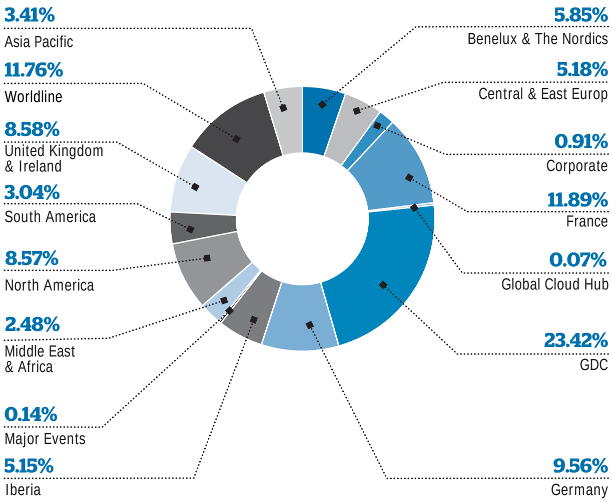
The Atos Wellbeing@work program is built on 4 pillars:

- **engaging** our employees by several initiatives, like Smart People integration, Smart campus and the Group Diversity program. Ensuring sustainability is at the heart of our strategy. Acting as a good corporate citizen and making a difference through social engagements;
- addressing **individual recognition** through the Accolades program and rewarding project teams through the yearly Success Story Awards. Recognizing the voice of our employees in the yearly Great Place to Work Survey;
- developing new ways of learning, building career paths and proposing **career development opportunities** through international mobility. Exploring new ways of working using innovative solutions to improve efficiency, ensure better knowledge sharing and encourage collaboration;
- **individual care** for everyone via IDPs (Individual Development Plans) and management attention. Individual care for our Experts and Talents in dedicated programs. Individual care for our employees in the Health@work initiatives like "Revitalized" the Atos app for Health@work and Flexibility@work.

D.2.6 Employees, Atos main asset

[GRI 102-4] [GRI 102-8] [GRI 401-1] [GRI 103-Employment]

Atos employees' total population is composed by 97,824 employees [GRI 102-7] with the following split per Business Unit [GRI 102-8]:



LEGAL STAFF BREAKDOWN PER GENDER AND AGE
[GRI 401-1]

	Female	% total employees Female	Male	% total employees Male	Female and Male	% total employees
<=30	8,357	8%	13,493	14%	21,850	22%
30><=50	14,669	15%	37,935	39%	52,604	54%
>50	5,755	6%	17,615	18%	23,370	24%
TOTAL	**28,781**	**29%**	**69,043**	**71%**	**97,824**	**100%**

D.2.7 Being a responsible employer - KPI overview

[GRI 103-3 Employment] [GRI 103-3 Training and education] [GRI 103-3 Diversity and equal opportunity] [GRI 103-3 Economic performance] [GRI 102-28] [GRI 102-41] [GRI 201-3] [GRI 401-1] [GRI 401-2] [GRI 401-3] [GRI 404-1] [GRI 404-2] [GRI 404-3] [GRI 405-1] [GRI 405-2] [A2] [A6] [A11] [A16]

		2018	2017	2016	2018 PERIMETER		2017 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
404-1	**Average training hours per employee**							
404-1_c1	Average hours of formal training per employee	17.43	14.89	18.47	89%	---	82%	---
404-1_c2	Average hours of formal training per male employee	18.03	14.26	17.58	89%	---	82%	---
404-1_c3	Average hours of formal training per female employee	15.96	16.54	20.89	89%	---	81%	---
404-1_c5	Average hours of training per employee	37.90	36.27	41.98	91%	---	89%	---
404-1_c6	Average hours of training per male employee	38.23	35.55	37.98	91%	---	89%	---
404-1_c7	Average hours of training per female employee	37.04	38.28	53.21	91%	---	89%	---
404-1_c4	Number of internships	2,049	1,452	2,720	100%	---	N/A	---
404-2	**Employability initiatives**							
404-2_A_c1	Number of digital certifications registered	130,050	116,875	Not disclosed	100%	---	90%	---

		2018	2017	2016	2018 PERIMETER		2017 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
404-2_A_b0	Number of digital certifications obtained per year	40,316	35,263	Not disclosed	100%	---	90%	---
404-2_A_b1	Number of different certifications owned by at least one Atos employee	5,361	5,151	4,422	100%	---	90%	---
404-2_A_b2	Total number of certifications registered	161,227	141,254	217,333	100%	---	90%	---
404-2_A_c2	Average number of certifications per Employee	1.65	1.62	2.35	100%	---	90%	---
404-2_A_c3	Number of certifications obtained per year	58,522	37,061	Not disclosed	100%	---	90%	---
404-2_A_b3	Number of different skills owned by at least one Atos employee (excluding certifications)	8,086	7,708	7,237	90%	---	90%	---
404-2_A_b4	Total number of skills registered	2,007,358	2,009,542	2,085,758	90%	---	90%	---
404-2_A_c4	Average number of skills per employee	22.75	22.98	22.56	90%	---	90%	---
404-2_A_b5	Number of employees who updated their profile during the year	62,793	67,298	60,571	100%	---	100%	---
404-2_A_c5	Percentage of employees who updated their profile during the year	64%	69%	66%	100%	---	100%	---
404-3	**Career development monitoring**							
404-3_A_c1	Percentage of employees receiving performance appraisal in the last 12 months	87.57%	86.30%	83.90%	74%	---	79%	---
404-3_A_a1	Percentage of female who received a regular performance and career development review during the reporting period.	70.98%	28.10%	Not disclosed	74%	---	79%	
404-3_A_a2	Percentage of male who received a regular performance and career development review during the reporting period.	29.02%	71.90%	Not disclosed	74%	---	79%	
404-3_A_b1	Number of female who received a regular performance and career development review during the reporting period.	45,114	18,637	17,114	74%	---	79%	---
404-3_A_b2	Number of male who received a regular performance and career development review during the reporting period.	18,449	47,695	43,965	74%	---	79%	---
404-3_A_c2	Percentage of employees with an Individual Development Plan	85%	80%	62%	81%	---	83%	---
404-3_A_c3	Percentage of Internal Fulfilment	80%	55%	65%	100%	---	83%	---
401-1	**Organizational workforce in headcount and Employee Turnover**							
401-1_A_c2	Number of employees at the end of the reporting period (Legal staff)	97,824	87,438	92,438	100%	---	90%	---
401-1_A_b1	Females at the end of the reporting period (Legal staff)	28,781	25,505	25,023	100%	---	90%	---
401-1_A_b2	Males at the end of the reporting period (Legal staff)	69,043	61,933	67,415	100%	---	90%	---
	Employee Turnover							
401-1_B_c1	Number of employees leaving employment during the reporting period	14,874	13,527	15,564	100%	---	90%	---
401-1_B_b1	Males leaving employment during the reporting period	10,551	9,724	11,604	100%	---	90%	---
401-1_B_b2	Females leaving employment during the reporting period	4,323	3,803	3,960	100%	---	90%	---
401-1_B_c2	Percentage of voluntary attrition	12.38%	12.20%	11.52%	100%	---	90%	---
102-8	**Number of employees**							
102-8	Total employees plus supervised workers (including: interims + interns + subcos)	121,393	106,305	101,737	100%	---	90%	---
102-8_A_c1	Percentage of employees with a permanent contract	98.34%	98.50%	98.80%	100%	---	90%	---
102-8_A1	Males with a permanent contract	67,923	61,010	66,637	100%	---	90%	---
102-8_A3	Females with a permanent contract	28,278	25,113	24,696	100%	---	90%	---
102-8_A_c2	Percentage of employees with a temporary contract	1.66%	1.50%	1.20%	100%	---	90%	---
102-8_A2	Males with a temporary contract	1,120	923	778	100%	---	90%	---
102-8_A4	Females with a temporary contract	503	392	327	100%	---	90%	---
102-8_A_c3	Percentage of employees in Full Time working	88.62%	94.56%	94.30%	100%	---	88%	---
102-8_B2	Number of male in full time employment	63,319	59,428	58,530	100%	---	88%	---
102-8_B4	Number of female in full time employment	23,376	21,627	20,136	100%	---	88%	---
102-8_A_c4	Percentage of employees in Part Time working	11.38%	5.44%	5.70%	100%	---	88%	---

		2018	2017	2016	2018 PERIMETER		2017 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
102-8_B1	Number of male in part time employment	5,724	1,819	1,926	100%	---	88%	---
102-8_B3	Number of female in part time employment	5,405	2,845	2,825	100%	---	88%	---
405-1	**Diversity and Equal Opportunity**							
405-1_B_c3	Number of nationalities within Atos	140	143	143	90%	---	90%	---
405-1_B_c4	Percentage of females within Atos	29.42%	29.17%	27.07%	100%	---	90%	---
405-1_B_b1	Disabled employees	1,551	1,507	1,227	99%	---	96%	---
405-1_B_c1	Percentage of disabled people	1.60%	1.62%	1.26%	99%	---	96%	---
405-1_B_b0	Female ratio within the top management team	17.65%	17.21%	16.54%	90%	---	90%	---
405-1_c12	Percentage of women that had promotions during the year	14.04%	13.33%	17.25%	74%	---	73%	---
405-1_c13	Percentage of men that had promotions during the year	13.09%	11.73%	15.63%	74%	---	73%	---
405-1_c14	Percentage of women identified in talents pool	27.88%	27.43%	27.00%	78%	---	68%	---
405-1_c15	Percentage of women in Excom	15.48%	11.60%	Not disclosed	100%	---	90%	---
405-2	**Salary rate between men and women**							
405-2_A_c1	General ratio woman/men in Annual Basic Salary within the Atos´ job families	0.77	0.80	0.78	90%	---	89%	---
405-2_A_c2	General ratio woman/men in Total Remuneration within the Atos´ job families	0.75	0.78	0.77	90%	---	89%	---
A6	**Diversity Perception (GPTW)**							
A6_c4	People here are treated fairly regardless of their age	71%	66%	65%	60%	---	59%	---
A6_c5	People here are treated fairly regardless of their gender	81%	83%	77%	60%	---	59%	---
A6_c6	People here are treated fairly regardless of their race or ethnicity	85%	78%	81%	60%	---	59%	---
A6_c7	People here are treated fairly regardless of their sexual orientation	85%	82%	80%	60%	---	59%	---
A6_c8	People here are treated fairly regardless of disability	85%	81%	77%	60%	---	59%	---
A6_c9	Average on Diversity Perception (GPTW survey questions)	81%	78%	76%	60%	---	59%	---
A16	**Lost working days / Absenteeism rate**							
A16_B	Global absenteeism rate	2.38%	2.33%	2.53%	62%	---	62%	---
A16_A_b3	Number of staff seriously injured work related	236	266	243	100%	---	100%	---
A16_A_b4	Number of Atos staff´s dead work related	1	1	1	100%	---	100%	---
A2	**Employee Satisfaction**							
A2_A	Number of people participating in satisfaction surveys (Employees answering GPTW surveys)	59,180	56,712	56,458	60%	---	59%	---
A2_B	Percentage of Responses to Great Place to Work surveys (Average of Response rate)	66%	60%	63%	60%	---	59%	---
A2_C	Percentage of positive responses to "Taking everything into account, I would say this is a great place to work"	52%	49%	50%	60%	---	59%	---
A2_D	Atos Trust Index® informed by Great Place to Work (GPTW)	57%	54%	54%	60%	---	59%	---
201-3	**Coverage of the organization's defined benefit plan obligations**	Qualitative	Qualitative	Qualitative				
401-2	**Benefits to employees**							
401-2_A_C15	Percentage of Permanent employees participating in Death Benefits	89%	90%	94%	87%	---	88%	---
401-2_A_C16	Percentage of Temporary employees participating in Death Benefits	83%	81%	73%	87%	---	88%	---
401-2_A_C17	Percentage of Permanent employees participating in Disability benefits	83%	84%	88%	87%	---	88%	---
401-2_A_C18	Percentage of Temporary employees participating in Disability benefits	29%	36%	61%	87%	---	88%	---
401-2_A_C19	Percentage of Permanent employees participating in Health Care	92%	92%	93%	87%	---	88%	---
401-2_A_C20	Percentage of Temporary employees participating in Health Care	84%	83%	68%	87%	---	88%	---

GRI Standard code	KPI Name	2018 GROUP	2017 GROUP	2016 GROUP	2018 PERIMETER Per employee	2018 PERIMETER Per revenue	2017 PERIMETER Per employee	2017 PERIMETER Per revenue
401-3	**Return to work and retention rates after parental leave**							
401-3_A_c1	Total number of employees that were entitled to parental leave	194	185	198		---	14%	---
401-3_B	Total number of employees that took parental leave	388	241	305		---	14%	---
401-3_C	Total number of employees who returned to work after parental leave ended	29	28	40		---	14%	---
401-3_D	Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work	89.66%	85.71%	93,10%		---	14%	---
102-41	**Collective bargaining coverage**							
102-41_A_c2	Percentage of employees covered by collective bargaining agreements	61%	60%	54%	99%	---	99%	---
A11	**Collaborative technologies development (Zero mail)**							
A11_c1	Percentage of active users	49%	45%	24%	100%	---	100%	---
A11_c2	Percentage of active Communities	19%	27%	23%	100%	---	100%	---
A11_b1	Number of active users in collaborative working and digital tools	47,314	44,879	23,880	100%	---	100%	---
A11_b3	Number of active communities	17,447	2,358	1,847	100%	---	100%	---

404-1_c1, 404-1_c2, 404-1_c3: Subco/Externals excluded.

404-1_c1, 404-1_c2, 404-1_c3: Indirect employees/Subco/Externals excluded.

404-3_A_c2 and 404-3_A_c3: excludes Germany and Corporate Germany, Austria and WL Austria, GCH, SIX, IMAKUMO, First Data Baltics, MEA Turkey insourcing, part of CVC, Part of WL and employees with GCM 0, H2 Joiners and other exclusions.

401-3: includes only France.

A11_c1 and A11_b1: They have a different scope in 2018 and 2017 than in 2016: In last two years they include Circuit and BlueKiwi and in 2016 only BlueKiwi was included.

D.3 Generating value with co-innovation and sustainable business solutions

D.3.1 Business and Innovation extra-financial performance

[GRI 102-43] [GRI 102-44] [GRI A3] [GRI A10] [GRI A12] [GRI A14] [GRI 305-5]

The Atos Business Model encompasses value creation for its clients and partners through innovative and sustainable business solutions.

A continuous approach to innovation as core part of the business strategy becomes increasingly relevant, as described in Atos Journey towards 2022, and helps to face the Corporate Digital Responsibility and the Ethical Digital Dilemmas that may arise when implementing and exploiting emerging digital technologies and that can be summarized in the "Could we?" and "Should we?" hand-in-hand questions.

Innovation efforts can be encouraged or constrained by public regulations and citizens may adopt or resist to new technologies. According to a recent Atos digital adoption survey to explore the degree of comfort that people feel towards existing and future technologies, we see that 70% are feeling excited and engaged in using technology and 30% feeling reticent or opposed to embracing it.

According to the 2018 materiality assessment and stakeholder's expectations, the main ambitions for Atos are to ensure a high level of client satisfaction and delivery, implement robust security and data protection standards, develop an innovative, responsible and sustainable services' portfolio in partnership with key technological players and on-the-edge startups. Main risks are the increase of cyber-attacks, system´s security, reliability & continuity, success on building the right partnership ecosystem, customer relationship & cross Selling management and the ability to continuously innovate to support client´s digital transformation journey speed and dilemmas.

In 2018, Atos continued its efforts to increase links and collaborations with existing clients and to improve their satisfaction, considered as essential objective of Atos quality policy. A specific Net Promoter Score (NPS) Turnaround Program at customer account level was launched to foster the positive global NPS tendency of last six years.

Strategic actions to reinforce links and to enlarge range of representative clients were defined and high-level conversations (StratHacks) with key clients were launched to explore their future business options enabled by new and emerging technologies, with the involvement of Atos Top Management.

In 2018, a new partnership with Google Cloud was launched with focus on digital transformation of large enterprises strengthening traditional collaboration and alliances with market leaders such as Siemens, Dell Technologies, SAP and Microsoft.

As the EU General Data Protection Regulation (GDPR) became enforceable in May, Atos strengthened its services and cybersecurity solutions to ensure effective GDPR compliance for customers minimizing associated risks, as part of its Digital Transformation Factory. Additionally, Atos reviewed its internal measures and affected policies, processes and tools to continue at the forefront of data protection compliance.

Innovative solutions were fostered by Atos experts, members of Atos Scientific Community, Atos Research & Innovation, R&D Labs and Business Technology and Innovation Centers (BTICs) who apply their expertise to help our clients reinvent their businesses for digital. Atos counts 5,000 active patents and 15 R&D centers.

Atos offerings to implement digital strategies are structured through the Atos Digital Transformation Factory and its four end-to-end blueprints, supported and complemented by cybersecurity and digital payment solutions:

- Hybrid Cloud solutions, eXpanding IT assets into the cloud;
- Business Accelerators, to run real-time business processes in a cloud environment;
- connected intelligence through Codex Solutions and services to transform data into business outcomes;
- Atos Digital Workplace allowing customers and collaborators benefitting from smart and mobile workplaces.

In 2018, Atos Business and Innovation performance is reflected in the following KPIs:

- efforts towards a permanent improvement of the client satisfaction reflect combined results for all customers measured recorded a Net Promoter Score of 48% for 2018;
- in 2018, Atos organized 297 innovation workshops/events (Innovation workshops, StratHacks, Multi-Client events) [AO10] around all geographies with more than 200 clients;
- multi-site certification program for ISO 14001 (Environmental Management) has been added to Atos International Standards Organization (ISO) multi-site certification that covers 95%+ of Atos activities and locations worldwide for ISO 9001 (Quality Management) and 27001 (Information Security Management), as well ISO 20000 (Service Management);
- 100% Offsetting of all data centers GHG emissions consolidating Atos Carbon Neutral services;

- impulse on Digital Transformation related solutions and services that encompasses 30% of the revenues.

For the fourth year in a row, Atos has been recognized by the Dow Jones Sustainability Indices, both World and Europe Indexes with a position of Top extra-financial performer in the IT Services Sector. Atos has reached the Leadership position within its industry – Software and Services Industry Group- enabling worldwide recognition being awarded with the RobecoSAM Gold Class 2018.

Atos backs UN sustainable development Goals thanks to its actions plans and digital portfolio. The SDGs most affected by the Digital Transformation Factory solutions are as follows:

- the Decent Work and Economic Growth goal (SDG 8);
- the Infrastructure, Industrialization and Innovation goal (SDG 9);
- the SDG for Responsible Consumption and Production (SDG 12);
- and the Peace, Justice and Strong Institutions goal (SDG 16).

D.3.2 Meeting client needs and expectations

[GRI 102-43] [GRI 102-44]

D.3.2.1 Permanent improvement of the clients satisfaction

Client satisfaction is a major Atos objective, as supporting long term growth is one of Atos business goals. Associated governance includes quarterly review at the Executive Committee to focus on processes execution, objectives and results.

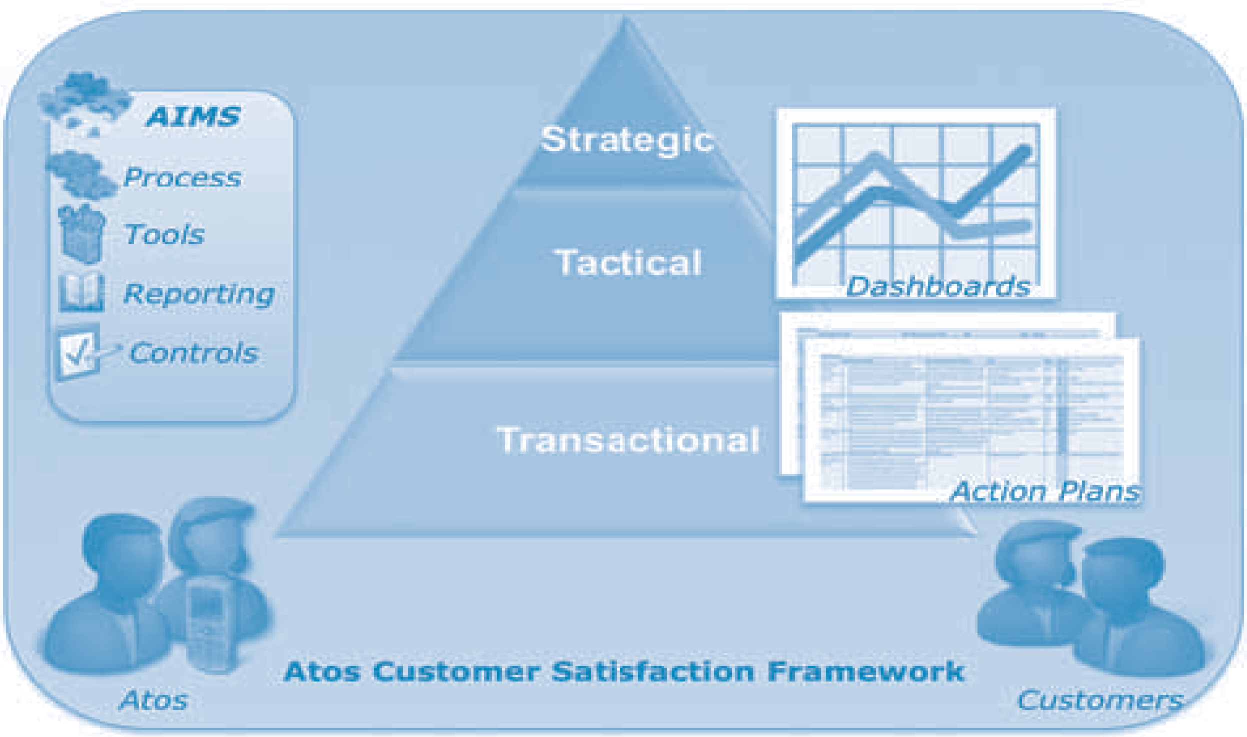
Improving client experience and associated satisfaction is the #1 objective of Atos' quality policy and the primary focus of Atos Quality Steering Committee, chaired every two months by the Senior Executive Vice President (SEVP) in charge of Global Quality, and member of the Group General Management Committee.

As part of Atos 3-year plan Atos tracked two KPIs at the global level (as defined in the Atos industry):

- NPS: Net Promotor Score;
- OCS: Overall Customer Satisfaction.

A comprehensive improvement loop is built from three layers of survey engine client feedback to drive action plans accordingly as described below. It links strategic, tactical and transactional client engagement, experience and satisfaction feedback with cascading action plans to continuously improve and maintain high levels of client experience and satisfaction. This works from the strategic level, with actions like innovation workshops or innovative proof of concept, to tactical actions for quality and productivity improvement or customer journey mapping to improve client interactions, and continuous improvement on the "shop floor" transactional operations.

Atos' three-layered satisfaction survey process and the improvement framework are represented as follows:



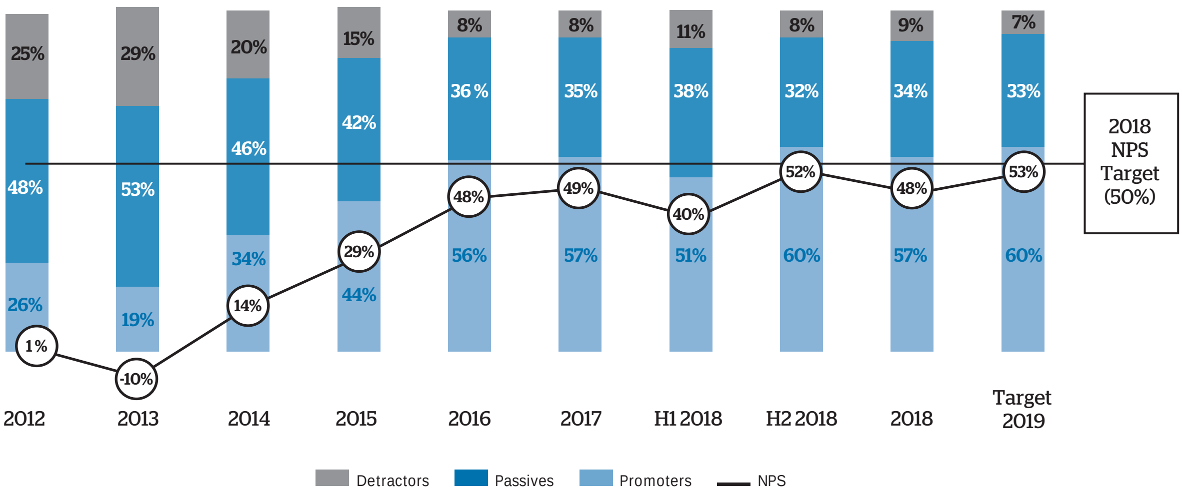
Strategic surveys are handled by Atos executive representatives (management/sales) and encompass Atos' top accounts through face to face interviews.

Tactical surveys are driven by the Divisions and obtain feedback at contract level from the client teams related to Atos services, project deliverables, and overall performance.

Transactional surveys, for large accounts serviced by Atos, provide immediate feedback solicited from the end-users at the end of a service request or other transaction. This allows monitoring of service performance perception, impacting daily operations.

The overall improvement loops, associated tools, specific workshops, and cookbooks on repetitive situations are described in Atos' global customer experience framework. The program is driven by Group Quality in conjunction with sales operations and client executives. It is driven within the Divisions' quality customer experience team for the tactical surveys and associated improvement loops. Progress and feedback tracking are part of account quarterly reviews and of divisional monthly reviews.

At Strategic level, Atos' 3-year plan for 2017/2019 aims to reach and sustain an overall Net Promoter Score (NPS) above 50% while enlarging the Clients base engaged in this process from 62% today (excluding UCC) to more than 80% of the External Revenues as shown below:



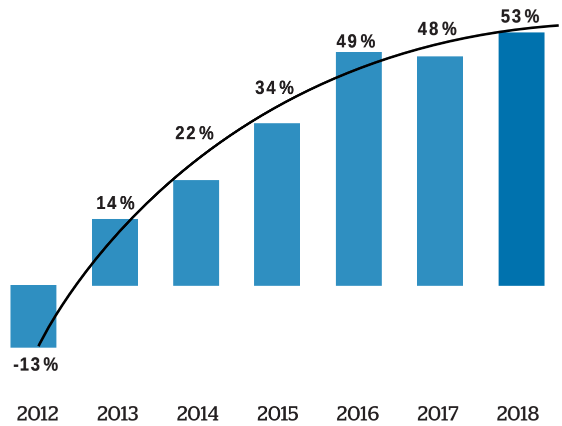
Beginning in 2016 we have seen our NPS stabilize just under 50%. In the first half 2018, we recorded a decrease in NPS as we expanded coverage to additional clients. With a focused quality and customer satisfaction program directed at these performance results we recorded a turnaround of this performance in the second half of 2018, recording an NPS of 52%. The combined results for all customers measured recorded an NPS of 48% for the full year 2018. As we continue to increase our measured revenue coverage and this performance focus we expect to increase and sustain NPS performance above our target of 50%.

With seven years of data, Atos displays a positive trend and confirmed effectiveness of the first phase of the Satisfaction Management Program across the Infrastructure & Data Management Division.

NET PROMOTER SCORE FOR INFRASTRUCTURE & DATA MANAGEMENT

Net Promoter Score

Atos identifies a similar trend for the Business & Platform Solutions Division.

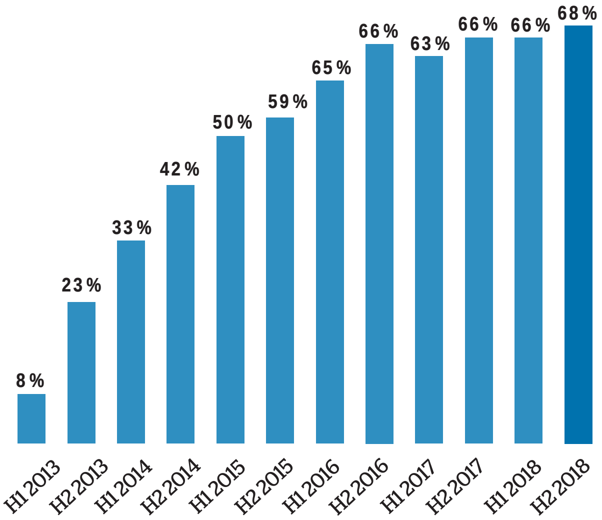


NET PROMOTER SCORE FOR BUSINESS & PLATFORM SOLUTIONS (NPS%)

Net Promoter Score

The results from the past 7 years confirm the position that the customer experience improvement process is a key contributor to sustaining Atos’ business.

During 2018, Atos integrated its newly acquired businesses as part of this process and continued to build the core components of the second phase: "Driving loyalty, thanks to satisfaction, trust, service behaviors, and value delivered" going one step further to embedding loyalty drivers in Group account management. This phase two of our Customer Satisfaction Management program - "Performance Driving Loyality" – will continue driving our NPS results in an upward direction.



D.3.2.2 Client delivery capability

To deliver its clients the same experience, whatever the organization working on the projects, services or solutions across the world, is the goal of Atos’ divisions. Worldwide divisions secure the deployment of standardized processes across all geographies.

Such commitment at the heart of clients trust in Atos capabilities is implemented via the Atos Integrated Management System (AIMS) and assessed through:

- Atos International Standards Organization (ISO) multi-site certification covering 95%+ of Atos activities and locations worldwide for ISO 9001 (Quality Management) and 27001 (Information Security Management), as well ISO 20000 (Service Management); Atos can add beginning in 2018 the multi-site certification program for ISO 14001 (Environmental Management);
- Atos Controls continual assessment program ensures that process control points are systematically implemented.

D.3.3 Building client trust through Security and Data Protection

D.3.3.1 Security Policy

A comprehensive approach to the protection of assets

Atos Group security organization has a comprehensive set of Global Security and Safety policies, standards and guidelines. The Atos Group's security policies are mandatory and binding for all Atos entities and employees in order to guarantee the safety and the security of Atos internal and external (i.e. "Customer related") business processes.

The Atos' Group Safety and Security policies encompass the protection of all Atos' assets, whether owned, used or held in custody by Atos (information, intellectual property, sites, network, personnel, software and hardware).

The main Atos' security policies are part of the Atos' "Book of Internal Policies":

- AP90 Atos' information Security Policy;
- AP91 Atos' information Classification Policy;
- AP92 Atos' Safety Policy;
- AP96 Atos' IT acceptable use Policy.

In addition, Atos has put in place measures and policies to protect its intellectual property assets and confidential information, including, but not limited to, the use of confidentiality agreements, encryption and logical and physical protection of information where required.

To ensure that appropriate provisions are included in Atos contracts with customers and suppliers, and that confidential matters are appropriately dealt with in compliance with applicable laws, Atos Legal, Compliance and Contract Management department advises on all commercial transactions.

Security management system, organization and governance

Atos' Information Security Management System (ISMS), built in 2001, is mandated across all Atos legal entities. The Security organization manages the continuous improvement cycle required by the ISO 27001 certification. Planned enhancements to the ISMS include a single set of security policies that are harmonized across all areas of Atos Worldwide and will be:

- written in clear English, at a level that allows Atos staff worldwide to understand;
- consistent in structure & terminology;
- easy to use & maintain.

During 2018 the whole set of security policies have been fully reviewed to allow updates for EU GDPR inclusion.

Security organization and governance continued to be reinforced in Atos Divisions (e.g. Infrastructure & Data Management and Business & Platforms Solutions) as well as further assignment or set up of Security Management teams and roles to address specific areas (e.g. creation of a Computer Security Incident Response Team). Group security Governance is structured around weekly calls under the responsibility of the Group Chief Security Officer – Head of Security, with all Group and Business Units security officers, representatives from all Atos entities.

Building on the work performed to the end of 2018, Group Security have been testing and improving the:

- tracking of decisions and actions related to security;
- collation of security events and incidents of global interest and implementing lessons learnt process;
- management of Group Internet facing networks and assets by amongst other things, weekly vulnerability scans and prompt rectification of issues identified;
- management of Group Security project initiatives using systems introduced by a permanent senior Project Management Director;
- staff awareness and response to Phishing attacks, in the light of worldwide reports in the press of cyber-attacks on other organisations using systems introduced by a permanent senior Project Management Director the last five year;
- Information Security Management System to enable the progression to a Tier One Security organization in 2019.

The Group's main certifications regarding security include: ISO 27001, ISAE 3402 and PCI/DSS for "Worldline" (payments industry) and a selection of Atos data centers which house customer payment systems.

Security key performance indicators and reporting

The following list is the Key Performance Indicators reported on in section [A3], some of which are monitored with the new Security Dashboard on a daily basis:

- percentage of employees who successfully completed the safety & security e-learning;
- percentage of employees who successfully completed the data protection e-learning;
- percentage of open security incidents vs closed;
- percentage of compliance to Malicious Code prevention;
- percentage coverage of ISO 27001.

From a security performance management perspective, Atos is monitoring the deployment of ISO 27001 at all Atos in-scope sites.

In 2018, the External Certifier (Ernst and Young) audited a total of 10 locations in the GBUs: Grenoble Cedex & Bezons (France), Kuala Lumpur (Malaysia), Bydgoszcz (Poland), Voronezh (Russia), Londrina-Parana (Brazil), Pune (India), Beijing (China), Dusseldorf (Germany) and Milan (Italy). Atos performed 147 Internal Audits at further sites.

D.3.3.2 Protecting personal data in a data driven world

[GRI 102-13] [GRI 103-1 Customer privacy]

In a digital world driven by data, the main concern to build the necessary trust for digital business is based on protecting data and especially the personal data by reducing the risks of incidents and breaches of customer privacy and losses. Atos has for many years positioned itself as a pioneer on the market with regards to its approach to the protection of personal data.

2018 has been marked by the entry into force of the European General Data Protection Regulation (GDPR). The GDPR has a significant strategic impact on the IT market and practices. Atos has factored into its operations through a dedicated GDPR program fully supported by the Atos Top Management both at global and at local level.

Indeed, Atos is both acting as a data controller and as a data processor, meaning that it processes personal data for its own defined purposes but also on behalf of its clients, following their instructions.

The Company could be materially adversely affected if it fails to protect Client's data and therefore to comply with Data Protection requirements.

In this GDPR program, Atos' focus is clearly on ensuring compliance with the legal evolutions imposed by new rules and for this it will continue to rely on what has made its strength over the past years: adapted policies and procedures, training and commitments.

Accordingly, Atos has thoroughly reviewed its organizational measures, updating all affected policies and in particular its Group Data Protection Policy and its Group Personal Data Breach Policy. Atos has also implemented a range of processes and tools (such as a group-wide compliance assessment for data processing tool and a group-wide Record of Processing activities tool) deployed internally to assess risks and enhance the management of data privacy monitoring, documentation and Data Protection Impact Assessment. Their deployment and use, both for its own internal projects and for customer projects contribute to maintain Atos at the forefront of data protection compliance, also by continuing to integrate both the "accountability" principle (through a register of processes, etc.) and the data protection or privacy by design approach in the creation and implementation of its systems and services.

To support this renewed commitment and approach, Atos has maintained a strong community focused on data protection topics, which will continue to grow through time allocation and training. With a Group Chief Data Governance Officer, who reports from April 2018 directly to the Associate Group General Counsel, Corporate and Strategic Projects reporting to Group General Counsel and Head of M&A member of the Group Executive Committee and an 80-member strong Personal Data & Privacy Protection Organization, established in close cooperation by the Group Legal Contract Management department and Group Security, significant resources are allocated to the management of the topic. This permanent organization capitalizing on past return of experience and best practices is a fundamental element in the continued implementation and extension of this strategy.

The Atos Binding Corporate Rules (the "Atos BCR") also remain at the core of this strategy with as of today, 354 affiliates (including 123 affiliates outside Europe) which have been adhering to the Atos BCR, framing and protecting international transfers of personal data.

Country	# of affiliates with BCR controller and processor	Country	# of affiliates with BCR controller and processor	Country	# of affiliates with BCR controller and processor
Algeria	1	**Guatemala**	1	**Philippines**	3
Andorra	1	**Hong Kong**	4	**Poland**	6
Argentina	5	**Hungary**	2	**Portugal**	1
Australia	1	**India**	3	**Puerto Rico**	1
Austria	17	**Indonesia**	1	**Qatar**	1
Belarus	1	**Iran**	1	**Reunion**	1
Benin	1	**Ireland**	2	**Romania**	3
Brazil	9	**Israel**	1	**Russia**	3
Bulgaria	2	**Italy**	3	**Saudi Arabia**	2
Burkina Faso	1	**Ivory Coast**	1	**Senegal**	2
Canada	4	**Japan**	2	**Serbia**	3
Chili	1	**Kazakhstan**	1	**Singapore**	3
China	11	**Korea**	1	**Slovakia**	1
Colombia	3	**Lebanon**	1	**South Africa**	2
Croatia	1	**Lituania**	1	**Spain**	16
Czech Republic	2	**Luxembourg**	8	**Sweden**	2
Denmark	1	**Madagascar**	1	**Switzerland**	5
Dubai UAE	3	**Malaysia**	3	**Taiwan**	2
Egypt	1	**Mali**	1	**Thailand**	1
Estonia	1	**Mexico**	3	**Tunisia**	1
Finland	1	**Morocco**	4	**Turkey**	1
France	39	**Netherlands**	18	**United Kingdom**	50
Gabon	1	**New Caledonia**	1	**Uruguay**	1
Germany	43	**New Zealand**	1	**USA**	24
Greece	1	**Peru**	1	**Venezuela**	1

Training remains another fundamental pillar of the strategy. A new mandatory e-learning module on data protection has been set up in the second semester of 2018 with a particular focus on new regulation in Europe (GDPR). This training is mandatory to each employee of the worldwide Group, who is required to complete it, even if he successfully achieved the previous assessment. As of December 2018, the percentage of completion reaches 71%, including 88 % of the employees of Atos worldwide Global Delivery Centers.

Further trainings are being developed to ensure dedicated sessions for those members of the organization who are in a position to process personal data on a daily context.

Furthermore, and from an operational perspective, in 2018, Atos did not receive any complaint regarding breaches for customer privacy [GRI 418-1].

D.3.4 Innovative approach of sustainable business

[A10]

Atos takes a client centric approach to innovation, one that engages our partners of all shapes and sizes, along with a rich variety of external third parties from universities, start-ups, to trade associations to industry analysts. Together this forms a collaborative 'open' ecosystem which helps it to accelerate the evolution of its insights, and the development of its new services.

Inside our business Atos's innovation is enabled by its unique Scientific Community. This community, already created in 2009, includes some 150 of its best, peer selected, thought leaders and engineers, and is chaired by its Group Chairman and CEO Thierry Breton. Atos Scientific Community continually undertakes research and early stage development work on all the key technologies, with the ambition to demonstrate the business value these technologies can bring over a three to five years time horizon. The perspectives it takes include both a 'horizontal' viewpoint (for services that can benefit its clients across multiple industries), and now also a "vertical" viewpoint (for services developed for a specific industry).

To help Atos brings its clients, partners, and other leaders together in the right way to innovate effectively, **Atos continues to invest in its Business Technology Innovation Centres around the world**. It currently have nine of these in Bezons (France), Munich (Germany), London (UK), Amsterdam (the Netherlands), Vienna (Austria), Madrid (Spain), Pune (India), Dallas (USA) and Bangkok (Thailand).

These innovation centers include a number of carefully developed environments, including: a "Discovery" space to explore opportunities in smaller teams; and an "Experience" space for larger groups (where we can also demonstrate our myriad new services); both these environments are optimized for Design Thinking sessions as new concepts are storyboarded. Atos is also rolling out Customer Experience Labs, AI Labs (developed in partnership with Google), a Theatre style area for larger events, and a collaborative working environment for day to day innovation projects undertaken with its clients and partners. On client request, in the UKI Atos have developed similar environments to support day to day innovation within their own businesses - for example NS&I (Glasgow) Aegon (Lytham), and the Nuclear Decommissioning Agency (Sellafield). And in Vienna, Atos have developed a working factory in partnership with the University to demonstrate the value of new and emerging technologies for the world of Industry 4.0.

Atos has evolved a variety of innovation formats to help its clients and own business to work through the innovation cycle. These have been optimized to suit the needs of different stakeholder groups, from Executive Management, to Operations, to Delivery teams. Atos continues to develop its capabilities in this area, including the global roll-out of our successful **Client Innovation team**. The responsibilities of this team include the planning and execution of our client innovation activities across the globe, such as our ground breaking StratHacks (Strategy Hackathons) which help Atos' clients at executive management level to explore their future business options enabled by new and emerging technologies.

The **Atos IT Challenge**, a competition on technological innovation between international students launched by Atos each year, dedicated its 2018 edition to Chatbots & Artificial intelligence. The three finalists developed solutions on how chatbots & AI can be applied in many areas, such as automated demand response applications for connected objects, a chatbot applied to the art market or a cloud-based chatbot for enhanced customer experience in the utilities industry. A special prize was awarded to a team that developed a chatbot to help Alzheimer sufferers to stay active and engaged through technology. For more information, please refer to www.atositchallenge.net

As you would expect, Atos also has several **dedicated R&D teams** evolving its core products services day to day, for instance in the Worldline payments business; across Atos' four key Pillars (Business Accelerators, Connected Intelligence, Digital Work Place and Hybrid Cloud) and also in High Performance Computing and in Cyber Security. These R&D activities are supported by its c1,500 Distinguished Experts, picked out for their advanced practitioner skills.

In 2018, Atos organized 297 **innovation workshops/events** (e.g. Innovation Workshops, StratHacks, Multi-Client events) [A10] around all geographies with more than 200 clients, promoted by the Global and/or Local Markets and Global and/or Local Divisions and delivered to its clients with the support of the Atos Scientific Community and Atos' network of Business Technology and Innovation Centers (BTICs). The objectives of these innovation workshops/events are to demonstrate Atos thought leadership, develop innovation awareness and position the Group as a strategic innovation partner for its clients.

D.3.5 Meeting sustainability challenges of clients through offerings

[GRI 203-1] [GRI 103-1 Indirect economic impacts]

Digital solutions are an enabler to meet sustainability challenges. They help clients to solve their own CSR challenges and to reach their objectives in domains such as Environment and Climate Change, Social Progress and Citizen Comfort, Research and Education, Security and Governance (Ethics trust and compliance) and Economic Development (business performance). Atos' ambition is to make the value added more tangible to the customer, in order to fully benefit from it.

Atos' CSR principles are totally embedded in Atos strategy, with internal medium-term extra-financial objectives, with innovative solutions enabling more sustainability, and with a collective intelligence supported by a worldwide outstanding ecosystem. This vision is at the heart of the Atos Digital Transformation Factory, Atos' solution framework for digital transformation.

D.3.5.1 Transformation Factory

[A12]

The Atos Digital Transformation Factory is the enabler for a future-proofed digital business, providing a structured and powerful approach to transformation that is linked directly to the challenges and opportunities being faced today by our clients:

1. delivering a superior customer experience through digital services;
2. creating operational excellence through digitally transformed ways of working;
3. reinventing the business through new, digitally blended models;
4. building trust and ensuring compliance in the new digital world.

The Digital Transformation Factory is based on four high-growth offers, bringing together Atos' powerful IT assets and deep understanding of digital to create end-to-end solutions to digitally transform businesses:

1. ensuring agile IT foundations with **Hybrid Cloud**. In response to growing digital demands, Atos takes responsibility for clients' cloud journeys, deploying the most adaptive blend between public and private cloud environments, and helping them create new services and transform their existing application portfolios, delivering innovation, flexibility and agility along the way;
2. enabling a real-time organization with **Business Accelerators**. These accelerators leverage the enterprise cloud environment to enable fast and agile creation of new services, speed up business processes, and enable a real-time, digital organization that maximizes management performance;
3. transforming data into business out comes with Atos Codex connected intelligence solutions. With deep domain knowledge and expertise, Atos designs, builds, runs and secures smart business services and data platforms with IoT, advanced analytics, AI and cognitive technology and solutions. These create insights and actions that help clients seize new revenue opportunities, deliver engaging customer experiences, improve efficiency and agility, and protect employees, citizens and assets;
4. better engaging client workforces with **Digital Workplace** and fostering collaboration with their own employees and customers. Business information needs to reach the right person, the right team, at the right time to be fully effective and profitable to an organization. Our strong consultancy-led methodology means we can accompany our customers as they move to the digital workplace, supported by all the tools, interfaces and devices they need to collaborate and communication in their new digital enterprise.

These services are underpinned by the powerful digital payment and e-transaction technology services provided by Worldline and by Atos' ability to ensure end-to-end cyber security for trust and compliance.

The Atos Digital Transformation Factory offers clients an accelerated journey to embracing digital. It is designed to help clients driving an end-to-end transformation, getting the best of digital innovation at each stage of the path. This platform plays a decisive role in addressing sustainable development, relying upon each offer domain to bring a part of the solutions.

D.3.5.2 Offering contributions to sustainability

[A7]

The Atos Digital Transformation Factory plays a decisive role in addressing sustainability challenges, as it contributes to many of them by the very nature of its underlying offerings, while providing a global scale solution, with an end-to-end approach:

1. Atos Canopy Orchestrated Hybrid Cloud leverages public and private cloud technologies as well as automation and orchestration. Cloud technologies generally involve smart and energy-optimized data centers, low-consumption servers and storage (which Atos also designs and manufactures), and smart placement of workloads to make full usage of available resources, with automated decommissioning of unused capacity. This offer has a positive impact on climate and environment, with lower carbon emissions and lower energy consumption;
2. Atos Business Accelerators is about creating new digital processes and maximizing their efficiency so to contribute to business reinvention and operational excellence. The positive out COme on sustainability is around the overall economic value created as well as the impact for the workforce and customers of simplified, fully-digital processes in the scope of the real-time enterprise;
3. Atos Codex connected intelligence solutions deliver business insights based on the analysis and processing of the vast amounts of data that enterprises collect and create through real-time mobile services as well as through deployment of IoT devices at scale. This results in new services being offered to customers and citizens, in business interactions as well as in public services such as healthcare and homeland security;

4. The Digital Workplaces provides significant improvements in communication and collaboration, fostering the deployment of user-focused efficient workplaces and allowing communities to better exchange information and ideas;
5. Atos security and payment solutions also greatly contribute to the development of trust in the digital economy, through compliance, security and personal data protection.

Reflecting the above, Atos is measuring the contribution of its mains strategic solutions to sustainability. The objective is to provide an estimated business value, supported by a formal evaluation process in coordination with the global offering leaders, with offering's experts providing their view.

In this respect, Atos carries out a formal and detailed analysis per domain (climate and environment, social impact and human well-being, economic development, governance - including ethics, trust and compliance), with each offer of the Digital Transformation Factory being rated over 24 criteria.

The chosen criteria are cross-matched with the 17 sustainable development Goals of the United Nations and are also fully consistent with the recommendations of the Global Reporting Initiative and OECD. The information is communicated through KPI [A7].

D.3.6 Shaping the future with business partners and ecosystems

[GRI 102-49] [GRI 203-1]

Digitization is reshaping the operating landscape for all businesses, creating digital shockwaves, which touch every aspect of an organization. This can either result in limitless opportunities and growth for some, or a matter of disruption and displacement for others. Clients look to Atos to help shape and deliver their digital transformation journey and the very essence of this journey is about innovation through technology to remain relevant and secure longevity. To best support its current and future clients, Atos has built one of the broadest innovation ecosystems for digital transformation.

Well-managed partnerships with best-in-class technology providers are critical to success in the digital services industry. Now more than ever, this is a crucial component to enable success in the new digital economy where the breadth, complexity, and pace of innovation is unprecedented. Therefore, Atos has built strong relationships with technological and industrial leaders as well as with innovative startup companies.

This powerful ecosystem is instrumental in delivering innovation and maximising economic value for our customers.

Through our Global Alliances and Channels organisation, we continue to nurture our ecosystem, strengthening our relationships with existing partners and alliances whilst forging new partnerships with technology leaders and emerging innovative players alike.

D.3.6.1 A trusted network of technological partners

Atos works hand-in-hand with selected world-class organizations to drive synergies and strengthen our own unique portfolio in consulting, solutions, and services. Leveraging the abilities of these industry leaders allows us to concentrate on our goal of adding growth to our customers' businesses. Through comprehensive, intelligent integration of partner product-based solutions and services Atos underpins and complements its own key strengths to maximize the value it delivers to its clients.

Some of Atos' key partnerships are outlined below. Atos' strategic alliances and partnerships enables it to effectively strengthen the sustainability aspect of its solutions and offerings. It selects best in class technology solutions from the partner ecosystem that are built on strong foundations of sustainability and complies with industry leading criteria. It also develops joint innovation initiatives with some of its key partners to further enhance the economic and business value of the solutions that it brings to market, as part of open innovation ecosystems.

In 2018, Atos has launched a new alliance with Google and powered progress with its global strategic Alliances including Siemens, Dell Technologies, SAP, and Microsoft.

The Atos-Google Cloud partnership in motion

Atos and Google Cloud have entered into a strategic partnership, announced on April 24, 2018, in order to accelerate the digital transformation of their customers globally, with a focus on large enterprises.

The strategic partnership enables Atos to bring enterprises new, secure business solutions encompassing Hybrid Cloud, Artificial Intelligence, Machine Learning and Digital Workplace as a start.

Atos provides additional end-to-end security solutions covering policy enforcement, compliance, security monitoring and remediation.

To accelerate product availability for customers, Atos has started establishing ML/AI customer innovation labs and R&D centers in the UK, with an official launch October 15, 2018, to be followed by labs in France and in the US. Atos will leverage expertise from machine learning engineers in Google Cloud's Advanced Solutions Labs to bring the latest advancements in ML to their customers.

SAP and Atos deliver the real-time entreprise

SAP and Atos partner together to help transform enterprises into real-time organizations. Atos optimizes business processes and foster new business models and opportunities through real-time services and high-velocity innovation.

Atos has end-to-end expertise in SAP-driven solutions strengthened by its 35+ year partnership with SAP. Leveraging a team of 12,950 experts in more than 40 countries and the experience gained in supporting more than 3 million SAP users. Atos has put in place over 6,200 implementations including one of the largest SAP HANA deployments to date using its best-in-class bullion™ appliances. Atos has over 2,190 consultants trained on SAP S/4HANA, and 40 SAP S/4HANA implementations ongoing.

Atos has been identified as a Leader in Nelson Hall's NEAT vendor evaluation for SAP HANA and S/4HANA Services Worldwide.

In 2018, Atos rolled out its Atos Orchestrated Hybrid Cloud for SAP, a range of cloud Managed Services for SAP environments, including SAP HANA. Atos also entered into an agreement with SAP to become one of its few partners offering the SAP Cloud Platform Private Edition, addressing customers with strong privacy and latency requirements.

Atos' approach also includes solutions in the areas of sustainability, helping clients to boost profitability with reduced energy consumption, improved product safety and stewardship, and safer workplaces.

Atos supports a comprehensive sustainability portfolio based on SAP software including environment, health, and safety management; risk management and compliance; sustainability reporting; and energy management.

Atos & Siemens, accelerating the future

Atos and Siemens share a strategic vision in digital transformation in the context of a partnership of mutual trust since 2011.

In 2018, the on-going joint innovation and investment Global Alliance roadmap 2020 has led Atos to strengthen its digital customer services for MindSphere, the cloud-based open IoT operating system from Siemens that enables customers to connect their machines and physical infrastructure to the digital world.

As a strategic digital partner to Siemens and Siemens MindSphere platinum business partner, Atos is expert in all aspects of the ideation, development and integration of MindSphere applications. Building on an extensive portfolio of use-cases and a growing catalog of their own MindSphere apps, Atos consultants are ready to help manufacturing clients accelerate time-to-value. The smart factory becomes increasingly data-driven, and Atos' MindSphere skills are complemented by depth of expertise in cloud, in the digital workplace, in real-time analytics, and cybersecurity.

Recently, Atos launched private cloud options for the MindSphere Cloud-based IoT Operating System. The Atos Codex Private IoT Platform, Powered by MindSphere, allows customers to deploy digital-driven business applications in a secure, managed private cloud infrastructure which ensures data compliance, performance and landscape integration.

Together both companies have already realized projects for several customers in Industry and Manufacturing where MindSphere is key for their Digitalization, while developing new digital use cases for various verticals worldwide like Food & Beverage or Transportation.

With the ambition to further accelerate their business collaboration which continues over-achieving the expectations by far, - Siemens and Atos have achieved a joint order intake of more than € 1.7 billion based on joint customers – both groups have decided to expand their joint innovation and investment program by an additional € 100 million, now totaling € 330 million. This will further support the Siemens and Atos IoT MindSphere-Codex strategic co-operation as well as the joint go-to-market.

Using the joint innovation and investment program as well as their advanced R&D capabilities, Atos and Siemens will further enhance their services especially in the fields of Additive Manufacturing, Data Analytics, Digital Twin, Service Enhancing Technologies, Cyber Security and Machine / Artificial Intelligence for the benefit of their customers and partners.

In the area of cybersecurity, Siemens and Atos are partners for the Charter of Trust (CoT) initiative launched in 2018. This initiative seeks to build trust in cybersecurity and drive digitalization forward. To date, 14 companies have joined the initiative alongside Atos and Siemens: AES, Airbus, Allianz, Cisco, Daimler, Dell, Deutsche Telekom, Enel, IBM, MSC, NXP, SGS, Total and TÜV Süd. Atos hosted the first Charter of Trust roadshow in France, taking the opportunity of their joint Digital Industry Summit 2018 with Siemens in October. Moreover, the Charter was brought to the attention of the "Paris Peace Call for Trust & Security in Cyberspace" during the 13th Internet Governance Forum 2018 in Paris.

Atos and Dell Technologies

The Enhanced Alliance between Atos and Dell Technologies is built on:

- joint investments to develop an extensive portfolio of services;
- an extensive training & certification program (Atos has 5,000+ trained experts on Dell Technologies products);
- dedicated joint resources, an integrated cross-company team;
- a governance at top Executive level.

Benefits to Customers are:

- more and faster innovation with access to Dell Technologies $ 5 billion R&D yearly investment;
- end-to-end commitment and accountability;
- faster time to issue resolution;
- less cost of complexity.

Atos and Dell Technologies have co-engineered best in class service solutions to help customers leverage the most innovative technologies. In the area of Digital Workplace, Atos solutions are leveraging Dell EMC technologies such as ECS, XtremIO, VNX, Dell Wyse Thin Client, and VMWare technologies such as Horizon, Workplace ONE, Airwatch. Atos Orchestrated Hybrid Cloud solutions are leveraging Dell EMC technologies such as EHC Block, VMAX, VNX, Isilon, DataDomain and VMWare technologies such as vRealize.

In November 2018, Atos and VMware announced an extended partnership with VMware to strengthen leadership in IoT Operations. VMware Pulse IoT Center will be integrated into the Atos Codex IoT Services management framework, to enable the uninterrupted flow of critical data between connected IoT devices, the Edge, the datacenter, and the Cloud.

The Alliance with Dell Technologies strongly contributes to the sustainable nature of Atos offerings. As explained above, the shared nature of cloud computing infrastructures drives IT efficiency, avoiding the duplication of resources and low utilization rates usually found in traditional IT. Additionally, the automation and standardization inherent to cloud computing allow the consolidation of resources and increase performance while also introducing greater flexibility and scalability.

Atos & Microsoft

Atos and Microsoft have been partners for over 20 years. Atos is a "Microsoft Gold Partner" with over 8,000 Microsoft certifications.

In recent years, Atos and Microsoft deepened their partnership to better support our client's digital transformation through the adoption of Microsoft Office 365 and migration to the Cloud leveraging Microsoft Azure.

Atos announced the launch of Atos Canopy Orchestrated Hybrid Cloud for Microsoft Azure Stack, a fully integrated hybrid cloud service, powered by DELL EMC platforms. The solution is a complete end-to-end cloud offering, bringing together the combined experience from Atos, Dell EMC and Microsoft to make it easier for businesses to manage workloads and build and share cloud-native applications across both private and public clouds.

Further, Atos now has a full portfolio of services leveraging Microsoft technologies including SAP HANA on Azure, *Codex* Analytics Fabric on Azure, Atos Cloud Foundry on Azure, and managed public cloud on Azure.

In the Digital Workplace domain, Atos is a leading player in Europe and North America. Atos specialises in building and deploying the most advanced & secure, collaborative work place environments through an effective end-to-end approach.

Key services for Digital Workplace include:

- Office 365 Collaboration Services;
- Unified Endpoint Management;
- Active Directory and Identity.

D.3.6.2 Accelerate open innovation with startups economy

One of the Atos's strengths is its ability to leverage on the worldwide startup economy to design unique solutions for its client. Since few years, the role of startups becomes essential to inspire large corporates companies and help them to stay ahead the pace of innovation. In addition, collaborating with young entrepreneurs rejuvenate collaborators' mindset, contributing to nurture their thoughts and enabling them to imagine pioneering solutions for their clients.

Joining their respective strengths, startups and Atos benefit all together from this close relationship. Atos incorporates last innovative technologies and fresh outlook in solutions meeting clients' expectations while the startup takes advantage of business acceleration, customers' visibility and worldwide footprint.

In 2018, Atos set many partnerships with startups showing its ability to identify worldwide the best of breed technologies to design innovative solutions for its clients. The relationship can take the form of equity shares or joint business solution. The domains of cooperation are covering multiple domains and technologies like fin-tech, energy efficiency, artificial intelligence, security or block-chain for instance.

D.3.7 Generating value with co-innovation and sustainable business solutions – KPI overview

[GRI 103-3 Customer privacy] [GRI 103-3 Energy] [GRI 103-3 Indirect economic impacts] [GRI 103-3 Emissions] [GRI 102-43] [GRI 102-44] [GRI 203-1] [GRI 302-5] [GRI 305-5] [GRI 418-1] [A3] [A7] [A10] [A12] [A19]

		2018	2017	2016	2018 PERIMETER		2017 PERIMETER	
GRI Standard Code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
102-43; 102-44	**Customer satisfaction survey**							
102-43; 102-44	Group Overall Customer Satisfaction (all clients part of strategic survey)	8.3	8.4	7.9	---	100%	---	100%
102-43; 102-44	Net Promoter Score for our top clients	45%	48%	48%	---	100%	---	100%
102-43; 102-44	Net Promoter Score for all clients	48%	Not disclosed	Not disclosed	---	62%	---	---
A10	**Initiatives regarding innovative services / product developments**							
A10_c1	Customer innovation workshops delivered in GBUs	297	290	290	---	100%	---	100%
203-1	**Development and impact of infrastructure investments and services supported**	Qualitative	Qualitative	Qualitative				
418-1	**Customer complaints**							
418-1_A1	Total number of material complaints regarding breaches of customer privacy and losses of customer data resulting in judicial action	0	0	0	---	100%	---	100%
A3	**Data Security Incidents**							
A3_c2	Percentage of Open Security Incidents open vs closed	6.28%	0.67%	1.54%	100%	---	100%	---
A3_c3	Percentage of employees who successfully performed the Safety & Security E-learning	93%	92%	89%	90%	---	90%	---
A3_c4	Percentage of employees who successfully performed the Data Protection E-learning	74%	93%	89%	90%	---	90%	---
A3_c5	Percentage of compliance to malicious code prevention	99.11%	99.20%	Not disclosed	100%	---	100%	---
A3_c9	Percentage of coverage of ISO 27001 certifications	100%	100%	100%	100%	---	100%	---
A12	**Business partners & ecosystem**							
A12_c1	Digital transformation factory revenue *(€ million)*	3,642	2,958	1,500	---	100%	---	100%
A12_c2	Share of revenue of Digital Transformation Factory and innovation offerings	30%	23%	12,96%	---	100%	---	100%
A12_c3	Percentage of new business generated with partners *(% of revenue)*	44%	Not disclosed	Not disclosed	---	100%	---	100%
A7	**Sustainable technologies and solutions**							
A7_total	Total Revenue of "sustainability offering" *(€ million)*	3,257	2,755	1,670	---	100%	---	100%
A7_c2	Percentage of revenue produced by sustainability offerings out of the total Atos revenue	26.57%	22%	14.42%	---	100%	---	100%
302-5	**Reductions in energy requirements of products and services**							
302-5_A	Global estimated average PUE for strategic Data Centers	1.62	1.60	1.62	---	100%	---	100%
305-5	**GHG emissions offsetting program**							
305-5_A_c3	Offsetting of all data centers GHG emissions *(%)*	100%	100%	100%	---	100%	---	100%
A19	**Waste Electrical and Electronic Equipment (WEEE)**							
A19_A9_b3	WEEE collected or recovered *(Kg)*	448,167	380,955	325,735	---	63.86%	---	50.87%
A19_A2_b3	WEEE professionally disposed *(Kg)*	448,086	378,437	325,619	---	63.86%	---	50.87%

A3: the e-learning excludes Germany.

A10: See the methodological note in "D.6 Scope of the report".

418-1: the threshold to report the complaints is now €300K.

D.4 Ethical & Governance excellence in Atos' sphere of influence

D.4.1 Atos Ethical & Compliance challenges

[GRI 103-3 Customer privacy]

Compliance with law & regulations

Atos places great importance in the principle that business should be conducted both profitably and responsibly. In that respect, it complies with applicable laws in different countries and ensures its employees as well as business partners do business the right way.

Due to its business model delivering IT products and services throughout the world, Atos is subject to a wide array of stringent regulations, particularly in the following fields: competition law, corruption, controls on exports of dual-use goods, data protection, human rights, international sanctions, fraud, harassment and discrimination and to a lesser extent money laundering and terrorist financing.

Competition

Competition authorities are active in almost every region of the world. Several factors should be considered by Atos, including, for instance, Atos' worldwide presence and thus the significant number of different authorities under whose jurisdiction it operates. Atos' current compliance program is essential to avoid substantial fines, and in some jurisdictions, such as the US, China and most of European countries, even criminal charges. To be efficient, Atos compliance program alerts and educates sales force; spots risks; encourages reporting of anticompetitive issues and deters risky conduct. Atos refuses that its employees or third parties when assisting Atos in developing business take part in an agreement, understanding or concerted practice which would contravene the applicable laws and regulations concerning anti-competitive practices.

Anticorruption

Atos, as other IT companies, faces high pressure from regulators around the world, and mostly in the US, UK and France regarding the fight against corruption, especially in high corrupted countries. Atos' compliance program has been strengthened to keep executives and sales forces aware and trained on these specific compliance risks, with the United Nations' Anti-Corruption Training Tool, and to encourage reporting of corrupt practices, through its global and local alert system. Being exposed internationally with evolving regulations, the Company could be materially adversely affected if it fails to maintain the business integrity and ethical behavior. As a participant to the United Nations Convention against Corruption, Atos subscribes to anti-bribery principles in "all its forms, including extorsion and bribery".

Money Laundering

As Atos is not a financial institution and therefore the Anti Money Laundering (AML) regulations are not applicable to the whole group, carrying out proper due diligence not only on customers but also on suppliers/business partners is standard practice. Anti-corruption laws, such as the UK Bribery Act, also emphasize the need to perform proper due diligence. Knowing who you do business with is key for a successful business relationship. Therefore, Atos compliance has enhanced its efforts to upgrade business partner background checks.

Sanction & Embargo

The versatile evolution of the regulation and the aggressiveness of relevant authorities compel Atos to scrutinize with extreme vigilance any business option with countries subject to sanctions, such as Iran, Crimea, Libya, North Korea, Sudan, Syria, but also Cuba, Myanmar and recently Venezuela, whether or not it is a direct or indirect, and most of all independently of the implication of well-known partners. So, more than ever, compliance with trade regulations including export control goods is not only about complying with relevant regulations but also anticipating the reputational risks caused by accepting business in certain regions, with certain governments and for the sale of certain goods or services. It also compels Atos to be vigilant on the ever-evolving classification of the components and products in its catalogue, either military or dual-use, and the consequences on their exportability (for products such as the dual use BullSequana X1000 Supercalculator).

Ethics

As digitalization disrupts society, concern is growing about ethical subjects and notably how the use of algorithms affects Atos employees. The impact of digitalization which is the core of Atos activities is one of the challenges that Atos Global Compliance tackles. As Human Capital is the basis of Atos business, the Company could be materially adversely affected if Human Rights are not applied within the organization.

To better comply with these challenges, Atos Global Compliance organization has set up a simplified and robust ethics and compliance program management that puts an emphasis on the involvement of Atos top managers, fostering their own compliance organizations with the support of compliance officers, and allows Atos ethics & compliance to gain in credibility, effectiveness and capacity to infuse throughout the whole Group.

Atos ensures that in their decisions, and actions, Atos employees act in good faith, such as refraining from acting in an inappropriate manner of any kind, including disparaging services provided by Atos to its clients and misappropriating the use of Atos services and assets for personal benefit.

D.4.2 Atos Ethics and Compliance Management

D.4.2.1 Atos Ethics and Compliance Program

[GRI 103-1 Anti-corruption] [GRI 103-1 Compliance] [GRI 419-1] [GRI 103-1 Socio-economic compliance] [GRI 102-12] [GRI 102-25]

Atos has put in place a strong corporate governance, following the best standards but also by innovating on several dimensions.

Tone from the Top Compliance Strategy

As a tone from the top organization, Atos Group Executive Committee is tasked with determining the direction and priorities of the ethics and compliance actions plan, allocating the necessary resources and monitoring, on a yearly basis, with a quarterly report.

In addition, Atos has appointed in 2012 an Ethics Committee, composed of independent and highly respected external professionals, that are tasked to strategize on the role of ethics generally, and particularly within Atos' operations. The Ethics Committee is sponsored by the Group Chief Executive Officer and supported by the Group Chief Compliance Officer and the Group General Secretary.

On a day to day, Atos compliance activity is led by Global Compliance department's that defines Atos compliance strategy, supports local Compliance Officers, launches, leads or supports investigations, consolidates and ensures global consistency of Atos compliance activities, and ensures that the Atos Global Ethics & Compliance Policy is implemented appropriately within global and local entities.

Chief Executive Officers empowerment

On September 15, 2017, Atos Group Executive Committee validated a Global Ethics & Compliance Policy that defines Atos CEO's objectives in the following key compliance matters: competition, corruption, controls on exports of military and dual-use goods, data protection, human rights, international sanctions, money laundering and terrorist financing, conflicts of interest, fraud, safe and ethical workplace.

Per Atos Global Ethics & Compliance Policy, Atos Divisions and functions entities CEO's are responsible for Atos Entities Compliance's organization. They defend and promote Atos Group's values and lead by example in terms of business integrity, appoint a Compliance Officer and ensure that it has the qualifications, resources and powers to perform its duties, control that Atos Ethics & Compliance Global Policy is fully implemented within their entities and that all of its employees know and respect Atos' Code of Ethics.

Compliance Officers worldwide active network

The local entities' CEOs have appointed during 2017 Compliance Officers to support CEOs in this task. Local Compliance Officers define and foster a practical compliance, close to business realities, and easily accessible to all employees. They are expected to sit at entities Executive Committees on a regular basis to draw attention of executives on compliance risks and duties, raise potential issues, and support top managers in fostering business integrity culture within their entities. They elaborate entities compliance risk mapping, develop mitigation action plans accordingly, manage compliance and ethics alerts including performing investigations as independent body, and report to local Executive Committees and Global Compliance department.

Ethics & Compliance risk management process [GRI 102-16] [GRI 102-17]

Atos has established a Legal & Compliance risk management process, fully integrated into Enterprise risk management (ERM) in 2016. This risk management process consists of evaluation by members of the Atos Legal, Compliance and Contract Management department and relevant non-legal stakeholders (Human Resources, IT, security) of a series of Legal & Compliance risks (i.e. risks with a legal cause) allowing Atos entities to implement adequate remediation measures where necessary to understand how the risks identified are perceived within the organization. As integrated into Atos Enterprise risk management, the results of the Legal risk management exercise are presented to the Audit Committee of the Group, with a clear mapping of the legal risks of the Group.

The review of core legal and compliance issues in assessing business opportunities is an important part of the overall risk assessment framework.

Atos Compliance department also elaborates a specific Compliance Risk Mapping which is filled out by all GBUs' and Divisions' Compliance Officers with their management, leading to a Compliance Risk Heatmap allowing Compliance Officers to identify clearly the main compliance risks within their areas of responsibility and related mitigation actions to be put in place.

Atos Group Compliance department defines a plan of vigilance ("plan de vigilance") around the four main topics provided for in article L. 225-102-4 of the French Commercial Code: Human Rights, Health, Safety and Environment. These risk categories are also included into the compliance risk mapping, performed for the first year in 2017, through specific questions. This new version of the compliance risk mapping is now used by all Atos Compliance Officers since 2018.

Ethics & Compliance Risk Mitigation Action plans

Ethics & Compliance risk mitigation actions are:

- setting the right policies and processes to prevent compliance infringements;
- ensuring employees business partners and customers are aware of respect these rules;
- enhancing employees alert & speak up culture on ethics and compliance potential concerns;
- and performing compliance controls.

Atos Code of Ethics, Ethics & Compliance Policy and Processes [GRI 102-16] [GRI 102-17]

Code of Ethics

Atos Code of Ethics which introduces Atos' commitment to comply with highest standards of business integrity, business ethics and latest regulations, was approved by Atos Group Board of Directors. The Code has been attached to all employment contracts concluded as from January 1, 2011, and demonstrates promotion of ethical excellence at the highest level of Atos Group.

The Code of Ethics introduces a direct reference to Atos Corporate Values, establishing ethical practices as a backbone of the Atos corporate strategy: Responsibility, Trust, Sustainable competitiveness, Service quality and listening to clients, Innovation, Wellbeing@work, Excellence. Integrity implies that Atos treats its employees as well as third parties with integrity, based on merits and qualifications prohibiting any form of discrimination.

The Code of Ethics also reminds employees the need to act honestly, impartially and with integrity in their day-to-day work, and in compliance with the legal framework applicable to each country where Atos conducts its business. This principle of Suppliers, partners and third parties who assist Atos in its business activities must formally commit to respecting the principles of the Code of Ethics.

Furthermore, employees are asked to inform the Company in the event they would be in a situation of conflict of interest with competitors, clients or suppliers of Atos.

Ethics & Compliance Policy and Processes

Atos has created a body of internal rules that aims to ensure compliance with national and international laws and regulations, in support of Atos' Code of Ethics principles relating to business integrity [GRI 205-3].

The Global Ethics & Compliance Policy together with the related procedures, guidelines and materials, form the framework of the Atos Compliance Management System designed to achieve these values throughout Atos and its operations.

In 2018, the alert and investigation policy has been reviewed around a two-tier system. The Group Compliance organization is in charge to receive and investigate alerts along with relevant function departments at a global level whereas at local level, a network of Compliance Officer is responsible of dealing with alerts.

Atos is continually reviewing its internal compliance rules to ensure adherence to laws and regulations, as well as relevance and usefulness in guiding the behaviors of its employees and key stakeholders.

Atos Ethics & Compliance Awareness Strategy [GRI 102-16]

Group Compliance, together with local Compliance Officers ensure that new policies, procedures or tools are appropriately communicated within the entire Group, with specific communication and training sessions.

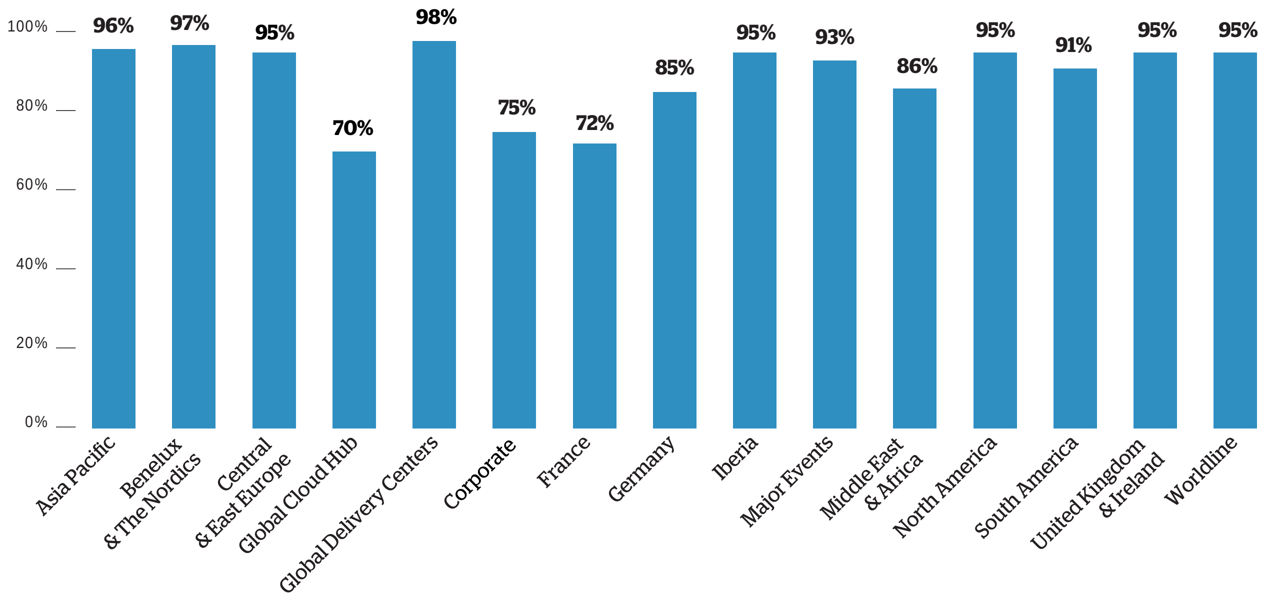
Through the Atos Enterprise Social Network, Group Compliance creates an up-to-date communication channel directly with employees who can join a specific community, called "Atos Group Compliance", to learn about Atos policies, be informed about training sessions, and receive a weekly compliance newsletter with interesting information on compliance and ethics.

In 2017, the launch of a new specific e-learning on the Code of Ethics has made it possible for Atos to achieve another step in the improvement of its compliance program. This training on the Code of Ethics' principles ensures a better understanding of the Code of Ethics and promotes fair practices in the daily business activities. This e-learning is mandatory for all employees, regardless of their job, function, country, or hierarchical level.

To complement the e-learning module on the Code of Ethics, specific classroom training sessions on the Code of Ethics are organized in some Business Units for top managers: ETO²S training ("Ethics in Tier One Organization School") presents the responsibilities and the risks of non-compliance for Atos and the managers related to the principles of the Code of Ethics, explains Atos policies and processes which ensure compliance with these principles, and gives concrete examples of ethical behaviors of manager in their daily work.

In 2018, 92% of employees completed the e-learning on the Code of Ethics [GRI 205-2].

NUMBER OF PEOPLE WHO COMPLETED THE E-LEARNING ON THE CODE OF ETHICS IN 2018
[GRI 205-2]



In addition, to ensure a deeper understanding of the specific risks related to corruption, as part of CSR Ambition 2019, Atos has launched since 2017 the "Fight Against Corruption" training. This training elaborated by the United Nations and available online is composed of 4 introductory messages followed by six modules of five minutes each. It allows a deep understanding of the UN Global Compact's principle against corruption and the UN Convention against Corruption as it applies to the private sector. Thus, the six learning modules cover:

- gifts and hospitality policy, received or given;
- facilitations payments;
- intermediaries and lobbyists;
- social investments;
- insider trading.

The objective is to ensure that all Managers of Atos will be trained by the end of 2019 to this specific e-learning. Such training will also be demanded to targeted people (sales, procurement) in the countries in which a corruption risk is identified through self-assessment by the management and compliance officer or when a risk of non-compliance with internal processes has been pointed out after a country audit [GRI 205-2] [GRI 205-3].

Atos approach is to identify employees most exposed to risks of compliance (trade regulations, antitrust, harassment and discrimination or conflict of interests) and to give them training sessions. In this perspective, Atos proposes a serie of e-learnings focusing on these specialties.

Atos Ethics & Compliance alert system

Atos Code of Ethics establishes the right of all employees to raise an alert in the event of a suspected non-compliance with the values and principles of the Code of Ethics. The Code of Ethics alert system has been established in compliance with the requirements of the French Data Protection Authority [GRI 102-17]. Local General Counsels, management, and Group Compliance are points of contact for any employee raising an alert, ensuring that the rights of employees, and the sender or subject of the alert, are protected accordingly. The Atos Group alert system, in its new version elaborated in accordance with the Sapin II law, includes breaches regarding the duty of vigilance.

Any allegations of non-compliance detected within the Company are to be reported to the Head of Compliance and/or to the Group Head of Internal Audit, who will launch the Internal Investigations procedure [GRI 102-33].

A reviewed alert system was launched in 2018 within the entire Group. To stay under the scope of the CNIL's unique authorization "AU-004", the updated alert system will process all the matters listed within the AU-004, it will be made available to internal and external employees, as well as partners, and will be communicated individually to all employees and to a broader audience through Atos website.

The Ethics Committee was consulted on the evolution of Atos Group Alert System to determine whether an externalization of the procedure is necessary or if it is believed to be best handled internally by the Group Legal Compliance Team.

Such Internal Investigations are properly tracked at corporate level, and communicated to Group Executive Committee, through the annual review of internal investigations during a Group Compliance Steering Committee meeting.

For 2018, between 50-100 ethical alerts were reported and monitored at the Group Compliance level [GRI 102-34].

Atos Ethics and Compliance Controls & Due diligences [GRI 419-1] [GRI 205-3]

Controls

Compliance internal controls are put in place and managed by Internal Control Team. Since 2017, all audits performed on a country include audit checkpoints related to compliance risks. Internal controls were enhanced through a Compliance Officer Dashboard, which includes several actions to be put in place in connection with the compliance risks spotted at local level: this tool let Compliance Officers to monitor the progression of completion of each action.

Some Internal Audits are performed on compliance matters, and Internal Audits on specific regions, countries or activity include compliance checks.

In 2018, no significant fine for non-compliance with laws and regulations was levied against the Group [GRI 419-1]. No client or supplier claim related to Atos legal compliance fields was levied against the Group [GRI 205-3].

Due diligences

Atos Business Partners, including agents, intermediaries, consortium partners and consultants assisting Atos in developing and retaining its business are subject to a due diligence and validation process supported by an automated tool, the Business Partner Tool (BPT). The BPT collects the various elements necessary for the performance of a risk analysis based on corruption, sanctions and unethical practices. Then the business partner is reviewed for approval by different approvers, according to the level of risk.

Regarding suppliers and subcontractors, some compliance checks are performed at different levels. On ongoing screening is performed on main 250 suppliers of the Group.

In addition to the CSR assessment performed by EcoVadis on Atos suppliers, and pursuant to French Duty of Vigilance regulation provided for in article L. 225-102-4 of the French Commercial Code, it was decided to integrate all potential Atos suppliers and subcontractors into the Business Partner Tool which supports the due diligence and the validation of potential business partners; such tool has been reviewed and modified during the first semester of 2018.

A campaign of trainings around live sessions has been launched for sales, legal counsel and Compliance Officers. Approximately 400 Atos employees are involved by the tool.

In 2018, Atos reinforced its compliance approach within the business opportunities. Global Compliance department has combined a multi-disciplinary body composed of Legal and Compliance, Finance, Security, Insurance, Rainbow, and Internal Risks to set up a monitoring of Atos' operations in 124 countries identified as representing a compliance risk. Atos operations in those rated countries will be closely monitored.

Another way to reinforce the compliance within the business opportunities is the integration of those questions into the tools and templates used by the operatives. For instance, Compliance requirements are being integrated into the *Sales Force* process, allowing the user of the process to have all the tools at hand to perform an efficient due diligence, without hindering its mission.

Plan Duty of Vigilance

1° Cartography of risks

Since 2018, and in line with French Duty of Vigilance regulation provided for in article L. 225-102-4 of the French Commercial Code, Atos risks related to Human rights infringements are now part of Atos Compliance Risk Mapping performed every year by all GBUs' and Divisions' Compliance Officers with their management, within their geographical scope and areas of responsibility.

Atos monitors environmental and health risks through the Enterprise Risk Management Process (monitoring main risks that can impair the achievement of the Group's objectives in Environment).

Atos' Information Security Management System (ISMS), built in 2001, is mandated across all Atos legal entities. This includes at a level that allows Atos staff worldwide to understand and comply with, to be consistent in structure & terminology and easy to use & maintain. This is supported by a streamlined document review and approval process.

2°Procedures for regularly assessing the situation of subsidiaries, subcontractors or suppliers with whom an established commercial relationship is maintained, with regard to risk mapping

Pursuant to section Atos Global Ethics & Compliance Policy, Atos Business Partners, including agents, intermediaries, consortium partners and consultants assisting Atos in developing and retaining its business are subject to a due diligence and validation process supported by an automated tool, the Business Partner Tool (BPT). Integrity check are done on the proposed business partner before any commitment is made, with the support of Atos Business Partners Tool. If any doubt or risk is identified during integrity checks on proposed partners, compliance department carries out an in-depth assessment of the nature of the risk and its consequences.

In addition, since 2009 Atos requests its suppliers to hold an assessment by EcoVadis no older than 24 months during the Atos- supplier contract period. EcoVadis is a global sustainability rating agency that delivers CSR assessments which allows to ensure Atos of its business partner's ethics. The EcoVadis assessments are carried out on four topics: Environment, Labor practices, Fair business practices and Sustainable Procurement. EcoVadis CSR experts analyze and rate the supplier. Suppliers with insufficient score (below 40/100) are encouraged to implement corrective action plans and to be re-evaluated after 12 months.

3° Appropriate actions to mitigate risks or prevent serious harm

Atos released in 2018 its Human Rights Policy Statement that sets its commitments, acting fairly in its labor and employment activities, and conducting business in an ethical and sustainable way, in all of its spheres of influence: employees, customers, partners, and across the supply chain.

In practical and additional terms, Atos Global Ethics & Compliance Policy (section 3.5) strictly prohibits employees, partners, subcontractors, and agents from engaging in human trafficking-related activities and requires that Atos Managers ensure that within their entities:

- a clause is inserted in every contract with a partner that entitles Atos to terminate the business relationship immediately and without penalty if the partner or its subcontractors is engaging in human trafficking-related activities;
- a monitoring and alert system is set up throughout the relationship with the partner, to detect any human trafficking-related activities, and to respond appropriately to anything that raises any reasonable suspicion of such behavior;
- in case of any doubt or risk is identified, input must be sought from global or entities compliance to carry out an in-depth assessment of the nature of the risk and its consequences.

Atos entities also ensure that a monitoring and alert system is set up throughout the relationship with the partner, to detect any human trafficking-related activities, and to respond appropriately to anything that raises any reasonable suspicion of such behavior.

In March 2018 Atos released a revised and upgraded Atos Suppliers Charter renamed "Atos Business Partners' commitment to Integrity". Pursuant to this charter, Atos partners adhere and commit themselves to respecting detailed rules regarding the Environment and Humans Rights, that include prevention against discrimination, child labor, forced or compulsory labor, compliance with working hours and wages laws, and preservation of a safe and healthy work environment.

Atos partners acknowledge that their non-compliance can be a breach of their contractual obligations, such as to entail, according to its gravity, the termination of the contract. Atos partners are required to put in place adequate internal procedures to ensure that their officers, employees and subcontractors are trained and comply, notably, with the rules detailed in the business partners commitment to integrity. Atos partners undertake to notify Atos in a timely manner of any suspected violation of the Atos Business Partner Integrity Commitment that might impact its relationship with Atos, whether it is allegedly committed by Atos employees or partners, or the business partner's employees.

Atos also expects its partners to use the Atos Alert System. In addition, an Atos Business partner must allow the Atos Ethics & Compliance Team to perform an on-site audit to ensure that it has adequate internal procedures to fulfil its integrity commitment.

Atos Environment Global Team defines appropriate actions to mitigate risks through a wide array of complementary tools and processes: Environmental Program action plans, the EMS (Environmental Management System) and the ISO14001 certification covering Atos main sites.

Atos has implemented an agreement related to Psychosocial risks which has been considered by the public authorities and social partners. This consists in preventing any stressing conditions, improving health and security of the employees.

Following a Health@work blueprint being drawn up in 2016 a new framework has been developed that has 'care' built into its centre. This has been drawn up with the aim of ensuring everyone in Atos understands the importance of looking after and caring for colleagues, and managers show positive team-oriented behaviors. This pillar of 'care' is highlights best practice whilst considering the local legal and social factors in each Country.

The purpose of Atos Physical and Environmental Security Safety is to protect Atos and its customers' assets and information from all threats, whether internal or external, deliberate or accidental. This policy is also a support to the protection of information. It is imperative to implement and control adequate physical & environmental security measures, from basic security measures (Logistic & Housing) to security perimeters (welcome zone to high protected zone).

4° A mechanism for alerting and collecting alerts relating to the existence or occurrence of risks

Atos Code of Ethics establishes the right of all employees to raise an alert in the event of a suspected non-compliance with the values and principles of the Code of Ethics as well as any law or regulation. The Code of Ethics alert system was updated in 2017, to comply with French Sapin II Regulation and subsequent orders, and the French Data Protection Authority guidelines, following Atos external Deontologist Committee review. The updated Code of Ethics was presented to Atos trade union organizations, and ultimately validated by Atos Executive Committee and Atos Board Members. Note that Atos Board Directors includes a member of the European Societas Europaea (Atos global trade unions body).

Pursuant to Atos Alert System, Management, and Group Compliance Officer are points of contact at a Global Level for any employee raising an alert, ensuring that the rights of employees, and the sender or subject of the alert, are protected accordingly.

Note that in addition to the Global Ethics Alert System, Atos is currently setting up one local Ethics & Compliance Alert system for each geographical Global Business Units and each division which amount to more than twenty alert systems to deal with potential alerts on human rights infringements. Any allegations of non-compliance detected within the Company are to be reported to the Head of Compliance and/or to the Group Head of Internal Audit, who will launch the Internal Investigations procedure.

5° A system for monitoring the measures implemented and evaluating their effectiveness:

Compliance including environment and safety internal controls (Book of Internal Control) are put in place and managed by Internal Control Team. Since 2017, all audits performed on a country include audit checkpoints related to compliance risks. Internal controls were enhanced through a Compliance Officer Dashboard, which includes several actions to be put in place in connection with the compliance risks spotted at local level: this tool allow Compliance Officers to monitor the progression of completion of each action. In addition, since 2017, a review of all ethics & compliance alerts is reported to Atos Board through Atos Global Compliance Annual Review presentation.

Atos has implemented an agreement aiming at setting a committee which manages and organizes meanings allocated to social matters (medicals, hiring, dismissing). This committee includes 12 persons.

D.4.2.2 Tax evasion

Tax compliance

Atos is committed to full compliance with tax law and practice in countries where the Group operates.

In this respect, Atos pays taxes in the jurisdictions where business activities generate profits and value is created. This behavior is achieved in accordance with domestic and international rules and standards as well as applying the OECD principles to transactions within the Group.

Tax risk management

Atos seeks to reduce the level of tax risk arising from its operations by ensuring that a strong care is applied in relation to all processes which could affect compliance with its tax obligations.

Towards tax planning the Group takes benefit of available tax incentives, reliefs and exemptions in line with tax legislation and the business of the Group.

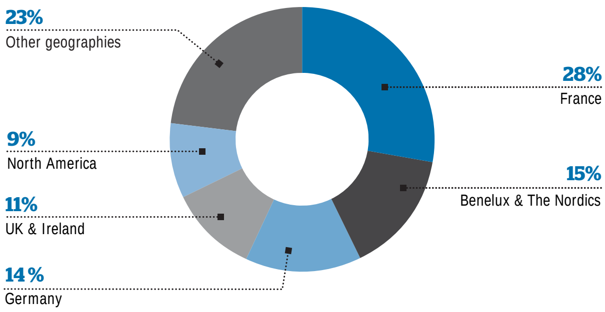
Tax transparency

In order to prevent any case of tax avoidance, where tax law is subject to interpretation, the Group may seek a written opinion so as to support the decision-making process or may engage transparent discussions with tax authorities to secure alignment on interpretation of tax rules.

Allocation of taxes and social contributions

In 2018 the Group expenses related to taxes and social contributions is amounted to € 1,340 million.

The allocation by geography is detailed below:



D.4.3 Ethics in the Supply Chain

[GRI 103-1 Procurement practices]

D.4.3.1 A permanent dialogue with Atos suppliers

[GRI 102-9]

Atos Global Procurement is a matrix organization divided in 3 areas both at Global and Local levels:

- category management;
- bid support;
- operational and transactional procurement including process support.

These three levels are working together to ensure consistent supplier relationship management within Atos. This means the constant and sustained implementation of the following activity by the relevant Category Manager, Lead Buyer or Business Unit Buyer, for global and key local suppliers:

- supplier selection & supplier qualification;
- project or Bid supplier selection;
- supplier relationship management (QCDIMS: Quality, Cost, Delivery, Innovation, Management and Sustainability).

Atos Global Procurement has taken the lead, on the development of purchasing with sheltered workshops ("Entreprise Adaptée" and "Etablissement et Service d'Aide par le Travail": French companies employing at least 80% of disabled people) for France. This initiative is ongoing since mid-2014 and not only in France, but also in Belgium and Spain.

In 2018, in Atos France and Worldline France, spend with sheltered workshops was € 562K.

In Spain, thanks to the involvement of the Atos local procurement team, spend with sheltered workshops ("Centros Especiales de Empleo") spend was € 2.26 million in 2018.

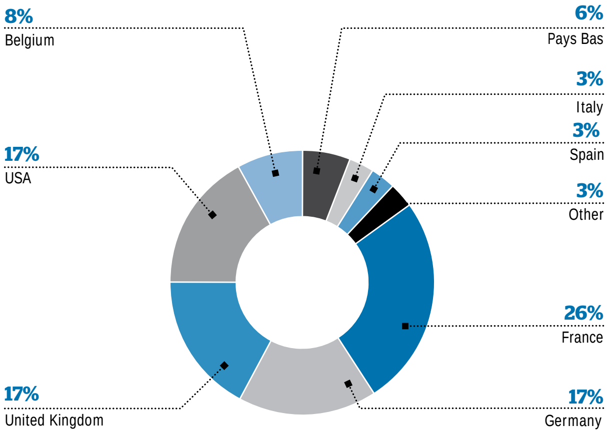
In Worldline Belgium the terminal business € 3.13 million is spent with sheltered workshops. This is the Company where Atos terminals are customized and packed prior to delivery to the customers.

During 2018 some acquisitions were fully integrated: First Data, Digital River & CVC. Through these integrations the procurement organization focused on finding synergies from supplier rationalization, renegotiations and process & policy standardization.

As stated in the Atos 3-year plan 17/18/19' one, objective of the Atos Procurement organization is to concentrate spend on fewer suppliers (Globally and at Country level), thus reducing the number of suppliers to manage. By the end of 2018, 80% of Atos total spend should be transacted with 450 suppliers – this figure is actually 567 mainly due to our inability to rationalize real estate vendors (very location specific) and due to recent acquisitions (Syntel & Six) though 77.1% of spend is with 450 vendors.

In the 66 countries where Atos Procurement is operating, 6 countries (United-Kingdom, Germany, France, Netherlands, USA and Belgium) represent 78.1% of spend while 50 countries represent less than 6.8% of the total spend. The 8 largest countries representing 83.8% of Atos spend are under control in terms of sustainability and all located in Europe and North-America.

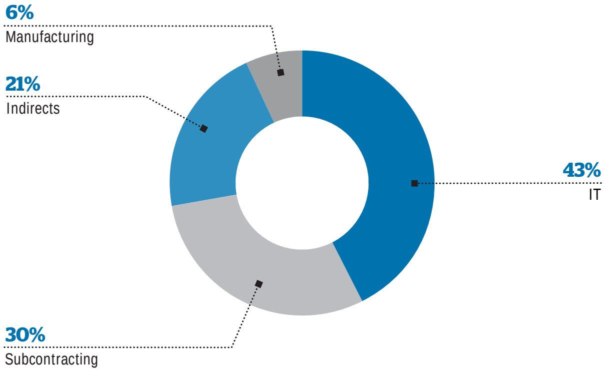
ATOS SPEND 2018 BY COUNTRY
[GRI 203-2]



Since Atos is a service company, a large part o its purchases are concentrated on people-related categories. Indeed, 29.8% of Atos total spend is dedicated to Staffing & subcontracting. Indirects including Facility management and Professional services, it represents 20.7% of Atos total spend. These categories indirectly generate employment in countries where strong labor laws are in place. On the other hand, IT spend represent 43.1% of Atos total spend and is sourced from the largest IT Tier-One suppliers, which are all fully in line with Atos sustainability objectives.

Manufacturing in Atos now represents 6.4% of spend and is mainly sourced from ECMs (Electronic Contracts Manufacturing) and or tier one suppliers though a small proportion of spend is sourced from a supply chain in Asia Pacific.

ATOS' SPEND 2018 BY CATEGORY
[GRI 102-9]



Finally, although Global Procurement team aims to centralize spend and sign global agreements with larger suppliers, 85% of the delivery of goods and services are done at local level, reducing our impact on the environment. This is explained by the usage of vendors located in numerous countries or the usage of distributors for IT materials [GRI 204-1].

D.4.3.2 Enhance Sustainable relation

[A17]

The Atos Business Partner's Commitment to Integrity is distributed to all suppliers participating to a request for proposal process with Atos and is its key clauses are incorporated in our contracts. The Business Partner's Commitment to Integrity's objective is to capture principles and actions undertaken by Atos Procurement department for Corporate and Social Responsibility. It advises Atos' suppliers to follow the principles of the UN Global Compact in the areas of human rights, labor, environment, anti-corruption and the related non-compliance clause throughout the whole contract lifecycle with Atos. If a supplier does not accept to respect the Atos Business Partner Commitment to Integrity because they have their own charter in place, Atos expects their charter to be at the same level in terms of principles as the Atos one. In the context of Request for Proposals, suppliers are also informed that they should respect and accept these principles as a prerequisite to be able to work with Atos. Also, they should be prepared to be assessed in depth by EcoVadis on their Corporate Responsibility performance at any time during their contract with Atos.

As explained in section D.4.3.1, Atos Procurement's objective is to strengthen the relationship with strategic suppliers (Top 250) and have all of them assessed by EcoVadis on their Corporate Responsibility performance by end of 2019. Atos also encourages the suppliers to hold an assessment no older than 24 months during the Atos- supplier contract period. The EcoVadis assessments are carried out on four topics: Environment, Labor practices, Fair business practices and Sustainable Procurement. Suppliers are asked to answer to a detailed questionnaire about their engagement in Corporate Responsibility and required to provide documents as proof supporting their answers. After filling in the survey, a team of EcoVadis CSR experts analyses the answers and documents in detail, in order to give a global score (out of 100), and a score per topic and detailed comments including improvement schemes.

In 2018, 138 suppliers have been scored or reassessed by EcoVadis representing 57.3% of the total spend and 55% of our strategic suppliers [A17] [GRI 205-1]. The selection was based on the level of spend, the category risk level and the geographic risk. With the usage of ZEN (Atos ESN), the entire purchasing community is aware about the relationship with EcoVadis and the status of the ongoing assessments of strategic suppliers. In total, at the end of 2018, Atos had a vision on 281 suppliers EcoVadis scorecards.

The average score is 55.6% which confirm the following assessment:

- a structured and proactive Corporate Responsibility approach;
- policies and tangible actions on major topics;
- basic reporting on actions or performance indicators;
- Company embraces continuous performance improvements on corporate responsibility and should be considered for a long-term business relationship.

Suppliers with insufficient scores (below 30/100) are encouraged to implement corrective action plans and to be re-evaluated after 12 months. In 2018, less than 0.26% of our panel had low scores, usually because of a misunderstanding of EcoVadis assessment process and platform. However, if a supplier refuses to participate to EcoVadis assessment or is not willing to cooperate with Atos to improve its CSR performance this will, in most cases, lead to less or no contracts being placed with that vendor.

In 2018, Atos also has been reassessed by EcoVadis on its Corporate Responsibility performance and obtained the score 78/100, keeping up to the previous year's high standard.

D.4.4 A trusted partner for the benefits of the local ecosystem

[GRI 201-1] [GRI 203-2] [GRI 103-1 Economic performance] [GRI 103-1 Indirect economic impact]

Atos, a people company, focuses its contribution to progress and enhancement of society in three main areas of action: Education and Knowledge equality, Youth Empowerment, insertion & employability and Digital Inclusion.

Atos expanded its global corporate citizenship framework with local actions across several geographies prioritizing on building long terms partnerships with Universities, NGOs at local level.

In 2018, 2,118 employees took part in several programs worldwide. The initiatives ranged from social engagement through free IT teaching, volunteering in schools in deprived areas, delivering ICT projects, to sporting activities that help raise funds for social initiatives.

In total, Atos has spent € 3.89 million on funding for social communities in 2018. This amount includes the donations to charity and social communities, plus the commercial initiatives and the community investments as defined in the London Benchmark Group (a reference model used for by Atos to report on the Social Contribution) [GRI 203-1]. A total amount of € 90 million was received in financial assistance from governments in 2018 [GRI 201-4].

To find out examples of Corporate citizenship's actions taken at local level, please refer social initiatives illustrated into pages of the Integrated Report 2018.

D.4.5 Ethical & Governance excellence in Atos' sphere of influence – KPI overview

[GRI 103-3 Diversity and equal opportunity] [GRI 103-3 Anti-Corruption] [GRI 103-3 Socio-economic compliance] [GRI 103-3 Procurement practices] [GRI 103-3 Employment] [GRI 103-3 Market Presence] [GRI 103-3 Economic performance] [GRI 103-3 Indirect economic impacts] [GRI 102-28] [GRI 201-1] [GRI 201-4] [GRI 202-1] [GRI 202-2] [GRI 203-2] [GRI 204-1] [GRI 205-1] [GRI 205-2] [GRI 205-3] [GRI 401-1] [GRI 405-1] [GRI 419-1] [A17]

		2018	2017	2016	2018 PERIMETER		2017 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
	Corporate Governance							
405-1	Percentage of female in Governance bodies (Board of Directors)	50%	50%	45%		---	100%	---
102-28	Attendance rate at Board meetings	84%	91%	Not disclosed	---	100%	---	100%
205-2	**Percentage of employees trained on the Code of Ethics**							
205-2_B_b1	Number of employees trained in code of ethics - (Elearning + Classroom)	74,845	85,609	72,584	90%	---	90%	---
205-2_D_b1	Number of management employees trained in Code of Ethics - Classroom	366	731	642	100%	---	100%	---
205-2_D_b2	Number of targeted management employees	1,223	1,085	1,311	100%	---	100%	---
205-2_D_c1	Percentage of management employees trained in Code of Ethics - Classroom	30%	67%	49%	100%	---	100%	---
205-2_E_b1	Number of employees who successfully completed the web based Code of Ethics training	74,479	84,878	71,942	90%	---	90%	---
205-2_E_c1	Percentage of employees who successfully completed the Code of Ethics´ elearning	92%	91%	86%	90%	---	96%	---
419-1	**Significant fines for non-compliance**							
419-1_A1_c1	Total value of significant fines *(higher than € 100K)*	0	0	160,000	---	100%	---	100%
419-1_c3	Number of significant fines (higher than € 100K)	0	0	1	---	100%	---	100%
205-1	**Total number and percentage of operations assessed for risks related to corruption**	Qualitative	Qualitative	Qualitative				
205-3	**Actions taken in response to incidents of corruption.**	Qualitative	Qualitative	Qualitative				
205-3_A1_c2	Number of claims with clients or suppliers related to corruption, higher than € 100,000	0	0	0	100%	---	100%	---

GRI Standard code	KPI Name	2018 GROUP	2017 GROUP	2016 GROUP	2018 PERIMETER Per employee	2018 PERIMETER Per revenue	2017 PERIMETER Per employee	2017 PERIMETER Per revenue
A17	**Supplier Screening**							
A17_A_c0	Number of strategic suppliers assessed by EcoVadis	138	131	103	---	99.99%	---	99.89%
A17_A_c1	Percentage of strategic suppliers evaluated by EcoVadis	57%	52%	41%	---	99.99%	---	99.89%
A17_A_c2	Total spend evaluated by EcoVadis *(€ millon)*	3,377	2,997	2,642	---	99.99%	---	99.89%
A17_A_c3	Total percentage of spend assessed by EcoVadis	55%	54%	49%	---	99.99%	---	99.89%
204-1	**Proportion of spending on local suppliers**							
204-1_A_c1	Percentage of local spending	85%	87%	85%	---	100%	---	100%
401-1	**Employee Hiring**							
401-1_A_c1	New employees hired during the Reporting Period	13,510	12,596	16,005	100%	---	90%	---
401-1_A_a1	Males hires during the Reporting Period	9,155	8,745	11,512	100%	---	90%	---
401-1_A_a2	Females hires during the Reporting Period	4,355	3,851	4,493	100%	---	90%	---
401-1_A_a3	Number of graduates recruited	6,085	4,783	Not disclosed	90%	---	90%	---
401-1_A_a4	Percentage of graduates recruited	45.67%	37.97%	Not disclosed	90%	---	90%	---
202-1	**Minimum wage comparison**							
202-1_A_c3	Percentage of "Atos countries" with minimum national wage, where Atos entry wage > minimum national/IT sector wage [>50%]	55.56%	59.49%	59.78%	99%	---	89%	---
202-1_A_b3	Number of "Atos countries" where Atos entry wage > minimum national/IT sector wage [>50%]	50	47	55	99%	---	89%	---
202-1_A_b4	Number of "Atos countries" where Atos entry wage > minimum national/IT sector wage [10%-50%]	23	19	26	99%	---	89%	---
202-1_A_b5	Number of "Atos countries" where Atos entry wage > minimum national/IT sector wage [0%-10%]	17	13	11	99%	---	89%	---
202-1_A_b6	Number of "Atos countries" where Atos entry wage < minimum national/IT sector local wage	0	0	0	99%	---	89%	---
202-1_B	Number of "Atos countries" with no minimum national wage	14	10	10	99%	---	89%	---
202-1_A_b3a	Number of "Atos countries" where the Atos female entry wage > minimum national/IT sector wage [>50%]	52	53	57	99%	---	89%	---
202-1_A_b4a	Number of "Atos countries" where the Atos female entry wage > minimum national/IT sector wage [10%-50%]	20	14	22	99%	---	89%	---
202-1_A_b5a	Number of "Atos countries" where the Atos female entry wage > minimum national/IT sector wage [0%-10%]	13	8	9	99%	---	89%	---
202-1_A_b6a	Number of "Atos countries" where the Atos female entry wage < minimum national/IT sector local wage	0	0	0	99%	---	89%	---
202-1_A_b3b	Number of male in "Atos countries" where Atos male entry wage > minimum national/IT sector wage [>50%]	54	51	59	99%	---	89%	---
202-1_A_b4b	Number of male in "Atos countries" where Atos male entry wage > minimum national/IT sector wage [10%-50%]	21	20	24	99%	---	89%	---
202-1_A_b5b	Number of male in "Atos countries" where Atos male entry wage > minimum national/IT sector wage [0%-10%]	15	8	8	99%	---	89%	---
202-1_A_b6b	Number of male in "Atos countries" where Atos male entry wage < minimum national/IT sector local wage	0	0	0	99%	---	89%	---
201-1	**Community investments (Economic value distributed)**							
201-1_A6_c1	Total community investments *(€ K)*	3,887	3,969	5,578	---	86.72%	---	90.15%
201-1_A6_c3	Donations to Charity *(€ K)*	854	374	436	---	86.72%	---	90.15%
201-1_A6_c4	Contribution to Commercial initiatives for good causes *(€ K)*	142	129	233	---	86.72%	---	90.15%
201-1_A6_c8	Contribution to Universities and similar *(€ K)*	2,752	3,264	4,814	---	86.72%	---	90.15%
201-1_A6_c9	Contribution to Responsible IT Projects *(€ K)*	139	203	96	---	86.72%	---	90.15%
201-1_A6_c0	Management Cost of Social Contribution initiatives *(€ K)*	179	327	406	---	86.72%	---	90.15%
201-1_A6_c2	Total number of employees involved in the main social initiatives	2,118	1,095	1,093	76%	---	84%	---

		2018	2017	2016	2018 PERIMETER		2017 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
203-2	**Significant indirect economic impacts, including the extents of impacts**	Qualitative	Qualitative	Qualitative				
202-2	**Proportion of senior management hired from the local community**							
202-2_A_b1	Number of national senior managers	2,632	2,538	2,436	90%	---	90%	---
202-2_A_b2	Total number of senior managers	2,841	2,727	2,620	90%	---	90%	---
202-2_A_c1	Percentage of national senior managers	92.64%	93.07%	92.98%	90%	---	90%	---
202-2_A_b3	Number of national employee	83,725	83,182	79,469	90%	---	90%	---
202-2_A_b4	Total number of employees	88,238	87,438	92,438	90%	---	90%	---
202-2_A_c2	Percentage of national employees	94.89%	95.13%	85.97%	90%	---	90%	---
202-2_A_b5	Number of national employees recruited	12,090	11,556	14,656	90%	---	90%	---
202-2_A_b6	Total number of employees recruited (Excluding acquisitions)	13,510	12,596	16,005	100%	---	90%	---
202-2_A_c3	Percentage of national employees recruited (Excluding acquisitions)	90.75%	91.74%	91.57%	90%	---	90%	---
201-4	**Financial assistance from governments**							
201-4_A_c1	Financial assistance from governments (€)	90,618,439	90,810,725	82,520,499	---	68.94%	---	52.24%

205-2: the e-learning excludes Germany.

D.5 Supporting the transition to a low-carbon economy

D.5.1 Environmental extra-financial performance

[GRI 103-1 Energy] [GRI 103-2 Energy] [GRI 103-3 Energy] [GRI 103-1 Emissions] [GRI 103-2 Emissions] [GRI 103-3 Emissions][GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4] [GRI 302-5] [GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-5]

Atos' environmental program

The main links between Atos Business Model and the major environmental issues concern its datacenters, its offices, business travel, and the solutions and services offered by the Group.

The main opportunities concern both the Group's own progress in terms of operational efficiency and the attractiveness of its offers through the promotion of sustainable solutions that help its clients to progressively resolve their own sustainability issues.

Atos main environmental risks relate to climate change (adaptation and carbon taxes), to natural disasters (extreme natural events), and to energy efficiency and consumption and carbon emissions.

Given Atos' core activities and the materiality analysis regularly updated (D.1.3), the most important impacts relate to energy, travel and greenhouse gases. All these impacts are considered by the Group as challenges and are addressed through the Group's Environmental Program.

Through this Environmental Program, Atos directly contributes to the UN sustainable development Goal number 13 (climate action), 12 (consumption/production) and indirectly to goals 7 (clean energy), 9 (innovation), 11 (smart cities).

Main action plans

The Environmental Program has been in place since 2008. The Environmental Policy, the Environmental Management System (EMS) and the ISO 14001 certification implemented worldwide, are at the heart of the program.

For many years, Atos' main environmental challenges have mobilized the attention of the senior management and have resulted in specific action plans monitored by the Environmental Program's governance team.

These action plans directly address the Group's main risks, opportunities, impacts challenges and are therefore primarily focused on energy, travel and carbon:

- take concrete steps to improve energy efficiency and reduce consumption: gradually improve the energy intensity of our main activities and reduce the average PUE (Power Usage Effectiveness) of our datacenters; optimize our offices to reduce consumption; increase the share of renewable and low-carbon energy;
- take concrete steps to reduce the impact of travel: favor new ways of working and remote working tools over travel; encourage low-carbon travel and shift to low-carbon public transportation means, minimize Atos fleet impact;
- take concrete steps to reduce carbon emissions, in line with climate-science recommendations: gradually reduce the carbon intensity of the Group's activities (metric tons of CO_2e per million euros of revenue), offset 100% of the Group's datacenters' CO_2e emissions to make its hosting services carbon neutral; switch to renewable and/or low-carbon energy sources wherever it is practical;
- monitor main office sites' and strategic datacenters' through the EMS / ISO 14001 certification program;
- inform all employees worldwide and involve all main internal functions and divisions to integrate these key challenges into their processes and operations;
- offer new eco-friendly solutions to help the Group's clients with their own sustainable issues and communicate publicly about the Group's environmental objectives, progress and achievements.

Main commitments

Short and long-term global commitments and targets cover our main environmental challenges. The Group's carbon intensity reduction target captures energy, travel and carbon impacts in one single meta-commitment. It is cascaded into two sets of targets:

- short and medium-term targets are part of the Group's 2021 strategic development plan. The Group's carbon intensity reduction target for 2021 is to achieve a reduction of 7% to 20% (t CO_2e per €million revenue, 2016 base line, for operational scopes 1, 2 and 3A);
- long-term targets are in line with the world effort to tackle climate change. The Group's carbon intensity reduction targets for 2021-2050 have officially been approved by the SBTi (Science-Based Targets initiative) as in line with the world effort to limit the rise of climate change below 2°C. In 2019, the SBTi will send out additional recommendations following the last IPCC report publication (SR15 report - October 2018).

Main results

To track the progress, 60 specific key performance indicators collected worldwide at more than 400 office locations and datacenters are in place. The main results regarding energy, travel and carbon are:

- global energy intensity: at the end of 2018, the Group energy intensity was 222.07 GJ per €million revenue (227.35 in 2017 and 243.41 in 2016);
- data centers energy efficiency: at the end of 2018, the average PUE (Power Usage Effectiveness) was estimated at 1.74 for all Atos IDM datacenters and at 1.62 in 2018 when considering only the strategic datacenters [GRI 302-5];
- low-carbon energy: in 2018, over 95% (90% in 2017) of the electricity consumed by Atos' IDM strategic datacenters (owned and operated by Atos, co-location excluded) was supplied by decarbonized sources and around 57% from renewable sources;
- global travel intensity: at the end of 2018, the global travel intensity was 4,662 km per year per employee (4,685 km in 2017, 5,614 in 2016 and 6,114 in 2015);
- global Carbon emissions: during the period 2008-2015, Atos achieved 50% in carbon reduction (both in absolute terms and in intensity). Between 2016 and 2018, Atos reduced its carbon intensity by above 15% versus 2016;
- carbon offsetting: since 2010, Atos IDM has offset 100% of its datacenter's residual CO_2e emissions through dedicated offsetting programs. In 2018, Atos has offset a total of 103,608 tons of CO_2e;
- global environmental monitoring and certification: at the end of 2018, a global EMS (Environmental Management System) covers the full Group and around 85% (80% in 2017) of Atos' main sites (data centers and offices) are ISO 14001 certified or have already entered the certification process.

Recognition

In 2018, Atos was recognized by many key players such as the CDP (Carbon Disclosure Project), EcoVadis and the DJSI (Dow Jones Sustainability Index), as a global leader within the IT sector, based on its actions to tackle its environmental impacts, reduce its carbon emissions and mitigate the business risks of climate change:

- CDP: Atos was recognized as a global leader within the IT sector on the 2018 CDP Climate Performance Leadership Index and was awarded an "A-" grade worldwide. For the sixth consecutive year our Scoring Level (Disclosure, Awareness, Management, Leadership) demonstrates our high level of environmental stewardship, and the quality of our actions and approaches in managing climate change;
- EcoVadis: Atos 2018 overall environmental performance was evaluated by EcoVadis and received an overall score of 80/100, compared to 40/100 for all companies in our activity sector. Atos was awarded a gold medal in recognition of its achievements;
- DJSI: Atos 2018 overall environmental performance was evaluated by the DJSI and received an overall score of 87/100, compared to an industry median score of 31/100. Atos was selected both in the World and Europe Indices and ranked #1 for its Sustainability Leadership position in the software and services industry group.

D.5.2 Environmental management

[GRI 103-2 Energy] [GRI 103-2 Emissions]

D.5.2.1 Governance - management approach

In addition to the governance of the Corporate Responsibility Program explained in section D.1.1.3, the environmental challenges are monitored by the Group Environmental Manager and the environmental team. Within the Business Units, the heads of Corporate Responsibility are also in charge of monitoring the environmental challenges at regional and local level.

D.5.2.2 Environmental Policy

Since 2016, a new version of the Group's Environmental Policy has been in place, formalized and published. The Policy is aligned with the Group's strategic ambitions and with the Group's Corporate Responsibility & Sustainability program.

The purpose of the Policy is to provide high-level principles, over the short and long term, regarding the Group's main environmental challenges. The Policy is applicable to all Atos' entities and operations, all office sites and datacenters regardless of their location. The entire Atos organization (100%) is covered, including its suppliers and subcontractors. The Policy is also a reference document for our external stakeholders to better understand the engagement of Atos in favor of the environment and is available on Atos website.

The Policy is complemented by a book of operational guidelines and objectives per environmental challenge. It includes information about the context, main concrete instructions, ambitions, objectives or targets at Group and/or at local level, and reporting process requirements.

D.5.2.3 Environmental Management System and ISO 14001 Certification

[A14] [GRI 103-2 Energy]

An EMS (Environmental Management System) is in place at Group level and in all main Global Business Units. All ISO 14001 certified sites have implemented a local EMS that follow the ISO norm.

The EMS and the ISO 14001 certification of the Group's main sites are 2 operational tools that help us:

- cascade and operate the Group's Environmental Program and its Policy throughout the organization, from top management to local sites;
- monitor the Group's main challenges (energy, travel, carbon emissions) and achieve the Group's main objectives through consistent action plans and control of its operations;
- cover these key challenges but also local environmental challenges (e.g. water, waste…);
- reduce the Group's main risks of non-compliance with international /local regulations, laws, rules and with interested parties' requirements (stakeholders);
- gain new market share with the EMS and ISO 14001 certification being increasingly requested by customers.

All Atos' main sites - meeting the Group's certification criteria (strategic datacenters operated by Atos and large office sites with more than 500 employees) must progressively enter the certification process to achieve certification. Considering both the acquisition and consolidation programs of the Group, the number of sites meeting the Group's certification criteria and the number of certified sites regularly evolve over time (e.g. new sites joining the Group and / or old sites closing). The Group's ongoing objective is that at the end of each year, at least 80% of its main sites meeting the Group's certification criteria, are certified or in the process of being certified.

In several Business Units, sites, which do not formally fulfill the Group's certification criteria, are also certified to anticipate regulations or meet local market expectations.

At the end of 2018, around 85% of Atos main sites (datacenters and offices) were ISO 14001 certified or had entered the certification process (80% in 2017). At the end of 2018, 119 sites were certified.

At the end of 2018, 100% of the employees are under the Group's Environmental policy and the EMS, and around 50% are working in one of the main sites meeting the Group's ISO 14001 certification criteria.

Further information related to the Global multi-site certification process can also be found in the Environment Chapter of the Integrated Report 2018.

D.5.2.4 Main environmental opportunities and risks

[GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 201-2] [A7] [A20]

Main environmental risks

Atos main global external environmental risks relate to climate change (adaptation and carbon taxes), to natural disasters (extreme natural events) and to energy and carbon (efficiency, consumption, emissions).

Atos monitors these specific risks through complementary tools and processes: Environmental Program action plans; the EMS (Environmental Management System); the ISO 14001 certification of its main sites; the Enterprise Risk Management Process (monitoring main risks that can impair the achievement of the Group's objectives); the Book of Internal Control (BIC), the Legal Risk Mapping and the policies that frame our activities.

Climate change and TCFD (Task force on Climate-related Financial Disclosures)

[GRI 201-2]

A global climate change is occurring. Atos works to anticipate the future changes induced by climate change and to mitigate these changes in the countries where it operates. As part of the world effort to tackle climate change, Atos progressively reduces its own energy consumption and carbon footprint. Atos is also convinced that digitization and artificial intelligence offer enormous opportunities for optimizing the use of resources and reducing the overall impact of human activities.

Atos welcomes the recommendations from the Financial Stability Board (TCFD - Task force on Climate-related Financial Disclosures) to assess and anticipate the consequences of climate change (risks, opportunities) whether in terms of prevention, mitigation, adaptation or transformation.

Atos uses the scenario analysis approach to assess the resilience of its activities, considering different climate-related scenarios, including a 2°C scenario and a business as usual scenario at 4°C.

For Atos, (whether in terms of prevention, mitigation, adaptation or transformation) the top 3 climate change-related risks and the top 3 climate change-related opportunities are widely described in its 2018 submission to the CDP (Carbon Disclosure Project) Climate Change Questionnaire. This publication is available on the CDP website https://www.cdp.net/en/climate.

For each top risk, the following dimensions are investigated: risk type; where in the value chain does the risk driver occur; primary climate-related risk drivers; primary financial impact driver; specific description of the risk for the Company; time horizon; likelihood; magnitude of impact; potential financial impact; explanation of the financial impact; management method; cost of management; impact on business; level of consideration in the financial planning process. The same types of assessments are available for the opportunities.

This work (still in progress) has made it possible to better assess the risks of climatic events and the responses that can be made (see section below).

Natural disaster resilience

[GRI 201-2] [A20]

Scientists tell us that climate change will result in more frequent and extreme natural events. The consideration of natural disasters must notably address the resilience of activities, on the one hand, and the safety of employees on the other. In line with the TCFD assessments, the resilience of activities must consider the upstream preparation, the resistance capacity during an event and the recovery capacity after an event.

Among the different tools or processes put in place at Atos to prevent or mitigate the impact of natural disasters, two of them are worth mentioning:

- regarding natural disasters (extreme natural events) and employees' safety, in 2017, Atos launched its own Safety and Emergency Response Tool (SERT) that is activated in areas where an event has occurred that could put Atos employees' safety at risk. In 2018 SERT was activated in Indonesia, the Philippines, the United States, Mexico, Guatemala, Greece, Canada and France (for tsunami, typhoon, hurricane, earthquake, violent fires, attacks etc). This tool allows the Group to understand within 48 hours whether the overwhelming majority of employees are safe or need assistance;
- regarding natural disasters (extreme natural events) and business continuity, it must also be noted that extensive business continuity strategies have been implemented, resulting in the ability to provide services from different locations. Notably, the strategic datacenters are twin datacenters with full duplication capacity (synchronous data and IT infrastructure replication). These business continuity strategies can minimize the effects of local phenomena and aim to mitigate wider extreme natural events as well as other disruption such as fires or civil disturbances.

Carbon taxes mitigation

[GRI 201-2]

Regarding energy, carbon and adaptation: the key environmental issues considered by the Group and the continuous efforts made to reducing its carbon emissions, its energy consumption and the impact of travel progressively improve its ability to operate in a low-carbon economy.

Regarding carbon taxes: impact valuation assessments were carried out in 2017 and 2018, enabling the Group to estimate the potential financial impact of a generalization of carbon taxes. The introduction of a first level of internal carbon price also helps progressively to prepare the Group for the arrival of higher carbon taxes in the coming years.

In 2018, based on a social cost of carbon ranging from € 56 to € 79 (based on the Stern report and meta-surveys), the impact valuation linked to Atos gross "Greenhouse Gas" GHG emissions was comprised between € 12.5M and € 17.4M (€ 13M to € 18.1M in 2017).

After offsetting, the residual cost for Atos net emissions ranged from € 6.7M to € 9.3M in 2018 (from € 6.9M to € 9.6M in 2017). At the same time, thanks to its continuous efforts to reduce its CO_2 intensity, Atos avoided (costs for society) between € 0.32M to € 0.44M in 2018.

Changes in regulations

Regarding compliance with environmental regulations, the ISO 14001 certification of our major sites involves legal monitoring and constant information on potential changes. Legal watch at Global Business Units level are also implemented, aiming at alerting on global issues that may need to be addressed by all the sites, certified or not. Thanks to this close monitoring of the regulation, no significant environmental fines or non-monetary sanctions were identified in 2018.

Main environmental opportunities [A7]

Atos main global opportunities concern the Group's own progress in terms of operational efficiency and the attractiveness of its offers through the promotion of sustainable technologies and solutions that help its clients progressively resolve their own sustainability issues:

- concerning operational efficiency, improving Atos' performance against environmental challenges leads to new ways of working, improved internal processes, better operating efficiency and potential savings;
- concerning sustainable technologies and solutions, the Group is acutely aware of the business and environmental challenges that its own clients face from consuming energy and emitting greenhouse gases. Atos innovates and delivers new sustainable technologies and solutions (smart solutions, green datacenters, and carbon neutral hosting…) that help its clients tackle both their business and environmental challenges. In particular, Atos' carbon-neutral hosting services enable its IT intensive clients (like banks, travel or digital services companies…) to drastically reduce their Scope 3 emissions by writing zero (0) for the IT solutions they outsource with us.

In 2018, the total revenue of the sustainability offerings represented a revenue of € 3,249 million (€ 2,755 million in 2017). Further information on such offerings in section D.3 and in the Integrated Report 2018.

D.5.2.5 Communication and training process

Atos roll out a well-structured annual communications plan covering all its main environmental challenges. As a result, Atos widely and regularly communicates internally and externally through flyers, videos, reports, posts, blogs, position papers, websites, external ratings, press releases, information meetings, dedicated information spaces and dedicated training.

More specifically, in terms of internal communication and awareness, Atos regularly update specific resources for its employees:

- the deployment of the internal global reporting process is supported by dedicated training on environmental challenges and KPIs;
- the EMS / ISO 14001 certification program is supported by an awareness e-learning to engage employees and promote eco-friendly behavior regarding carbon, energy, water, waste and travel. In 2018, a new version (in English, French, German, Spanish and Portuguese) has been delivered and made accessible to employees;
- several blueKiwi collaborative communities address sustainability topics such as environmental challenges, market trends, stakeholder expectations, innovations, business challenges and best practices;
- in its external communication the Group regularly address specific sustainability issues like "The factory of the future" able to "produce economically and responsibly by reducing the consumption of raw material, water and energy, and the impacts" (in Atos Connexion) or like the Circular economy (in Atos Ascent 2022). On its side, Worldline contributes to the research expedition Under The Pole III and regularly communicates;
- for the 8th edition of Atos IT Challenge, the international student competition dedicated to technological innovation, university students were invited to submit concepts around the theme "Machine learning for Sustainability". Atos also participates in many organizations to discuss and disseminate technology and environmental best practices.

In terms of external communication, dedicated information and the Group's Environmental Policy are available on the Atos website (atos.net) and its CR&S specific mini-site.

D.5.3 Environmental actions plans

This section covers in detail the action plans related to the Group's main environmental challenges: energy, travel and carbon emissions. Other challenges like natural disasters, impacts of technologies, waste management, water or biodiversity are also covered but more briefly.

D.5.3.1 Carbon emissions and climate change

[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-5]

Carbon emissions are alongside travel impact and energy consumption, one of the most material environmental issues for Atos.

Atos is part of the platform designed by CDP and the "We Mean Business Coalition". In this framework, Thierry Breton, CEO of Atos, has endorsed four initiatives (as part of the Cop21 Paris Agreement signed in 2016) to support the global effort to combat climate change:

- pursue science-based carbon emission reduction targets to help limit the global rise in temperature below 2°C;
- implement internal carbon prices to influence investment choices in favor of low-carbon options;
- engage responsibly in climate policy by anticipating both the risks and opportunities associated with climate change;
- publicly disclose climate change information in its main reports (challenges, targets, results, risks, opportunities…).

The changes ongoing in the Group and both its internal and external growth rates have a direct impact on its carbon absolute and intensity emissions. To stay in line with the reality of the Group, Atos needs to regularly adjust its absolute targets to include new companies joining the Group, new activities in new countries or new production capacities and as a result additional absolute emission. Similarly, Atos needs to regularly realign its intensity baseline to accommodate new acquisitions with very different intensity profiles (e.g. new industrial activities versus services). Triggers such as new additional absolute emissions (in t CO_2e) and/or new high-intensity activities (e.g. +10%) are considered at regular time intervals.

Absolute: Scopes 1, 2 and 3-part A "operational Scope 3" CO_2e emissions

As explained above, due to the Group's acquisition policy, the absolute emissions cannot be directly compared from year to year.

Scopes 1, 2 and 3-part A ("*operational Scope 3*") regroup all emissions linked to travel and energy consumption in Atos offices and datacenters and Scope 3–part B regroups all "*other Scope 3 emissions*".

In 2018, Atos' emissions covering Scopes 1, 2 and 3-part A for its activities worldwide amounted to 222,137 tons of CO_2e (238,123 in 2017 and 253,000 in 2016).

Scope 1 represented 14% of the emissions, Scope 2 29% and Scope 3-part A 57% (respectively 15%, 35% and 50% in 2017). In terms of business activities, the datacenters represented 47%, the offices 25% and travel 28% (respectively 46%, 26% and 27% in 2017 and 48%, 29% and 23% in 2016).

In 2018, Atos has offset 103,608 t CO_2e representing 47% of its total CO_2e gross emissions. At the end of 2018, Atos' net emissions (total gross emissions – offset emissions) amounted to 118,529 t CO_2e.

The GHG Protocol also advises publishing a "Dual Reporting" for the scope 2 CO_2e emissions (related to electricity) using both "location-based conversion factors," (from international databases like the International Energy Agency) and "market-based conversion factors" (directly delivered by the energy providers).

Atos has deployed a process to collect these "market-based conversion factors" from its main providers in countries where its energy consumption is the most significant.

The most reliable data was for Germany, France, Spain and the UK weighing 53% of the Group's electricity consumption. Due to the massive use of renewable or low-carbon energy in these countries, there is no significant difference between emissions estimated using "market-based conversion factors" or "location-based conversion factors" and the impact on the Group absolute emissions is below 1%.

Absolute: Scopes 3-part B "other Scope 3 emissions" CO_2e emissions

[GRI 305-3]

In 2018, the scope 3–part B covering all the "*other Scope 3 emissions*" represented 96% of the total Group's emissions (all scopes combined). Within this Scope 3–part B, the most significant categories representing around 93% (92% in 2017) of this scope were the upstream categories 1 "Goods and services" and 2 "Capital goods" (aroud 76% in 2018, 73% in 2017) and the downstream category 11 "Use of sold products" (around 17% in 2018, 19% in 2017). These emissions have been estimated using the *GHG Protocol Scope 3 Evaluator* for categories 1 and 2 and sectorial surveys for category 11. In all cases, in terms of emissions, the level of uncertainty remains high and the results must be considered as orders of magnitude.

For categories 1 and 2 (emissions related to product and service purchases) the emissions are linked to Atos supply chain. The monitoring of Atos supply chain is done through EcoVadis, as described in chapter D.4. For category 11 (emissions from the use of IT equipment sold to customers), progress is being made by continuously improving the energy efficiency ratios of Atos' technologies and solutions, but the volume of emissions largely depends on where the equipment is implemented and on the local energy mix.

See additional information on commitments and targets in the sections below; in section D.5.1 and in the Environment Chapter of the 2018 Integrated Report.

Intensity CO_2e emissions [GRI 305-4]

Carbon intensity figures (emissions per revenue or employees) are more significant than absolute figures to understand the trends and progress achieved at constant scope.

In 2018, Atos' intensity emissions covering Scopes 1, 2 and 3 - part A were 18.22 metric tons of CO_2e per € million and 2.30 (2.299) metric tons per employee (respectively 19.28 and 2.51 in 2017; 22.14 and 2.90 in 2016).

After great achievement in carbon reduction between 2008 and 2015 (-50% both in intensity and absolute), Atos at the end of 2016, took on a new commitment to reduce its carbon intensity from 5 to 15% by 2020 (t CO_2e per € million revenue, 2016 base line, for operational scopes 1, 2 and 3A). At the end of 2018, the Group was in advance and its intensity had already reduced by more than 15%.

As seen in D.5.1, new intensity targets have been set for 2021 (in t CO_2e per € million revenue (2016 Base Line) as part of Atos strategic development plan) and for 2035 and 2050 (in t CO_2e per € million value added/operating margin as part of the Science-Based Targets initiative - SBTi).

Carbon-saving initiatives, decarbonized energy and offsetting [GRI 305-5]

The progress made in intensity in 2018 (t CO_2e / € M revenue) is linked to the direct progress made to reduce emissions (numerator), to the changes in turnover and number of employees (denominator) and to the evolution of the conversion factors (e.g. conversion of energy in CO_2e).

Thanks to this progress made in intensity, 15,477 t CO_2e have been avoided in 2017 and 5,659 t CO_2e in 2018. The amount of CO_2e emissions saved specifically in the offices and datacenters due to energy-saving initiatives and optimization programs can be found in the following sections and in the KPI overview section.

In addition, Atos has launched a program to gradually and when possible migrate from carbon-based electricity (generated by fossil fuels) to low-carbon electricity (renewable and decarbonized energy including nuclear). Concretely, upon the renewal of energy and electricity supply contracts, Atos division managers and procurement managers must systematically consider a shift towards decarbonized energy sources and/or towards less impactful energies. The progress accomplished in recent years is very significant but also strongly influenced by local energy market capacities and constraints. At local level, the program implementation depends on several criteria such as the type of local supply or the availability and price per kWh. It also implies taking into consideration local, national or international environmental regulations and tax regulations such as carbon tax for instance.

At the end of 2018, several large countries hosting main datacenters and offices, such as Brazil, France, Germany, the Netherlands and the United Kingdom, are mainly being supplied with decarbonized electricity. As an example, in 2018, almost 100% of the electricity consumed by Atos and Worldline in France came from renewable sources. This initiative has been renewed in 2019.

As a result, in 2018, around 34% of the electricity consumed by Atos worldwide came from renewable sources. And around 95% of the electricity consumed in the strategic datacenters operated by Atos (co-location excluded) came from decarbonized sources (57% renewable and 40% nuclear).

Furthermore, since 2010, Atos offset 100% of its datacenter energy residual CO_2e emissions through dedicated offsetting programs. Atos hosting services are carbon neutral worldwide.

For other achievements, please refer to section D.5.1 and to the Environment Chapter of the Intergrated report 2018.

D.5.3.2 Travel and new ways of working [GRI 302-2] [GRI 305-5]

Travel impact is, alongside carbon emissions and energy consumption one of the most material environmental issues for Atos. Travel is a source of energy consumption, pollution and GHG emissions.

Over the years Atos has rolled out multiple initiatives to limit the environmental footprint linked to travel:

- new ways of working, including the use of remote digital collaboration tools such as Circuit Unify, enable employees to reduce their environmental footprint and gain flexibility;
- global and local policies or instructions to limit travels or to favor less polluting and less emitting means of transportation (e.g. favor trains over cars or planes for business trips);
- the Group's car leasing policy stipulates that leased cars shall have a CO_2e emission level below 120 g CO_2e/km (116 g CO_2e/km in countries like France). In 2018, after major acquisitions, 92% of Atos' car fleet - composed of around 6500 vehicles - were below 120 g CO_2e/km. At the end of 2018, the average emissions for Atos' fleet cars were around 105 g CO_2e/km (108 in 2017);
- the actual EU target of 130 g CO_2e/km will progressively move to 37.5 g/km by 2030. Atos' fleet will adjust accordingly, and the regular renewal of the fleet ensures that new technologies and standards related to lowering pollution and emissions are progressively adopted. More specifically, at Group level, a specific action plan is underway to rapidly reduce the number of diesel vehicles and maximize the number of electric and hybrid vehicles. In France, the "MyCar" electric fleet has been available for employees' business travel since 2012;

- additionally, some best practices are in place in some countries to encourage the use of bicycles thanks to financial support, bike leasing and the implementation of bicycle shelters (e.g. in Germany, France, Belgium); to encourage car sharing (e.g. since 2017, in France, a dedicated application, mainly used for commuting, is available for all employees and in some locations, car-pooling park slots have been introduced); to encourage multimodal mobility allowances as an alternative to all-car solutions.

As explained in D.5.3.1 for absolute emissions, due to the Group's acquisition policy, the absolute figures cannot be directly compared from year to year. Intensity measures are more significant than absolute figures to understand the trends and progress achieved at constant scope.

In 2018, in terms of travel intensity, the average number of kms traveled per employee was 4,662 (4,720 in 2017, 5,614 in 2016 and 6,114 in 2015).

The split of distances traveled by means of transport can be found in the KPI overview section, at the end of the chapter. For further information on how *Atos Digital Workplace* reduces travel needs, please refer to the Environment Chapter of the Integrated Report 2018.

D.5.3.3 Energy consumption and intensity ratios

[GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4] [GRI 302-5]

Energy consumption is, alongside carbon emissions and the impact of travel, one of the most material environmental issues for Atos.

Since 2008, as part of its Environmental Program, Atos closely monitors this challenge and aims to decouple the growth of its activities and the energy required. All countries in all Business Units measure and report their energy consumption for all their office sites and datacenters.

As explained in D.5.3.1 for absolute emissions, due to the Group's acquisition policy, the absolute figures cannot be directly compared from year to year. Intensity measures are more significant than absolute figures to understand the trends and progress achieved at constant scope.

In 2018, the Group's energy intensity was 222,07 GJ per € million revenue (227,35 in 2017 and 243,41 in 2016). This represented a decrease of around 2,4% between 2018 and 2017 The Group's energy intensity was 28,11 GJ per employee in 2018 (29,68 in 2017 and 32,18 in 2016).

The split of energy consumption by types of activity (data centers, offices) and by types of fuel can be found in the KPI overview section, at the end of the chapter.

Offices: energy efficiency and saving initiatives

Since 2014, a global consolidation and optimization program has been underway in the Offices. Each year the program leads to the consolidation of offices, the closure of existing ones or the opening of new ones.

In 2018, the optimization program continued, with the further integration of sites of recently acquired companies. At the end of 2018, Atos sites represented more than 1,3 million m² with the acquisition of Syntel (versus 1,1 in 2017, 1,2 in 2016) distributed in more than 500 locations worldwide. In 2018, this program saved the equivalent of circa 10% of the real-estate expenditure.

The global Real-Estate/Logistic and Housing Policy promotes strict guidelines and processes for real-estate management, which all Business Units must apply. The Policy promotes energy-efficiency criteria for the selection of new locations and for the extension and rationalization projects. Energy-efficiency criteria such as smart design and low-energy building techniques; "efficiency-label" certifications and standards (LEED; BREEAM; HPE; THPE; DGNB); highly energy-efficient appliances or public transport availability are considered.

In addition, the Atos Smart Campus concept includes new ways of working, such as open spaces, desk-sharing, activity-based working spaces, digital tools, home, mobile and co-working. These new ways of working positively contribute to the environmental footprint of the offices and employees. Thus, the reduced number of square meters used for performing specific activities also reduces the lighting, heating or cooling needs.

All Atos' large office sites also benefit from the ISO 14001 certification program and closely monitor their energy consumption. Over the years, in terms of energy optimization, numerous actions are taken by the sites (e.g. regarding heating, cooling, insulation, lighting, space optimization…). In 2018, actions for which the specific contribution to the reduction of energy consumption could be isolated and accurately measured, have helped reduce Atos' energy consumption in offices by 18,847 GJ, corresponding to around € 1 million of cost savings.

The global energy consumption in the offices was 799,908 GJ in 2018 (versus 825,859 GJ in 2017). The energy intensity was 8,2 GJ per employee in 2018 (8,7 in 2017).

For further qualitative information, please refer to the Environment Chapter of the Integrated Report 2018.

Datacenters: energy efficiency and energy-saving initiatives

Since 2014, a global consolidation and optimization program has been underway in the datacenters (migration, closure and opening). Each year the program leads to the migration, the closure of existing data centers or the opening of new ones.

Business Units systematically apply Infrastructure & Data Management Division guidelines and processes impacting energy consumption, energy efficiency and energy-saving initiatives. They also consider "energy-efficiency criteria" in the decision-making process when selecting new locations or in extensions and rationalization projects.

At the end of 2018, Atos managed 110 multi-customer datacenter sites in 92 locations in 30 countries.

Over the years, in terms of energy optimization, numerous actions have been taken by Atos at its datacenters. The best practices introduced include: the rationalization of electrical installations; the installation of slabs preventing air loss through suspended floors; a rise in supply air temperature; the ability to use fresh air or water for cooling; the introduction of containment corridors to create cold air zones; the use of management tools for regular measurement of power use effectiveness (PUE); the adoption of green IT solutions to optimize hardware and its usage (consolidation, virtualization, cloud), the installation of solar panels on the roofs to generate renewable electricity and increase local autonomy.

The Atos-Siemens alliance also invests in a "Datacenter Infrastructure Management" (DCIM) solution with strong capabilities for optimizing and reducing energy consumption, including asset management for improved datacenter floor and rack utilization. The solution is currently being installed in 11 datacenters, (9 in 2017), and 27 more are planned in 2019.

The energy efficiency of the datacenters is measured through the long-term evolution of the PUE (Power Usage Effectiveness). The PUE is among the "7 strategic business criteria" part of the datacenter consolidation and optimization program and also a key indicator when choosing a new location.

In 2018, after new acquisitions, requiring further optimizations or implying new consolidations, Atos' average PUE for all its datacenters was estimated at 1,74 in 2018 (1,75 in 2017) and 1,62 when considering specifically its strategic datacenters (scope: Infrastructure Data Management datacenters). The evolution of the PUE can only be assessed on the long term as they can be directly impacted by new acquisitions and depend on numerous external factors among which the datacenters occupancy rate and the weather conditions. In 2018, the energy saved thanks to the improvement of the PUE in the datacenters was estimated at over around 3 million kWh (920,000 kWh in 2017).

Since 2017, Atos' most energy-efficient strategic datacenter is Longbridge near Birmingham, with a theoretical PUE of 1,12 obtained by indirect free air cooling and a renewed infrastructure very near to the theoretical minimum of one.

The global energy consumption in the datacenters was 1,893,858 GJ in 2018 (versus 1,953,710 GJ in 2017).

For further information on achievements, please refer to section D.5.4 Managing the corporate environmental footprint – KPI overview and to Environment Chapter of 2018 Integrated Report.

Supercomputers: energy optimization [GRI 302-5]

For many years, Atos' Bull X energy-aware supercomputers have been listed among the leaders in the world Green 500 list which grades the most energy-efficient supercomputers in the world. Their energy efficiency has also clearly been attested by results (Megaflops/W) on the Linpack test, used to rank supercomputers. Thanks to a steady stream of green innovations like the patented direct warm water cooling system, each new generation is more energy-efficient than the previous one. Today's Atos' supercomputers transform energy into computing power in a highly efficient way.

In 2018, Atos and the CEA (French Alternative Energies and Atomic Energy Commission)'s direction of defense applications (CEA/DAM) placed Tera 1000 among the world's 500 most powerful machines. Reaching the 14^{th} position, Tera 1000 thus becomes the most powerful European general-purpose supercomputer, with a computing power of 25 petaflops and a very competitive power consumption of 4 megawatts. Tera 1000 uses an innovative cooling technology, using streams of lukewarm water circulating near the processors. A single BullSequana module can deliver almost three quarters of the computing power of the Tera 100, the supercomputer that was formerly in use at the CEA/DAM, with energy efficiency improved by a factor of 25.

At the end of 2018, the new BullSequana X1000 supercomputer named ROMEO and used by the University of Reims Champagne-Ardenne, was also ranked among the most powerful supercomputers worldwide, both in the TOP 500 and 20^{th} in the Green 500 ranking.

Atos is also designing the future European supercomputer capable of reaching the exaflop in the 2020s. To keep energy consumption and costs down, the Atos Exascale program has fixed an upper limit of 20 MW per supercomputer. A limit in line with the environmental standards set by bodies such as the US department of Energy for new system designs. The new generations will include high-definition energy efficiency monitoring based on multiple and fine-grain sensors.

D.5.3.4 Other environmental challenges

Even if they are not identified as "material" at the scale of the full Group or due to the nature of Atos' main activities and business, other environmental challenges are monitored by Atos. They must be reported according to French legal environmental reporting requirements or they can be of significance for some Business Units, Divisions, local entities or stakeholders.

Sustainable IT Solutions and Technologies

Sustainable IT solutions
[A7]

The promotion of sustainable technologies and solutions that help its clients to progressively resolve their own sustainability issues is an important responsibility for Atos.

The consideration of this responsibility is already clearly reflected in the Group's product and service offers: Eco-efficient data centers (section D.5.3.3) whose residual emissions are fully offset (section D.5.3.1); Eco-designed supercalculators (section D.5.3.4) that regularly occupy the first ranking in the world tests evaluating their energy performance (section D.5.3.3); Sustainable IT solutions that help clients progressively resolve their own sustainability issues.

Examples of sustainable solutions: Artificial Intelligence to forecast and model climate change and related impacts; Cloud platforms to analyze wildlife movements with satellites or help governments and cities better manage urban development; Automation and robotics to support eco-services; IT solutions dedicated to better manage the integration of renewable energy into the power grid; Big data and analytics solutions to help the agricultural industry evolve towards precision farming to increase crops and vegetable proteins; Blockchain to enable farmers to share data, facilitate instant payments to producers and trace food from farm to fork; Supercalculators to help simulate complex physical phenomena or industrial systems and enhance contributions to a low-carbon economy, Machine learning to boost sustainability innovation and more.

Further qualitative information related to sustainable technologies and solutions see section D.3.4 and the Integrated Report 2018.

Worldline's solutions and payment terminals
[GRI 302-5]

Worldline is a leader in payments and transactional services thanks to its next-generation digital services, enabling its customers to provide end users with innovative and reliable solutions while ensuring that its offers have strong environmental capabilities, in line with the sustainable development Goals (SDGs).

By offering solutions limiting the carbon footprint of transactions that requires transports and paper use, diminishing energy consumption and technical infrastructure from customers, optimizing routes for cash in transit (thanks to a partnership with Cash Forecasting company), Wordline is a key player in tackling climate change.

Wordline environmental challenges relate to fighting climate change, mitigating conflicts of minerals, reducing pollution and waste, improving energy efficiency, saving natural resources and protect biodiversity.

Strong environmental objectives by 2020 were defined to that end:

- certify ISO 14001 all datacenters and sites above 500 people;
- reduce carbon intensity each year by 2% in alignment with Atos targets to reduce by 10% by 2020;
- drastically increase the part of renewable energy in the electricity consumption;
- offset all CO_2e emissions from Worldline's activities (datacenter, offices and travel) and CO_2e emissions for terminals lifecycle by 2020;
- obtain a PUE of 1,65 by 2020 for strategic datacenters.

Regarding its payment terminals, as of the end of 2018, at least 100% (75% in 2017) of the terminals catalog are ECMA 370 Eco declaration certified, meaning that Wordline is acting at every stage of its terminals' life cycle to limit their environmental impact and integrate circular economy principles. It guarantees that its terminals are collected and recycled at their end-of-life. Finally, Worldline's terminals are renowned for long working life with strict policies for using conflict-free rare minerals.

In 2018, Worldline has offset 100% of its GHG emissions, reaching one of its TRUST2020 targets.

Atos Big Data & Cybersecurity hardware specific challenges

As a hardware provider (products, servers), Atos Big Data & Cybersecurity faces other specific environmental challenges:

- comply with the specific laws, regulations- or best standards (REACH, RoHS, WEEE, ASHRAE…);
- limit the impact of products manufactured thanks to eco-design practices;
- pay attention to the origin of raw materials while minimizing their usage;
- consider circular economy challenges and best practices;
- implement quality, safety and environment (QSE) practices and lean manufacturing in plants;
- minimize risks on the supply chain through regular CSR assessments of suppliers;
- favor eco-friendly transport and freight to mitigate the footprint of logistics.

Atos Big Data & Cybersecurity's main manufacturing site located in Angers is one of the top 100 companies in France to have developed an integrated QSE quality management system. The QSE certification (ISO 9001 quality, OHSAS 18001 and ILO-OSH 2001 health and safety, ISO 14001 environment) was renewed in 2018 and joined by ISO 50001 v2011 certification for energy management. Within this certification framework, the site monitors regulations to ensure that its activities comply with the environmental, technical and legal provisions.

The design process for the servers integrates European directives such as: the CE standard, the REACH Directive on eliminating pollutants; the RoHS Directive on eliminating hazardous substances; the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) standards on maximum temperature and humidity for server functionality.

Over the years in terms of eco-design, numerous actions have been taken, incorporating the evolution of the environmental regulatory obligations and of the customer expectations with respect to product functions, delivery, quality, service and end of life management. They imply constant progress in design, substances, power supply and batteries, packaging, disassembly, recycling and specific innovations to improve the energy efficiency like the patented Direct Liquid Cooling system (DLC), the "cold door", the ultra-capacitor or the data center in containers. Atos BDS promotes products lifespan that takes the form of innovations facilitating maintenance (i.e. plug & play functions) and promoting products scalability.

Since early 2013, the Group has embarked on a consultation process with its major suppliers on the origin of the raw materials they use, in view of the issue of "conflict minerals" and in order to prevent any impact on Bull computers.

Atos considers that these specific challenges are monitored. Their potential impact is also marginal compared to the whole activity of the Group.

In relation to the challenges set out above, during the 2017 financial year there were no fines, administrative, judicial or arbitration proceedings (including any proceedings of which the Group is aware and may be threatened by) for non-compliance with laws and regulations concerning the provision and use of Big Data & Cybersecurity products that had, or might have had, significant effects on the financial position or profitability of the Group [GRI 419-1].

Waste and e-waste
[A19]

Atos' office waste is mainly made up of cardboard, paper, cups, plastic bottles or other tertiary sector waste. Atos' Real-Estate policy favors the rent of office spaces and frequently the offices are shared among multiple tenants. Office waste is managed globally by the landlord or external subcontractors according to the local legal obligations.

Information and recommendations are regularly sent to employees to reduce waste and maximize waste sorting. Local initiatives are regularly taken to reduce waste: awareness days, special zero waste days, collection of old phones, special trash can for the recycling of cigarette butts. In 2018, based on publicly available estimations of waste per employee in the tertiary sector, Atos' global office waste worldwide was estimated at 11,656 metric tons for 97,134 employees.

Concerning e-waste, through the leasing practice now globally implemented within the Group and in compliance with local laws, the suppliers remain responsible for the end of life of their IT equipment, as required through the signature of the Sustainable Supplier Charter.

In compliance with the European Waste Electrical and Electronic Equipment Directive (WEEE Directive 2012/19/EU), in France, since July 2013, Atos Division Big Data & Cybersecurity has joined EcoLogic, a collective system certified by the French Ministry of the Environment.

In the ISO 14001 certified datacenter and office sites the volume of waste, e-waste, batteries and accumulators is tracked through dedicated indicators. In 2018, around 448,000 kg of WEEE were collected and 100% was professionally disposed in Atos ISO 14001 sites.

See food waste in the next section.

Water and food

Regarding Atos Big Data & Cybersecurity, specific hardware technologies, even though the operations include engineering activities (R&D, design and component assembly), the Division does not or only marginally manufacture components. The main sources of water use are to be found upstream with the manufacturers of electronic cards and processors.

In datacenters, water is mainly necessary for cooling servers, but the water used for this purpose flows in specific closed water loop sealed circuit. During heat waves, water can also be used to supply some datacenters cooling units as water spray can reduce units' peak power consumption.

In offices, Atos water consumption is that of the tertiary sector. Information and recommendations are regularly sent to employees to reduce water consumption.

In the ISO 14001 certified datacenter and office sites, the volume of water is tracked. In 2018, using actual Atos' UK data based on metered sanitary consumption per employee, and consistent with estimation based on global water spend at Group level Atos' water consumption worldwide was estimated at 0,36 million M^3 for 97,134 employees (0,37 million M^3 for 96,168 employees in 2017).

Catering providers working at Atos facilities must already optimize the use of resources (water, electricity…), combat food waste and wherever possible implement recovery practices and waste recycling. In many locations, vegetarian meals are available and food supply and traceability is carefully considered (MSC certified fishes, labels, organic and local food…).

In 2018, the Group started a working group to reinforce in 2019 how the main recommendations from the WHO and the IPCC are being implemented in our cafeterias: follow the World Health Organization's advice on healthy eating; comply with the IPCC the recommendations to reduce food-related environmental impacts and minimize associated carbon emissions. These recommendations will also include new clear guidance regarding packaging, food waste and animal abuse / animal welfare.

Paper

The "new ways of working" promoted by Atos intensively use digital collaboration tools. These tools progressively reduce the use of paper within the Group. Furthermore, the printing policy, the shared printers and the "follow me printing" solution give each individual a sense of responsibility in reducing paper consumption. In main Business Units like France, Papers come primarily from renewable or sustainably managed sources.

Information and recommendations are regularly sent to employees to reduce paper consumption. In 2018, based on publicly available estimations of paper consumption per employee in the tertiary sector, Atos' global consumption was estimated at 7,285 metric tons for 97,134 employees.

Biodiversity and land use, air emissions and pollution [GRI 305-6] [GRI 305-7]

As with the other environmental challenges mentioned above, impacts on biodiversity have not been analyzed as direct or significant. It is the same regarding animal abuse / animal welfare.

Nevertheless, Atos action plans regarding emissions, energy consumption and travel, the diffusion of environmentally friendly practices, the ISO 14001 certification and the Environmental Management System have positive repercussions on all ecosystems. For instance, in the ISO 14001 certified sites, the use of decontamination kits, prevent the spoilage of soils and therefore devastating effects on biodiversity. Atos, because of its activities and because of the continuous optimization program of its sites (D.5.3.3), contributes as little as possible to the use of land surfaces. Similarly, during the materiality analysis, ozone depleting substances (ODS), sulfur oxides (SOx) and nitrogen oxides (NOx) were not identified as significant given the main activities of the Group.

However, regarding biodiversity several local initiatives have been taken up worldwide. These include: beehives on sites' rooftops to fight against the dramatic drop in bees' population, wild bees and insects' hotels, "Bee-Days" to promote environmental awareness, collaborative gardens for employees to grow vegetables, financial support to scientific research on wildlife, climate change and preservation of the oceans.

D.5.4 Supporting the transition to a low-carbon economy – KPI overview

[GRI 103-3 Energy] [GRI 103-3 Emissions] [GRI 103-3 Socio-economic compliance] [GRI 103-3 Economic performance] [GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4] [GRI 302-5] [GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-5] [GRI 419-1] [GRI 201-2] [A14] [A20]

		2018	2017	2016	2018 PERIMETER		2017 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
302-1	**Energy consumption within the organization**							
302-1_E_c1	Total direct* and indirect* energy consumption (GJ)	2,693,766	2,789,600	2,748,247	---	96.65%	---	93.81%
302-1_A	Total Direct Energy Consumption in Data Centers & Offices (GJ)	145,411	129,899	153,403	---	96.65%	---	93.81%
302-1_A-Off	Direct energy consumption in Offices (GJ)	115,969	102,459	124,407	---	96.65%	---	93.81%
302-1_A-DC	Direct energy consumption in Data Centers (GJ)	29,442	27,440	28,996	---	96.65%	---	93.81%
302-1_C	Total Indirect Energy Consumption in Data Centers & Offices (GJ)	2,548,355	2,649,670	2,594,844	---	96.65%	---	93.81%
302-1_C-Off	Indirect Energy Consumption in Offices (GJ)	683,939	723,400	772,388	---	96.65%	---	93.81%
302-1_C-DC	Indirect Energy Consumption in Data Centers (GJ)	1,864,416	1,926,270	1,822,456	---	96.65%	---	93.81%
302-1_C1_c10	Total electricity consumption from renewable sources (GJ)	877,464	469,401	368,751	---	96.65%	---	93.81%
302-1_C1_c9	Share of electricity supplied by decarbonized sources in Atos' strategic Data Centers (co-location excluded)	95%	95%	90%	---	100%	---	100%
302-1_C1_c8	Share of electricity supplied by renewable sources in Atos' strategic Data Centers (co-location excluded)	57.0%	26.4%	27%	---	100%	---	100%

		2018	2017	2016	2018 PERIMETER		2017 PERIMETER	
GRI Standard code	KPI Name	GROUP	GROUP	GROUP	Per employee	Per revenue	Per employee	Per revenue
302-2	**Energy consumption outside of the organization**							
	Global travel intensity							
302-2_c1	Total KM Traveled per Employee	4,662	4,685	5,614	97.57%	---	98.76%	---
302-2_c2	Total km travelled per revenue *(in Millions of Euros)*	37,291	35,359	35,850	---	97.34%	---	96.58%
	Distances travelled							
302-2_A6_c93	Total KM Traveled by Car	211,475,352	215,909,184	194,025,973	97.57%	---	98.76%	---
302-2_A6_c50	Total KM Traveled by Train	36,687,280	40,878,383	36,812,261	97.57%	---	98.76%	---
302-2_A6_c57	Total KM Traveled by Taxi	2,795,263	2,219,548	3,507,159	97.57%	---	98.76%	---
302-2_A6_c92	Total KM Traveled by Plane	193,964,286	189,418,757	159,319,623	97.57%	---	98.76%	---
	GHG emissions for company's cars							
302-2_A6_b70	Number of company cars	6,470	6,674	6,860	---	100%	---	100%
302-2_A6_b71	Number of cars below 120g CO_2/km	5,950	6,288	6,064	---	100%	---	100%
302-2_A6_c1	Percentage of company cars below 120 gr CO_2/km	92%	94%	88%	---	100%	---	100%
302-2_A6_b82	Average of emissions in company´s fleet cars (gr CO_2/km)	104.96	108.04	124.02	---	100%	---	100%
302-3	**Energy Intensity**							
302-3_A_c1	Energy intensity by revenue (GJ per € Million)	222.07	227.35	243.41	---	96.65%	---	93.81%
302-3_A_c2	Energy intensity by employee (GJ per Employee)	28.11	29.68	32.18	85.00%	---	81.49%	---
302-4	**Energy Saving Initiatives**							
302-4_A_c1	Estimated Energy savings in Data Centers (GJ)	4,146	16,740	2,486	---	44%	---	60%
302-4_A_c3	Cost savings due to energy savings in Data Centers *(€ K)*	169	1,187	133	---	44%	---	60%
302-4_A_c5	Estimated Energy savings in Offices (GJ)	18,847	6,516	17,830	---	44%	---	60%
302-4_A_c6	Cost savings due to energy savings in Offices *(€ K)*	817	469	187	---	44%	---	60%
305-1	**Direct greenhouse gas emissions (DCs & Offices)**							
305-1_A_c2	GHG emissions (scope 1) in tCO_2	30,383	35,212	30,048	---	96.95%	---	94.64%
305-2	**Indirect greenhouse gas emissions (DCs & Offices)**							
305-2_A_c1	GHG emissions (scope 2) in tCO_2	63,675	83,577	100,376	---	96.95%	---	94.64%
305-3	**Other indirect greenhouse gas emissions ("Operational" Scope 3)**							
305-3_A_c1	GHG emissions ("Operational" Scope 3) in tCO_2	128,078	119,334	122,576	---	96.95%	---	94.64%
305-4	**Greenhouse gas emissions intensity**							
305-4_A_c3	Global GHG emissions (tCO_2)	222,137	238,123	253,000	---	96.95%	---	94.64%
305-4_A_c4	GHG emissions in Data Centers (tCO_2)	103,608	112,365	122,315	---	96.95%	---	94.64%
305-4_A_c5	GHG emissions in Offices (tCO_2)	55,773	61,690	72,758	---	96.95%	---	94.64%
305-4_A_c6	GHG emissions in Travels (tCO_2)	62,756	64,067	57,927	---	96.95%	---	94.64%
305-4_A_c1	GHG emissions by revenue (tCO_2/€ M)	18.216	19.282	22.141	---	96.95%	---	94.64%
305-4_A_c2	GHG emissions by employee (tCO_2/employee)	2.299	2.508	2.901	89.25%	---	86.25%	---

GRI Standard code	KPI Name	2018 GROUP	2017 GROUP	2016 GROUP	2018 PERIMETER Per employee	2018 PERIMETER Per revenue	2017 PERIMETER Per employee	2017 PERIMETER Per revenue
305-5	**Reduction of greenhouse gas (ghg) emissions**							
305-5_A_c2	Estimation of GHG reductions achieved (tCO_2)	3,516	1,053	2,757	---	44%	---	60%
305-5_A_cmp20	GHG emissions reduction due to the Energy saved in Data Centers (tCO_2)	32	262	308	---	44%	---	60%
305-5_A_cmp40	GHG emissions reduction due to the Energy saved in Offices (tCO_2)	3,484	791	2,449	---	44%	---	60%
A14	**ISO 14001 certification of Atos main sites (offices and DC)**							
A14_c5	ISO14001 certified sites (Offices plus Data Centers)	119	134	124	---	100%	---	100%
419-1	**Significant fines for non-compliance concerning the provision and use of products and services**							
419-1_A	Significant fines for non-compliance concerning the provision and use of products and services	0	0	0	---	100%	---	100%
201-2	**Financial implications and other risks and opportunities due to climate change**	Qualitative	Qualitative	Qualitative				
A20	**Natural disasters**							
A20_A	Percentage of the strategic data centers that have synchronous data replication capacities	100%	100%	Not disclosed	---	100%	---	100%

All environmental KPIs exclude ImaKumo, Beelorussia, Worldline USA, Worldline Brasil, Bosnia and Herzegovina, Indonesia, Algeria and Tunisia.

302-1, 302-3, 305-1, 305-2, 305-3, 305-4 for Offices include Argentina, Austria, Belgium, Brazil, Bulgaria, Canada, China, Colombia, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Ireland, Italy, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, Philippines, Poland, Portugal, Romania, Russia, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, Uruguay, USA, Worldline Argentina, Worldline Austria, Worldline Belgium, Worldline Chile, Worldline Czech Republic, Worldline Estonia, Worldline Finland, Worldline France, Worldline Germany, Worldline Iberia, Worldline India, Worldline Italy, Worldline Latvia, Worldline Lithuania, Worldline Malaysia, Worldline Netherland, Worldline Poland, Worldline Singapore, Worldline Sweden, and Worldline UK.

302-1, 302-3, 305-1, 305-2, 305-3, 305-4 for Data Centers include Argentina, Austria, Belgium, Brazil, Bulgaria, Canada, China, Colombia, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, Ireland, Italy, Malaysia, Morocco, Netherlands, Philippines, Poland, Romania, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Uruguay, USA, Worldline Belgium, Worldline France, Worldline Germany, Worldline Iberia, Worldline India, Worldline Italy, Worldline Latvia, Worldline Lithuania, Worldline Netherland, and Worldline UK.

302-3 the Energy Intensity includes the office´s and data center´s scope of countries. The employees included in that scope of countries are 95817. The revenue applicable for that scope of countries are 12130,51 million of Euros.

302-2, 305-1, 305-3, 305-4 for Travels include Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Ireland, Italy, Ivory Coast, Lithuania, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, Philippines, Poland, Portugal, Romania, Russia, Senegal, Serbia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, Uruguay, USA, Worldline Argentina, Worldline Austria, Worldline Belgium, Worldline Chile, Worldline Estonia, Worldline France, Worldline Germany, Worldline Hong Kong, Worldline Iberia, Worldline India, Worldline Italy, Worldline Latvia, Worldline Lithuania, Worldline Luxembourg, Worldline Poland, Worldline Singapore, and Worldline UK.

302-2 the Travel Intensity includes the travel´s scope of countries.The employees included in that scope of countries are 95446. The revenue applicable for that scope of countries are 11931,21 million of Euros.

302-1_C1_c9 and 302-1_C1_c8: Approximated values. Strategic Data Centers managed by Atos in Infrastructure Data Management scope.

302-1_E_c1: direct: gas, fuel, diesel, coal…

302-1_E_c1: indirect: electricity and heating energy consumption.

305-1_A_c2: tCO_2: Tons of CO_2.

305-3_A_c1: "Operational" Scope 3 includes the same emission categories as 2016 and 2017 scope 3 (emission from business travel and 3rd Party energy consumption).

305-4 the Greenhouse Gas emissions Intensity includes the office´s, data center´s and travel´s scope of countries. The employees included in that scope of countries are 96618. The revenue applicable for that scope of countries are 12194,53 million of Euros.

305-2_A_c1-mrkt: it is calculated using the electricity conversion factors available on the market and, where they are not available, the local base electricity conversion factor is used.

D.6 Extra-Financial Performance Declaration

Since 2010, Atos performs a yearly Materiality Assessment (MA) to identify main extra-financial challenges for the Company taking into account stakeholders expectations. From the MA, a set of extra-financial risks and opportunities are identified and aligned with the overall risk identification process in Atos (Enterprise risk management detailed in section F.1.1).

The table below presents the Extra-Financial Performance Declaration, namely the references to easily find the Business Model of Atos, its extra-financial risks and opportunities, the policies and mitigation actions to adress them and the main Key Performance Indicators (KPIs) used to monitor its implementation. The overall approach follows up the principles of International Integrating Reporting Comittee (IIRC), from the Company strategy setting into operations.

EFPD Themes	Descriptions	Related section
Business model	Based on the multi-capital IIRC model, Atos presents its value creation over time.	2018 Registration Document, B "Atos positioning and strategy"
Risks assessment	With an integrated approach, Atos presents its overall set of Risks, including the extra-finantial ones.	2018 Registration Document, F "Risk analysis" D.4, D.5

Atos challlenges	Extra-Finantial Risks	Relevant for Atos	Related opportunities	Descriptions	Policies & Mitigation actions	Main KPIs
People	Talent attraction & retention	X	People engagement	Within a highly competitve labor market and as most of the Group's value is based on Human capital, the Company could be materially adversly affected if it fails to: - aquire the talents and digital experts - retain and motivate essential qualified staff - achieve up/reskilling of the employees	2018 Registration Document, F.3.2 "Mitigation measures" – People	404-3 Career development monitoring
	Skills enhancement	X	People's career development		2018 Registration Document, F.3.2 "Mitigation measures" - People	404-1 Average training hours per employee 404-2 Employability initiatives
	Employee well-being at work (people care)	X	Collaborative environment and being a responsible employer by leveraging well-being at work	- meet the expectations regarding well-being at work, personal development, fair and attractive Company culture.	2018 Registration Document, F.3.2 "Mitigation measures" - People	A2 Employee satisfaction
	Collective agreements	EFPD	Being a responsible employer	As a result of being internationally located, the Company could be materialy adversly affected if it fails to protect its employees.	2018 Atos Registration document D.2.4.2 "Awareness and involving employees"	
	Fight against discrimination (disabled persons)	EFPD		Being exposed internationally with violations of human rights, the Company could be materially adversly affected if it fails to maintain the business integrity and ethical behaviour.	2018 Atos Registration Document, D.2.3.2 "Recognition and Loyalty"	

Atos challlenges	Extra-Finantial Risks	Relevant for Atos	Related opportunities	Descriptions	Policies & Mitigation actions	Main KPIs
Business & Innovation	Cyber Attack	X	Cyber and advanced security offering	As a result of the international exposure of the Group, the sensitivity of activities, and increasing sophistication of cyber-crime, the Company could be materially adversly affected if it fails to timely prevent and react to cyber-attacks, maintain availability or continuity in services for internal and external business activities.	2018 Registration Document, F.3.1 "Mitigation measures" - Cyber-attack and security of systems	A3 Data security incidents
	System security, reliability & continuity	X			2018 Registration Document, F.3.1 "Mitigation measures" - Cyber-attack and security of systems	A3 Data security incidents
	Customer relationship management & cross-selling	X	Delivery quality and competitive advantage	As a result of evolving customer preferences and IT services being a critical element for the performance of customers' business development, the Company could be materially adversly affected if it fails to adequately manage client relationship by not creating client intimacy and centricity and by not adopting cross-selling and cross divisional portfolio to answer their demand.	2018 Registration Document, F.3.5 "Mitigation measures" - Delivery quality and customer relationship	102-43 102-44 Customer satisfaction survey
	Partnerships	X	Powerful eco-system	Evolving in a ecosystem of partners and alliances for the design and delivery of products and services, the Company could be materially adversly affected if it fails to develop and maintain effectively the critical relationships to deliver innovative and qualitative services.	2018 Registration Document, F.3.6.3 "Mitigation measures" - Partnerships and subcontractors	A12 Business partners & Ecosystem
	Ability to innovate, Digital transformation & digital offering	X	Sustainable digital transformation and Business reinvention	As a result of the swift evolution of disruptive new and emerging technologies, the Company could be materially adversly affected if it fails to develop and innovate at the speed required to take advantage from innovations, digitalisation, new patent creation and registration.	2018 Registration Document, F.3.3 "Mitigation measures" - Innovation and new offerings	A10 Initiatives regarding innovative services / Product developments

Atos challlenges	Extra-Finantial Risks	Relevant for Atos	Related opportunities	Descriptions	Policies & Mitigation actions	Main KPIs
Ethics & Governance	Compliance with law & regulations	X	Operational excellence / Reputation resilience / Legal & internal control mechanisms / Trust & compliance throughout the value chain	As a result of regular local and global changes in laws and regulations in multiple areas, the Company could be materially adversly affected if it fails to timely comply with them.	2018 Registration Document, F.3.6.4 "Mitigation measures" - Regulatory and compliance risks	419-1 Significant fines for non-compliance
	Bribery & corruption	X	Reputation resilience / Legal & internal control mechanisms / Trust & compliance throughout the value chain	Being exposed internationally with evolving regulations, the Company could be materially adversly affected if it fails to maintain the business integrity and ethical behaviour.	2018 Registration Document, D.4.1 "Atos Ethical & compliance challenges" - Anti-corruption, D.4.2 "Atos Ethics & Compliance management"	205-1 Total number and percentage of operations assessed for risks related to corruption 205-3 Actions taken in response to incidents of corruption
	Human rights	EFPD		Being exposed internationally with violations of human rights, the Company could be materially adversly affected if it fails to maintain the business integrity and ethical behaviour.	2018 Registration Document, D.2 "Being a responsible employer"	
	Social commitments to sustainable development	EFPD		Committing to encourage sustainable actions, the Company could be materially adversly affected if it fails to rapidly scale up its reduction efforts.	2018 Registration Document, D.2, "Being a responsible employer"	
	Animal welfare			N/A		
	Responsible food			N/A		
	Waste and food insecurity			N/A		
	Tax evasion	EFPD	Reputation resilience / Legal & internal control mechanisms	As a transnational Group, the Company could be materially adversly affected if the organization is not effectively prepared to face from the effects of the disasters.	2018 Registration Document, D.4.2.1 "Atos Ethics and Compliance Program"	
	Client's data protection	X	Operational excellence / Reputation resilience / Legal & internal control mechanisms / Trust & compliance throughout the value chain	Controlling and processing data being the core of Atos business, the Company could be materially adversly affected if it fails to protect Client's data and therefore to comply with Data Protection requirements.	2018 Registration Document, F.3.1 "Mitigation measures" - Data protection	A3 Data security incidents

Atos challenges	Extra-Finantial Risks	Relevant for Atos	Related opportunities	Descriptions	Policies & Mitigation actions	Main KPIs
	Natural disasters & Climate change adaptation	X	International environmental standards & initiatives / Developping sustainable solution / Positive impact for the planet	As a result of an exposure to the environmental disasters (flood, hurricanes, fires, extreme pollution, etc.) intensified by climate changes, the Company could be materially adversly affected if the organization is not effectively prepared to face/or recover from the effects of the disasters.	2018 Registration Document, D.5.2.4 "Main environmental opportunities and risks"	A20 Natural disasters
Environment	Energy consumption & carbon footprint	X	Energy efficiency / Positive impact for the planet / Developping sustainable solution	Committing to reduce energy consumption & carbon footprint and following the recent International Climate Agreements the Company could be materially adversly affected if it fails to rapidly scale up its reduction efforts.	2018 Registration Document, D.5.2.4 "Main environmental opportunities and risks"	302-1 Energy consuption within the organisation 302-2 Energy consumption outside the organisation
	Circular economy	EFPD	Positive impact for the planet	The finitude of resources, especially the rare raw materials used in electrical components, constitute a challenge for the industry as a whole, which will have to adapt and develop new solutions linked with eco-design and management of end-of-life products. Worldline, through its activity of payment terminals, is also directly concerned with the collection and recycling of electronic waste. Key topic: circular economy (specific to Wordline)	2018 Registration Document, D.5.3.4 "Worldline's solutions and payment terminals"	

Legend:
X: Relevant risks for Atos Group.
EFPD: Compliant with EFPD but not identified as a main extra-financial risk for Atos.
N/A: Not-Applicable to Atos because not relevant regarding its activity.

D.7 Information about the report

D.7.1 Scope of the report

[GRI 102-10] [GRI 102-45] [GRI 102-48] [GRI 102-49] [GRI 102-50] [GRI 102-51] [GRI 102-52] [GRI 102-54] [GRI 102-55] [GRI 102-56]

This chapter describes the scope of Atos 2018 Integrated Report and the guidelines on which it is based. It also addresses how Atos reports according to globally-accepted reporting standards, and the process used to obtain the information presented in this report.

D.7.1.1 French legal requirements related to the Corporate Responsability reporting

[GRI 102-12]

With the Déclaration Performance Extra Financière (DPEF), the French Companies must report a higher number of information related to the Corporate Responsibility.

With the Materiality methodology, Atos has defined objectively and according to the practices of reporting within IT Companies Sector the list of information which is "material" and need to be reported, and the list of the one for which a justification of its omission must be given.

This methodology ensures to the external auditors, who will certify the presence of the information and the fairness of the justification, to release their Audit Report in accordance with the French law.

D.7.1.2 Respect of the AA1000 standard

[GRI 102-12] [GRI 103-1]

Atos uses the AA1000 SES (2011) standard as framework to structure its stakeholder's dialogue, in alignment with the following principles:

Inclusivity

Collecting and integrating the opinions of Atos stakeholders is key in defining Atos materiality assessment and main challenges. To ensure the Atos Corporate Responsibility strategy meets the expectations of its stakeholders (employees, clients, partners, suppliers and shareholders), regular meetings, discussions, and surveys are organized to share views and get inputs on different areas of concern. The aim is to work together and by doing so to create a more sustainable environment for Atos, its main partners and the community as a whole. A global stakeholder's workshop is organized yearly to address key subjects for Atos and also regular consultations with different parties. As example, in 2016 the increase of the working meetings with the Societas Europeas Council (SEC) have been performed compared with previous years.

Materiality

The sustainability challenges considered to be the most significant for Atos activities are selected on a yearly basis. Atos materiality assessment process is described thoroughly in section D.1.3. The materiality assessment is established based on Atos' stakeholders' expectations as well as Atos' internal prioritization which is developed based on objective criteria related to its markets, opportunities and actions.

Responsiveness

Since 2013 (2012 results) the Atos Registration Document contains the extra-financial KPIs that Atos monitors. In addition, a separate communication document, the Corporate Responsibility Report, is produced annually highlighting the four sustainability challenges and focusing on the material KPIs that Atos monitors as well as interviews and case studies. Since 2013, Atos has a steady commitment to adhere to Integrated Reporting international principles. Atos aims at having a conductive reporting environment to articulate its strategy, which must help to drive performance internally and better explain to investors the value creation over time.

Impact

Since 2018 (2017 results) Atos launched an impact valuation assessment with the objective to measure most relevant externalities. That analysis tries to explain the Atos´ most relevant impacts as far as Atos is monitoring, measuring and accountable for how their actions affect their broader ecosystems.

D.7.1.3 Alignment with Global Reporting Initiative (GRI) Standards

[GRI 103-2 Economic performance] [GRI 103-2 Market Presence] [GRI 103-2 Indirect Economic Impacts] [GRI 103-2 Procurement Practices] [GRI 103-2 Anti-corruption] [GRI 103-2 Energy] [GRI 103-2 Emissions] [GRI 103-2 Employment] [GRI 103-2 Training and Education] [GRI 103-2 Diversity and Equal Opportunity] [GRI 103-2 Customer Privacy] [GRI 103-2 Socio-economic Compliance]

In 2017, Atos reviewed the results from the last material analysis with a third party, and aligned with GRI Standards in order to confirm the prioritization of its sustainable issues and its strategic axes.

Interviews are yearly conducted in order to evaluate the importance of each challenge in relation to its significance for Atos business strategy, its relationship to existing regulations as well as its link with targets set by the Group.

Material issues and new strategic axes are validated by the members of the Corporate Responsibility and Sustainability Program and approved by the Group Executive Committee.

This global review in 2018 confirmed that the issues previously identified in Atos sustainability strategic axes were still relevant. Nevertheless, it helped the Group to focus on more specific subjects and to reprioritize some aspects within this strategy. The materiality matrix presented in D.1.3.2 better emphasizes the prioritization of Atos corporate responsibility challenges and restructures the strategic axes into four main focus areas according to these priorities.

Atos reports on the full general disclosures and a total of thirty-nine Performance Indicators clustered into management disclosures and six categories (economic, environment, labor practices & decent work, human rights, society, product responsibility) plus twelve Atos' specific Performance Indicators. Atos has produced its Integrated Report 2018 in accordance' with the GRI Standards Guidelines "comprehensive" option. Atos has successfully completed the GRI Content Index Service. Atos aims at demonstrating that the extra financial performance disclosures are accurate and exhaustive in line with the GRI Standards requirements.

Atos has applied the "Guidance on Defining Report Content" following the Principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness.

Atos is committed to transparent and public reporting on sustainability. This report covers the period from January 1, 2018 to December 31, 2018 in a comparable period (one year) to the previous 2017 report. In term of scope the geographical perimeter has changed compared to 2017. Detailed explanations are provided in next paragraphs.

D.7.1.4 Process for defining report content

The selection of the corporate responsibility challenges and KPIs is aligned with Atos business strategy and based on a materiality assessment (See section D.1.3.3). Corporate Responsibility strategy includes a prioritization of topics which is an essential requirement for our performance dashboard and internal project follow up.

The GRI Content Index table can be found in the Corporate Responsibility Report. It states which subjects have been considered applicable and then included in the report. The required profile information and an overview of the management approach for each indicator category is also provided.

Topics boundaries

[GRI 102-45] [GRI 103-1]

The following topics of GRI Standards are material for the Group for the overall Atos organization at the exception of the "product responsibility compliance" aspect, which is only material for Bull within the organization. Outside the organization, these topics are material for the mentioned stakeholders.

Material Topics	Topic boundaries outside the organization
Economic performance	Clients, investors and analysts, communities and NGOs
Market presence	Business partners, research institutions and universities, communities and NGOs
Indirect economic impacts	Suppliers, communities and NGOs
Procurement practices	Suppliers, business partners, research institutions and universities
Energy	Clients, investors and analysts
Emissions	Clients, investors and analysts
Employment	Not material outside the organization
Training and education	
Diversity and equal opportunity	
Equal remuneration for women and men	
Anti-corruption	Clients, investors and analysts, suppliers, and public entities
Socioeconomic compliance	Clients, investors and analysts, communities and NGOs, and public entities

Reporting scope for the indicators resulting from the materiality study
[GRI 102-4]

The Corporate Responsibility (CR) perimeter (entities under scope) does not include the entities of SIX (SIX PAYMENT SERVICES) and SYNTEL, acquired by the Group in 2018 and included in the consolidated financial scope on 31/12/2018.

Atos obtains its Corporate Responsibility data from internal measurement and from external sources (third parties). Data relating to subcontractors are not reported here but can be found in section F.2.6.3 Partnerships and subcontractors.

For the year 2018, the Group is organized as follows:

- APAC (Asia Pacific): Australia, China, Hong Kong, India, GDC India, Japan, Korea, Malaysia, New Zealand, Philippines, GDC Philippines, Singapore, Taiwan and Thailand;
- BTN (Benelux and the Nordics): Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, the Netherlands, Poland, GDC Poland, Russia and Sweden;
- CEE: Austria, Bulgaria, GDC Bulgaria, Croatia, GDC Croatia, Czech Republic, Hungary, Israel, Italy, GDC Greece, Romania, GDC Romania, Serbia, Slovakia and Switzerland;
- CORPORATE: France, Netherlands, Switzerland, United Kingdom and Germany;
- France: France, French Polynesia and New Caledonia;
- GCH: Agarik;
- Germany: Germany;
- Iberia: Andorra, Portugal, Spain, and GDC Spain;
- MAJOR EVENTS: Major Events Spain;
- MEA: Algeria, Egypt, Gabon, Ivory Coast, Kingdom of Saudi Arabia, Lebanon, Madagascar, Mali, Morocco, GDC Morocco, Qatar, Senegal, South Africa, Turkey and United Arab Emirates;
- NAO (North America Operations): Canada, Guatemala, Mexico, NAO China, NAO India, Puerto Rico and USA;
- SAM (South America): Argentina, Brazil, Chile, Colombia, Peru, Uruguay and Venezuela;
- UK/IR: Ireland, UK, Poland and United Kingdom;
- Worldline: Equens Belgium, Equens Finland, Equens France, Equens Germany, Equens Italy, Equens Luxembourg, Equens Netherlands, Worldline Argentina, Worldline Austria, Worldline Belgium, Worldline Brazil, Worldline Chile, Worldline China, Worldline Czech Republic, Worldline Estonia, Worldline France, Worldline Germany, Worldline Hong Kong, Worldline Hungary, Worldline India, Worldline Indonesia, Worldline Italy, Worldline Latvia, Worldline Lithuania, Worldline Luxembourg, Worldline Malaysia, Worldline Netherlands, Worldline Poland, Worldline Singapore, Worldline Spain, Worldline Sweden, Worldline Switzerland, Worldline Taiwan, Worldline United Kingdom and Worldline USA.

On the basis of this context, the perimeter (countries under scope) of the indicators does not vary significantly on the 2017 reporting period. The tables in sections D.2.7, D.3.7, D.4.5 and D.5.4 specify the perimeter associated to each indicator.

Reporting tool
[GRI 103-3]

Atos' Corporate Responsibility & Sustainability Office is the contact point for questions regarding the report and includes representatives from each Business Unit/Division and representatives from the global functions. Representatives are responsible for the collecting process and evidence archiving.

Since 2011, Atos uses a SAP Sustainability Performance Management (SuPM) tool to facilitate the gathering of information, global workflows, validations, exploitation and visualization of KPIs results. Atos' challenge is to report every year with the global tool.

The environmental indicators are gathered through the sustainability global tool (SuPM) at country level. Other indicators as the Human Resources, financial, legal or customer satisfaction are collected at Group level through other Atos´ internal tools

All the procedures, templates and final data are stored in the Atos Collaborative tools (blueKiwi and SharePoint) with worldwide access.

D.7.1.5 Methodological detailed information
[GRI 103-1] [GRI 103-2] [GRI 103-3]

Detailed information related to GRI 102-48

No restated information from last year, on Fiscal Year (FY) 2018 reporting.

Detailed information related to GRI 201-1 and GRI 203-1 KPIs
[GRI 103-3 Indirect economic impacts]

The information required in GRI 201-1 is mostly included in financial statement (A.1. Revenue Profile, Notes in E.4.7.4, and G.5.3 Dividend Policy), but for the part relating "Community Investment" Atos reports the total Social Contribution reached in 2018.

Atos Social Contribution is the accountability of initiatives under the Corporate Citizenship program. That accountability is aligned with the London Benchmark Group (LBG) framework for measuring Corporate Community Investment. Atos accounts their Businesses' voluntary engagement with charitable organizations or activities within four categories: Donations to Charity, Commercial initiatives for good causes, Contribution to Universities and similar institutions, and Responsible IT Projects. The last two categories correspond to what LBG considers "Community Investment". The total cost of Atos categories is detailed in table of part D.4.5 (Ethical & Governance excellence in Atos' sphere of influence – KPI overview).

The forms of contribution are Cash, Time (employee volunteering during paid working hours), In-kind (including pro bono) and Management costs. In 2018 the total cost of social initiatives in cash was € 3,437,397, the total cost in time was € 256,260, the total cost for in-kind was € 14,140, and the total Management cost was € 179,112 **[GRI 203-1]**.

Detailed information GHG Protocol Scopes 1, 2 and 3 [GRI 305-1] [GRI 305-2] [GRI 305-3]

Atos calculates its carbon footprint using the most widely adopted standard: the "Greenhouse Gas Protocol (GHG Protocol). All Business Units monitor their carbon emissions and must put in place the proper action plans to progressively reduce their carbon intensity emissions (t CO_2/€m) (see sections D.5.3.1 and D.5.3.2).

As defined within the GHG Protocol, Atos' emissions are sub-categorized between Scopes 1, 2 and 3 and the Scope 3 is again sub-divided into fifteen distinct categories. For operational and monitoring purposes Atos' Scope 3 has been regrouped into 2 parts (part A and part B):

- Atos' Scope 3 – part A. This sub-scope called "Operational Scope 3" regroups categories covering Atos' main challenges and activities under operational control or direct influence. The categories include emissions from energy for offices, datacenters and travel (planes, cars, trains and taxis). For these emissions a sound reporting process externally verified has been in place since 2008. The coverage was 97% of the Atos´ revenue;
- Atos' Scope 3 – part B. This sub-scope called "Other Scope 3 emissions" regroups other categories not under Atos' direct control or influence. The most significant emissions are coming from categories 1 and 2 "Goods and services" and "Capital goods." For these emissions, estimations were made using the GHG Protocol Scope 3 evaluator. The most significant emissions are coming from the categories 1 "Goods and services", 2 "Capital goods" and 3 "Use of sold products".

Detailed information related to GRI 302-1, 305-1, 305-2, 305-3, 305-4, 305-5 KPIs

The data collection related to the environmental KPIs involves all the Business Units. With few exceptions, countries provided the information necessary to get a reliable estimation of the carbon footprint. In order to align the GRI collecting process to the Carbon Disclosure Abatement Project, Atos used a methodology of collecting based on the GHG protocol and the GRI guidelines. In this way the two processes can be integrated and the data for both reports can be gathered.

For the CO_2 calculations, country regulations and calculation methods have been applied.

The conversion factors have been adjusted according to the country and the type of energy consumed (fuel oil, diesel, gas, electricity).

Conversion factors are based on Defra and the International Energy Agency (IEA). Atos use the last versions available at the end of the first semester of the reporting period. The electricity conversion factors for all countries are gathered from the document "CO_2 Emissions from Fuel Combustion 2017" available at: http://www.iea.org/bookshop/757-CO2_Emissions_from_Fuel_Combustion_2017. The rest of the conversion factors are gathered from the DEFRA´s database "Conversion Factors 2017.MS Excel Spreadsheet" available at: https://www.gov.uk/government/publications/greenhouse-gasreporting-conversion-factors-2017

The methodology used is provided directly through the local power supplier or landlord:

- regarding electricity, meters are installed at site level to measure the energy consumed in kWh. The measurement recorded by the meters is used by suppliers or via landlords to issue invoices;
- regarding gas, meters are installed at site level to measure the energy consumed in M^3 and converted in kWh according to local conversion ratios, in many cases directly by the supplier. The invoice is provided directly by the gas supplier or via the landlord.

Invoices state the total amount consumed in kWh and/or its monetary value (local currency). If only the monetary value is provided, the respective consumption in kWh is calculated by using a respective cost per unit rate.

Atos has included some assumptions and techniques for underlying estimations applied to the compilation of the Indicators and other information in the specific KPIs.

For example, in case of unavailability of actual consumption data, estimations based on previous period consumptions are used to calculate the actual consumption. In case of unavailability of consumption data, estimations based on footage and average consumptions from other sites are used to calculate the actual consumption. The corresponding data is entered into the organization's application for each site.

The cooling purchased through local district cooling schemes, for DC and offices is 0 GJ.

Atos do not sell electricity, heating, cooling, nor steam to third parties.

Detailed information related to decarbonized electricity in Atos' strategic Datacenters [GRI 302-1]

At the end of 2018, several large countries hosting main datacenters and offices, such as Brazil, France, Germany, the Netherlands and the United Kingdom, are mainly being supplied with decarbonized electricity. At the end of 2018, 95% minimum of the electricity consumed in the strategic datacenters operated by Atos (co-location excluded) is decarbonized (around 45% from renewable sources).

Detailed information related to GRI 302-3 KPI

The Energy intensity ratio is calculated by dividing the absolute energy consumption during the reporting year (the numerator) by the revenue metric expressed in millions of € (the denominator) produced by the organization, in the same reporting year. The Energy intensity expresses the energy required per unit of activity.

For the Energy Intensity ratio the denominator for revenues is the complete organization, however, reporting is restricted to the list of countries included into the Office and Datacenter scope for 2018. Within that scope, the revenue is corresponding to the turn over generated by all countries (all Divisions) during the year (reporting period: January 1 to December 31) under analysis. The revenue applicable for that scope of countries is 12,130.51 million of Euros.

For the Energy Intensity ratio the denominator for employees is the total headcounts registered at the end of the financial year (as on December 31) for all countries within the scope. The employees included in that scope of countries are 95,817.

The types of energy included in the intensity ratio are: electricity, gas, district heating, backup generator fuel (diesel and fuel oil).

The ratio uses energy consumed only within the organization (energy required to operate).

Detailed information related to GRI 302-4 KPI

The types of energy included in the energy reductions are: electricity and gas.

Atos reports on initiatives that were implemented during the reporting period, and that have the potential to contribute significantly to reducing energy consumption. As these primarily arise through investment in infrastructure changes, the savings published are based upon full-year savings and will usually continue over several years (although each initiative is only published in its first year).

The reduction is calculated as follows:

- for datacenters, where multiple small activities take place savings are calculated through Power Usage Effectiveness (PUE) reductions measured in conjunction with site energy consumption;
- for offices, individual initiatives are justified based upon energy savings (cost savings), and are implemented based upon their merits. Those that are implemented are recorded and consolidated for this value. The total number Data centers and Office totals are then combined.

Detailed information related to GRI 302-5 KPI

The scope of GRI 302-5 is the strategic datacenters (DCs) of Atos Infrastructure & Data Management (IDM).

Initial data required: Current IT Load (kWh), Current PUE, PUE reduction (in%), new PUE after reduction:

- calculation of the kWh per year before PUE reduction = current IT load x 730 hours per month x 12 months x current PUE;
- calculation of the kWh per year after PUE reduction = current IT load x 730 hours per month x 12 months x new PUE;
- kWh saving per year = (a)-(b).

The base year is the reporting period (January 1 to December 31). Considering the external growth of the Company, the geographical scope can progressively change to include additional countries [GRI 302-5_B].

The PUE is a standard calculation: total kWh consumed by the entire site infrastructure divided by the kWh consumed by the IT infrastructure. The PUE, a measure defined by the Green Grid, is the industry standard indicator used to measure and monitor the energy efficiency of a Datacenter [GRI 302-5_C].

Detailed information related to GRI 305-1, GRI 305-2, GRI 305-3 and GRI 305-4 KPIs

The base year is the reporting period (January 1 to December 31). Considering the external growth of the Company, the geographical scope can progressively change to include additional countries [GRI 305-1_D].

Atos is applying the GHG protocol methodology for all GHG Scopes (scopes 1, 2, 3). The (GHG), developed by World Resources Institute (WRI) and World Business Council on sustainable development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions [GRI 305-1_E, GRI 305-2_D, GRI 305-3_F, GRI 305-5_D].

The gases included in GRI 305-2 - scope 2 are CO_2 [GRI 305-2_B]. The gases included in the calculation of Gases included in GRI 305-1 a (CO_2) - scope 1, in GRI 305-3 a (CO_2) - scope 3, and GRI 305-4_D, GRI 305-4_B, are CO_2.

The chosen consolidation approach for emissions is based on an operational control. Site related data are collected at site level, and then consolidated with travel data which is collected at country level. This is then consolidated at Business Unit level then Global level [GRI 305-1].

For the GHG emission intensity ratio the denominator for revenues is the complete organization, however, reporting is restricted to the scope of countries included in at least one of the following perimeter: office perimeter, datacenter perimeter, travel perimeter measured in 2018. With those perimeters a weighted average perimeter is created for the emission´s indicators. Within that perimeter, the revenue is corresponding to the turn over generated by all countries within the scope (all Divisions) during the year (reporting period: January 1 – December 31) under analysis. The revenue applicable for that scope of countries are 11,958 million of Euros [GRI 305-4_B].

For the GHG Emission Intensity ratio the denominator for employees is the total headcounts registered at the end of the financial year for all countries within the emission´s perimeter as on December 31. The employees included in that scope of countries are 95,630 [GRI 305-4_B].

Atos is not producing any biogenic CO_2 emissions [GRI 305-1_C, GRI 305-3_C].

Detailed information related to GRI 305-5

The reductions in GHG emissions occurred in direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3) emissions [GRI 305-5_E].

Detailed information related to A6 KPI (Diversity Perception)

The KPI A6 related to Percentage of Diversity perception is calculated by taking the arithmetic averages of the following 5 individual scores provided in the Great Place To Work (GPTW) survey:

- people here are treated fairly regardless of their age;
- people here are treated fairly regardless of their race or ethnic origin;
- people here are treated fairly regardless of their sex;
- people here are treated fairly regardless of their sexual orientation;
- people here are treated fairly regardless of disability.

Each one of these 5 individual scores are calculated by GPTW survey as the weighted average of responses in each country.

In 2018, unlike 2017, school trainees (interns) are included into the total value of these indicators.

Detailed information related to Human Resources KPIs [GRI 103-3 Employment] [GRI 103-3 Training and education] [GRI 103-3 Diversity and equal opportunity]

All the Human Resources indicators derived from the HR Information System [GRI 401-1, GRI 401-2, GRI 401-3, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 202-1, GRI 202-2, and AO6] are based on an extraction made in January 2018. Due to late and retroactive entries on staff movements into the HR Information System, the actual situation as of December 31 is different from the one presented through the HR dedicated indicators. This difference however remains limited: it is about 1% of the total workforce at the end of the period.

Detailed information about the Net Promoter Score (NPS) [GRI 102-43] [GRI 102-44]

"Net Promoter Score": Percentage of "Promoters" minus Percentage of "Detractors".

"Promoters" are ready to recommend us (Score of 9 or 10 answering the recommendation question); "Detractors" are not likely to (Score below or equal to 6).

This score relate to the strategic clients that have responded the Atos customer satisfaction survey or to top clients only that responded to the strategic surveys.

The indicators measured are:

- the "Net Promoter Score for our top clients", which includes only the top clients that responded to the strategic surveys;
- the "Net Promoter Score for all clients", which includes all the clients that responded to the strategic surveys.

Detailed information related to GRI 401-1

The turnover is calculated as the total leaving excluding outsourcing divided by total headcount at the end of the year.

Detailed information related to A16

Working accidents: since 2013, Atos publishes data related to working accidents. The data is gathered from the local data reported into the Sustainabilty tool up to end of November and an estimation for December is included to adjust the total for the reporting year.

Detailed information related to GRI 404-1

The calculation of the average training by employee is done using the headcount closing 2017. This includes the hours registered in the Atos formal training tools and also the hours registered as informal training (self-directed training not accessed through the Atos´ learning management system).

Detailed information related to GRI 205-2

The Code of Ethics training includes:

- the e-learning training for all employees: mandatory, it is available on the Training platform of Atos;
- classroom training or with remote participation: for all managers N-1, N-2 and N-3 of the Company. "N" meaning the Executive Vice-Presidents of the Group. It is performed by lawyers with a same content: ETO²S. For Germany and Iberia, N-4 procurement and sales managers are also considered as they are exposed.

Detailed information related to GRI 419-1

The reporting of the significant fines for non-compliance is linked to a Global procedure called "Litigation Docket", which requires the reporting from the Countries to the Group Litigation department all fines, claims and sanctions higher than € 300,000. The reporting for GRI 419-1 follows this procedure and the results of 0 means that Atos has no fines for non-compliance higher than € 300,000. Compared to other companies, this threshold is very low, and enables Atos to have a clear and efficient control of the litigation issues within the Group.

Detailed information related to A2

This indicator is based on the Great Place to Work survey. In 2018, unlike 2017, school trainees (interns) are included into the total value of these indicators.

Detailed information related to ISO 27001 Audits [A3]

The percentage coverage of ISO 27001 audits demonstrates the number of on-boarded sites that have passed an external 27001 audit and the number of already certified sites that have passed an external 27001 audit in the reported year. All Atos worldwide sites with greater than 50 staff are in scope, however due to mergers & acquisitions, not all sites will be ready for inclusion and are therefore waiting to be on-boarded.

Detailed information related to A17 and GRI 205-1

A17 information contains data provided by EcoVadis. EcoVadis assessment is not only on corruption, but also on Human Rights and environment. Atos works with EcoVadis to assess strategic supplier's risks related to corruption (GRI 205-1: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified).

A17_A_c0 Number of strategic suppliers assessed by EcoVadis: Number of suppliers assessed by EcoVadis during the current year out of the Strategic suppliers (representing 70% of revenues spent).

A17_A_c1 Percentage of strategic suppliers evaluated by EcoVadis = Number of Atos's strategic suppliers evaluated by EcoVadis / number of Atos's strategic suppliers.

A17_A_c2 Total spend evaluated by EcoVadis (€ M) = Total spend assessed by EcoVadis (regardless if spent on strategic suppliers).

A17_A_c3 Total percentage of spend assessed by EcoVadis = Total spend assessed by EcoVadis / global Atos spend during the year.

Detailed information related to A7

A7 KPI is calculated based on the revenues of the sustainability oriented offers that Atos sells to its clients. Atos growth strategy resolves around our Digital Transformation Factory; a portfolio of 4 end-to-end offerings which solicits all of Atos expertise and experience for its customers: Hybrid Cloud, SAP HANA, Atos Digital Workplace and Cognitive Analytics, supported by our Digital Payments and e-Transactions & Cybersecurity technologies across all Atos offerings. These revenues are multiplied by an index that assesses the degree of sustainability within each offer (from 20%-100%). Sustainability oriented offers are identified and the associated indexes (degrees of sustainability) are set by Atos Group Solution Managers based on the screening of offerings on 24 aspects (regrouping economic benefits, social impact and human being, environmental footprint and climate change, governance trust and compliance provided by the offering). This methodology assesses the main positive impacts of Atos' offers in terms of sustainability, yet some impacts that are difficult to assess may not be taken into account. The overall process is coordinated by a dedicated person at Group level. Atos portfolio continually evolves and the KPI definitions are subject to updates.

KPI A7 - 2018	Revenue (in € million)
AO7_a1 CONNECTED INTELLIGENCE	764
AO7_a2 CLOUD	1,055
AO7_a8 DIGITAL WORKPLACE	476
AO7_a11 BUSINESS ACCELERATOR	146
AO7_b0_WL	816
TOTAL SUSTAINABLE REVENUE ESTIMATED	**3,257**

Detailed information related to A10

For 2018, this indicator includes the number of "Innovation Workshops", "StratHacks" and "Multi-Client events" promoted by the Global and/or Local Markets and Global and/or Local Divisions and delivered to our clients with the support of the Atos Scientific Community and our network of Business Technology and Innovation Centers (BTICs).

StraHacks = Strategic Hackathons = Innovation Workshops with C-level Multi-Client Events = Innovation Workshops with several clients.

Detailed information for the no reporting of some Déclaration de performance extra-financière

Information not reported:

- the amount of the provisions and guarantees for environment-related risks: this information is not reliable compared to the activity sector;
- noise affects or any other form of specific pollution: Materiality Matrix Assessment has highlighted that Atos Group operations do not have a significant or critical impact on other forms of pollution including noise nuisances for instance.

As a consequence, no relevant and appropriate actions or measures need to be taken in this area.

- Biodiveristy and land use: Atos' operations do not impact significantly biodiversity or land use it is operating within areas already zoned for economic activities (business / commercial / industry zones). This subject has not been identified as essential/priority in Atos materiality assessment;
- Adaptation to the climate change's consequences: this has been assessed and the conclusion is that the risk is marginal for Atos.

Working accidents, including accident frequency and severity rates: since 2013, Atos publishes data related to working accidents. In 2018, the scope represented 62% of the Headcount. Due to the small value gathered the detail of the frequency and severity is considered not relevant to be monitored in the Group.

D.7.2 Report of one of the statutory auditors, appointed as independent third-party, on the consolidated extra-financial performance statement published in the Group management report for the year ended December 31, 2018

[GRI 102-54] [GRI 102-55] [GRI 102-56]

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of Atos S.E, appointed as independent third party and certified by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated extra-financial performance statement for the year ended December 31, 2018 (hereinafter the "Statement"), presented in the Group management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de Commerce).

Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement was prepared by applying the Company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the Company's website or on request from its headquarters.

Independence and quality control

Our independence is defined by article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the statutory auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the Statement's compliance with article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of article R. 225-105 of the French Commercial Code, i.e. the results of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

However, it is not our responsibility to provide any conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation;
- the compliance of products and services with the applicable regulations.

Nature and scope of procedures

We performed our work in accordance with articles A. 225 1 *et seq.* of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- we familiarized ourselves with the Group's business activity, the report on the main social and environmental risks relating to this activity and the impacts thereof with regard to the respect for human rights and the fight against corruption and tax evasion, together with the subsequent policies and their results;
- we assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- we verified that the Statement covers each category of information stipulated in section III of article L. 225-102-1 governing social and environmental affairs, the respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement includes an explanation justifying the absence of information required by paragraph 2 of section III of article L. 225-102-1;
- we verified that the Statement presents the business model and the main risks relating to the Group's business activity, including, where relevant and proportionate, the risks generated by its business relations, products or services as well as policies, measures and results, including key performance indicators;
- we verified that, when relevant to the main risks or policies presented, the Statement presents the information stipulated in section II of article R. 225-105;
- we assessed the process of selecting and validating the main risks;
- we inquired as to the existence of internal control and risk management procedures set up by the Company;
- we assessed the consistency of the results and key performance indicators used with regard to the main risks and policies presented;
- we verified that the Statement includes a clear and reasoned explanation justifying the absence of policy regarding one or more of these risks;
- we verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with article L. 233-16, with the limits specified in the Statement;
- we assessed the collection process set up by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative results [(1)] that in our judgment were of most significance, we carried out:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;A
  - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities [(2)] and covered between 22% and 42% of the environmental and social consolidated data for the key performance indicators and results selected for these tests;
- we consulted documentary sources and conducted interviews to corroborate the qualitative information (measures and results) that in our judgment were of most significance [(3)];
- we assessed the overall consistency of the Statement in relation to our knowledge of the Company. We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

(1) *Number of employees at the end of the Reporting Period (Legal staff); Number of employees leaving employment during the Reporting Period; Average hours of training that employees have undertaken during the year; Percentage of employees receiving performance appraisal in the last 12 months; Percentage of employees with an Individual Development Plan; Number of digital certifications obtained per year; Percentage of female within Atos; Percentage of women identified in talents pool; Average on Diversity Perception (GPTW survey questions); Atos Trust Index® informed by Great Place to Work (GPTW); Absentee Rate (%); Net Promoter Score for our Top clients; Net Promoter Score for All clients; Customer innovation workshops delivered in GBUs; Percentage of coverage of ISO 27001 certifications; Total number of material complaints regarding breaches of customer privacy and losses of customer data resulting in judicial action; Percentage of compliance to malicious code prevention; Digital transformation factory revenue (€ M); Total Revenue of "sustainability offering" (€ M); Offsetting of all data centers GHG emissions (%); Percentage of female within the Board of Directors; Attendance rate at Board Meetings; Percentage of management employees trained in Code of Ethics - Classroom; Percentage of employees who successfully completed the Code of Ethics' elearning; Number of significant fines (higher than € 100K); Percentage of strategic suppliers evaluated by EcoVadis; Total percentage of spend assessed by EcoVadis; Total number of employees recruited; Percentage of graduates recruited; Global estimated average PUE for strategic Data Centers; Energy intensity by revenue (GJ per € million); Energy intensity by employee (GJ per employee); GHG emissions by revenue (t CO2 per € million); GHG emissions by employee (t CO2 per employee); ISO14001 certified sites (Offices plus Data Centers); Share of electricity supplied by decarbonized sources in Atos' strategic Data Centers; Percentage of the strategic data centers that have synchronous data replication capacities.*
(2) *Atos France, Atos USA, Atos Turkey, Worldline Belgium, Worldline Netherlands, Worldline Italy.*
(3) *"Other Scope 3 emissions" CO_2e emissions, Natural disaster resilience, Anticorruption.*

Means and resources

Our work engaged the skills of eight people between October 2018 and February 2019. To assist us in conducting our work, we referred to our Corporate Social Responsibility and sustainable development experts. We conducted around thirty interviews with people responsible for preparing the Statement.

Conclusion

Based on our work, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

With qualifying the conclusion expressed above and in accordance with article A. 225-3 of the French Commercial Code, we make the following comments:

Indicators and their definition could be stabilized, in order to increase the readability of the published information, in particular regarding the evolution of the performance. In addition, the reporting guidelines remain to be updated and clarified following the changes in some indicators definitions.

Paris-La Défense, February 21st, 2019

One of the statutory auditors,

Deloitte & Associés

Christophe Patrier Partner, Audit & Erwan Harscoët, Director Sustainability Services

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Financials

E

E.1 Operational review

E.1.1 Statutory to constant scope and exchange rates reconciliation

2018 revenue was € 12,258 million, down -3.4% compared to 2017 reported statutory, -1.5% at constant exchange rates, and +1.2% organically. Operating margin reached € 1,260 million (10.3% of revenue), down -2.5% compared to 2017 reported statutory and -3.7% compared to € 1,308 million (10.8% of revenue) in 2017 at constant scope and exchange rates.

(in € million)	2018	2017 restarted for IFRS 15	% change	2017 reported	% change
Statutory revenue	12,258	11,996	2.2%	12,691	-3.4%
Exchange rates effect		-234		-249	
Revenue at constant exchange rates	**12,258**	**11,762**	**4.2%**	**12,442**	**-1.5%**
Scope effect		359		359	
Exchange rates effect on acquired/disposed perimeters		-8		-8	
REVENUE AT CONSTANT SCOPE AND EXCHANGE RATES	**12,258**	**12,114**	**1.2%**	**12,794**	**-4.2%**
Statutory operating margin	1,260	1,292	-2,5%	1,292	-2.5%
Scope effect		52		52	
Exchange rates effect		-37		-37	
OPERATING MARGIN AT CONSTANT SCOPE AND EXCHANGE RATES	**1,260**	**1,308**	**-3.7%**	**1,308**	**-3.7%**
as % of revenue.	*10.3%*	*10.8%*		*10.2%*	

The table below presents the effects on 2017 revenue of acquisitions and disposals, internal transfers reflecting the Group's new organization, and change in exchange rates.

FY 2017 REVENUE

(in € million)	FY 2017 statutory	Scope effects	Internal transfers	IFRS 15	Exchange rates effects*	FY 2017 at constant scope and exchange rates
Germany	2,251	8	10	-112		2,158
North America	2,231	171	-17	-153	-96	2,136
France	1,725	13	-8	-65		1,665
UK & Ireland	1,715	5		-106	-14	1,600
Benelux & The Nordics	1,084	-0		-60	-5	1,018
Other Business Units	2,136	69	6	-157	-94	1,961
Worldline	1,550	92	8	-42	-33	1,576
TOTAL GROUP	**12,691**	**359**		**-695**	**-242**	**12,114**
Infrastructure & Data Management	7,144	6		-490	-147	6,513
Business & Platform Solutions	3,243	185	-8	-139	-55	3,227
Big Data & Cybersecurity	754	76		-24	-7	799
Worldline	1,550	92	8	-42	-33	1,576
TOTAL GROUP	**12,691**	**359**		**-695**	**-242**	**12,114**

* *At 2018 average exchange rates.*

Scope effects amounted to €+359 million for revenue. This was mostly related to the acquisitions of Syntel (2 months for €+142 million), SIX Payment Services (1 month for €+50 million), and CVC (12 months for €+73 million). Other effects were related to the acquisitions of Healthcare Consulting firms in North America, Imakumo, Air Lynx and payment companies by Worldline on one side, and to the disposal of some specific Unified Communication & Collaboration activities, Cheque Service and Paysquare Belgium on the other side.

The following internal transfers occurred in 2018: (i) Diamis activities from Business & Platform Solutions in France to Worldline, (ii) activities from Other Business Units to Germany, (iii) centralization of global contracts with German clients from Other GBUs to Germany, and (iv) activities in Israel which were consolidated in North America as part of Xerox ITO acquisition to Other Business Units.

IFRS 15 adjustment represented a restatement of 2017 accounts of €-695 million for revenue.

Currency exchange rates effects negatively contributed to revenue for €-242 million, mainly came from the American dollar, the Argentina peso, the Brazillian real, the Turkish lira as well as the British pound depreciating versus the Euro.

The impacts described above are reflected in the operating margin at constant scope and exchange rates. In particular, scope effects amounted to €+52 million, and most of the impact came from the acquisitions of Syntel (2 months for €+43 million), SIX Payment Services (1 month for €+6 million), and CVC (12 months for €-8 million). Currency exchange rates effects negatively contributed to operating margin for €- 37 million. These effects and internal transfer impacts are detailed below:

FY 2017 OPERATING MARGIN

(in € million)	FY 2017 statutory	Scope effects	Internal transfers	IFRS 15	Exchange rates effects*	FY 2017 at constant scope and exchange rates
Germany	190	2	3			195
North America	266	19	-5		-12	268
France	163	-2	-2			159
UK & Ireland	181	1			-2	180
Benelux & The Nordics	94	0			-1	94
Other Business Units	224	18	2		-16	228
Global structures**	-79				0	-79
Worldline	253	14	2		-6	263
TOTAL GROUP	**1,292**	**52**	**0**		**-37**	**1,308**
Infrastructure & Data Management	752	-1			-20	730
Business & Platform Solutions	245	48	-2		-9	283
Big Data & Cybersecurity	114	-9			-1	104
Corporate costs	-72				0	-72
Worldline	253	14	2		-6	263
TOTAL GROUP	**1,292**	**52**			**-37**	**1,308**

* *At 2018 average exchange rates.*

** *Global structures include the IT Services Global Divisions costs and IT Services Corporate costs not allocated to the Group Business Units. Worldline holds its own corporate costs.*

E.1.2 Performance by Division

Revenue was € 12,258 million, +4.2% at constant exchange rates, and +1.2% organically, particularly led by the Atos Digital Transformation Factory which represented 30% of 2018 revenue (vs. 23% in 2017) benefitting from the strong demand of large organizations implementing their digital transformation.

Operating margin was € 1,260 million, representing 10.3% of revenue, compared to 10.8% in 2017 at constant scope and exchange rates (10.6% excluded one off pension).

	Revenue			Operating margin		Operating margin %	
(in € million)	2018	2017*	Organic evolution	2018	2017*	2018	2017*
Infrastructure & Data Management	6,328	6,513	-2.8%	604	730	9.5%	11.2%
Business & Platform Solutions	3,361	3,227	4.2%	300	283	8.9%	8.8%
Big Data & Cybersecurity	895	799	12.0%	138	104	15.4%	13,0%
Corporate costs	-	-		- 74	- 72	-0.7%	-0.7%
Worldline	1,674	1,576	6.3%	293	263	17.%	16.7%
TOTAL	**12,258**	**12,114**	**1.2%**	**1,260**	**1,308**	**10.3%**	**10.8%**

* *At constant scope and exchange rates.*

E.1.2.1 Infrastructure & Data Management

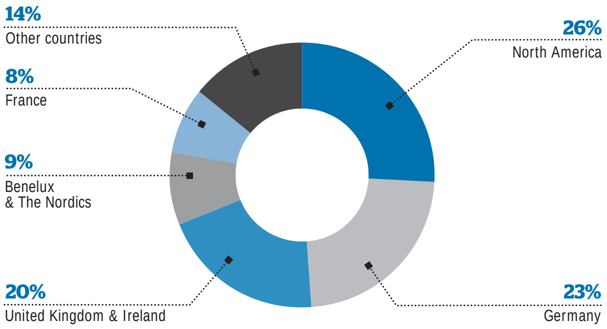
(in € million)	2018	2017*	Organic evolution
Revenue	6,328	6,513	-2.8%
Operating margin	604	730	
Operating margin rate	9.5%	11.2%	

* *At constant scope and exchange rates.*

Infrastructure & Data Management **revenue** was € 6,328 million, down -2.8% at constant scope and exchange rates, despite a significant growth in Cloud Services and in Digital Workplace fostered by the transformation of existing classic infrastructures and workplace businesses. In line with the transformation of the business model of the Division, revenue significantly grew in Hybrid Cloud Orchestration, in Digital Workplace and in projects in Technology Transformation Services. Indeed, the Division continued the digital transformation of its main clients through automation and robotization, supporting growth in several geographies, notably in France, the United Kingdom, Iberia, Asia Pacific, Central & Eastern Europe, and Middle East & Africa, while North America, Germany and Benelux & The Nordics faced more challenging situations.

Growth materialized in the Public & Health sector, primarily in North America driven by increased volumes and additional scope with Allscripts and the Texas department of Information Resources, and in Benelux through the ramp up of new contracts with Major Hospitals in Belgium and Dutch governmental institutions. Despite the termination of the contract with Standard & Poor's in North America, Financial Services benefitted from strong commercial activity in the United Kingdom with the ramp up of the significant contracts with Aviva and other major Insurance companies coupled with increased volumes and projects with National Savings & Investments, and was sustained by increased business volumes with a large bank in Hong Kong and new business opportunities in North America with CNA Financial Corporation. Manufacturing, Retail & Transporation was impacted by the finalization of digitalization and transformation projects for some large customers, such as Rheinmetall in Germany and Monsanto in North America, combined with the end of the contract with Mariott International in North America. On the opposite, France recorded a high performance thanks to the ramp up of new Hybrid Cloud contracts with Safran and a global leader in Aerospace & Defense. The situation in Telco, Media & Utilities remained challenging, impacted by scope reductions with BBC in the United Kingdom, reinsourced contract with Microsoft in North America during the first half of the year, as well as lower volumes with Disney, and finally contractual issues with a large telco operator in Germany.

INFRASTRUCTURE & DATA MANAGEMENT REVENUE PROFILE BY GEOGRAPHY



Operating margin in Infrastructure & Data Management was € 604 million, representing 9.5% of revenue, decreasing by -170 basis points compared to the last year. IDM margin was impacted by lower revenue due to ending contracts and scope reductions, notably in North America and Germany. These two georaphies monitored throughout the year a cost take-out to mitigate as much as possible the effects on the profitability. The Division benefited from improved results posted in the United Kingdom and in the Other Business Units.

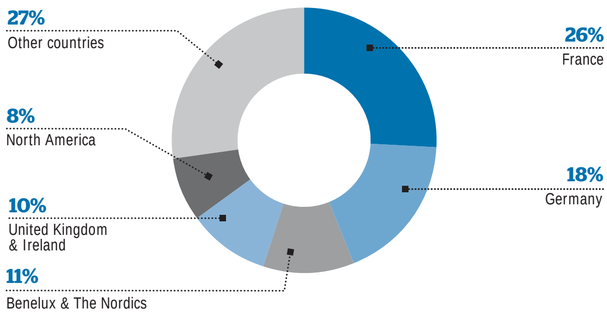
E.1.2.2 Business & Platform Solutions

(in € million)	2018	2017*	Organic evolution
Revenue	3,361	3,227	+4.2%
Operating margin	300	283	
Operating margin rate	8.9%	8.8%	

* *At constant scope and exchange rates.*

Business & Platform Solutions **revenue** reached € 3,361 million, +4.2% at constant scope and exchange rates, confirming a positive trend, after +2.5% in 2017. The sales dynamic was visible in most markets with acceleration from the Atos Digital Transformation Factory, in particular, the activity within Manufacturing, Retail & Transportation remained high thanks to the increased SAP HANA activities mainly within automotive sector and Siemens in Germany, as well as ramp up of contracts notably in France with PSA, and a new Hybrid Cloud programme with International Airlines group in the United Kingdom. The Financial Services sector benefitted from new business and increased volumes in the United Kingdom and in Other Business Units. Within Public & Health, growth came from France fueled by larger volumes, notably with Government agencies, as well as in Germany, which largely offset the base effect from the Asian Games contract successfully delivered last year within Middle East & Africa. Telecom, Media & Utilities sector was impacted in Germany and in Benelux & The Nordics due to lower volumes with large telco operators which was compensated by the ramp up of several new contracts within Energy & Utilities.

BUSINESS & PLATFORM SOLUTIONS REVENUE PROFILE BY GEOGRAPHY



Operating margin was € 300 million, representing 8.9% of revenue slightly up compared to 2017 at constant scope and exchange rates, mainly attributable to a good revenue performance combined with continued cost savings effects in most geographies notably through the industrialization of global delivery, and a more efficient workforce management. Overall, Business & Platform Solutions continued to invest in innovation and new Codex and SAP HANA offerings.

E.1.2.3 Big Data & Cybersecurity

(in € million)	2018	2017*	Organic evolution
Revenue	895	799	+12.0%
Operating margin	138	104	
Operating margin rate	15.4%	13.0%	

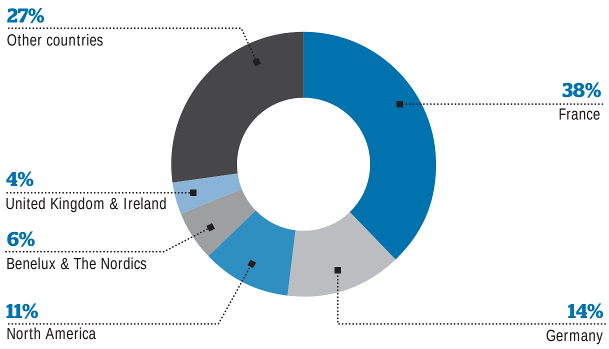
* *At constant scope and exchange rates.*

Revenue in Big Data & Cybersecurity was € 895 million, up +12.0% organically, maintaining a strong performance all over the year and pulled by the extension of the Division's markets both in terms of industries served and geographies. In particular, growth was driven by Cybersecurity services where customers' investments are increasing to face more and more sophisticated cyberattacks. The activity was strong in all main geographies, with main increasing volumes in the United Kingdom, France, Benelux & the Nordics and Germany.

The performance was also driven by the strong commercial dynamics in Big Data, notably from higher sales of Bullions notably in North America and large computer products, as well as increased projects in France. High Performance Computing benefitted from new wins achieved in several geographies such as South America, Benelux and India, which could not compensate for the base effect of significant deliveries achieved last year in France with the CEA and GENCI as well as in the United Kingdom.

Mission critical systems grew thanks to solid performance recorded in Central Europe, which more than offset the ramp down of projects in France and Iberia notably.

BIG DATA & CYBERSECURITY REVENUE PROFILE BY GEOGRAPHY



Operating margin was € 138 million significantly improving by +240 bps compared to 2017 on a like for like basis and representing 15.4% of revenue. This performance resulted from strong growth contribution and improved cost base monitoring, while pursuing investments in innovative solutions and products, as well as the benefits from the successful integration of CVC activities.

E.1.2.4 Worldline

A detailed review of Worldline full year 2018 results can be found at worldline.com, in the "Investors" section.

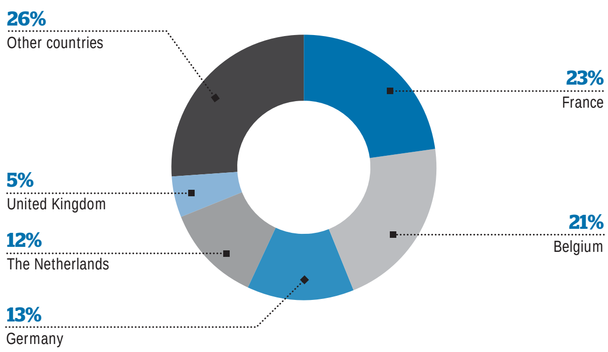
(in € million)	2018	2017*	Organic evolution
Revenue	1,674	1,576	+6.3%
Operating margin	293	263	
Operating margin rate	17.5%	16.7%	

* *At constant scope and exchange rates.*

From a contributive perspective to Atos, Worldline **revenue** was € 1,674 million, improving by +6.3% at constant scope and exchange rates, representing 13.7% of the Group revenue. Growth was led by increased transactions volumes within *Merchant Services* and *Financial Processing* business lines and new projects ramp up within *Mobility & e-Transactional Services:*

- *Merchant Services* grew by +4.2% organically and reached € 621 million. The growth mainly came from Merchant Payment Services, which benefitted from increased transactions volumes, notably through a strong momentum in India following the Demonetization Act and from positive business trends in Continental Europe leading to higher volumes on international card transactions. The good operational performance more than compensated for the temporary slow-down of Payment Terminal Services and lower volumes in Omnichannel Payment Acceptance;
- *Financial Processing* reached € 773 million, up +7.6% organically. Account Payment division was the main contributor with increased volumes, notably in Sepa payment transactions, Dutch iDeal scheme and Instant and SWIFT payments, coupled with software license revenue linked to the newly signed significant outsourcing contract with a large German bank. Strong growth in Acquiring Processing was driven by dynamic activity in Italy combined with good volumes in authorizations in France and Germany. Finally, Issuing Processing benefitted from continuous growth in Internet payments, whereas Digital Banking increased mainly thanks to the new projects in France;
- *Mobility & e-Transactional Services* revenue was € 280 million, up +7.4% organically. Growth was led by Trusted Digitization, notably through the ramp up of various projects with French government agencies and increased volumes in tax collection activities in Latin America. E-Consumer and Mobility growth was driven by Connected Living business, essentially in Germany, combined with higher volumes in Contact and Consumer Cloud activities in France.

WORLDLINE REVENUE PROFILE BY GEOGRAPHY



Operating margin was € 293 million or 17.5% of revenue, improving by +80 basis points led by the strong performance of *Financial Processing*, thanks to top line growth combined with the successful implementation of equensWorldline costs synergies plan. *Merchant Services* operating margin benefitted from transactions volume growth, continued productivity improvement and first results of synergies with MRL Posnet, an Indian company bought in 2017, which more than compensated for the decrease in Terminal Services. Finally, *Mobility & e-Transactional Services* operating margin was as expected impacted by base effect of pensions recorded last year, commercial litigations and build phase of recently won contracts, while contributive margin from the additional revenue could partly compensate for these effects.

E.1.3 Performance by Business Unit

(in € million)	Revenue 2018	Revenue 2017*	Revenue Organic evolution	Operating margin 2018	Operating margin 2017*	Operating margin % 2018	Operating margin % 2017*
Germany	2,161	2,158	0.1%	137	195	6.3%	9.0%
North America	2,022	2,136	-5.3%	202	268	10.0%	12.5%
France	1,710	1,665	2.7%	150	159	8.8%	9.6%
United Kingdom & Ireland	1,612	1,600	0.7%	193	180	11.9%	11.3%
Benelux & The Nordics	1,017	1,018	-0.1%	76	94	7.5%	9.2%
Other Business Units	2,061	1,961	5,1%	275	228	13.4%	11.6%
Global structures**	-	-		-66	-79	-0.6%	-0.8%
Worldline	1,674	1,576	6.3%	293	263	17.5%	16.7%
TOTAL	**12,258**	**12,114**	**1.2%**	**1,260**	**1,308**	**10.3%**	**10.8%**

* *At constant scope and exchange rates.*

** *Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs. Worldline holds its own corporate costs.*

E.1.3.1 Germany

(in € million)	2018	2017*	Organic evolution
Revenue	2,161	2,158	0.1%
Operating margin	137	195	
Operating margin rate	6.3%	9.0%	

* *At constant scope and exchange rates.*

In 2018, the Business Unit achieved a revenue organic growth stable compared to the same period last year at constant scope and exchange rates, leading to € 2,161 million, with an increasing performance of +1.1% posted in the fourth quarter. Growth was primarily fueled by new contracts in Business & Platform Solutions as well as in Big Data & Cybersecurity, which compensated for lower performance in Infrastructure & Data Management.

In Infrastructure & Data Management, revenue was affected by the ramp down of some legacy contracts, as well as a base effect on transformation activities achieved in the previous year. The unit benefitted from the ramp up of several new contracts notably in Manufacturing, Retail & Transportation, such as a large car manufacturer in Germany, a global leader in Aerospace & Defense and Henkel; this compensated for negative effects from transformation activities achieved in the previous year with Rheinmetall. However, this could not compensate the impact from several legacy contracts primarily materialized within Telecom, Media & Utilities, notably through the difficulties encountered with a large telco operator, while Financial Services faced with lower volumes.

Business & Platform Solutions achieved a strong growth, primarily in Manufacturing, Retail & Transportation and Public & Health with a double-digit growth. The unit continued to generate new digital opportunities with a dynamic SAP activity, notably thanks to projects delivered to customers such as Volkswagen and Kion group. It also benefitted from the new Application management services with Siemens. This largely offset the ramp down of a large telco operator and Nokia contracts affecting the performance in the Telecom sector.

Big Data & Cybersecurity showed a solid momentum, led by Manufacturing, Retail & Transportation and Financial Services sectors. The performance was achieved thanks to new business with a large car manufacturer in Germany and Siemens.

Operating margin reached € 137 million, representing 6.3% of revenue, -270 basis points compared to 2017 at constant scope and exchange rates. Profitability grew significantly in Business & Platform Solutions, driven by the strong revenue growth and continued workforce optimization, while within Infrastructure & Data Management the performance was affected by the revenue decline, which could be only slightly offset by costs optimization actions.

E.1.3.2 North America

(in € million)	2018	2017*	Organic evolution
Revenue	2,022	2,136	-5.3%
Operating margin	202	268	
Operating margin rate	10.0%	12.5%	

* *At constant scope and exchange rates.*

Revenue reached € 2,022 million, decreasing by -5.3% organically. The Business Unit achieved significant growth in Business & Platform Solutions and Big Data & Cybersecurity activities, confirming the progressive diversification trend of its portfolio as per previous quarters, but this could not compensate for the effect from off-Boarding contracts and reduced scope with some legacy customers in Infrastructure & Data Management.

Revenue in Infrastructure & Data Management was affected by the termination and scope reduction of two large contracts with legacy customers. Increased volumes were achieved within Public & Health, mainly from Allscripts and Texas department of Information Resources. However, this was not sufficient to offset the adverse evolution in other sectors and primarily within Manufacturing, Retail & Transportation. This market benefitted from the ramp up of contracts with new logos such as Enterprise and WSP Global, but the overall performance was impacted by the termination of several legacy contracts, notably with Marriott International. Within Telecom, Media & Utilities, the decrease was mainly attributable to the impact from lower volumes with Disney and terminated contract with Microsoft. Financial Services benefitted from the contribution of the new contract won with CNA Financial Corporation, which however did not fully compensate for lower volumes with Standard & Poor's global. The Unit continued to increase its digital footprint through hybrid cloud solutions.

Business & Platform Services closed the year with a double digit growth, largely attributable to Public & Health, which benefitted from the contribution of the new entities integrated last year, and notably fueled by new logo within Healthcare area. The Unit also benefitted from a significant growth with Syntel, positively impacting Manufacturing, Retail & Transportation and Financial Services markets.

Revenue in Big Data & Cybersecurity achieved a very strong growth, mainly within Manufacturing, Retail & Transportation as well as Public & Health sectors. The performance was largely driven by a very strong activity in Big Data, mainly thanks to increased Bullion sales.

Operating margin reached € 202 million, representing 10.0% of revenue, decreasing by -250 basis points compared to last year. The Business Unit benefitted from revenue increase in Business & Platform Solutions and Big Data & Cybersecurity, which maintained in total a double digit level of profitability despite the effect from revenue in Infrastructure & Data Management, whose decline was too significant to be compensated by a full cost take out in the year.

E.1.3.3 France

(in € million)	2018	2017*	Organic evolution
Revenue	1,710	1,665	+2.7%
Operating margin	150	159	
Operating margin rate	8.8%	9.6%	

* *At constant scope and exchange rates.*

At € 1,710 million, **revenue** in France improved by +2.7% organically. The performance of the Business Unit was driven by Infrastructure & Data Management thanks to a continued solid performance over the year.

Infrastructure & Data Management achieved a strong organic growth, primarily thanks to the strong performance achieved within Manufacturing, Retail & Transportation, where the growth came notably from new business and the ramp up of several contracts such as Safran and a global leader in Aerospace & Defense through the Hybrid Cloud increasing business. Growth also came from Financial Services with notably the ramp up of the Axa contract. This was partly offset by Public & Health, due to the base effect in the Escala area in the Public sector. Telecom, Media & Utilities was also impacted by some terminations of legacy contracts, but could offset them by higher volumes through Hybrid Cloud business with large customers.

Business & Platform Solutions posted a solid growth, mainly driven by increasing business in the Digital and Hybrid Cloud projects. Growth came primarily from Public & Health driven by higher volumes with municipalities and regions and from new contracts through UGAP (national IT procurement department) in the Digital Workplace area. Manufacturing, Retail & Transportation market showed a sustained activity as well, attributable to the ramp up with PSA. Telecom, Media & Utilities benefitted from *Atos Codex* projects with large companies such as Orange and EDF, while Financial Services remained stable.

Big Data & Cybersecurity was down organically, largely concentrated in Public & Health due to the base effect from significant successful sales of High Performance Computing Solutions with CEA and Genci last year. This was partly compensated thanks to new contracts signed such as Peugeot in High Performance Computer, combined with renewals or extensions with EDF and CNAF, as well as significant growth in Managed Security Services, and a good performance in Financial Services.

Operating margin reached € 150 million, representing 8.8% of revenue. Business & Platform Solutions increased its operating margin, driven by a strong monitoring of productivity. This was not enough to compensate for Infrastructure & Data Management and Big Data & Cybersecurity impacted by an unfavorable business mix.

E.1.3.4 United Kingdom & Ireland

(in € million)	2018	2017*	Organic evolution
Revenue	1,612	1,600	0.7%
Operating margin	193	180	
Operating margin rate	11.9%	11.3%	

* *At constant scope and exchange rates.*

Revenue was € 1,612 million, up +0.7% at constant scope and exchange rates. Growth was primarily derived from the strong dynamism of Business & Platform Solutions. Across the Business Unit, continued efforts to renew the portfolio more than compensated for the partial scope reinsourcing of BBC following the contract renewal achieved in April 2017 and scope reduction in Ministry of Justice.

Infrastructure & Data Management remained slightly positive over the year thanks to a strong performance achieved within Financial Services, where the growth came from increased volumes and projects with National Savings & Investments, coupled with the ramp up of the new contracts with Aviva, a large US commercial broadcast television and radio network and a pension, insurance and investment company in the United Kingdom. This more than compensated for lower volumes from legacy customers in Telecom, Media & Utilities, due to contractual scope reductions with BBC, as well as in Manufacturing, Retail & Transportation impacted by the ramp down of legacy contracts, which were partly mitigated by the ramp up of new contracts won since the end of last year, such as International Airlines group. Within Public & Health, the ramp down of legacy contracts and base effect from transitions successfully achieved last year such as Ministry of Justice were partially offset by the contribution of significant new contracts won with University College London Hospitals, DECC NDA and DEFRA.

Business & Platform Solutions pursued its positive trend thanks to continued demand for digital projects, notably related to SAP HANA and Orchestrated Hybrid Cloud solutions which materialized in all markets but Telecom, Media & Utilities, notably affected by contractual reduction with BBC. Growth in Manufacturing, Retail & Transportation Sector and Financial Services derived from strong sales dynamics combined with the contribution from large contracts won last year such as a pension, insurance and investment company and a building Society both in the United Kingdom. Public & Health benefitted from increased volumes with legacy customers which largely compensated for a ramp down with an industrial French group.

The decrease in Big Data & Cybersecurity was largely attributable to Public and Health market with a significant reduction in HPC activities following successful sales and deliveries achieved last year. This was partly compensated by increasing cybersecurity sales notably within the Manufacturing, Retail & Transportation sector such as International Airlines group.

Operating margin was € 193 million and represented 11.9% of the revenue, an improvement of +60 basis points compared to last year at constant scope and exchange rate. The profitability increased in Infrastructure & Data Management and Big Data & Cybersecurity, driven by improved revenue mix combined with increased operational efficiency through continued tight project management and strong actions to optimize the cost base. It largely compensated for the decrease in Business & Platform Solutions coming from a significant pension one-off recorded last year.

E.1.3.5 Benelux & The Nordics

(in € million)	2018	2017*	Organic evolution
Revenue	1,017	1,018	-0.1%
Operating margin	76	94	
Operating margin rate	7.5%	9.2%	

* *At constant scope and exchange rates.*

At € 1,017 million, 2018 **revenue** was roughly stable organically.

In Infrastructure & Data Management, revenue slightly decreased organically. Growth was posted mainly in Public & Health sector thanks to higher volumes achieved with Dutch Government Institutions, as well as Dutch University Hospitals. The situation remained more challenging in the other markets such as in Financial Services sector which was affected by a negative impact of declining volumes with Achmea and VGZ.

Business & Platform Solutions was decreasing organically, showing a decline within Systems Integration representing more than half of the Division as well as Technology Services which are local to local business, facing a lower demand, notably in the Public & Health sector. Financial Services posted a positive organic growth while Manufacturing, Retail & Transportation remained stable organically. This was not enough to compensate for the ramp down in Telecom, Media & Utilities, mainly attributable to the lower level of projects with KPN coupled with decreasing volumes with several customers.

Big Data & Cybersecurity pursued its development and recorded a strong organic growth, driven by various sales in Manufacturing, Retail & Transportation and Financial Services sectors, from both High Performance Computing and Cybersecurity activities. Public & Health benefitted from the ramp up of Dutch Government Institutions and the European Union.

Operating margin reached € 76 million, representing 7.5% of revenue, below last year by -170 basis points at constant scope and exchange rates. Infrastructure & Data Management and Business & Platform Solutions profitability were affected by a revenue decline, while Big Data & Cybersecurity was still in a process of investing in business development and presales activity to further accelerate top line growth.

E.1.3.6 Other Business Units

(in € million)	2018	2017*	Organic evolution
Revenue	2,061	1,961	5.1%
Operating margin	275	228	
Operating margin rate	13.4%	11.6%	

* *At constant scope and exchange rates.*

Revenue in "Other Business Units" reached € 2,061 million, up +5.1% organically, fueled by activity in all Divisions and especially in Big Data & Cybersecurity.

Infrastructure & Data Management posted a growth in almost all Markets. Telecom, Media & Utilities expanded, driven by the contracts ramp up with an international telecommunications provider in Middle East & Africa and business opportunities in Italy, Czech Republic and Iberia. Financial Services benefitted from higher volumes with a large bank in Hong-Kong and with its Austrian customers. Finally, Public Sector slightly grew, notably thanks to the ramp up of the Western Australian Government migration to Canopy Orchestrated Hybrid Cloud. This compensated for the volume reductions in Manufacturing in Central Europe and decrease in Unified Communication & Collaboration in South America.

Business & Platform Solutions revenue continued to grow in almost all markets as well. In particular, Telecom, Media & Utilities posted a double-digit growth, fueled by increased volumes and new contracts in Continental Europe, notably with Italian large accounts, as well as with Austrian and Romanian clients, coupled with the ramp up of a significant contract with an Indian oil company. The increase in Financial Services was driven notably by the ramp up of contracts in Banking sector in Iberia and Brazil, while Manufacturing, Retail & Transportation grew mainly in South America thanks to new contracts and additional volumes. This could fully compensate for the end of the last phase of the Asian Games contract last year.

Big Data & Security enjoyed a double-digit growth benefitting from new HPC opportunities in South America and Asia Pacific, sustained by higher project activity in Central Europe, compensating for comparison basis in Africa where significant HPC sales were achieved last year.

Operating margin was € 275 million, representing 13.4% of revenue, improving by +180 basis points compared to 2017 at constant scope and exchange rates. Margin mainly benefitted from the contribution of the revenue growth, primarily in Infrastructure & Data Management and in Big Data & Security, from the successful CVC integration and from a tight monitoring of costs across all the Other Business Units. Productivity improvement in Global Delivery Centers (reported in Other Business Units) also supported the operating margin improvement.

E.1.3.7 Global structure costs

Global structures costs reached €-66 million, decreasing by € 13 million compared to 2017 at constant scope and exchange rates, reflecting the continued efforts on internal costs optimization in most functions as well as on third party costs.

E.1.4 Revenue by Market

(in € million)	Revenue 2018	2017*	Organic evolution
Manufacturing, Retail & Transportation	4,492	4,501	-0.2%
Public & Health	3,387	3,372	0.4%
Financial Services	2,449	2,313	5.9%
Telcos, Media & Utilities	1,930	1,928	0.1%
TOTAL	**12,258**	**12,114**	**1.2%**

* *At constant scope and exchange rates.*

E.1.4.1 Manufacturing, Retail & Transportation

Manufacturing, Retail & Transportation was the largest market segment of the Group (7%) and reached € 4,492 million in 2018, declining by -0.2% compared to 2017 at constant scope and exchange rates. Revenue decrease mainly came from North America partially compensated by France. In particular, good performance was recorded within Business & Platform Solutions and Big Data & Cybersecurity Divisions.

In this market, the top 10 clients (excluding Siemens) represented 17% of revenue with Conduent, a global leader in Aerospace & Defense, Johnson & Johnson, Daimler, Rheinmetall, a large car manufacturer in Germany, Renault Nissan, Philips, Volkswagen and Xerox.

E.1.4.2 Public & Health

Public & Health was the second market of the Group (28%) with total revenue of € 3,387 million, representing an increase of +0.4% compared to 2017 at constant scope and exchange rates. Growth mainly came from contract ramp up in the United Kingdom and North America, coupled with a good performance in Worldline.

36% of the revenue in this market was realized with 10 main clients: UK department for Work & Pensions (DWP), Texas department of Information Resources, European Union Institutions, McLaren Health Care Corporation, Allscripts, UK Ministry of Justice, UK Nuclear Decommissioning Authority, Bundesagentur für Arbeit, SNCF and French Ministry for the Economy and Finance.

E.1.4.3 Financial Services

Financial Services was the third Market of the Group and represented 20% of the total revenue at € 2,449 million, representing an increase by +5.9% compared to 2017 at constant scope and exchange rates. A good performance was recorded in North America thanks to CNA Financial Corporation and in Worldline.

In this market, 41% of the revenue was generated with the 10 main clients: UK National Savings & Investments, Standard Chartered Bank, Deutsche Bank, ICBPI SpA group, BNP Paribas, ING, Standard & Poor's Global, Crédit Agricole, Société Générale and Commerzbank.

E.1.4.4 Telcos, Media & Utilities

Telcos, Media & Utilities represented 16% of the Group revenue and reached € 1,930 million, representing an increase of +0.1% compared to 2017 at constant scope and exchange rates. Revenue increase is mainly coming from the strong performance recorded within the Big Data & Cybersecurity Division as well as the good performance in France with EDF and in Germany with Deutsche Telekom which have compensated the ramp down of large contracts such as a large telco operator in Germany and BBC in the United Kingdom.

Main clients were EDF, Orange, Telefonica/O2, Nokia, BBC, Deutsche Telekom, The Walt Disney company, Enel, Telecom Italia and Engie. The top 10 main clients represented 50% of the total Telcos, Media & Utilities Market revenue.

E.1.5 Portfolio

E.1.5.1 Order entry and book to bill

In 2018, the Group **order entry** totaled **€ 13,696 million**, stable **year-on-year**, representing a **book to bill ratio** of **112%** compared to 109% in 2017. During the fourth quarter, the book to bill reached 124%.

Order entry and book to bill by **Division** was as follows:

	Order entry			Book to bill		
(in € million)	H1 2018	H2 2018	FY 2018	H1 2018	H2 2018	FY 2018
Infrastructure & Data Management	3,897	2,889	6,787	123%	91%	107%
Business & Platform Solutions	1,700	1,963	3,663	105%	113%	109%
Big Data & Cybersecurity	546	788	1,333	127%	169%	149%
Worldline	908	1,005	1,913	114%	115%	114%
TOTAL	**7,051**	**6,645**	**13,696**	**117%**	**106%**	**112%**

Several large new contracts were signed over the period in Infrastructure & Data Management, which contributed to the continued growth of the Atos Digital Transformation Factory. In particular large order entries were signed with CNA in North America, with a pension, insurance and investment company in the United Kingdom, with a large car manufacturer and Siemens in Germany, as well as with a global leader in Aerospace & Defense both in Germany and France. Business & Platform Solutions signed new contracts notably in Italia and Spain respectively with a multinational energy company and an international telecom provider. Big Data & Cybersecurity pursued its strong commercial dynamics reaching 149% book to bill ratio in 2018. Worldline managed to achieve 114% over the period, with new contracts mainly in Financial Services.

Renewals of the year included several large contracts in Infrastructure & Data Management such as in Public Sector in the United Kingdom and leading provider of technology and services in The Benelux & The Nordics and North America, while Worldline renewed several Issuing Processing contracts.

Order entry and book to bill by **Market** were as follows, with a strong contribution from Financial Services both in Worldline and Digital Services:

	Order entry			Book to bill		
(in € million)	H1 2018	H2 2018	FY 2018	H1 2018	H2 2018	FY 2018
Manufacturing, Retail & Transportation	2,281	2,300	4,581	105%	99%	102%
Public & Health	1,763	1,596	3,359	104%	94%	99%
Telcos, Media & Utilities	1,086	1,064	2,150	115%	108%	111%
Financial Services	1,921	1,685	3,606	162%	134%	147%
TOTAL	**7,051**	**6,645**	**13,696**	**117%**	**106%**	**112%**

E.1.5.2 Full backlog

In line with the positive evolution of Atos commercial activity, the **full backlog** at the end of December 2018 including the integration of the Syntel and SIX Payment Services acquisitions increased by **+7.9%** compared to December 2017, and amounted to **€ 24.5 billion**, representing **1.8 year of revenue**.

E.1.5.3 Full qualified pipeline

The **full qualified pipeline** was **€ 8.1 billion** at the end of 2018 including the integration of the acquisitions, up **+9.5%** compared to the end of 2017, representing **7 months of revenue**.

E.1.6 Human Resources

The total headcount was 122,110 at the end of December 2018 compared to 97,267 at the end of December 2017. The Group total workforce increased by +26% or + 24,843 staff, mostly coming from acquisitions (+26,861 staff). +23,480 came from Syntel, notably in Other Business Units in India, as well as in North America, and to a lesser extent in the United Kingdom. +1,344 people came from SIX Payment Services in Worldline, +1,237 from Simtec insourcing in Turkey, +800 from CVC in Central & Eastern Europe, and to a lesser extent in Germany, in North America and in Asia. Excluding acquisitions, the total decrease amounted to -2.1% mainly in Infrastructure & Data Management to accompany automation while the Group continued to pursue its digital transformation and that of its customers. In Big Data & Cybersecurity, direct staff increased by +7.7% during the year excluding acquisitions, supporting the strong growth of the Division.

In 2018, the Group hired 14,601 staff (95% were direct employees). The hirings were mainly achieved in the "Other Business Units" (totaling 61% of direct hirings), notably in offshore and nearshore countries such as India, Poland, Romania and the Philippines, as well as in Worldline, North America, France and the United Kingdom. 45% of the direct hirings over the period were performed in Business & Platform Solutions.

Attrition rate was 14.4% at Group level, of which 20.3% in offshore countries. The number of restructured and dismissed employees over the period amounted to 2,938.

Headcount evolution in 2018 by Business Unit and by Division was the following:

	End of December 2017	Scope	Hiring	Leavers, dismissals & restructuring	End of December 2018
Infrastructure & Data Management	45,678	1,232	5,371	-7,750	44,530
Business & Platform Solutions	31,279	22,103	6,224	-6,652	52,954
Big Data & Cybersecurity	4,221	639	803	-477	5,186
Functions	130		0	26	156
Worldline	8,682	1,120	1,415	-765	10,452
Total Direct	**89,989**	**25,094**	**13,812**	**-15,618**	**113,278**
Germany	8,497	60	182	-236	8,503
North America	8,600	3,537	1,402	-2,412	11,127
France	11,267		1,036	-1,697	10,606
United Kingdom & Ireland	8,350	644	953	-1,462	8,485
Benelux & The Nordics	5,688	27	350	-830	5,235
Other Business Units	38,409	19,706	8,416	-8,215	58,316
Global structures	496		59	-1	554
Worldline	8,682	1,120	1,415	-765	10,452
Total Direct	**89,989**	**25,094**	**13,812**	**-15,618**	**113,278**
Total Indirect	**7,277**	**1,767**	**788**	**-1,001**	**8,832**
TOTAL GROUP	**97,267**	**26,861**	**14,601**	**-16,619**	**122,110**

The number of direct employees at the end of 2018 was 113,278, representing 92.8% of the total Group headcount, compared to 92.5% at the end of December 2017. Indirect staff was 8,832 end of December 2018, decreasing by -2.9% compared to the end of December 2017 when excluding the impact from acquisitions.

E.2 2019 objectives

In 2019, the Group targets objectives for its 3 key financial criteria in line with its ADVANCE 2021 3-year plan:

Revenue organic growth: +2% to +3%;

Operating margin: 11.5% to 12% of revenue;

Free cash flow: between € 0.9 billion to € 1.0 billion.

E.3 2019 objectives on digital services scope (excluding Worldline)

In 2019, the Group targets objectives for its 3 key financial criteria in line with its ADVANCE 2021 3-year plan:

Revenue organic growth: +1% to +2%;

Operating margin: c. 10.5% of revenue;

Free cash flow: between € 0.6 billion to € 0.7 billion.

E.4 Financial review

E.4.1 Income statement

The Group reported a net income (attributable to owners of the parent) of € 630 million for 2018, which represented 5.1% of Group revenue and an increase of 5% compared to 2017. The normalized net income before unusual, abnormal and infrequent items (net of tax) for the period was € 907 million, representing 7.4% of 2018 Group revenue.

(in € million)	12 months ended December 31, 2018	%	12 months ended December 31, 2017 restated	%
Operating margin	**1,260**	**10.3%**	**1,292**	**10.8%**
Other operating income/(expenses)	-424		-417	
Operating income	**836**	**6.8%**	**875**	**7.3%**
Net financial income/(expenses)	-87		-62	
Tax charge	-47		-149	
Non-controlling interests and associates	-72		-64	
Net income – Attributable to owners of the parent	**630**	**5.1%**	**601**	**5.0%**
Normalized net income – Attributable to owners of the parent*	**907**	**7.4%**	**866**	**7.2%**

* *The normalized net income is defined hereafter.*

E.4.1.1 Operating margin

Income and expenses are presented in the Consolidated Income Statement by nature to reflect the specificities of the Group's business more accurately. Below the line item presenting revenues, ordinary operating expenses are broken down into staff expenses and other operating expenses.

These two items together are deducted from revenues to obtain operating margin, one of the main Group business performance indicators.

Operating margin represents the underlying operational performance of the on-going business and is analyzed in detail in the operational review.

E.4.1.2 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual, abnormal and infrequent and represented a net expense of € 424 million in 2018. The following table presents this amount by nature:

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Staff reorganization	-79	-83
Rationalization and associated costs	-38	-38
Integration and acquisition costs	-83	-43
Amortization of intangible assets (PPA from acquisitions)	-128	-109
Equity based compensation	-52	-86
Other items	-43	-59
TOTAL	**-424**	**-417**

The € 79 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as Germany, the United Kingdom and the Netherlands. A significant staff reorganization was implemented in North America, however with more limited costs compared to other countries.

The € 38 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in France, Germany and North America.

Integration and acquisition costs mainly relate to the acquisition and integration costs of new acquired companies. Syntel, SIX Payment Services and equensWorldline acquisition and integration costs amount to € 52 million while the other costs relate to the migration and standardization of internal IT platforms of earlier acquisitions.

The 2018 amortization of intangible assets recognized in the **Purchase Price Allocation** (PPA) of € 128 million was mainly composed of:

- € 22 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 19 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 18 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014;
- € 11 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 10 million of Equens and Paysquare customer relationships amortized over 6.5 to 9.5 years starting October 1, 2016;
- € 4 million of SIX Payment Services customer relationships, technologies and patents amortized over 6 to 19 years starting December 1, 2018.

The **equity-based compensation** expense amounted to € 52 million compared to € 86 million in 2017, in particular due to a lower performance in 2018.

In 2018, the Group strongly decreased the amount of **other items** from € 59 million to € 43 million facing less exceptional expenses related to cyberattacks, the implantation of GDPR or settlement of litigations. The € 43 million expenses this year corresponded mainly to semi retirement schemes in Germany and France.

E.4.1.3 Net financial expense

Net financial expense amounted to € 87 million for the period (compared to € 62 million prior year) and was composed of a net cost of financial debt of € 31 million and non-operational financial costs of € 56 million.

Net cost of financial debt was € 31 million (compared to € 24 million in 2017) and resulted from the following elements:

- the average gross borrowing of € 3,330 million compared to € 2,190 million in 2017 bearing an average expense rate of 1.25% compared to 1.49% last year. The average gross borrowing expenses were mainly explained by:
  - the used portion of the syndicated loan combined with the Negotiable EUropean Commercial Papers (NEU CP) and the Negotiable EUropean Medium Term Note program (NEU MTN) for an average of € 1,239 million (compared to an average of € 1,103 million in 2017) bearing an effective interest rate of 0.28%, benefiting from the attractive remuneration applied to the NEU CP,
  - a € 600 million bond issued in July 2015 bearing a coupon rate of 2.375%,
  - a € 300 million bond issued in October 2016 bearing a coupon rate of 1.444%,
  - a € 700 million bond issued in November 2018 bearing a coupon rate of 0.750%,
  - a € 750 million bond issued in November 2018 bearing a coupon rate of 1.750%,
  - a € 350 million bond issued in November 2018 bearing a coupon rate of 2.500%,
  - a $ 1,900 million 3 and 5 year term loan signed in October 2018 drawn in $ and € at variable rate partially repaid in December for an amount of $ 200 million bearing an average effective interest rate of around 1.78%,
  - other sources of financing, including securitization, for an average of € 194 million, bearing an effective interest rate of 2.60%;
- the average gross cash varied from € 1,339 million in 2017 to € 1,313 million in 2018 bearing an average income rate of 0.80% compared to 0.67% in 2017.

Non-operational financial costs amounted to € 56 million compared to € 38 million in 2017 and were mainly composed of pension related interest (broadly stable compared to € 30 million expense in 2017) and a net foreign exchange gain (including hedges) of € 5 million versus a net foreign exchange loss (including hedges) of € 3 million in 2017 and the SIX Payment Services contingent consideration variance for €-18 million.

The pension financial cost represented the difference between interest costs on pension obligations and interest income on plan assets.

E.4.1.4 Corporate tax

The Group effective tax rate is 6.3% for 2018 corresponding to a tax charge of € 47 million with a profit before tax of € 749 million.

It includes the recognition of deferred tax assets for € 90 million inherited from the Bull acquisition, due to the significant growth of digital transformation activities including cloud.

Excluding this positive effect of € 90 million, the effective tax rate would be at 18.3% comparable to last year.

E.4.1.5 Non-controlling interests

Non-controlling interests included shareoldings held by joint venture partners and other associates of the Group. Non-controlling interests amounted to € 73 million in December 2018 (compared to € 64 million in December 2017). This increase was mostly related to the improved performance of Worldline.

E.4.1.6 Normalized net income

The normalized net income attributable to owners of the parent is defined as net income attributable to owners of the parent excluding unusual, abnormal, and infrequent items (attributable to owners of the parent) net of tax based on effective tax rate by country. In 2018, the normalized net income attributable to owners of the parent was € 907 million, increasing by 4.7% compared to previous year.

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Net income - Attributable to owners of the parent	**630**	**601**
Other operating income and expenses net of tax	-277	-265
Normalized net income - Attributable to owners of the parent	**907**	**866**

E.4.1.7 Earnings per share

(in € million and shares)	12 months ended December 31, 2018	% Margin	12 months ended December 31, 2017 restated	% Margin
Net income – Attributable to owners of the parent [a]	**630**	**5.1 %**	**601**	**4.7 %**
Impact of dilutive instruments	-		-	
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**630**	**5.1 %**	**601**	**4.7 %**
Normalized net income – Attributable to owners of the parent [c]	**907**	**7.4 %**	**866**	**6.8 %**
Impact of dilutive instruments	-		-	
Normalized net income restated of dilutive instruments - Attributable to owners of the parent [d]	**907**	**7.4 %**	**866**	**6.8 %**
Average number of shares [e]	106,012,480		105,081,802	
Impact of dilutive instruments	15,254		376,158	
Diluted average number of shares [f] *(In €)*	106,027,734		105,457,960	
Basic EPS [a] / [e]	**5.95**		**5.72**	
Diluted EPS [b] / [f]	**5.95**		**5.70**	
Normalized basic EPS [c] / [e]	**8.56**		**8.24**	
Normalized diluted EPS [d] / [f]	**8.56**		**8.21**	

Further to the increase of net income as detailed above, basic and diluted Earning per Share (EPS) rached respectively € 5.95 (€ 5.72 in 2017) and € 5.95 (€ 5.70 in 2017). Normalized basic and diluted EPS reached respectively € 8.56 (€ 8.24 in 2017) and € 8.56 (€ 8.21 in 2017).

E.4.2 Cash Flow

Free cash flow representing the change in net cash or net debt, excluding net acquisitions/disposals, equity changes, and dividends paid to shareholders, reached € 658 million, or € 720 million excluding acquisition and upfront financing costs related to Syntel and SIX Payment Services acquisitions, versus € 714 million achieved in 2017.

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Operating Margin before Depreciation and Amortization (OMDA)	**1,601**	**1,608**
Capital expenditures	-476	-526
Change in working capital requirement	-74	-25
Cash from operation (CFO)	**1,051**	**1,057**
Tax paid	-130	-133
Net cost of financial debt paid	-31	-24
Reorganization in other operating income	-88	-95
Rationalization & associated costs in other operating income	-26	-22
Integration and acquisition costs	-75	-40
Other changes*	-43	-30
Free Cash Flow (FCF)	**658**	**714**
Net (acquisitions) / disposals	-3,644	-403
Capital increase / (decrease)	22	38
Share buy-back	-102	-59
Dividends paid	-79	-168
Change in net cash / (debt)	**-3,145**	**123**
Opening net cash / (debt)	**307**	**329**
Change in net cash/(debt)	-3,145	123
Foreign exchange rate fluctuation on net cash/(debt)	-34	-144
Closing net cash / (debt)	**-2,872**	**307**

* *"Other changes" include other operating income with cash impact (excluding reorganization, rationalization and associated costs, integration and acquisition costs) and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals, and profit sharing amounts payable transferred to debt.*

Cash from Operations (CFO) amounted to € 1,051 million, stable compared to prior year. This resulted from the change of the three following components:

- OMDA (€-7 million);
- capital expenditures (€+50 million);
- change in working capital requirement (€-49 million).

OMDA of € 1,601 million represented 13.1% of revenue, compared to 13.4% of restated revenue of last year:

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Operating margin	**1,260**	**1,292**
+ Depreciation of fixed assets	431	448
+ Net book value of assets sold/written off	34	14
+/- Net charge/(release) of pension provisions	-68	-82
+/- Net charge/(release) of provisions	-56	-65
OMDA	**1,601**	**1,608**

Capital expenditures amounted to € 476 million or 3.9% of the revenue compared to € 526 million in 2017. The Group continued to invest, especially in its infrastructure business, in particular in Cloud architectures as well as in its payment platforms within Worldline.

The **working capital requirement** increased by € 74 million. The DSO ratio reached 43 days compared to 39 days at the end of December 2017. Further to IFRS 15 implementation, the calculation of the DSO takes into account the resale transactions receivables on which related revenue is recognized on a net basis (net of suppliers costs) while it does not take into account the gross revenue related to these transactions. The impact from this restatement at the end of 2017 amounts to 4 days. As a result, the post IFRS 15 DSO is structurally slightly higher than the underlying customer billing terms and payment terms. DSO has been positively impacted by the sale of receivables with no recourse on large customer contracts by 23 days, stable compared to December 2017. As of December 31, 2018, € 894 million of trade receivables were sold with no recourse to banks with transfer of risks as defined by IFRS 9 (€ 858 million as of December 31, 2017) and were therefore derecognized in the Statement of Financial Position as of December 31, 2018.

Cash out related to **tax paid** reached € 130 million, in line with last year.

The **cost of net debt** reached € 31 million compared to € 24 million in 2017. This was mainly explained by the new financing structure due to Syntel acquisition since October 2018.

Reorganization, rationalization and associated costs, and integration and acquisition costs reached € 189 million compared to € 157 million in 2017, significantly impacted by major acquisitions (Syntel, SIX Payment Services and equensWorldline) for € 53 million. Excluding those exceptional costs, those costs reached circa 1% of revenue in line with the Group policy.

Other changes amounted to €-43 million, compared to €-30 million in 2017. Excluding € 31 million of upfront and underwriting fees paid for the acquisition of Syntel, other changes amounted to € 12 million, mainly related to expenses of semi retirement schemes in Germany and France and payments related to 2017 litigations settlements mainly in UK.

As a result, the **Group Free Cash Flow (FCF)** generated during the year 2018 was € 658 million, or € 720 million excluding acquisition and upfront financing costs related to Syntel and SIX Payment Services acquisitions.

The net debt impact resulting from **acquisitions net of disposals** amounted to € 3,644 million and corresponded mainly to the acquisitions of Syntel for € 3,116 million (including acquired net debt/cash), SIX Payment Services for € 503 million (including acquired net debt/cash and the contingent consideration valuation).

Capital increase totaled € 22 million in 2018 compared to € 38 million in 2017, reflecting proceeds from stock options exercised (old equity-based compensation plans).

Share buy-back was implemented in 2018 for € 102 million in order to deliver performance shares with no dilution for shareholders.

The Group distributed a **dividend** of € 1.70 per share on 2017 results. The cash component (excluding option in shares) amounted to € 68 million.

Foreign exchange rate fluctuation determined on debt or cash exposure by country represented a decrease in net cash of €-34 million, mainly coming from the exchange rate of the Euro against British pound, Brazilian real, Argentinian peso and US dollar.

As a result, the **Group net debt position** was € 2,872 million at the end of December 2018, compared to a net cash position of € 307 million at the end of December 2017.

E.4.3 Financing policy

Atos has implemented a strict financing policy which is reviewed by the Group Audit Committee, with the objective to secure and optimize the Group's liquidity management. Each decision regarding external financing is approved by the Board of Directors. Under this policy, all Group treasury activities, including cash management, short-term investments, hedging and foreign exchange transactions, as well as off balance sheet financing through operating leases, are centrally managed through the Group Treasury department. Following a cautious short term financial policy, the Group did not make any short-term cash investment in risky assets.

E.4.3.1 Financing structure

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

On December 20, 2018, Worldline signed with a number of major financial institutions a five-year revolving credit facility for an amount of € 0.6 billion maturing in December 2023, with an option for Worldline to request the extension of the maturity date until December 2025. The facility is available for general corporate purposes. The revolving credit facility includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

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

- € 700 million Notes with a 3.5 year maturity and 0.75% coupon;
- € 750 million Notes with a 6.5 year maturity and 1.75% coupon;
- € 350 million Notes with a 10 year maturity and 2.50% coupon.

There are no financial covenants. The rating agency Standard and Poor's has assigned a rating of BBB+ to the three tranches, subsequently to the rating of Atos described herebelow.

On October 22, 2018, the rating agency Standard and Poor's has assigned a rating of BBB+ to Atos recognizing the strong investment grade profile of the Group.

On October 11, 2018, Atos signed with a number of major financial institutions a five-year € 2.4 billion revolving credit facility (the Facility) maturing in November 2023 with an option for Atos to request the extension until November 2025. The Facility is available for general corporate purposes and replaces the existing € 1.8 billion facility signed in November 2014. The Facility includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

On October 9, 2018, Atos drew a bridge loan of $ 1.9 billion for the acquisition of Syntel. The bridge loan was fully reimbursed on November 9, 2018.

On October 9, 2018, Atos drew a term loan of $ 1.9 billion for the acquisition of Syntel. The term loan was composed of a 3-year $ 1.1 billion loan and a 5-year $ 0.8 billion loan. The term loan issuance by currency was $ 0.6 billion equivalent euros and $ 1.3 billion in USD. On December 14, 2018, Atos reimbursed $ 200 million out of the loan drawn in USD.

The $ 1.9 billion term loan includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

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

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

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

On July 2, 2015 Atos issued a bond of € 600 million with a five-year maturity. The coupon rate is 2.375% (unrated). There are no financial covenants.

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The program has been restricted to two French participant entities.

The program is still structured with two compartments, called ON and OFF:

- compartment "ON" is similar to the previous program (i.e. the receivables are maintained in the Group balance sheet) which remains by default the compartment in which the receivables are sold. This compartment was used at its lowest level;
- compartment "OFF" is designed so the credit risk (insolvency and overdue) of the debtors eligible to this compartment of the program is fully transferred to the purchasing entity of a third party financial institution.

As of December 31, 2018, the Group has sold:

- in the compartment "ON" € 85.2 million receivables for which € 5.9 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- in the compartment "OFF" € 33.1 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

The Atos securitization program includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5.

E.4.3.2 Bank covenants

The Group was well within its borrowing covenant (leverage ratio) applicable to the multi-currency revolving credit facility, the $ 1.9 billion term loan and the securitization program, with a leverage ratio (net debt divided by OMDA) of 1.54 at the end of December 2018.

According to the credit documentation of the multi-currency revolving credit facility, the $ 1.9 billion term loan and the securitization program, the leverage ratio is calculated on a proforma basis, taking into account full year OMDA 2018 for Syntel and Six Payment Services.

The leverage ratio must not be greater than 2.5 times under the terms of the multi-currency revolving credit facility, the $ 1.9 billion term loan and the securitization program.

E.4.3.3 Investment policy

Atos has a policy to lease its office space and data processing centers. Some fixed assets such as IT equipment and company cars may be financed through leases. The Group Treasury department evaluates and approves the type of financing for each new investment.

E.4.3.4 Hedging policy

Atos' objective is also to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the existing floating-rate financial debt. Authorized derivative instruments used to hedge the debt are swap contracts, entered into with leading financial institutions and centrally managed by the Group Treasury department.

The Group has entered into interest rate swaps in 2018.

E.5 Consolidated financial statements

E.5.1 Statutory auditors' report on the consolidated financial statements for the year ended December 31, 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' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

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

To the annual General Meeting of Atos Company,

Opinion

In compliance with the engagement entrusted to us by the annual General Meetings, we have audited the accompanying consolidated financial statements of Atos Company for the year ended December 31, 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics (Code de déontologie) for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

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

BUSINESS COMBINATION ACCOUNTING

Note 1 "changes in the scope of consolidation" of consolidated financial statements

Key Audit Matter	Our audit approach
The Group completed the acquisition of Syntel Inc., on October 9, 2018 for an amount of € 2,966 m. Through its Worldline's division, the Group also acquired the payment services division of the SIX group ("SPS") on November 30, 2018 for an amount of € 2,826 m. As described in Note 1 of the consolidated financial statements, at December 31, 2018, the considerations transferred were subject to a preliminary allocation to the identifiable assets acquired and liabilities assumed, based on an estimate of their fair value and the information available at that date. These allocations led to the recognition of intangible assets, mainly customer relationship and technologies, and of a preliminary goodwill of € 4,451 m. We considered that the accounting treatment of these transactions was a key audit matter, given the materiality and the use of Management's estimates and judgment, in the determination of the considerations transferred, the preliminary allocation of this consideration to the asset et liabilities identified and goodwill.	We examined the determination of the fair value of the consideration for both acquisitions, including the assumptions and methods used to estimate the fair value of the contingent consideration for SPS. The consolidated opening balance sheets of Syntel Inc. as of November 1 and the SPS as of December 1, 2018 were subject to specific audit procedures covering their main entities. Our approach consisted in reviewing the preliminary expert's reports and assessing the consistency of the hypothesis and estimate used with the business plans obtained: • we performed interviews with the independent experts on the scope of his work, the valuation methodologies used and the main assumptions used; • we reviewed the relevance of the valuation methods used, with the support of our own valuation specialists; • we performed interviews with Management to corroborate the assumptions used in the business plans underlying the valuation of intangible assets. We examined the accounting treatment of related financing Based on these elements, we reviewed the calculation of these preliminary goodwill and assessed the appropriateness of the disclosures related to these acquisitions provided in the Notes to the consolidated financial statements.

REVENUE RECOGNITION ON LONG TERM FIXED-PRICE CONTRACTS

Note 3 “Revenue, trade receivables, contract assets and contract costs” of consolidated financial statements

Key Audit Matter	Our audit approach

Regarding fixed-price contracts performed over the course of several years, particularly related to outsourcing, consulting and system integration activities, revenues are recognized, in accordance with IFRS 15 ‘Revenue from contracts with customers’ based on the transfer of the control of the service provided.
 	
For multi-element service contracts, which may be a combination of different services, revenue is recognized separately for each performance obligation when the control is transferred to the customer. Revenue recognized depends on the fair value of the performance obligation and its allocated transaction price.
 	
Total contract costs and expected remaining costs are subject to regular monitoring to determine whether the stage of completion and margin recognized should be revised. If these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for estimated losses on completion.
 	
We consider revenue recognition on long-term contracts and the associated costs as a key audit matter as identification of performance obligations and related allocations of the transaction price requires judgment from Management. When revenue is recognized on the basis of costs incurred, the completion degree relies on operational assumptions and estimates which impact the Group consolidated revenue and operating margin.
	We assessed the internal control environment relating to contract accounting. We tested the effectiveness of the key controls implemented by the financial controllers and the operational managers, in particular those relating to the costs incurred on contract and those relating to the costs to complete.
	
	For a number of contracts that were selected based upon quantitative and qualitative criteria (contracts that experienced technical difficulties or low profitability), we performed the following procedures:
	
	• for new fixed-price contracts, we corroborated the analysis and accounting treatment retained (allocation of the transaction price to the different performance obligations identified, and definition of recognition conditions of the revenue recognized for each performance obligation);
	• we corroborated initial budget margin to the financial data within the signed contract and the associated cost estimation;
	• for contracts in progress, we performed the following procedures on the completion degree when revenue is recognized over time:
	  • we reconciled the financial data (revenue, billing and work-in-progress) including in the workprogress spreadsheet that is updated monthly by the financial controller to the accounting records,
	  • we corroborated the amount of costs incurred with the data from the timesheet application system,
	  • we analyzed standard hourly rates’ calculation methodology,
	  • we performed interviews with financial controllers and / or operational managers to assess the estimated costs yet to be incurred and the percentage of completion on the contract, which is the basis on which revenue and margin is recognized, we have furthermore analyzed the appropriateness of these estimates
	by comparing the forecasted data with the actual performance of the contract and by reconciling, if necessary, to the discussions with the client since the contract was signed,
	  • when necessary, we analyzed assumptions used by management to determine the loss recognized on any unprofitable contracts and confirmed these assumptions with historical performance on the contract and the remaining technical milestones to be achieved.

GOODWILL VALUATION

Note 8 "Goodwill and fixed assets" of consolidated financial statements

Key Audit Matter	Our audit approach
As of December 31, 2018, the Goodwill is recorded in the balance sheet at a net book value of € 8,863 million, or 41% of the total assets. These assets are not amortized and are subject to an impairment test at least once a year. The annual impairment test is based on the value-in-use of each cash-generating unit (CGU), determined on the basis of an estimate of discounted future cash flows, requiring the use of assumptions and estimates. CGUs correspond to the geographical areas in which the Atos Group operates, with the exception of the Worldline CGU. We considered the valuation of goodwill as a key audit matter, given the weight of these assets in the consolidated balance sheet, the importance of management's judgment in determining cash flow assumptions, discount rates and long-term average growth rate, as well as the sensitivity of the valuation of their value-in-use to these assumptions.	As part of our audit, we examined the process implemented by the Company regarding the performance of impairment tests. We performed the following procedures, on the impairment tests for each CGUs: • we reconciled the cash-flow projections with the three year financial plan; • we analyzed the overall consistency of assumptions used with the performance history of the Group and / or the CGUs concerned and strengthened, especially through interviews with Management, future growth prospects, including the estimation of the perpetual growth rate used; • we assessed, with the support of our valuation specialists, the appropriateness of the valuation model and the discount rates used in relation with market benchmarks; • we performed our own sensitivity calculations, to corroborate the analysis performed by Management, and verified the information disclosed in Note 8 related to the assumption used and the sensitivity analysis is appropriate.

VALUATION OF DEFINED BENEFITS PLANS

Note 9 "Pension plans of other long-term benefits" to the consolidated financial statements

Key Audit Matter	Our audit approach
Certain employees and former employees of the Group benefit from defined benefit pension plans, which can be prepaid through plan assets (pension funds or insurance companies). The net obligations recognized in the Group balance sheet in respect of pension plans amount to € 1,197 million at December 31, 2018. The Group amends on a regular basis, by collective agreement or options to beneficiaries, the lump sum payments or annuities rights of certain plans. The main amendments performed in 2018 and their related impacts are disclosed in Note 9 to the consolidated financial statements. We have considered the valuation of defined benefit pension plans as a key audit matter, based on: • the technical expertise required to assess inflation, discount, and longevity assumptions underlying the valuation of the plans, and the impacts that could result from a change in those assumptions on the recognized obligations; • the estimates related to beneficiaries' behaviors made by management to assess the impact of certain plan amendments, which could lead to significant impacts in operating margin, in case of variances with actual behaviors observed.	We reviewed the pension plans valuation process, and the methodology used by the Group to set up the underlying actuarial assumptions. With the support of our actuarial experts: • we assessed the actuarial assumptions used, in particular the consistency between the financial (inflation and discount rates) and demographic (mortality table) assumptions, in comparison with market indices and benchmarks; and • for the plans we considered as the most significants, we reviewed the independent actuaries reports. We also reconciled the fair-value of plan assets with their market value (listed shares, bonds, swaps) or other external reports (real estate, unlisted shares, investments in infrastructure projects). We also verified that the recorded amendments of rights reflected the agreements signed with the beneficiaries of the plans. For amendments implying estimates on the beneficiaries' behaviors, we corroborated those estimates with the ones observed on similar plan amendments. Then, we verified that the information disclosed on the Note 9 to the consolidated financial statements, in particular the description and changes on plans, the actuarial assumptions, and the sensitivity analysis disclosed, was appropriate.

DEFERRED TAX ASSETS RECOGNITION ON TAX LOSS CARRYFORWARD

Note 7 "Income tax" to the consolidated financial statements

Key Audit Matter	Our audit approach
Atos recognized a deferred tax asset on tax loss carryforward for € 90 million in the 2018 Group income tax. Deferred assets on tax losses carryforward amount to € 376 million as of December 31, 2018. Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. Estimates of taxable profits and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as prepared by Management. Duration of forecasts depends on local specificities. The deferred tax assets on tax losses carryforward amount to € 4,107 million in basis, as of December 31, 2018, of which only a part is recognized with respect to estimated use. Unrecognized deferred assets on tax losses carryforward amounts to € 746 million as of December 31, 2018. We identified this issue as a key audit matter due to the particularly high level of tax loss carryforward that can be recognized, and the importance of Management judgment in taxable profits estimated and in tax loss carryforward use.	Our audit approach consisted in verifying the probability of the Company making future use of the tax loss carryforward generated to date, particularly in regard to: • deferred tax liabilities in the same tax jurisdiction, that could be offset against deferred tax assets with the same maturity; and • the Group's ability to generate future taxable profits in the relevant tax jurisdiction in order to use prior-year tax losses recognized as deferred tax assets. We reviewed the appropriateness of main data and assumptions on which relies tax forecasts underlying the recognition and recoverability of deferred tax assets on tax loss carryforward. We also assessed the appropriateness of information disclosed in the Note 7 to consolidated financial statements.

Specific verifications

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report.

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

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the management report, being specified that, in accordance with the provisions of article L. 823-10 of the Code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein and should be reported on by an independent insurance services provider.

Report on Other Legal and Regulatory Requirements

Appointment of the statutory auditors

We have been appointed as statutory auditors of the Company by your General Shareholders' Meetings held on December 16, 1993 for Deloitte & Associés, and on October 31, 1990 for Grant Thornton.

As at December 31, 2018, Deloitte & Associés was in its 25th year mandate, of total uninterrupted engagement, and for Grant Thornton in its 28th year mandate, total uninterrupted engagement, and for both statutory auditors, on 23 years of exercise of mandate since the Company securities were admitted to trading on a regulated market.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

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

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

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

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

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

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

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

Paris-La Défense and Neuilly-sur-Seine, February 21, 2019

The statutory auditors

French original signed by

Deloitte & Associés	**Grant Thornton**
Christophe Patrier	Virginie Palethorpe

E.5.2 Consolidated income statement

(in € million)	Notes	12 months ended December 31, 2018	12 months ended December 31, 2017 restated
Revenue	**Note 3.1**	**12,258**	**11,996**
Personnel expenses	Note 4.1	-5,553	-5,557
Operating expenses	Note 4.2	-5,444	-5,147
Operating margin		**1,260**	**1,292**
% of revenue		**10.3%**	**10.8%**
Other operating income and expenses	Note 5	-424	-417
Operating income		**836**	**875**
% of revenue		**6.8%**	**7.3%**
Net cost of financial debt	Note 6.1	-31	-24
Other financial expenses	Note 6.1	-94	-72
Other financial income	Note 6.1	38	34
Net financial income		-87	-62
Net income before tax		**749**	**813**
Tax charge	Note 7.1	-47	-149
Share of net profit/(loss) of associates		1	1
NET INCOME		**703**	**665**
Of which:			
• **attributable to owners of the parent**		**630**	**601**
• non-controlling interests	Note 12.3	73	64

(in € million and shares)	Notes	12 months ended December 31, 2018	12 months ended December 31, 2017
Net income - Attributable to owners of the parent	**Note 12.1**	**630**	**601**
Weighted average number of shares		106,012,480	105,081,802
Basic earnings per share		**5.95**	**5,72**
Diluted weighted average number of shares		106,027,734	105,457,960
Diluted earnings per share		**5.95**	**5,70**

E.5.3 Consolidated statement of comprehensive income

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017 restated
Net income	**703**	**665**
Other comprehensive income		
• **to be reclassified subsequently to profit or loss (recyclable):**	**-4**	**-255**
Cash flow hedging	4	1
Change in fair value of available for sale financial assets	-	4
Exchange differences on translation of foreign operations	-12	-261
Deferred tax on items recyclable recognized directly on equity	4	2
• **not reclassified to profit or loss (non-recyclable):**	**-28**	**116**
Actuarial gains and losses generated in the period on defined benefit plan	-39	157
Deferred tax on items non-recyclable recognized directly in equity	11	-41
Total other comprehensive income	**-32**	**-139**
Total comprehensive income for the period	**671**	**526**
Of which:		
• **attributable to owners of the parent**	**609**	**463**
• non-controlling interests	62	63

E.5.4 Consolidated statement of financial position

(in € million)	Notes	December 31, 2018	December 31, 2017
ASSETS			
Goodwill	Note 8.1	8,863	4,384
Intangible assets	Note 8.2	2,813	1,310
Tangible assets	Note 8.3	725	693
Non-current financial assets	Note 6.3	328	281
Deferred tax assets	Note 7.4	459	381
Total non-current assets		**13,188**	**7,049**
Trade accounts and Notes receivables	Note 3.2	2,965	2,660
Current taxes		74	33
Other current assets	Note 4.4	2,791	1,475
Current financial instruments	Note 11	12	8
Cash and cash equivalents	Note 6.2	2,546	2,260
Total current assets		**8,387**	**6,436**
TOTAL ASSETS		**21,576**	**13,484**

(in € million)	Notes	December 31, 2018	December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		107	105
Additional paid-in capital		2,862	2,740
Consolidated retained earnings		2,760	1,498
Translation adjustments		-285	-282
Net income attributable to the owners of the parent	Note 12.1	630	601
Equity attributable to the owners of the parent	Note 12.2	6,074	4,662
Non-controlling interests	Note 12.3	2,027	564
Total shareholders' equity		**8,101**	**5,226**
Provisions for pensions and similar benefits	Note 9	1,385	1,350
Non-current provisions	Note 10	101	113
Borrowings	Note 6.4	4,381	1,241
Deferred tax liabilities	Note 7.4	421	119
Other non-current liabilities		5	5
Total non-current liabilities		**6,295**	**2,828**
Trade accounts and notes payables	Note 4.3	2,462	2,060
Current taxes		132	100
Current provisions	Note 10	146	173
Current financial instruments	Note 11	2	7
Current portion of borrowings	Note 6.4	1,037	712
Other current liabilities	Note 4.5	3,400	2,378
Total current liabilities		**7,180**	**5,431**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**21,576**	**13,484**

E.5.5 Consolidated cash flow statement

(in € million)	Notes	12 months ended December 31, 2018	12 months ended December 31, 2017
Profit before tax		**749**	**813**
Depreciation of assets	Note 4.2	431	448
Net charge / (release) to operating provisions		-124	-147
Net charge / (release) to financial provisions		35	37
Net charge / (release) to other operating provisions		20	23
Amortization of intangible assets (PPA from acquisitions)		128	109
Losses / (gains) on disposals of fixed assets		1	0
Net charge for equity-based compensation		52	86
Unrealized losses / (gains) on changes in fair value and other		-3	1
Net cost of financial debt	Note 6.1	31	24
Cash from operating activities before change in working capital requirement, financial interest and taxes		**1,320**	**1,395**
Tax paid		-130	-133
Change in working capital requirement		-74	-25
Net cash from / (used in) operating activities		**1,116**	**1,237**
Payment for tangible and intangible assets		-476	-526
Proceeds from disposals of tangible and intangible assets		33	25
Net operating investments		**-443**	**-501**
Amounts paid for acquisitions and long-term investments		-3,399	-411
Cash and cash equivalents of companies purchased during the period		-142	14
Proceeds from disposals of financial investments		11	5
Cash and cash equivalents of companies sold during the period		-	-3
Dividend received from entities consolidated by equity method		1	1
Net long-term investments		**-3,529**	**-393**
Net cash from / (used in) investing activities		**-3,972**	**-894**
Common stock issues on the exercise of equity-based compensation		22	18
Capital increase subscribed by non-controlling interests		-	20
Purchase and sale of treasury stock		-102	-59
Dividends paid		-68	-168
Dividends paid to non-controlling interests		-11	-2
New borrowings	Note 6.5	3,555	589
New finance lease	Note 6.5	3	6
Repayment of long and medium-term borrowings	Note 6.5	-287	-293
Net cost of financial debt paid		-31	-24
Other flows related to financing activities		-3	3
Net cash from / (used in) financing activities		**3,078**	**90**
Increase / (decrease) in net cash and cash equivalents		**222**	**433**
Opening net cash and cash equivalents		**2,182**	**1,900**
Increase / (decrease) in net cash and cash equivalents		222	433
Impact of exchange rate fluctuations on cash and cash equivalents		-26	-151
Closing net cash and cash equivalents	**Note 6.5**	**2,378**	**2,182**

E.5.6 Consolidated statement of changes in shareholders' equity

(in € million)	Number of shares at period-end *(thousands)*	Common Stock	Additional paid-in capital
December 31, 2016	**104 908**	**105**	**2 713**
• Common stock issued	537	1	27
• Appropriation of prior period net income	-	-	-
• Dividends paid	-	-	-
• Equity-based compensation	-	-	-
• Changes in treasury stock	-	-	-
• Acquisition of Non controlling interest without a change in control	-	-	-
Transactions with owners	**537**	**1**	**27**
• Net income	-	-	-
• Other comprehensive income	-	-	-
Total comprehensive income for the period			
December 31, 2017	**105 444**	**105**	**2 740**
• IFRS 9 Hedging impact			
December 31, 2017 restated	**105 444**	**105**	**2 740**
• Common stock issued	1 442	2	122
• Appropriation of prior period net income	-	-	-
• Dividends paid	-	-	-
• Equity-based compensation	-	-	-
• Changes in treasury stock	-	-	-
• Dilution impact	-	-	-
• Acquisition of Non controlling interest without a change in control	-	-	-
• Other		-	-
Transactions with owners	**1,442**	**2**	**122**
• Net income	-	-	-
• Other comprehensive income	-	-	-
Total comprehensive income for the period			
DECEMBER 31, 2018	**106 886**	**107**	**2 862**

Consolidated retained earnings	Translation adjustments	Items recognized directly in equity	Net income	Total	Non controlling interests	Total shareholders' equity
950	**-29**	**-1**	**579**	**4 316**	**519**	**4 835**
-	-	-	-	28	11	39
579	-	-	-579	0	-	0
-168	-	-	-	-168	-2	-169
64	-	-	-	64	2	66
-59	-	-	-	-59	-	-59
18	-	-	-	18	-29	-11
434	**0**	**0**	**-579**	**-117**	**-18**	**-135**
			601	601	64	665
112	-253	3		-137	-2	-139
112	**-253**	**3**	**601**	**463**	**63**	**526**
1 496	**-282**	**2**	**601**	**4 662**	**564**	**5 226**
-6		6		0		0
1 490	**-282**	**8**	**601**	**4 662**	**564**	**5 226**
		-		123	5	128
601	-	-	-601	0	-	0
-179	-	-	-	-179	-11	-190
53	-	-	-	53	4	57
-84	-	-	-	-84	-13	-97
891	-	-	-	891	1 417	2 308
1	-	-	-	1	-1	0
-2	-	-	-	-2	0	-2
1 281	**0**	**0**	**-601**	**803**	**1 400**	**2 204**
	-	-	630	630	73	703
-22	-3	3	-	-22	-11	-32
-22	**-3**	**3**	**630**	**609**	**62**	**671**
2 748	**-285**	**11**	**630**	**6 074**	**2 027**	**8 101**

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E.5.7 Notes to the consolidated financial statements

E.5.7.1 General information

Atos SE, the Group's parent company, is a société européenne (public limited company) incorporated under French law, whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. It is registered with the Registry of Commerce and Companies of Pontoise under the reference 323623603. Atos SE shares are traded on the NYSE Euronext Paris market under ISIN code FR0000051732. The shares are not listed on any other stock exchange. The Company is administrated by a Board of Directors.

The consolidated financial statements of the Group for the twelve months ended December 31, 2018 comprise the Group and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

These consolidated financial statements were approved by the Board of Directors on February 20, 2019. The consolidated financial statements will then be submitted to the approval of the General Meeting of Shareholders scheduled to take place on April 30, 2019.

E.5.7.2 Basis of preparation and significant accounting policies

Basis of preparation

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements for the twelve months ended December 31, 2018 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31, 2018. The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). Accounting policies applied by the Group comply with those standards and interpretations.

As of December 31, 2018, the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB). Consequently, the Group's consolidated financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB.

Except the impacts of IFRS 15 and IFRS 9 implementations separately disclosed, the other new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning January 1, 2018 had no material impact on the consolidated financial statements:

- amendment to IFRS 2 – Share based payments classification and measurement of share-based payment transactions;
- amendments to IFRS 4 – Insurance contracts, regarding implementation of IFRS 9;
- amendement to IAS 40 – Investment property regarding the transfer of property;
- annual Improvements to IFRS Standards 2014–2016 Cycle – various standards;
- IFRIC 22 – Foreign currency transactions and advance consideration.

Changes in accounting policies

IFRS 15

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Group has adopted IFRS 15 using the full retrospective method. Accordingly, the information presented for 2017 has been restated.

Principal versus agent

The Group has performed an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as an agent in the delivery of its contracts when the Group is reselling hardware, software or IT services.

Under IAS 18, the Group used to apply a risks and rewards analysis to determine whether it was acting as principal or as an agent in a transaction. Under IFRS 15, the Group is considered as acting as principal if it controls goods and services before delivering them to the client by exercizing judgments that are further disclosed in Note 3.

Identification of the performance obligations in the multiple arrangements services contracts

Contracts delivered by Infrastructure & Data Management and Business & Platform Solutions Divisions often embed transition and transformation phases prior to delivery of recurring services. The new standard clarifies the treatment of such activities performed before delivering recurring services.

Under IFRS 15, when such transition and transformation phases represent standalone added value to the customer resulting in a transfer of control and are considered as distinct performance obligations, then revenue relating to those phases can be recognized. When this is not the case, costs incurred on those phases have to be capitalized when criteria required are met and amortized over the life of the contracts; the cash collected for such phases would have to be considered as advance payment.

Under IAS 18, Atos Group used to recognize revenue on some transition phases when the Group had right to be paid for the work performed to date. Under IFRS 15, all transition phases are now capitalized, presented as contract costs and amortized over the life of the contract. This restatement is not material at Group level.

Financial impacts at Group level

2017 revenue under IFRS 15 decreased by € 695 million compared to the revenue recognized in accordance with IAS 18 and mostly relates to the agent versus principal restatement. The cumulative effect in equity as of January 1, 2017 is nil.

IFRS 9

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The Group elected not to present a comparative restated period as permited under IFRS 9.

Classification of Financial assets

IFRS 9 defines a new classification and measurement approach for financial assets. There are three principal classification categories for financial assets: measured at amortized cost, Fair Value through OCI (FVOCI), Fair Value through Profit & Loss. Those new classification requirements have no material impact on the Group's accounting for trade receivables, loans and cash and cash equivalent.

Impairment of financial assets and contract assets

IFRS 9 introduces a new forward-looking "expected loss" impairment model that replaces the existing IAS 39 "incurred loss" impairment model.

For trade receivables including contract assets, the Group applied the IFRS 9 simplified approach. Therefore, impairment requirement at January 1, 2018 had no material impact.

The cash and cash equivalents are held with bank and financial institution counterparties, majority of which are rated from A- to AA-. The estimated impairment on cash and cash equivalent is calculated based on the current default probability and is not material.

Hedge accounting

For hedge accounting, the Group has elected to apply the new requirements of IFRS 9.

The Group uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchanges rates relating to foreign currency sales and purchases.

The Group designates only the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships for highly probable transactions. Under IAS 39, the change in fair value of the forward element of the forward exchange contracts is recognized immediately in profit and loss.

On adoption of IFRS 9 requirements, the Group has elected to separately account for the forward points as a cost of hedging. Consequently, the changes in forward points will be recognized in other comprehensive income and accumulated in a cost of hedging reserve as a separate component within equity and accounted for subsequently as gain and losses accumulated in the cash flow hedge reserve as part of the underlying covered transaction.

The impact on reserves and retained earnings at January 1, 2018 as result of the application of IFRS 9 hedge accounting requirements is a decrease in reserves and retained earnings and an increase in other comprehensive income by € 6 million.

Other standards

The Group does not apply IFRS standards and interpretations that have not been yet approved by the European Union at the closing date. A number of new standards are effective for annual periods beginning after January 1, 2019 and an earlier application is permitted. The Atos Group has not early applied those amended standards in preparing these consolidated statements. Except for IFRS 16, Atos Group does not anticipate any significant impact from the implementation of those new standards:

- IFRIC 23 Uncertainty over Tax Treatments;
- amendments to IFRS 9 - Prepayment Features with Negative Compensation;
- amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures;
- amendments to IAS 19 – Plan Amendment, Curtailment or Settlement;
- Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards;
- amendments to References to Conceptual Framework in IFRS Standards;
- IFRS 17 - Insurance Contracts.

IFRS 16

IFRS 16 replaces existing leases guidance IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. Atos Group, as a lessee, will have to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group will apply IFRS 16 initially on January 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at January 1, 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before January 1, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4. The Group also plans to apply exemptions allowed by IFRS 16.5 to not recognize short term leases (less than 12 months) and leases for which the underlying asset is of a low value.

When assessing the residual lease commitments duration for Real Estate, the Group has made an analysis of its main strategic sites including Data Centers to consider renewals reasonably certain to be exercised. The Group used incremental borrowing rates to calculate its lease liability as of January 1, 2019.

The Group has assessed the impact that initial application of IFRS 16 will have on its consolidated financial statements. As of January 1, 2019, the Group will recognize a right-of-use for Real Estate, IT equipments and cars used by employees and the underlying lease liability. The lease liability to be recognized as of January 1, 2019 will be in a range from € 1.3 to € 1.6 billion. The main impacts relate to Real Estate. This lease liability will be excluded from the Group net debt definition, therefore Free Cash Flow as per Group definition will remain comparable with prior years. Existing finance lease liability under IAS 17 as of January 1, 2019 will be reclassified from net debt to lease liability.

The nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge of right-of-use assets and interest expense on lease liabilities. The final impacts of adopting the standard on January 1, 2019 will be fine tuned and fully disclosed in June 30, 2019 interim financial statements.

These consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € million. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date. The estimates, assumptions and judgments that may result in a significant adjustment to the carrying amounts of assets and liabilities are essentially related to:

- revenue recognition and associated costs on long-term contracts (Note 3 – Revenue, trade receivables, contract assets and contract costs);
- goodwill, customer relationships, technologies & impairment tests (Note 8 – Goodwill & fixed assets);
- measurement of deferred tax assets recognized on tax loss carry-forwards (Note 7 - Income Tax);
- pensions (Note 9 - Pensions plans and other long-term benefits).

Consolidation methods

Subsidiaries are entities controlled directly or indirectly by the Group. Control is defined by the ability to govern the financial and operating policies generally, but not systematically, combined with a shareholding of more than 50 percent of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Jointly controlled companies are accounted for under the equity method when they are classified as joint ventures and consolidated on the basis of the percentage share specific to each balance sheet and income statement item when they are classified as joint operations.

Financial assets classification and business model

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

- amortized cost;
- fair value though other components of comprehensive income;
- fair value through profit and loss.

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

Loans, receivables and other debt instruments considered "basic lending arrangements" as defined by IFRS 9 (contractual cash flows that are solely payments of principal and interest) are carried at amortized cost when they are managed with the purpose of collecting contractual cash flows, or at fair value through other components of comprehensive income when they are managed with the purpose of collecting contractual cash flows and selling the asset, while debt instruments that are not "basic lending arrangements" or do not correspond to these business models are carried at fair value through profit and loss. Equity instruments are carried at fair value through profit and loss or, under an irrevocable option, at fair value through Other components of comprehensive income. The former financial asset categories under IAS 39 (loans and receivables, financial assets at fair value through profit and loss, investments held to maturity and available-for-sale financial assets) no longer exist.

The business model of the Group is to collect its contractual cash flows for its trade receivables. Trade receivables can be transferred to third parties (banks) with conditions of the transfers meeting IFRS 9 requirements, meaning transfer of contractual cash flows and transfer of substantially all risks and rewards are achieved. Those trade receivables are in that case derecognized, further to a precise analysis of the actual transfer of risks, the non materiality of any dilution risk based on past experience, and the absence of continuing involvement. The Group is selling 100% of the rights to cash flow it has on some trade receivables. A specific contract exists in the US where Atos only sells 90% of the right to cash flows and then derecognize 90% of the receivables. See Note 3 for full impact of trade receivables derecognized.

Presentation rules

Current and non-current assets and liabilities

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

Assets and liabilities held for sale and discontinued operations

Should there be assets and liabilities held for sale or discontinued operations, they would be presented on separate lines in the Group’s balance sheet, without restatements for previous periods. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets and liabilities are available for immediate sale in their present condition at the reporting date.

Should these assets and liabilities represent either a complete business line or a business unit, the profit or loss from these activities are presented on a separate line of the income statement, and is restated in the cash flow statement and the income statement.

Translation of financial statements denominated in foreign currencies

The balance sheets of companies based outside the euro zone are translated at closing exchange rates. Income statement items are translated based on average exchange rates for the period. Balance sheet and income statement translation adjustments arising from a change in exchange rates are recognized as a separate component of equity under “Translation adjustments”.

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

The Group does not consolidate any entity operating in a hyperinflationary economy except Argentina. Argentina is a hyperinflationary economy since July 1, 2018. As such, all Profit & Loss items from Argentinian entities have been restated from inflation in accordance with IAS 29. Correction has been calculated month by month applying inflation since January 1, 2018 to end of each month until end of year. This led to a gross-up of Profit and Loss items in pesos. Those flows have been converted at the € vs pesos rate as of December 2018. This restatement on the Group net result did not have a material impact and did not impact the opening equity.

Translation of transactions denominated in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading “Other financial income and expenses”, except where hedging accounting is applied as explained in the paragraph “Financial assets – Derivative financial instruments”.

Operating margin

The underlying operating performance of ongoing activities is presented within operating margin, while unusual operating income/expenses are separately identified and presented below operating margin, in line with the ANC’s (Autorité des Normes Comptables) recommendation n°2009-R-03 (issued on July 2, 2009) and recommendation n°2013-03 (issued on November 7, 2013) regarding the presentation of financial statements.

E.5.7.3 Notes to the consolidated financial statements

Note 1 Changes in the scope of consolidation

Business combination and goodwill

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

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

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

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

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

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

During the first consolidation, all the assets, liabilities and contingent liabilities of the subsidiary acquired are measured at their fair value.

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

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

Purchase of non-controlling interests and sale transactions of interests in a controlled subsidiary that do not change the status of control are recorded through shareholders' equity (including direct acquisition costs).

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

Acquisition of Syntel

Atos completed in October 2018 the acquisition of Syntel Inc., a leading global provider of integrated information technology and knowledge process services headquartered in Michigan, with $ 924 million revenue in 2017 of which 89% in North America, 25% operating margin, and c. 40% of its activities in digital, automation, and robotization. Syntel offers its customers high value-added digital services in several specific verticals such as Banking and Financial Services, Healthcare, Retail and Insurance.

Atos acquired 100% of Syntel Inc. which is fully consolidated since November 1, 2018.

IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF ACQUISITION

(in € million)	Assets acquired and liability assumed
Intangible assets	750
Tangible assets	77
Non-current financial assets	10
Deferred tax assets	48
Total non-current assets	**886**
Trade accounts and notes receivables	141
Current taxes	22
Other current assets	65
Cash and cash equivalents	66
Total current assets	**294**
TOTAL ASSETS (A)	**1,179**

(in € million)	**Assets acquired and liability assumed**
Provisions for pensions and similar benefits	23
Deferred tax liabilities	221
Total non-current liabilities	**244**
Trade accounts and notes payables	30
Current taxes	39
Current portion of borrowings	254
Other current liabilities	44
Total current liabilities	**367**
TOTAL LIABILITIES (B)	**611**
Fair value of acquisition (A) - (B)	**568**

The valuation of assets acquired and liabilities assumed at their fair value resulted in the recognition of customer relationships for € 536 million and developed technologies for € 205 million. Those new intangible assets have been valued by an independent expert and will be amortized over 12 years. An amortization of € 11 million has been recognized for the 2 months period ended December 31, 2018.

If new information is obtained within 12 months from the acquisition date about facts and circumstances that existed at acquisition date and influencing the fair value of assets and liabilities acquired, the purchase price allocation will be revised.

Consideration transferred and preliminary goodwill

(in € million)	**Preliminary Goodwill**
Total consideration paid [A]	**2,966**
USD versus EUR Hedging of the consideration paid [B]	-39
Tax effect on USD versus EUR Hedging of the consideration paid [C]	13
Fair value of identifiable net assets [D]	568
PRELIMINARY GOODWILL [A]+[B]+[C]-[D]	**2,373**

The residual goodwill is attributable to Syntel' highly skilled workforce and some know-how. It also reflects the synergies expected to be achieved from integrating Syntel operations into the Group. The goodwill arising from the acquisition is not tax deductible.

Acquisition-related costs

The Group incurred € 11 million of legal fees and due diligence costs. These costs have been recognized in "other operating income and expenses" in the Group's consolidated income statement.

2018 Revenue and result as though the acquisition had occurred on January 1, 2018

If the acquisition of Syntel Inc. had occurred on January 1, 2018, the twelve-month revenue for 2018 would have been € 859 million and the twelve-month net income would have been € 120 million.

Acquisition of SIX Payment Services

Atos completed in November 2018 the acquisition of SIX Payment Services. SIX Payment Services is the payment services division of SIX group, delivering at scale both commercial acquiring and financial processing services. SIX Payment Services is the clear leader of the DACH region (Deutschland Austria Switzerland), with n°1 commercial acquiring market positions in Switzerland, Austria and Luxembourg and a sizeable presence in Germany.

Worldline acquired 100% of SIX Payment Services which is fully consolidated since December 1, 2018.

CONSIDERATION TRANSFERRED

(in € million)

Equity instruments (49,066,878 ordinary shares of Worldline SA)	2,308
Cash	419
Contingent consideration arrangement	100
TOTAL CONSIDERATION TRANSFERRED	**2,826**

As part of the transaction, Worldline issued 49.1 million new ordinary shares representing 26.9% of the share capital of Worldline, fully paid up. The fair value of the shares issued was measured using the opening market price of Worldline SA 's ordinary shares on the acquisition date.

The contingent consideration arrangement requires Worldline to pay a cash consideration to the former shareholders of SIX Payment Services depending on the Worldline stock price in March 2020. Fair value was estimated using the Geometric Brownian motion model method based on Worldline share price at the acquisition date.

Identifiable assets acquired and liabilities assumed at the date of acquisition

The valuation of assets acquired and liabilities assumed at their fair value resulted in the recognition of backlog and customer relationships for € 430 million and developed technologies for € 275 million. Those new intangible assets have been valued by an independent expert and will be amortized over 14 to 19 years. An amortization of € 4 million has been recognized for the 1 month period ended December 31, 2018.

(in € million)	Assets acquired and liabilty assumed
Fixed assets	783
Net Cash / (Debt)	33
Provisions	-19
Other net assets	-49
FAIR VALUE OF ACQUISITION	**748**

PRELIMINARY GOODWILL

(in € million)	Preliminary Goodwill
Total consideration transferred	2,826
Total Consideration	**2,826**
Equity acquired	159
Fair value adjustments net of deferred tax	589
Fair Value of net assets	748
TOTAL	**2,078**

The residual goodwill is attributable to SIX Payment Services' highly skilled workforce and some know-how. It also reflects the synergies expected to be achieved from integrating SIX Payment Services operations into the Group. The goodwill arising from the acquisition is not tax deductible.

If new information is obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date that would lead to adjustments to the above amounts, then the acquisition accounting will be revised at that time.

Acquisition-related costs

The Group incurred € 20 million of legal fees and due diligence costs. These costs have been recognized in "other operating income and expenses" in the Group's consolidated income statement.

2018 Revenue and operating margin as though the acquisition had occurred on January 1, 2018

If the acquisition of SIX Payment Services had occurred on January 1, 2018, the twelve-month revenue for 2018 would have been € 560 million and the twelve-month operating margin would have been € 73 million.

CHANGE IN OWNERSHIP INTERESTS IN WORLDLINE

(in € million)

Proceeds from the sales of new shares	1,173
Effect of dilution	-282
RESULT IN EQUITY	**891**

As Atos maintained control over Worldline after the SIX Payment Services acquisition, the proceeds of new shares issued resulting from a capital increase of Worldline is shown in Atos equity.

Worldline issued 49,066,878 of new shares in December at € 47.04 generating proceeds of € 2,308 million and recorded Non Controlling Interests for € 1,135 million. As a result, a € 282 million loss due to a dilution of 18.7% was also recorded in equity. Atos percentage of interest in Worldline decreased to 50.8%.

Other acquisitions

Convergence Creators Holding Gmbh (CVC)

In December 2017, Atos acquired CVC, a global multi-industry digital transformation solutions provider. This entity is fully consolidated from January 1, 2018. The consideration amounted to € 45 million generating a goodwill of € 38 million before allocation. The valuation of assets acquired and liabilities assumed at their fair value has resulted in the recognition of new intangible assets (customer relationships and technology, valued by an independent expert) for a total amount of € 28 million.

Air-Lynx

Atos acquired Air-Lynx, a French manufacturer of next-generation professional radio networks based on 4G LTE market standards. Air-Lynx is fully consolidated from April 1, 2018. Impacts on Group financial statements are not material.

Note 2 Segment information

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

The internal management reporting is built on two axes: Global Business Units and Divisions (Infrastructure & Data Management (IDM), Business & Platform Solutions (B&PS), Big Data & Cybersecurity (BDS), Worldline). Global Business Units have been determined by the Group as key indicators by the chief operating decision maker. As a result and for IFRS 8 requirements, the Group discloses Global Business Units as operating segments.

A Business Unit is defined as a geographical area or the aggregation of several geographical areas - except for the Worldline activities - which contain one or several countries, without taking into consideration the activities exercised within each country. Each Business Unit is managed by a dedicated member of the Executive Committee.

The measurement policies that the Group uses for segmental reporting under IFRS 8 are the same as those used in its financial statements. Corporate entities are not presented as an operating segment. Therefore, their financial statements are used as a reconciling item. Corporate assets which are not directly attributable to the business activities of any operating segments are not allocated to a segment, which primarily applies to the Group's headquarters. Shared assets such as the European mainframe are allocated to the Business Unit where they are physically located even though they are used by several Business Units.

Operating segments	Activities
United Kingdom & Ireland	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Security in Ireland and the United Kingdom.
France	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Security in France and Morocco offshore delivery Center.
Germany	Business & Platform Solutions, Infrastructure & Data Management in Germany and Big Data and Security.
North America	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Canada, Mexico and the United States of America.
Benelux & The Nordics	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Belarus, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, Poland, Russia, Sweden and The Netherlands.
Other Business Units	Business & Platform Solutions, Infrastructure & Data Management and Big Data and Cybersecurity in Algeria, Andorra, Argentina, Australia, Austria, Bosnia and Herzegovina, Brazil, Bulgaria, Chile, China, Colombia, South Korea, Croatia, Cyprus, Czech Republic, Egypt, Gabon, Greece, Hungary, Hong-Kong, India, Israel, Israel ITO Xerox activities, Italy, Ivory Coast, Japan, Lebanon, Malaysia, Madagascar, Mauritius, Morocco, Namibia, New-Zealand, Peru, Philippines, Portugal, Qatar, Romania, Saudi-Arabia, Senegal, Singapore, Serbia, Slovakia, Slovenia, South-Africa, Spain, Switzerland, Taiwan, Thailand, Tunisia, Turkey, UAE, Uruguay and also Major Events activities, Global Delivery Centers.
Worldline	Hi-Tech Transactional Services & Specialized Businesses in Argentina, Austria, Belgium, Brazil, Chile, China, Czech Republic, Finland & Baltics, France, Germany, Hong-Kong, Iberia, India, Indonesia, Italy, Malaysia, Poland, Singapore, Sweden, Taiwan, The Netherlands, the United Kingdom and the United States of America.

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

The operating segment information for the periods was the following:

12 months ended December 31, 2018	United Kingdom and Ireland	France	Germany	North America
External revenue by segment	**1,612**	**1,710**	**2,161**	**2,022**
% of Group revenue	13.2%	14.0%	17.6%	16.5%
Inter-segment revenue	233	393	438	264
Total revenue	1,845	2,104	2,598	2,287
Segment operating margin	**193**	**150**	**137**	**202**
% of margin	11.9%	8.8%	6.3%	10.0%
Total segment assets	**1,094**	**1,684**	**1,782**	**4,447**
Other information on income statement				
Depreciation of assets	-34	-32	-77	-78
Other informations				
Year end headcount	9,111	11,296	9,526	11,876
Capital expenditure	33	56	102	54
Net (debt) / Cash	-630	148	471	151

12 months ended December 31, 2017 Restated				
External revenue by segment	**1,609**	**1,660**	**2,139**	**2,077**
% of Group revenue	13.4%	13.8%	17.8%	17.3%
Inter-segment revenue	235	338	443	377
Total revenue	1,844	1,997	2,582	2,455
Segment operating margin	**181**	**163**	**190**	**266**
% of margin	11.3%	9.8%	8.9%	12.8%
TOTAL SEGMENT ASSETS	**920**	**1,893**	**1,497**	**987**
Other information on income statement				
Depreciation of assets	-42	-25	-67	-116
Other informations				
Year end headcount	9,009	11,948	9,540	9,279
Capital expenditure	32	44	103	95
Net cash	175	131	340	104

Benelux & The Nordics	Other Business Units	Worldline	Total Operating segments	Global Structures	Elimination	Total Group
1,017	**2,061**	**1,674**	**12,258**	**-**	**-**	**12,258**
8.3%	16.8%	13.7%	100.0%			100.0%
291	1,780	46	**3,445**	294	-3,739	-
1,308	3,841	1,720	15,703	294	-3,739	12,258
76	**275**	**293**	**1,326**	**- 66**	**-**	**1,260**
7.5%	13.4%	17.5%	10.8%			10.3%
810	**2,073**	**6,133**	**18,022**	**475**		**18,497**
-32	-58	-95	-406	-25		-431
5,746	61,704	11,474	120,733	1,377		122,110
27	76	105	453	23		476
244	930	-35	1,279	-4,151		-2,872

1,023	**1,979**	**1,508**	**11,996**	**0**		**11,996**
8.5%	16.5%	12.6%	100.0%			100.0%
246	1,592	44	3,275	113	-3,388	0
1,269	3,572	1,553	15,272	113	-3,388	11,996
94	**224**	**253**	**1,371**	**-79**		**1,292**
9.2%	11.3%	16.8%	11.4%			10.8%
663	**1,615**	**2,257**	**9,832**	**979**	**-**	**10,810**
-31	-58	-91	-429	-19		-448
6,216	40,497	9,467	95,956	1,310		97,267
65	61	107	505	21		526
81	779	305	1,915	-1,607		307

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

(in € million)	December 31, 2018	December 31, 2017
Total segment assets	**18,497**	**10,810**
Tax Assets	533	414
Cash & Cash Equivalents	2,546	2,260
TOTAL ASSETS	**21,576**	**13,484**

The Group revenues from external customers are split into the following divisions:

(in € million)	Infrastructure and Data Management	Business & Platform Solutions	Big Data & Cybersecurity	Worldline	Total Group
12 months ended December 31, 2018					
External revenue by segment	**6,328**	**3,362**	**894**	**1,674**	**12,258**
% of Group revenue	51.6%	27.4%	7.3%	13.7%	100.0%
12 months ended December 31, 2017 restated					
External revenue by segment	**6,654**	**3,104**	**730**	**1,509**	**11,996**
% of Group revenue	55.5%	25.9%	6.1%	12.6%	100;0%

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

Implementation of IFRS 15

The effect of initially applying IFRS 15 on the Group's revenue from contracts with customers is described in Changes in accounting policies section. Revenue is recognized if a contract exists between Atos and its customer. A contract exists if collection of consideration is probable, rights to goods or services and payment terms can be identified, and parties are committed to their obligations. Revenue from contracts with customers is recognized either against a contract asset or receivable, before effective payment occurs.

Multiple arrangements services contracts

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

Contracts delivered by Infrastructure & Data Management and Business & Platform Solutions Divisions often embed transition and transformation prior to the delivery of recurring services, such as IT support and maintenance.

When transition or transformation activities represent knowledge transfer to set up the recurring service and provide no incremental benefit to the customer (set up activities), no revenue is recognized in connection with these activities. The costs incurred during these activities are capitalized as contract costs if they create a resource that will be used in satisfying future performance obligations related to the contract and if they are recoverable. They are amortized on a systematic basis over the contractual period, taking into account any anticipated contract. The cash collected for such activities is considered as advance payment and recognized as revenue over the recurring service period.

In contrast, when these activities transfer to the customer the control of a distinct good or service and the customer could benefit from this good or service independently from the recurring services, they are accounted for separately as separate performance obligations and revenues relating to these activities are recognized.

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

Principal versus agent

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

For Worldline activities, Revenue generated by acquiring activities is recognized net of interchange fees charged by issuing banks. The Group does not provide, a significant service of integrating the service performed by the issuing bank and is not responsible for the execution of this service. These fees are transferred to the merchant in a pass-through arrangement and are not part of the consideration to which the Group is entitled in exchange for the service it provides to the merchant. In contrast, scheme fees paid to the payment schemes (Visa, Mastercard, Bancontact…) are accounted for in expenses as fulfilment costs and recognized as revenue when invoiced to merchants. The Group provides commercial acquiring services by integrating the services purchased from the payment schemes.

At a point in time versus over time recognition

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

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

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

Contract costs - Costs to obtain and fulfill a contract

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

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

Balance sheet presentation

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

Contract liabilities relate to upfront payments received from customers in advance of the performance obligation. Contract costs are presented separately from contract assets.

Certain service arrangements might qualify for treatment as lease contracts under IFRIC 4 if they convey a right to use an asset in return for payments included in the overall contract remuneration. If service arrangements contain a lease, the Group is considered to be the lessor regarding its customers. Where the lease transfers the risks and rewards of ownership of the asset to its customers, the Group recognizes assets held under lease and presents them as contract asset.

Revenue recognition and associated costs on long-term contracts

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

Financing component

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

3.1 – Disaggregation of revenue from contracts with customers

Most of revenue generated by IDM & B&PS divisions are recognized over time for fixed price contracts and at a point of time for time & material-based contracts. The Group applies the "cost-to-cost" method to measure progress to completion for fixed price contracts. Most of the BDS Revenue is recognized at a point of time when solutions are delivered except for High Performance Computers solutions when Atos is building a dedicated asset with no alternative use and has right to payment by the contract and local regulation for costs incurred embedding a reasonable margin.

In the following table, revenue from contracts with customers is disaggregated by markets. Disaggregated revenue by Global Business Units and Divisions is disclosed in Group's reportable segments (See Note 2).

(in € million)	Manufacturing, Retail & Transport	Public & Health	Financial Services	Telcos, media & Utilities	Total Group
12 months ended December 31, 2018					
External revenue by market	**4,492**	**3,387**	**2,449**	**1,930**	**12,258**
% of Group revenue	36.6%	27.6%	20.0%	15.7%	100.0%
12 months ended December 31, 2017 restated					
External revenue by market	**4,503**	**3,371**	**2,211**	**1,912**	**11,996**
% of Group revenue	37.5%	28.1%	18.4%	15.9%	100.0%

3.2 – Trade accounts and Notes receivables

(in € million)	December 31, 2018	December 31, 2017 restated
Contract assets	1,489	1,288
Trade receivables	1,471	1,446
Contract costs	89	48
Expected credit losses allowances	-84	-122
Net asset value	**2,965**	**2,660**
Contract liabilities	-776	-689
Net accounts receivable	**2,188**	**1,971**
Number of days' sales outstanding (DSO)	**43**	**39**

The average credit period on sale of services is between 30 and 60 days depending on the countries.

Most of the contract assets should be converted in trade receivables in the 12 coming months.

Most of the contract liabilities should be converted in revenue in the 12 coming months.

The DSO ratio reached 43 days compared to 39 days at the end of December 2017.

Further to IFRS 15 implementation, the calculation of the DSO takes into account the resale transactions receivables on which related revenue is recognized on a net basis (net of supplier's costs) while it does not take into account the gross revenue related to these transactions. The impact from this restatement at the end of 2017 amounts to 4 days. As a result, the post IFRS 15 DSO is structurally slightly higher than the underlying customer billing terms and payment terms.

Transfer of trade receivables

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The Group sold with recourse trade receivables for € 85 million. These trade receivables have not been derecognized from the statement of financial position, because the Group retains substantially all risks and rewards. The amount received on transfer has been recognized as a secured bank loan. The arrangement with the bank is such that the customer remit cash directly to the Group and the Group transfers the collected amount to the bank.

DSO has been positively impacted by the sale of receivables on large customer contracts by 23 days, stable compared to December 2017. As of December 31, 2018, € 894 million of trade receivables were transferred to third parties with conditions of the transfers meeting IFRS 9 requirements, meaning transfer of contractual cash flows and transfer of substantially all risks and rewards are achieved (€ 858 million as of December 31, 2017). Those trade receivables were therefore derecognized in the statement of financial position as of December 31, 2018. The € 894 million include $ 109 million related to a specific contract in the US where Atos only sells 90% of the right to cash flows and then derecognizes 90% of the receivables. For more details on the business model, please refer to the section "Basis of preparation and significant accounting policies" paragraph Financial assets classification and business model.

Expected loss model

The new forward looking "expected loss" impairment model introduces by IFRS 9 had no major impact on the overall impairment of contract assets and trade receivables.

Trade receivables related to bankrupcies of German customers (dated 2009 and 2012) for € 32 million have been written-off and the related provision for doubtful debt have been released for the same amount.

AGEING OF NET RECEIVABLES PAST DUE

(in € million)	December 31, 2018	December 31, 2017
1-30 days overdue	128	126
31-60 days overdue	42	24
Beyond 60 days overdue	94	82
TOTAL	**264**	**233**

MOVEMENT IN EXPECTED CREDIT LOSSES ALLOWANCES

(in € million)	December 31, 2018	December 31, 2017
Balance at beginning of the year	-122	-147
Impairment losses recognized	-12	-26
Amounts written off as uncollectible	27	30
Impairment losses reversed	-3	1
Impact of business combination	-7	-1
Reclassification and exchange differences	32	21
BALANCE AT END OF THE YEAR	**-84**	**-122**

Note 4 Operating items

4.1 – Personnel expenses

(in € million)	12 months ended December 31, 2018	% Revenue	12 months ended December 31, 2017 restated	% Revenue
Wages and salaries	-4,438	36.2%	-4,444	37.0%
Social security charges	-1,146	9.3%	-1,167	9.7%
Tax, training, profit-sharing	-38	0.3%	-32	0.3%
Net (charge)/release to provisions for staff expenses	2	0.0%	3	0.0%
Net (charge)/release of pension provisions	68	-0.6%	82	-0.7%
TOTAL	**-5,553**	**45.3%**	**-5,558**	**46.3%**

4.2 – Non-personnel operating expenses

(in € million)	12 months ended December 31, 2018	% Revenue	12 months ended December 31, 2017 restated	% Revenue
Subcontracting costs direct	-2,058	16.8%	-1,909	15.9%
Hardware and software purchase	-1,018	8.3%	-931	7.8%
Maintenance costs	-664	5.4%	-563	4.7%
Rent & Lease expenses	-601	4.9%	-580	4.8%
Telecom costs	-327	2.7%	-314	2.6%
Travelling expenses	-143	1.2%	-166	1.4%
Company cars	-57	0.5%	-59	0.5%
Professional fees	-217	1.8%	-234	1.9%
Taxes & Similar expenses	-8	0.1%	-22	0.2%
Others expenses	-102	0.8%	-92	0.8%
Subtotal expenses	**-5,195**	**42.4%**	**-4,868**	**40.6%**
Depreciation of assets	-431	3.5%	-448	3.7%
Net (charge)/release to provisions	55	-0.4%	62	-0.5%
Gains/(Losses) on disposal of assets	-13	0.1%	-6	0.0%
Trade Receivables write-off	-27	0.2%	-30	0.3%
Capitalized Production	166	-1.4%	144	-1.2%
Subtotal other expenses	**-249**	**2.0%**	**-278**	**2.3%**
TOTAL	**-5,444**	**44.4%**	**-5,147**	**42.9%**

4.3 – Trade accounts and notes payable

(in € million)	December 31, 2018	December 31, 2017 restated
Trade payables and notes payable	**2,462**	**2,060**
Net advance payments	-37	-35
Prepaid expenses and advanced invoices	-666	-366
Net accounts payable	**1,759**	**1,659**
Number of days' payable outstanding (DPO)	**97**	**98**

Further to IFRS 15 implementation, the calculation of the DPO takes into account the resale transactions payables on which related costs are accounted on a net basis (offset by resale transactions revenue in the income statement) while it does not take into account the gross costs related to these transactions. The impact from this restatement at the end of 2017 amounts to 17 days. As a result, the post IFRS 15 DPO is structurally higher than the underlying supplier billing terms and payment terms.

4.4 – Other current assets

(in € million)	December 31, 2018	December 31, 2017
Inventories	133	95
State - VAT receivables	273	195
Prepaid expenses and advanced invoices	666	366
Other receivables & current assets	530	467
Advance payment	37	35
Assets linked to intermediation activities	1,151	317
TOTAL	**2,791**	**1,475**

The intermediation activities increased significantly with the acquisition of SIX Payment Services.

4.5 – Other current liabilities

(in € million)	December 31, 2018	December 31, 2017 restated
Employee-related liabilities	512	500
Social security and other employee welfare liabilities	206	214
VAT payable	430	411
Contract liabilities	776	689
Liabilities linked to intermediation activities	1,151	317
Other operating liabilities	325	248
TOTAL	**3,400**	**2,378**

Most of the contract liabilities should be converted in revenue in the 12 coming months.

The intermediation activities increased significantly with the acquisition of SIX Payment Services.

Note 5 Other operating income and expenses

Other operating income and expenses

"Other operating income and expenses" covers income or expense items that are unusual, abnormal and infrequent. They are presented below operating margin.

Charges to (or releases from) restructuring and rationalization plans and associated costs are classified in the income statement according to the nature of the plan:

- plans directly related to operations are classified within Operating margin;
- plans relating to business combinations or qualified as unusual, infrequent and abnormal are classified in Operating income;
- if a restructuring plan qualifies for Operating income, the related real estate rationalization & associated costs regarding premises are also presented in Operating income.

When accounting for business combinations, the Group may record provisions for risks, litigations, etc. in the opening balance sheet for a period of 12 months beyond the business combination date. After the 12-month period, unused provisions arising from changes in circumstances are released through the income statement under "Other operating income and expenses".

"Other operating income and expenses" also include major litigations, and non-recurrent capital gains and losses on the disposal of tangible and intangible assets, significant impairment losses on assets other than financial assets, the amortization of customer relationships and Trademarks, amortization of equity based compensation and any other item that is deemed infrequent, unusual and abnormal.

Equity-based compensation

Free shares and stock options are granted to management and certain employees at regular intervals. These equity-based compensations are measured at fair value at the grant date using the Black-Scholes model. Changes in the fair value of options after the grant date have no impact on the initial valuation. The fair value of instruments is recognized in "other operating income and expense" on a straight-line basis over the period during which those rights vest, using the straight-line method, with the offsetting credit recognized directly in equity.

In some tax jurisdictions, Group entities receive a tax deduction when stock options are exercised, based on the Group share price at the date of exercise.

In those instances, a deferred tax asset is recorded for the difference between the tax base of the employee services received to date (being the future tax deduction allowed by local tax authorities) and the current carrying amount of this deduction, being nil by definition. Deferred tax assets are estimated based on the Group's share price at each closing date, and are recorded in income tax provided that the amount of tax deduction does not exceed the amount of the related cumulative stock option expenses to date. The excess, if any, is recorded directly in the equity.

Employee Share Purchase Plans offer employees the opportunity to invest in Group's shares at a discounted price. Shares are subject to a five-year lock-up period restriction. Fair values of such plans are measured taking into account:

- the exercise price based on the average opening share prices quoted over the 20 trading days preceding the date of grant;
- the 20 percent discount granted to employees;
- the attribution of free shares for the first subscribed shares according to the matching share plan;
- the consideration of the five-year lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share; and
- the grant date: the date on which the plan and its term and conditions, including the exercise price, is announced to employees.

Fair values of such plans are fully recognized in "Other operating income and expenses" at the end of the subscription period.

The Group has also granted to management and certain employees free share plans. The fair value of those plans corresponds to the value of the shares at the grant date and takes into account employee turnover during the vesting period as well as the value of the lock-up period restriction when applicable.

Other operating income and expenses relate to income and expenses that are unusual and infrequent and represented a net expense of € 424 million in 2018. The following table presents this amount by nature:

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Staff reorganization	-79	-83
Rationalization and associated costs	-38	-38
Integration and acquisition costs	-83	-43
Amortization of intangible assets (PPA from acquisitions)	-128	-109
Equity based compensation	-52	-86
Other items	-43	-59
TOTAL	**-424**	**-417**

The € 79 million **staff reorganization** expense was mainly the consequence of the adaptation of the Group workforce in several countries such as Germany, the United Kingdom and the Netherlands. A significant staff reorganization was implemented in North America, however with more limited costs compared to other countries.

The € 38 million **rationalization and associated costs** primarily resulted from the closure of office premises and data centers consolidation, mainly in France, Germany and North America.

Integration and acquisition costs mainly relate to the acquisition and integration costs of new acquired companies. Syntel, SIX Payment Services and equensWorldline acquisition and integration costs amount to € 52 million while the other costs relate to the migration and standardization of internal IT platforms of earlier acquisitions.

The 2018 amortization of intangible assets recognized in the **Purchase Price Allocation** (PPA) of € 128 million was mainly composed of:

- € 22 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 19 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 18 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014;
- € 11 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 10 million of Equens and Paysquare customer relationships amortized over 6.5 to 9.5 years starting October 1, 2016;
- € 4 million of SIX Payment Services customer relationships, technologies and patents amortized over 6 to 19 years starting December 1, 2018.

The **equity based compensation** expense amounted to € 52 million compared to € 86 million in 2017, in particular due to a lower performance in 2018.

In 2018, the Group strongly decreased the amount of **other items** from € 59 million to € 43 million facing less exceptional expenses related to cyberattacks, the implantation of GDPR or settlement of litigations. The € 43 million expenses this year corresponded mainly to semi retirement schemes in Germany and France.

Equity-based compensation

The € 52 million expense recorded within operating margin relating to equity-based compensation (€ 86 million in 2017) is made up of:

- € 53 million related to free shares plans granted from 2014 until 2018 of which € 4 million of 2018 free shares plans granted;
- €-1 million related to stock options plans implemented in Bull in 2014 and Worldline in 2016 and 2018.

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

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
By years:		
Plans 2018	4	-
Plans 2017	8	9
Plans 2016	35	32
Plans 2015	6	23
Plans 2014	-2	17
Plans 2013	-	5
Plans 2012	-	0
TOTAL	**52**	**86**
By category of plans:		
Free share plans	53	78
Stock options	-1	8
TOTAL	**52**	**86**

Free shares plans

In 2018, the Groups Atos & Worldline implemented new free shares plans detailed as follows:

	Atos	Worldline	Atos
Grant Date	**March 27, 2018**	**July 21, 2018**	**July 22, 2018**
Number of shares granted	8,550	366,685	891,175
Share price at grant date *(€)*	90,0	51,1	90,0
Vesting date	March 26, 2021	July 20, 2021	July 21, 2021
Expected life *(years)*	3	3	3
Expected dividend yield *(%)*	1.2	1.1	1.2
Fair value of the instrument *(€)*	**87.08**	**49.44**	**87.08**
2018 EXPENSE RECOGNIZED *(IN € MILLION)*	**0**	**2**	**2**

Atos free share plans

Rules governing the free share plans in Group Atos (prior to 2018) are as follows:

- to receive the share, the grantee must generally be an employee or a corporate officer of the Group or a company employee related to Atos;
- vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial ones;
- the financial performance criteria are the following:
  - Group revenue,
  - Group Operating Margin (OM), and
  - Group Free Cash Flow (FCF);
- the vesting period varies according to the plans rules but never exceeds 4.5 years;
- the lock-up period is 0 to 2 years;
- Atos free shares plans are equity-settled.

Following the announcement of the acquisition of Syntel, the Board of Directors replaced the performance criterion on FCF by a criterion based on earning per share (EPS) in respect of the July 25, 2017 free shares plans.

Rules described above applied to 2018 free shares plans are the same except for the FCF criterion replaced by earning per share (EPS).

The performance criteria for 75% of free shares granted as part of July 25, 2017, March 27, 2018 and July 22, 2018 free shares plans have further been modified by the Board of Directors on October 22, 2018 to align with the revised guidance provided to the market.

These modifications have not been extended to the free shares granted to the Chairman and CEO in respect of the 2018 free share plan. Based on 2018 Group results, the remaining 25% of free shares of the above plans will not be vested (as well as 100% of the Chairman & CEO 2018 free share plan).

Previous plans impacting 2018 P&L charge detailed as follows:

	Atos		
	July 28, 2014	**July 28, 2015**	
Grant date		**French Plans**	**Foreign Plans**
Number of shares granted	389,805	358,000	510,000
Share price at grant date *(€)*	55.74	69.07	
Vesting date	July 28, 2018	January 2, 2018	January 2, 2020
Expected life *(years)*	4 years	2.5 years	4.5 years
Lock-up period *(years)*	-	2.0 years	-
Risk free interest rate *(%)*	-	0.150	-
Borrowing-lending spread *(%)*	-	4.0	-
Expected dividend yield *(%)*	1.2	1.2	1.2
Fair value of the instrument *(€)*	**53.13**	**61.31**	**65.89**
2018 EXPENSE RECOGNIZED *(IN € MILLION)*	**2**	**6**	

	Atos		
Grant Date	**July 26, 2016**	**July 24, 2017**	**July 25, 2017**
Number of shares granted	947,884	38,738	777,910
Share price at grant date *(€)*	86.05	123.15	90.00
Vesting date	July 26, 2019	July 24, 2020	July 25, 2020
Expected life *(years)*	3	3	3
Lock-up period *(years)*	-	-	-
Risk free interest rate *(%)*	-	-	-
Borrowing-lending spread *(%)*	-	-	-
Expected dividend yield *(%)*	1.2	1.2	1.2
Fair value of the instrument *(in €)*	**83.00**	**118.80**	**88.12**
2018 EXPENSE RECOGNIZED *(IN € MILLION)*	**30**	**2**	**-2**

Subsidiaries free share plans

Rules governing the subsidiaries free share plans are as follows:

- to receive the share, the grantee must generally be an employee or a corporate officer of the subsidiaries or a company employee related to the subsidiaries;
- vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial ones;
- the financial performance criteria are the following:
  - revenue,
  - Operating Margin before Depreciation and Amortization (OMDA) for Worldline plans or Operating Margin (OM) for Bull plans, and
  - Free Cash Flow (FCF);
- the vesting period varies according to the plans rules but never exceeds 3.5 years;
- Worldline free share plans are equity-settled whereas for Bull free share plans, by return mail within the 6 months following the acquisition date, Bull beneficiaries can either convert their shares into Atos shares or obtain a cash payment indexed on Atos share through the terms defined in the liquidity contract;
- if the performance conditions are met, the number of shares are subject to a multiplier from 85% to 130% according to an under/over performance;
- the lock-up period is 0 to 2 years.

Subsidiaries previous plans impacting 2018 P&L charge detailed as follows:

	Bull		Worldline	
	August 9, 2013	July 1, 2014	July 25, 2016	
Grant date			**French Plans**	**Foreign plans**
Number of shares granted	319,000	1,115,000	229,250	133,000
Share price at grant date *(in €)*	4.90	4.90	26.87	
Vesting date	August 9, 2015	December 31, 2017	July 25, 2018	July 25, 2019
Expected life *(in years)*	2	3.5	2	3
Lock-up period *(in years)*	2	-	1	-
Risk free interest rate *(in %)*	-	-	-0.047	-
Borrowing-lending spread *(in %)*	-	-	4.0	-
Expected dividend yield *(in %)*	-	-	1.1	1.1
Fair value of the instrument *(in €)*	**10.99**	**10.99**	**26.28**	**25.99**
2018 expense recognized *(in € million)*	**0**	**-2**	**4**	**1**

	Worldline	
Grant date	**January 2, 2017**	**July 24, 2017**
Number of shares granted	229,500	441,000
Share price at grant date *(in €)*	26.78	33.24
Vesting date	February 1, 2019 September 1, 2019 April 1 2020	July 24, 2020
Expected life *(years)*	2.0 / 2.65 / 3.25	3
Look up period *(years)*	-	-
Risk free interest rate *(in %)*	-	-
Borrowing-lending spread *(in %)*	-	-
Expected dividend yield *(in %)*	1.1	1.1
Fair value of the instrument *(in €)*	**26.17 / 26.00 / 25.84**	**32.16**
2018 EXPENSE RECOGNIZED *(IN € MILLION)*	**2**	**6**

With regards to the liquidity contract stipulating the conversion of shares either in Atos share or in cash from the acquisitin date, the breakdown for the Bull free share plans acquired was as follows at December 31, 2018:

		Conversion in Atos shares		Conversion in Cash		
	Number of shares initially granted	Number of shares	Total cost (in € million)	Number of shares	Total cost (in € million)	Number of outstanding shares not converted as of December 31, 2018
August 9, 2013	319,000	18,900	0	236,600	3	-
June 1, 2014	1,115,000	703,635	10	117,262	2	-
TOTAL	**1,434,000**	**722,535**	**10**	**353,862**	**4**	**-**

Stock options plans

The Group recognized a total profit of € 1 million during the year related to former stock options plans implemented in Worldline and Bull entities detailed as follows:

Grant date	Number of options initially granted	Vesting Date	Number of options vested	2018 expense (in € million)
Bull				
March 14, 2014	200,000	March 14, 2018	200,000	0
July 1, 2014	2,030,000	July 1, 2018	1,407,500	-2
Worldline				
May 25, 2016	196,000	May 25, 2018	179,000	0
August 16, 2016	45,000	August 16, 2018	45,000	0
July 21, 2018	262,000	July 21, 2021	N/A	0
TOTAL				**-1**

Atos stock options plans

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

	12 months ended December 31, 2018		12 months ended December 31, 2017	
	Number of shares	Weighted average strike price (in €)	Number of shares	Weighted average strike price (in €)
Outstanding at the beginning of the year	**406,707**	**34.0**	**648,629**	**34.1**
Exercised during the year	-377,204	34.0	-241,705	32.9
Expired during the year	-4,036	27.2	-217	43.2
Outstanding at the end of the year	**25,467**	**52.2**	**406,707**	**34.0**
Exercisable at the end of the year, below year-end stock price*	**25,467**	**52.2**	**406,707**	**34.0**

* *Year-end stock price: € 71.48 at December 31, 2018 and € 121.35 at December 31, 2017.*

Bull stock options plans

Rules governing the stock options plans are as follows:

- to exercise the option, the grantee must generally be an employee or corporate officer of the former group Bull;
- vesting is also conditional on the continued employment condition;
- four vesting periods by portion of 25% of the total of the plan;
- by return mail within the 6 months following the acquisition date, beneficiaries of Bull stock options can either convert their shares into Atos shares or obtain a cash payment indexed on Atos share through a liquidity contract upon exercise of their options.

	Bull	Bull
Grant date	**March 14, 2014**	**July 1, 2014**
Number of shares granted	200,000	2,030,000
Share price at grant date *(€)*	4.9	4.9
Strike price *(€)*	3.8	5.0
Vesting date	25% March 14, 2015	25% July 1, 2015
	25% March 14, 2016	25% July 1, 2016
	25% March 14, 2017	25% July 1, 2017
	25% March 14, 2018	25% July 1, 2018
Expected Volatility *(%)*	34.47	35.39
Expected maturity of the plan	4,5 years	4.5 years
Risk free interest rate *(%)*	0.23	0.27
Expected dividend yield *(%)*	-	-
Fair value of the option acquired - Average at December 31, 2018 *(€)*	**5.93**	**4.57**
2018 EXPENSE RECOGNIZED *(IN € MILLION)*	**0**	**-2**

With regards to the liquidity contract stipulating the conversion of options either in Atos share or in cash from the acquisition date, the breakdown for the Bull stock options plans acquired was as follows at December 31, 2018:

		Conversion in Atos shares		Conversion in Cash		
	Number of options initially granted	Number of shares	Total cost *(in € million)*	Number of shares	Total cost *(in € million)*	Number of outstanding options not converted as of December 31, 2018
March 2, 2012	985,000	26,250	0	661,250	2	-
March 1, 2013	755,000	25,000	0	551,250	3	-
August 9, 2013	600,000	44,500	0	399,250	3	-
November 8, 2013	70,000	35,000	0	35,000	0	-
March 14, 2014	200,000	200,000	1	-	-	-
July 1, 2014	2,030,000	840,250	4	567,250	3	-
TOTAL	**4,640,000**	**971,000**	**6**	**2,214,000**	**12**	**-**

Worldline stock options plans

Rules governing the stock options plans are as follows:

- to exercise the option, the grantee must generally be an employee or corporate officer of the group Worldline or a company employee related to Worldline;
- vesting is also conditional on the achievement of performance criteria, financial and non-financial ones;
- the financial performance criteria are the following:
  - revenue,
  - Operating Margin before Depreciation and Amortization (OMDA), and
  - Free Cash Flow (FCF);
- the vesting period varies according to the plans rules but never exceeds 2 years;
- the option expiration date varies according to the plans rules but never exceeds 8.5 years after the vesting date;
- the exercise of the option is equity-settled.

The characteristics of each current stock options plans of Worldline are detailed as follows:

	Worldline	Worldline	Worldline
Grant Date	**May 25, 2016**	**August 16, 2016**	**July 21, 2018**
Number of shares granted	196,000	45,000	262,000
Share price at grant date *(€)*	27.1	27.4	51.0
Strike price *(€)*	26.8	28.6	52.9
Vesting date	May 25, 2018	May 25, 2018	July 20, 2021
Expected Volatility *(%)*	21.0	21.0	21.0
Expected maturity of the plan *(years)*	5	5	5
Risk free interest rate *(%)*	-0.20	-0.33	0.02
Expected dividend yield *(%)*	1.1	1.1	1.1
Fair value of the option granted *(€)*	**4.21**	**3.67**	**7.31**
2018 EXPENSE RECOGNIZED *(IN € MILLION)*	**0**	**0**	**0**

The change of outstanding share options for **Worldline SA** during the period was as the following:

	12 months ended December 31, 2018		12 months ended December 31, 2017	
	Number of shares	Weighted average strike price *(in €)*	Number of shares	Weighted average strike price *(in €)*
Outstanding at the beginning of the year	**2,270,174**	**21.2**	**2,851,641**	**20.9**
Granted during the year	262,000	52.9	-	-
Forfeited during the year	-14,500	26.8	-29,500	22.9
Exercised during the year	-392,197	22.4	-551,967	19.7
Outstanding at the end of the year	**2,125,477**	**24.8**	**2,270,174**	**21.2**
Exercisable at the end of the year, below year-end stock price	**1,863,477**	**20.9**	**2,270,174**	**21.2**

* *Year-end stock price: € 42.20 at December 31, 2018 and € 40.67 at December 31, 2017.*

Note 6 Financial assets, liabilities and financial result

6.1 – Financial result

Net financial expense amounted to € 87 million for the period (compared to € 62 million prior year) and was composed of a net cost of financial debt of € 31 million and non-operational financial costs of € 56 million.

Net cost of financial debt

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Net interest expenses	**-31**	**-23**
Interest on obligations under finance leases	-1	-1
Gain/(loss) on disposal of cash equivalents	1	1
NET COSTS OF FINANCIAL DEBT	**-31**	**-24**

Net cost of financial debt was € 31 million (compared to € 24 million in 2017) and resulted from the following elements:

- the average gross borrowing of € 3,330 million compared to € 2,190 million in 2017 bearing an average expense rate of 1.25% compared to 1.49% last year. The average gross borrowing expenses were mainly explained by:
  - the used portion of the syndicated loan combined with the Negotiable EUropean Commercial Papers (NEU CP) and the Negotiable EUropean Medium Term Note program (NEU MTN) for an average of € 1,239 million (compared to an average of € 1,103 million in 2017) bearing an effective interest rate of 0.28%, benefiting from the attractive remuneration applied to the NEU CP,
  - a € 600 million bond issued in July 2015 bearing a coupon rate of 2.375%,
  - a € 300 million bond issued in October 2016 bearing a coupon rate of 1.444%,
  - a € 700 million bond issued in November 2018 bearing a coupon rate of 0.750%,
  - a € 750 million bond issued in November 2018 bearing a coupon rate of 1.750%,
  - a € 350 million bond issued in November 2018 bearing a coupon rate of 2.500%,
  - a $ 1,900 million 3 and 5 year term loan signed in October 2018 drawn in $ and € at variable rate partially repaid in December for an amount of $ 200 million bearing an average effective interest rate of around 1.78%,
  - other sources of financing, including securitization, for an average of € 194 million, bearing an effective interest rate of 2.60%;
- the average gross cash varied from € 1,339 million in 2017 to € 1,313 million in 2018 bearing an average income rate of 0.80% compared to 0.67% in 2017.

Other financial income and expenses

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Foreign exchange income / (expenses)	5	1
Fair value gain/(loss) on forward exchange contracts held for trading	-1	-4
Other income / (expenses)	-61	-35
Other financial income and expenses	**-56**	**-38**
Of which:		
• other financial expenses	-94	-72
• other financial income	38	34

Non-operational financial costs amounted to € 56 million compared to € 38 million in 2017 and were mainly composed of pension related interest (broadly stable compared to € 30 million expense in 2017) and a net foreign exchange gain (including hedges) of € 5 million versus a net foreign exchange loss (including hedges) of € 3 million in 2017 and the SIX Payment Services contingent consideration variance for €-18 million. The pension financial cost represented the difference between interest costs on pension obligations and interest income on plan assets.

6.2 – Cash and cash equivalents

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

Cash and cash equivalents are measured at their fair value through profit and loss.

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

The cash and cash equivalents are held with bank and financial institutions counterparties, majority of which are rated A- to AA-. Impairment on cash and cash equivalent is calculated based on S&P default probability.

(in € million)	December 31, 2018	December 31, 2017
Cash in hand and short-term bank deposit	2,506	2,246
Money market funds	40	15
TOTAL	**2,546**	**2,260**

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

6.3 – Non-current financial assets

Investments in non-consolidated companies

The Group holds shares in companies without exercising significant influence or control. Investments in non-consolidated companies are recognized at their fair value. For listed shares, fair value corresponds to the share price at the closing date.

Visa preferred shares

Under IFRS 9 the analysis applied is the approach for debt instrument. The accounting treatment of debt instruments is determined by the business model of the financial instrument and the contractual characteristics of the incoming cash flows of the financial instruments. The understanding is that Visa's Convertible preferred stock does not pass the SPPI (Solely Payment of Principal and Interests) test because the cash flows generated by those stock include an indexation to the value of the Visa shares, and such equity indexation gives rise to a variability that do not solely represent a payment of principal and interests. In this situation, the accounting treatment of the debt instruments is fair value through P&L.

(in € million)		December 31, 2018	December 31, 2017
Pension prepayments	Note 9	116	114
Fair value of non-consolidated investments net of impairment		82	73
Other*		130	94
TOTAL		**328**	**281**

* *"Other" includes loans, deposits, guarantees and investments in associates accounted for under the equity method.*

Main changes in non-consolidated investments are related to:

- the full consolidation in January 1, 2018 of Convergence Creators Holding GmbH (CVC), global multi-industry digital transformation solutions provider acquired by Atos end of 2017;
- the Twint investment part of SIX Payment Services group, acquired by Worldline in 2018;
- the Visa preferred shares formerly owned by SIX Payment Services.

Other non-current financial items include upfront and underwriting fees related to Syntel acquisition amortized over the duration of the debt instrument.

6.4 – Financial liabilities

Borrowings

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

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

Bank overdrafts are recorded in the current portion of borrowings.

Leases

Asset leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance lease are depreciated over the shorter of the assets' useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

	December 31, 2018			December 31, 2017		
(in € million)	Current	Non-current	Total	Current	Non-current	Total
Bonds	-	2,700	2,700	-	900	900
Banks loans and commercial papers	809	1,556	2,365	550	330	880
Securitization	6	-	6	10	-	10
Finance leases	6	9	15	16	8	23
Other borrowings	216	116	332	136	3	140
TOTAL BORROWINGS	**1,037**	**4,381**	**5,418**	**712**	**1,241**	**1,953**

Borrowings in currencies

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

(in € million)	EUR	Other currencies	Total
December 31, 2018	**3,940**	**1,477**	**5,418**
December 31, 2017	1,737	216	1,953

Value and effective interest rate of financial debt

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

Non-current borrowings maturity

(in € million)	2020	2021	2022	2023	>2023	Total
Bonds	600	-	700	300	1,100	2,700
Banks loans and commercial papers	79	781	0	696	-	1,556
Finance leases	4	3	1	1	1	9
Other borrowings	115	-	1	1	-	116
DECEMBER 31, 2018	**798**	**784**	**702**	**997**	**1,101**	**4,381**

(in € million)	2019	2020	2021	2022	>2022	Total
Bonds	-	600	-	-	300	900
Banks loans and commercial papers	-	-	330	-	-	330
Finance leases	4	2	1	-	1	8
Other borrowings	1	-	-	1	-	3
DECEMBER 31, 2017	**5**	**602**	**332**	**1**	**301**	**1,241**

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

The valuation of financial liabilities has been conducted based on:

- exchange rates prevailing as of December 31, 2018; and
- interest rates presented hereafter.

The effective interest rates in 2018 were as follows:

(in € million)	Carrying value	Fair value	Effective interest rate
Bonds	2 700	2 700	1,92%
Banks loans and commercial papers	2 365	2 365	0,66%
Finance leases	15	15	3,97%
Securitization and Other borrowings	337	337	-
TOTAL BORROWINGS	**5 418**	**5 418**	**-**

6.5 – Change in net debt over the period

(in € million)	December 31, 2018	December 31, 2017
Opening net cash / (debt)	**307**	**329**
New borrowings	-1,758	-589
Bonds	-1,797	-
Repayment of long and medium-term borrowings	287	293
Variance in net cash and cash equivalents	222	433
New finance leases	-3	-6
Long and medium-term debt of companies sold during the period	3	-
Long and medium-term debt of companies acquired during the period	-103	-5
Impact of exchange rate fluctuations on net long and medium-term debt	-34	-144
Profit-sharing amounts payable to French employees transferred to debt	1	-1
Other flows related to financing activities	3	-3
CLOSING NET CASH / (DEBT)	**-2,872**	**307**

(in € million)	December 31, 2018	December 31, 2017
Cash and cash equivalents	2,546	2,260
Overdrafts	-168	-78
TOTAL NET CASH AND CASH EQUIVALENTS	**2,378**	**2,182**

Variance in net cash and cash equivalents include net long-term investments for $ 3,529 million detailed as follows:

Net long-term investments

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Amounts paid for acquisitions and long-term investments		
First Data, Digital River and MRL Posnet	-2	-219
Pursuit Healthcare and Healthcare companies	-	-80
Imakumo	-	-16
Siemens Convergence Creators (CVC)	0	-45
Syntel	-2,927	-
SIX Payment Services	-419	-
Air-Lynx	-4	-
Paysquare	-2	-
Upfront and underwritting fees following Syntel acquisition	-31	-
Deposit	-5	-
Other	-9	-51
Total amounts paid for acquisitions and long-term investments	**-3,399**	**-411**

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Cash and cash equivalents of companies purchased during the period		
First Data, Digital River and MRL Posnet	-	14
Imakumo	-	1
Siemens Convergence Creators (CVC)	10	-
Syntel	-188	-
SIX Payment Services	36	-
Air-Lynx	-1	-
Other	-	0
Total cash and cash equivalents of companies purchased during the period	**-142**	**14**
Proceeds from disposals of financial investments		
Paysquare Belgium	-	2
Alpha Cloud	3	-
Deposit	6	3
Other	2	-
Total proceeds from disposals of financial investments	**11**	**5**
Cash and cash equivalents of companies sold during the period		
Cheque Service	-	-3
Other	-	0
Total Cash and cash equivalents of companies sold during the period	**0**	**-3**
Dividend received from entities consolidated by equity method	1	2
Total dividend received from entities consolidated by equity method	**1**	**2**
NET LONG-TERM INVESTMENTS	**-3,529**	**-393**

6.6 - Breakdown of assets and liabilities by financial categories

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

As at December 31, 2018 the breakdown of assets was the following:

(in € million)	Loans and receivables at amortized cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivative related assets
Non-current financial instruments	-	-	-	0
Trade accounts and Notes receivables	2,965	-	-	-
Other current assets	2,791	-	-	-
Current financial instruments	-	-	2	10
Cash and cash equivalents	**2,506**	**-**	**40**	**-**
TOTAL	**8,261**	**-**	**42**	**10**

As at December 31, 2017, the breakdown of assets was the following:

(in € million)	Loans and receivables	Available-for-sale financial assets	Financial assets held for trading (carried at fair value through profit or loss)	Derivative related assets
Non-current financial instruments	-	-	-	0
Trade accounts and Notes receivables	2 660	-	-	-
Other current assets	1 475	-	-	-
Current financial instruments	-		1	6
Cash and cash equivalents	2 246	-	15	-
TOTAL	**6 381**	**0**	**16**	**6**

As at December 31, 2018 the breakdown of liabilities was the following:

(in € million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivative related liabilities	Other
Borrowings	-	4,381	-	-
Non-current financial instruments	-	-	3	-
Trade accounts and Notes payables	2,462	-	-	-
Current portion of borrowings	-	1,037	-	-
Current financial instruments	-	-	2	-
TOTAL	**2,462**	**5,418**	**5**	**-**

As at December 31, 2017 the breakdown of liabilities was the following:

(in € million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities - Measurement at amortized cost	Derivative related liabilities
Borrowings	-	1,241	-
Non-current financial instruments	-	-	-
Trade accounts and Notes payables	2,060	-	-
Current portion of borrowings	-	712	-
Current financial instruments	3	-	4
TOTAL	**2,063**	**1,953**	**4**

Note 7 Income tax

The income tax charge includes current and deferred tax expenses. Deferred tax is calculated wherever temporary differences occur between the tax base and the consolidated base of assets and liabilities, using the liability method. Deferred tax is valued using the enacted tax rate at the closing date that will be in force when the temporary differences reverse.

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

Deferred tax assets and liabilities are netted off at the taxable entity level, when there is a legal right to offset. Deferred tax assets corresponding to temporary differences and tax losses carried forward are recognized when they are considered to be recoverable during their validity period, based on historical and forecast information.

Deferred tax liabilities for taxable temporary differences relating to goodwill are recognized to the extent they do not arise from the initial recognition of goodwill.

Deferred tax assets are tested for impairment at least annually at the closing date based on December actuals, business plans and impairment test data.

Measurement of recognized tax loss carry-forwards

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. Estimates of taxable profits and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as included in the 3-year business plans (other durations may apply due to local specificities).

7.1 - Current and deferred taxes expense

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Current tax	-153	-155
Deferred tax	106	6
TOTAL	**-47**	**-149**

7.2 - Effective tax rate

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

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Profit before tax	749	813
French standard tax rate	34.4%	34.4%
Theoretical tax charge at French standard rate	**-258**	**-280**
Impact of permanent differences	34	43
Differences in foreign tax rates	59	54
Movement on recognition of deferred tax assets	105	28
Equity-based compensation	-21	-29
Change in deferred tax rates	-	-5
Taxes not based on taxable income (mainly CVAE, IRAP, US State income Tax)	4	12
Withholding taxes	-5	-5
French Tax credit	20	18
Other	15	16
Group tax expense	**-47**	**-149**
EFFECTIVE TAX RATE	**6.3%**	**18.3%**

The Group effective tax rate is 6.3% for 2018. It includes the recognition of deferred tax assets for € 90 million inherited from the Bull acquisition, due to the significant growth of digital transformation activities including cloud.

Excluding this positive effect of € 90 million, the effective tax rate would be at 18.3% comparable to last year.

7.3 – Restated effective tax rate

After restating the unusual items, the restated profit before tax was € 1,173 million, restated tax charge of € 245 million and the restated effective tax rate was 20.9%.

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Profit before tax	**749**	**813**
Other operating income and expenses	-424	-417
Profit before tax excluding unusual items	**1,173**	**1,230**
Tax impact on unusual items	198	131
Group tax expense	-47	-149
Total of tax excluding unusual items	**-245**	**-280**
RESTATED EFFECTIVE TAX RATE	**20.9%**	**22.8%**

7.4 – Deferred taxes assets and liabilities

(in € million)	December 31, 2018	December 31, 2017
Deferred tax assets	459	381
Deferred tax liabilities	421	119
NET DEFERRED TAX	**38**	**262**

7.5 – Breakdown of deferred tax assets and liabilities by nature

(in € million)	Tax losses carry forward	Intangible assets recognized as part of PPA	Fixed assets	Pensions	Other	Total
December 31, 2016	**288**	**-154**	**44**	**289**	**-148**	**319**
Charge to profit or loss for the year	5	24	-22	8	-9	6
Change of scope	5	-15	7	0	-8	-10
Charge to equity	0	0	1	-41	1	-40
Reclassification	-7	1	-38	-7	48	-4
Exchange differences	-5	4	-3	-3	-4	-10
December 31, 2017	**287**	**-139**	**-12**	**245**	**-119**	**262**
Charge to profit or loss for the year	90	32	-17	6	-5	106
Change of scope	2	-379	-2	12	27	-340
Charge to equity	0	0	0	11	4	15
Reclassification	0	0	1	-1	0	0
Exchange differences	-3	0	-1	0	-1	-5
DECEMBER 31, 2018	**376**	**-486**	**-31**	**273**	**-94**	**38**

7.6 – Tax losses carry forward schedule (basis)

	December 31, 2018			December 31, 2017		
(in € million)	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2018	-	-	-	1	11	12
2019	3	17	20	7	6	13
2020	7	26	33	1	27	28
2021	2	62	64	7	57	64
2022	2	102	104			
Tax losses available for carry forward for 5 years and more	22	115	137	115	78	193
Ordinary tax losses carry forward	**36**	**322**	**358**	**131**	**179**	**309**
Evergreen tax losses carry forward	**1,207**	**2,542**	**3,749**	**869**	**2,720**	**3,589**
TOTAL TAX LOSSES CARRY FORWARD	**1,243**	**2,864**	**4,107**	**1,000**	**2,899**	**3,899**

The countries with the largest tax losses available for carry forward were France (€ 1,884 million), Germany (€ 1,066 million), The Netherlands (€ 278 million), the United Kingdom (€ 192 million), the United States (€ 156 million), Brazil (€ 119 million), Spain (€ 95 million), Luxembourg (€ 85 million), and Austria (€ 72 million).

7.7 – Deferred tax assets not recognized by the Group

(in € million)	December 31, 2018	December 31, 2017
Tax losses carry forward	746	807
Temporary differences	182	185
TOTAL	**928**	**991**

Note 8 Goodwill and fixed assets

8.1 – Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, of the amount of any non-controlling interests in the acquiree and of the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to geographical areas where the Group has operations – except for the Worldline activities.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted cash-flows method. When this value is less than its carrying amount, an impairment loss is recognized in the operating income.

The impairment loss is first recorded as an adjustment of the carrying amount of the goodwill allocated to the CGU and the remainder of the loss, if any, is allocated pro rata to the other long-term assets of the unit.

The Cash Generating Units used for the impairment test are not larger than operating segments determined in accordance with IFRS 8 Operating segments. Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3 year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable. Such events and circumstances include but are not limited to:

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

Impairment tests

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies stated below. The recoverable amounts of cash generating units are determined based on value-in-use calculations or on their fair value reduced by the costs of sales. These calculations require the use of estimates.

(in € million)	December 31, 2017	Impact of business combination	Exchange differences and other	December 31, 2018
Gross value	4,956	4,488	-13	9,431
Impairment loss	-572	-	5	-567
CARRYING AMOUNT	**4,384**	**4,488**	**-9**	**8,863**

(in € million)	December 31, 2016	Impact of business combination	Exchange differences and other	December 31, 2017
Gross value	4,752	272	-67	4,956
Impairment loss	-567	-	-5	-572
CARRYING AMOUNT	**4,185**	**272**	**-72**	**4,384**

Goodwill is allocated to Cash Generating Units (CGUs) that are then part of one of the operating segments disclosed in Note 2 Segment information as per IFRS 8 requirements. Changes in internal management reporting are applied retrospectively and comparative figures are restated.

A summary of the carrying values of goodwill allocated by CGUs or grouping of CGUs is presented hereafter. Overall, goodwill increased from € 4,384 million to € 8,863 million mainly due to the acquisitions of the year as detailed in Note 1 Changes in the scope of consolidation.

(in € million)	December 31, 2018	December 31, 2017
United Kingdom and Ireland	508	515
France	519	514
Germany	785	785
North America	2,967	608
Benelux & The Nordics	439	439
Other countries	596	554
Worldline	3,049	970
TOTAL	**8,863**	**4,384**

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial business plans approved by management, covering a three-year period. They are also based on the following assumptions:

- terminal value is calculated after the three-year period, using an estimated perpetuity growth rate of 2.0% (aligned with 2017). Although sometimes exceeding the long-term average growth rate for the countries in which the Group operates, this rate reflects specifics perspectives of the IT sector; and
- discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates and country risks relating to each geographical area.

The discount rates used by CGU are presented below:

	2018 Discount rate	2017 Discount rate
United Kingdom and Ireland	8.4%	8.7%
France	8.3%	8.6%
Germany	8.3%	8.6%
North America	8.4%	8.6%
Benelux & The Nordics	8.3%	8.6%
Other countries	between 8.3% and 10.9%	between 8.6% and 10.7%
Worldline	8.3%	7.8%

Based on the 2018 goodwill impairment test, which was carried out at year-end, no impairment losses were recognized as at December 31, 2018.

An analysis of the calculation's sensitivity to a combined change in the key parameters (operating margin, discount rate and perpetuity growth rate) based on reasonably probable assumptions of variations of +/-50 bp for each of these parameters was performed and did not identify any probable scenario where the CGU's recoverable amount would fall below its carrying amount.

8.2 - Intangible assets

Intangible assets other than goodwill

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

To assess whether an internally generated intangible asset meets the criteria for recognition, the Group classifies the generation of the asset into a research phase and a development phase.

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

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all of the following:

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

Development expenditure refers to IT solutions developed for the Group's own use, to specific implementation projects for specific customers or innovative technical solutions made available to a group of customers.

Development projects are analyzed on a case-by-case basis and the only costs which are capitalized are those attributable to the creation, production and preparation of the asset to be capable of operating in the manner intended by management.

Capitalized development expenditure is accounted for at cost less accumulated depreciation and any impairment losses. It is amortized on a straight-line basis over a useful life between 3 and 12 years, for which two categories can be identified:

- for internal software development with fast technology serving activities with a shorter business cycle and contract duration, the period of amortization will be between 3 and 7 years, the standard scenario being set at 5 years in line with the standard contract duration;
- for internal software development with slow technology obsolescence serving activities with a long business cycle and contract duration, the period of amortization will be between 5 and 12 years with a standard scenario of 7 years. It is typically the case for large mutualized payment platforms.

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

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

Intangible assets are amortized on a straight-line basis over their expected useful life, generally not exceeding 5 to 7 years for internally developed IT solutions in operating margin. Customer relationships, patents, technologies and trademarks acquired as part of a business combination are amortized on a straight-line basis over their expected useful life, generally not exceeding 19 years; any related depreciation is recorded in other operating expenses.

(in € million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
December 31, 2017	**893**	**759**	**648**	**2,300**
Additions	-	101	5	106
Impact of business combinations	-	-	14	14
Intangible assets recognized as part of a Purchase Price Allocation	980	7	557	1,544
Capitalized costs	-	-	117	117
Disposals	-	-21	-12	-34
Exchange differences and others	24	9	-19	14
DECEMBER 31, 2018	**1,898**	**854**	**1,309**	**4,061**
Accumulated depreciation				
December 31, 2017	**-354**	**-347**	**-289**	**-991**
Amortization charge for the year	-24	-28	-23	-74
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-89	-36	-4	-128
Amortization of capitalized costs	-	-	-81	-81
Disposals	1	17	14	32
Exchange differences and others	-9	-2	6	-5
DECEMBER 31, 2018	**-475**	**-396**	**-377**	**-1,248**
Net value				
December 31, 2017	**539**	**412**	**359**	**1,309**
DECEMBER 31, 2018	**1,422**	**458**	**933**	**2,813**

(in € million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
December 31, 2016	**819**	**733**	**599**	**2,150**
Additions	-	35	10	45
Impact of business combinations	-	-1	-21	-22
Intangible assets recognized as part of a Purchase Price Allocation	74	15	-	90
Capitalized costs	-	-	121	121
Disposals	-	-15	-14	-29
Exchange differences and others	0	-8	-46	-55
December 31, 2017	**893**	**759**	**648**	**2,300**
Accumulated depreciation				
December 31, 2016	**-293**	**-318**	**-177**	**-788**
Amortization charge for the year	-	-42	-25	-67
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-86	-23	-	-109
Amortization of capitalized costs	-	-	-83	-83
Disposals	-	13	12	25
Exchange differences and others	26	22	-17	31
December 31, 2017	**-354**	**-347**	**-289**	**-991**
Net value				
December 31, 2016	**526**	**415**	**422**	**1,362**
DECEMBER 31, 2017	**539**	**412**	**359**	**1,309**

The 2018 amortization of intangible assets recognized in the Purchase Price Allocation (PPA) of € 128 million was mainly composed of:

- € 22 million of SIS customer relationships amortized over 4 to 12 years starting July 1, 2011;
- € 19 million of Xerox ITO customer relationships amortized over 6 to 12 years starting July 1, 2015;
- € 18 million of Unify customer relationships and technologies amortized over 2 to 10 years starting February 1, 2016;
- € 16 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014;
- € 11 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 10 million of Equens and Paysquare customer relationships amortized over 6.5 to 9.5 years starting October 1, 2016;
- € 4 million of SIX Payment Services customer relationships, technologies and patents amortized over 6 to 19 years starting December 1, 2018.

The gross book value of customer relationship for € 1,898 million as at December 31, 2018 presented above, included:

- € 534 million relative to the Syntel acquisition in 2018;
- € 418 million relative to the Six acquisition in 2018;
- € 357 million relative to the Siemens IT Solutions and Services acquisition in 2011;
- € 151 million relative to the Xerox ITO acquisition in 2015;
- € 109 million relative to the Anthelio acquisition in 2016;
- € 104 million relative to the Unify acquisition in 2016.

8.3 – Tangible assets

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

• buildings	20 years;
• fixtures and fittings	5 to 10 years;
• computer hardware	3 to 5 years;
• vehicles	4 years;
• office furniture and equipment	5 to 10 years.

Although some outsourcing contracts may involve the transfer of computing equipment to Atos, control of the asset usually remains with the customer as they generally retain the asset. When ownership of the computing equipment is transferred to the Group a payment generally occurs at the beginning of the contract. Therefore IFRIC 18 does not have a significant impact on the Group accounts.

Impairment of assets

Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable value.

(in € million)	Land and buildings	IT equipments	Other tangible assets	Total
Gross value				
December 31, 2017	**438**	**1,041**	**171**	**1,650**
Additions	38	247	51	335
Impact of business combination	34	25	44	102
Disposals	-45	-265	-29	-339
Exchange differences and others	1	-77	-33	-109
December 31, 2018	**465**	**970**	**205**	**1,639**
Accumulated depreciation				
December 31, 2017	**-277**	**-592**	**-88**	**-957**
Depreciation charge for the year	-37	-212	-14	-263
Eliminated on disposal	24	210	24	258
Exchange differences and others	4	46	-1	49
December 31, 2018	**-286**	**-548**	**-80**	**-914**
Net value				
December 31, 2017	**161**	**449**	**83**	**693**
DECEMBER 31, 2018	**179**	**422**	**125**	**726**

(in € million)	Land and buildings	IT equipments	Other tangible assets	Total
Gross value				
December 31, 2016	**455**	**1,103**	**158**	**1,717**
Additions	19	236	82	336
Impact of business combination	-1	14	2	15
Disposals	-33	-213	-21	-266
Exchange differences and others	-3	-99	-50	-152
December 31, 2017	**438**	**1,041**	**171**	**1,650**
Accumulated depreciation				
December 31, 2016	**-261**	**-605**	**-91**	**-957**
Depreciation charge for the year	-43	-224	-14	-281
Eliminated on disposal	16	172	19	208
Exchange differences and others	12	65	-2	74
DECEMBER 31, 2017	**-277**	**-592**	**-88**	**-957**
Net value				
December 31, 2016	**194**	**498**	**68**	**760**
DECEMBER 31, 2017	**161**	**449**	**83**	**693**

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

Finance leases

Tangible assets held under finance leases had a net carrying value of € 15 million. Future minimum lease payments under non-cancellable leases amounted to € 16 million at year-end.

	December 31, 2018			December 31, 2017		
(in € million)	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	7	-1	6	16	-1	16
Between one and five years	9	0	9	8	0	8
TOTAL	**16**	**-1**	**15**	**25**	**-1**	**23**

Note 9 Pension plans and other long-term benefits

The Group uses actuarial assumptions and methods to measure pension costs and provisions. The value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate. The estimation of pension liabilities, as well as valuations of plan assets requires the use of estimates and assumptions.

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

The valuation of Group defined benefit obligations is based on a single actuarial method known as the "projected unit credit method". This method relies in particular on projections of future benefits to be paid to Group employees, by anticipating the effects of future salary increases. Its implementation further includes the formulation of specific assumptions which are periodically updated, in close liaison with external actuaries used by the Group.

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

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

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

The total amount recognized in the Group balance sheet in respect of pension plans was € 1,197 million at December 31, 2018 compared to € 1,179 million at December 31, 2017. The total amount recognized for other longer-term employee benefits was € 71 million compared to € 56 million at December 31, 2017.

(in € million)	December 31, 2018	December 31, 2017
Amounts recognized in financial statements consist of:		
Prepaid pension asset	116	114
Accrued liability – pension plans [A]	-1,314	-1,293
Total Pension plan	**-1,197**	**-1,179**
Accrued liability – other long-term employee benefits [B]	-71	-56
TOTAL ACCRUED LIABILITY [A] + [B]	**-1,385**	**-1,350**

Pension plans

The Group's pension obligations are located predominantly in the United Kingdom (46% of Group total obligations), Germany (29%), and Switzerland (9%).

Characteristics of significant plans and associated risks

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

The current asset allocation across United Kingdom plans is 73% fixed income, 27% equities and other assets and may vary depending on the particular profile of each plan. The interest rate and inflation exposures are cautiously managed through investment in Gilts, Indexed-Linked and interest rate swaps. The fixed income allocation comprises a significant exposure to investment grade credits and the equity allocation is well diversified geographically.

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

In Germany the majority of the liabilities relate to pension entitlements that transferred to the Group with the acquisition of SIS in 2011 and Unify in 2016. The plans cover multiple legal entities in Germany and are subject to the German regulatory framework, which has no funding requirements, but does include compulsory insolvency insurance (PSV). The plans are partially funded however, using a Contractual Trust Agreement (CTA). The CTA is governed by a professional independent third party. The investment strategy is set by the Investment Committee composed of employer representatives. The asset allocation related to the largest German schemes is 61% fixed income, 32% return seeking assets and other assets and 6% property. The asset allocation related to the other scheme is more in line with the lower interest rate sensitivities of the schemes and are predominantly invested in investment grade credits and, to a lesser extent, in balanced funds and European high yield.

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

The Group obligations are also generated by Qualified and Unqualifed Pension plans in the USA and, to a lesser extent, by legal or collectively bargained end of service or end of career benefit plans. The Group obligations with respect to post-employment healthcare benefits are not significant.

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

Events in 2018

Atos set up its own independent Swiss foundation for the management of the risks of old age, death and disability benefits for employees of Atos AG and Atos Consulting, with full implementation in 2019.The rules of the foundation stipulate that any remaining funding shortfall, after consideration given to some legal measures, is shared between employees and Atos at a 40%/60% basis.

In the UK Equal treatment in pension provision between women and men has been required for service from May 17, 1990. Since then there has been lasting uncertainty about whether and how pension schemes should equalise benefits to counter the effect of Guaranteed Minimum Pensions (GMPs) accrued up to April 5, 1997. A verdict on the Lloyds Banking Group high court hearing on GMP equalisation was provided in October 2018. It confirms the legal obligation to equalise for GMPs in respect of benefits earned between May 17, 1990 and April 5, 1997. The clarification by the judgement on the methodology to be used to equalize, viewed as a reassessment of the risk itself related to the imbrication of the equalization with the plan benefit entitlements, is an increase in the liability of GBP 8.2 million.

In Germany "Übergangszuschuss" ("transition payment") benefit is granted to former Siemens employees who joined Siemens prior to October 1, 1983. Beyond that date, transition money benefit was no longer granted to new joiners. To qualify for the benefit of "transition payment" each employee had to stay at least 10 years in the Company and leave the Company at retirement. The Federal Labour Court of Germany has issued a judgment on March 20, 2018, whereby it states that the "Übergangszuschuss" ("transition payment") forms part of the Company pension scheme and that the transition payment benefit is due to all former employees of the Company who used to be eligible to it, irrespective of whether the employees are still active employees of the Company before entering into pension or they have left for another group/company before retiring. This led to an increase of the liability by € 6.9 million, recorded under other operating income in the profit and loss account.

The acquisition of Syntel, in October, led to an increase in pension liabilities of € 14 million related to Indian unfunded Gratuity severance plan.

The acquisition of SIX Payment Services (SPS) in November led to an increase in pension liabilities (mainly in Switzerland) of € 223 million covered by € 239 million of plan assets.

Amounts recognized in the financial statements

The amounts recognized in the balance sheet as at December 31, 2018 rely on the following components, determined at each benefit plan's level:

(in € million)	December 31, 2018	December 31, 2017
Amounts recognized in financial statements consist of:		
Prepaid pension asset	116	114
Accrued liability – pension plans	-1,314	-1,293
Net amounts recognized - Total	**-1,197**	**-1,179**
Components of net periodic cost		
Service cost (net of employees contributions)	**66**	**66**
Past service cost, Settlements	-41	-64
Administration costs	4	4
Operating expense	**29**	**6**
Interest cost	**108**	**114**
Interest income	-82	-86
Financial expense	**26**	**29**
Net periodic pension cost – Total expense / (profit)	**55**	**34**
Change in defined benefit obligation		
Total Defined Benefit Obligation at January 1	**4,735**	**5,000**
Exchange rate impact	**-14**	**-161**
Service cost (net of employees contributions)	66	66
Interest cost	108	114
Past service cost, Settlements	-42	-109
Business combinations/(disposals)	330	0
Employees contributions	9	9
Benefits paid	-184	-163
Actuarial (gain)/loss - change in financial assumptions	-124	30
Actuarial (gain)/loss - change in demographic assumptions	-12	-34
Actuarial (gain)/loss - experience results	29	-25
Reclassification		9
Defined benefit obligation at December 31	**4,901**	**4,735**

The weighted average duration of the liability is about 16 years.

(in € million)	December 31, 2018	December 31, 2017
Change in plan assets		
Fair value of plan assets at January 1	**3,557**	**3,615**
Exchange rate impact	-15	-146
Actual return on plan assets	-63	213
Employer contributions	46	27
Benefits paid by the funds	-146	-108
Settlements	-2	-48
Business combinations/(disposals)	322	0
Employees contributions	9	9
Administration costs	-4	-4
Fair value of plan assets at December 31	**3,704**	**3,557**
Reconciliation of prepaid / (accrued) Benefit cost		
Funded status	-1,197	-1,178
Any other amount not recognized (asset ceiling limitation)	-1	-1
Prepaid / (accrued) pension cost	**-1,197**	**-1,179**
Reconciliation of net amount recognized (all plans)		
Net amount recognized at beginning of year	**-1,179**	**-1,388**
Net periodic pension cost	-55	-34
Benefits paid by employer	39	55
Employer contributions	46	27
Business combinations/(disposals)	-6	0
Amounts recognized in Other Comprehensive Income	-39	157
Other (exchange rate)	-1	15
Reclassification	-2	-10
Net amount recognized at end of year	**-1,197**	**-1,179**

The development in the main countries was as follows:

(in € million)	UK schemes	German schemes	Swiss schemes	Other schemes
Reconciliation of net amount recognized in main plans:				
Net amount recognized at beginning of year	**-87**	**-681**	**-16**	**-395**
Net periodic pension cost	-16	-21	-3	-14
Benefits paid by employer & employer contributions	32	19	5	28
Amounts recognized in Other Comprehensive Income	10	-27	-13	-9
Other (exchange rate and reclassification)	1	-9	0	6
Net amount recognized at end of year	**-60**	**-719**	**-7**	**-411**
Defined benefit obligation at December 31	-2,225	-1,416	-435	-825
Fair value of plan assets at December 31	2,164	697	428	415
Asset ceiling limitation at December 31	0	0	0	0
Net amount recognized at end of year	**-60**	**-719**	**-7**	**-411**

Actuarial assumptions

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

These assumptions are set out in the table below:

	United Kingdom		Eurozone		Switzerland		USA	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Discount rate	2.90%	2.70%	1.6% ~ 2.05%	1.5% ~ 1.95%	0.75% ~ 0.8%	0.65%	4.00%	3.50%
Inflation assumption	RPI: 3.20% CPI: 2.20%	RPI: 3.20% CPI: 2.20%	1.45%	1.45%	na	na	na	na

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

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

	Discount rate +25bp	Inflation rate +25bp
United Kingdom main pension plans	-4.4%	+3.6%
German main pension plans	-3.7%	+2.5%

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

Plan assets

Plan assets were invested as follows:

	December 31, 2018	December 31, 2017
Equity	16%	19%
Bonds/Interest Rate Swaps	64%	66%
Real Estate	8%	6%
Cash and Cash equivalent	3%	2%
Other	9%	7%

Of these assets, 84% is valued on market value, 11% relates to property, private equity and infrastructure investments where valuations are based on the information provided by the investment managers and 5% relates to insurance contracts.

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

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

Situation of the United Kingdom pension funds and impact on contribution for 2019

The Group expects to contribute € 27 million to its United Kingdom schemes next year versus € 34 million in 2018.

Prepaid pension situations on balance sheet

The net asset of € 116 million mostly relates to two scheme in the United Kingdom and one scheme in Switzerland as a results of the SPS acquisition, and is supported by appropriate refund expectations according to IFRIC 14.

Summary net pension impacts on profit and loss

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

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Operating margin	-27	-10
Other operating income and expenses	-2	4
Financial result	-26	-29
Total (expense) / profit	**-55**	**-34**

Other long-term employee benefits

The net liabilities related to other long-term employee benefits were € 56 million per December 31, 2017. They increased to € 71 million per December 31, 2018 via expenses recorded in P&L (€ 23 million), additional liabilities due to acquisitions (€ 15 million), benefit payments (€ 20 million) net of other impacts (€ 3 million) including employer contributions and exchange rate impact.

Note 10 Provisions

The Group uses actuarial assumptions and methods to measure provisions. Provisions are recognized when:

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

Provisions are discounted when the time value effect is material. Changes in discounting effects at each accounting period are recognized in financial expenses.

(in € million)	December 31, 2017	Charge	Release used	Release unused	Business Combination	Other*	December 31, 2018	Current	Non-current
Reorganization	77	41	-67	-5	24	0	70	68	2
Rationalization	25	4	-6	-3	1	-2	18	6	12
Project commitments	46	14	-19	-20	17	0	37	30	7
Litigations and contingencies	138	11	-17	-23	16	-4	121	41	80
TOTAL PROVISIONS	**286**	**69**	**-108**	**-51**	**58**	**-7**	**247**	**146**	**101**

* *Other movements mainly consist of the currency translation adjustments.*

(in € million)	December 31, 2016	Charge	Release used	Release unused	Business Combination	Other*	December 31, 2017	Current	Non-current
Reorganization	111	48	-78	-4	-	0	77	70	6
Rationalization	33	9	-12	-8	-	3	25	9	16
Project commitments	79	20	-25	-28	1	-1	46	33	13
Litigations and contingencies	168	26	-22	-34	14	-13	138	61	77
TOTAL PROVISIONS	**392**	**103**	**-137**	**-75**	**14**	**-11**	**286**	**173**	**113**

* *Other movements mainly consist of the currency translation adjustments.*

Reorganization

New reorganization provisions were posted for € 41 million over the year mainly in Germany, Central Eastern Europe and Benelux and The Nordics driven by new plans aimed at improving Group efficiency and productivity.

The € 67 million consumptions primarily corresponded to workforce optimization in Germany, Central Eastern Europe and Benelux and The Nordics.

New provision in the business combination mainly related to the acquisition of CVC.

Rationalization

The new provisions of € 4 million mainly relate to office premises rationalization in Germany and The Netherlands.

The € 6 million rationalization provisions were used against office premises rationalization costs in Germany and in the United States.

Project commitments

The € 14 million charge was mainly incurred in Central Eastern Europe, in Germany and Benelux and The Nordics.

Project commitments provisions released for € 19 million primarily related to losses incurred in Central Eastern Europe, Germany, and France.

The € 20 million project commitments unused provision releases reflected mainly the reduction of former contracts losses thanks to proactive project management or early settlements mainly in France, Benelux and The Nordics and the United Kingdom.

Litigation and contingencies

The closing position of contingency provisions of € 121 million was composed of a number of long-term litigation issues, such as tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers.

The legal department monitors these situations closely with a view to minimizing the ultimate liability.

Note 11 Fair value and characteristics of financial instruments

Derivative financial instruments

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

- for fair value hedging of existing assets or liabilities, the hedged portion of an instrument is measured on the balance sheet at its fair value. Any change in fair value is recorded as a corresponding entry in the income statement, where it is offset simultaneously against changes in the fair value of the designated hedging elements except for any ineffectiveness;
- for cash flow hedging, the effective portion of the change in fair value of the hedging instrument is directly recognized in shareholders' equity as "items recognized directly in equity". The change in value of the ineffective portion is recognized in "Other financial income and expenses". Amounts deferred in equity are taken to the income statement at the same time as the related hedged cash flow.

The Group uses forward foreign exchange contracts to hedge the variability in cash flows arising from changes in foreign exchanges rates relating to foreign currency sales and purchases.

The Group designates only the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships for highly probable transactions. Under IAS 39, the change in fair value of the forward element of the forward exchange contracts is recognized immediately in profit and loss.

On adoption of IFRS 9 requirements, the Group has elected to separately account for the forward points as a cost of hedging. Consequently, the changes in forward points will be recognized in other comprehensive income and accumulated in a cost of hedging reserve as a separate component within equity and accounted for subsequently as gain and losses accumulated in the cash flow hedge reserve as part of the underlying covered transaction.

Financial risk management

The Group's activities expose it to a variety of financial risks including liquidity risk, interest rate risk, credit risk and currency risk. Financial risk management is carried out by the Group Treasury department and involves minimizing potential adverse effects on the Group's financial performance.

Liquidity risk

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

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

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

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

Interest rate risk

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

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

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

Credit risk

The Group has no significant concentrations of credit risk. The client selection process and related credit risk analysis is fully integrated within the global risk assessment project conducted throughout the life cycle of a project. Derivative counterparties and cash transactions are limited to high-credit quality financial institutions.

Currency risk

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

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

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

Price risk

The Group has no material exposure to the price of equity securities, nor is it exposed to commodity price risks.

	December 31, 2018		December 31, 2017	
(in € million)	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	12	-2	8	-7
Forward interest rate contracts	-	-3	-	-
Analysed as:				
• Non-current	0	-3	0	0
• Current	12	-2	8	-7

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

Interest rate risk

In 2018, bank loans and commercial papers of €+2,365 million, and in 2017 bank loans and Commercial Papers of € 880 million are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

The Group may mitigate its interest rate exposure using interest rates swap contracts with financial institutions in order to fix the rate of a portion of the floating-rate financial debt. The fair value of the financial instruments used to hedge the floating-rate financial qualifies for cash flow hedge accounting.

Exposure to interest rate risk

The table below presents the interest rate risk exposure of the Group based on future debt commitments. The exposure at floating rate after hedging risk management is approximately € 389 million as at December 31, 2018. A 1.0% rise in 1-month Euribor would increase the financial expense by € 4 million assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.

(in € million)	Notes	Exposure Less than 1 year	Exposure More than 1 year	Total
Bank loans & Commercial papers	Note 6.4.1	-809	-1,556	-2,365
Securitization	Note 6.4.1	-6	-	-6
Other		-48	-116	-163
Total liabilities		**-862**	**-1,672**	**-2,534**
Cash and cash equivalents	Note 6.2	2,546	-	2,546
Overdrafts		-168	-	-168
Total net cash and cash equivalents*		**2,378**	**-**	**2,378**
Net position before risk management		1,516	-1,672	-156
Hedging instruments		-	545	545
Net position after risk management		**1,516**	**-1,127**	**389**
Bonds	Note 6.4.1	-	-2,700	-2,700
Finance Leases	Note 6.4.1	-6	-9	-15
TOTAL NET DEBT/CASH AFTER RISK MANAGEMENT				**-2,326**

* *Overnight deposits (deposit certificate) and money market securities and overdrafts.*

Liquidity risk

On December 20, 2018, Worldline signed with a number of major financial institutions **a five-year** revolving credit facility for an amount of € 0.6 billion maturing in December 2023, with an option for Worldline to request the extension of the maturity date until December 2025. The facility is available for general corporate purposes. The revolving credit facility includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

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

- € 700 million Notes with a 3.5 year maturity and 0.75% coupon;
- € 750 million Notes with a 6.5 year maturity and 1.75% coupon;
- € 350 million Notes with a 10 year maturity and 2.50% coupon.

There are no financial covenants. The rating agency Standard and Poor's has assigned a rating of BBB+ to the three tranches, subsequently to the rating of Atos described herebelow.

On October 22, 2018, the rating agency Standard and Poor's has assigned a rating of BBB+ to Atos recognizing the strong investment grade profile of the Group.

On October 11, 2018, Atos signed with a number of major financial institutions a five-year € 2.4 billion revolving credit facility (the Facility) maturing in November 2023 with an option for Atos to request the extension until November 2025. The Facility is available for general corporate purposes and replaces the existing € 1.8 billion facility signed in November 2014. The Facility includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

On October 9, 2018, Atos drew a bridge loan of $ 1.9 billion for the acquisition of Syntel. The bridge loan was fully reimbursed on November 9, 2018.

On October 9, 2018, Atos drew a term loan of $ 1.9 billion for the acquisition of Syntel. The term loan was composed of a 3-year $ 1.1 billion loan and a 5-year $ 0.8 billion loan. The term loan issuance by currency was $ 0.6 billion equivalent euros and $ 1.3 billion in USD. On December 14, 2018, Atos reimbursed $ 200 million out of the loan drawn in USD.

The $ 1.9 billion term loan includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

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

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

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

On July 2, 2015 Atos issued a bond of € 600 million with a five-year maturity. The coupon rate is 2.375% (unrated). There are no financial covenants.

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The program has been restricted to two French participant entities.

The program is still structured with two compartments, called ON and OFF:

- compartment "ON" is similar to the previous program (i.e. the receivables are maintained in the Group balance sheet) which remains by default the compartment in which the receivables are sold. This compartment was used at its lowest level;
- compartment "OFF" is designed so the credit risk (insolvency and overdue) of the debtors eligible to this compartment of the program is fully transferred to the purchasing entity of a third party financial institution.

As of December 31, 2018, the Group has sold:

- in the compartment "ON" € 85 million receivables for which € 6 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- in the compartment "OFF" € 33 million receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

The Atos securitization program includes one financial covenant which is the leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5.

The calculation of the above-mentioned ratios as of December 31, 2018 is provided below in respect of the credit documentation of the multi-currency revolving credit facility, the $ 1.9 billion term loan and the securitization program, the leverage ratio is calculated on a proforma basis, taking into account full year OMDA 2018 for Syntel and Six Payment Services.

Nature of ratios subject to covenants	Covenants	12 months ended December 31, 2018	12 months ended December 31, 2017
Leverage ratio (net debt/OMDA)	not greater than 2.5	1.54	-0.20

Currency exchange risk

Atos operates in 73 countries. However, in most cases, Atos invoices in the country where the Group renders the service, thus limiting the foreign exchange risk. Where this is not the case, the Group generally uses hedging instruments such as forward contracts or foreign currency swaps to minimize the risk.

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

	2018	2017	2018	2017	2018	2017
(in € million)	EUR		GBP		USD	
Assets	107	193	17	17	180	199
Liabilities	34	170	3	12	30	111
Foreign exchange exposure before hedging	73	23	14	5	150	88
Hedged amounts	-347	-291	-85	-81	-78	-55
FOREIGN EXCHANGE IMPACT AFTER HEDGING	**-274**	**-267**	**-72**	**-76**	**72**	**32**

Foreign currency sensitivity analysis

The Group is mainly exposed to the EUR, GBP and the USD.

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

	2018	2017	2018	2017	2018	2017
(in € million)	EUR		GBP		USD	
Income Statement	-14	-13	-4	-4	4	2

Hedge accounting

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

As at December 2018, derivatives were all allocated to the hedging of transactional risks (foreign exchange currency risks). From an accounting point of view, most of the derivatives were considered as cash flow hedge instruments.

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

	December 31, 2018		December 31,2017	
Instruments *(in € million)*	**Fair value**	**Notional**	**Notional**	
Cash flow hedge				
Interest rate				
SWAP	-3	545	-	-
Foreign exchange				
Forward contracts USD	-	88	-1	11
Forward contracts GBP	-	4	0	-5
Forward contracts INR	7	142	1	154
Forward contracts KRW	-	-	0	1
Forward contracts MXN	-1	25	0	8
Forward contracts MYR	-	-	-	-
Forward contracts PLN	-	118	2	84
Forward contracts PHP	1	24	0	9
Forward contracts RON	1	44	0	35
Forward contracts RUB	-	6	0	8
Forward contracts MAD	1	20	1	27
Forward contracts CNY	-	2	0	2
Forward contracts DKK	-	-	0	1
Forward contracts CNH	-	-	-	-
Forward contracts CHF	-	-8	1	-10
Forward contracts TRY	-	-	-	-
Forward contracts CZK	-	-	0	9
Forward contracts HU	-	-	0	1
Option contracts JPY	-	-	-	-
Trading and fair value hedge				
Foreign exchange				
Forward contracts USD	-	19	-3	20
Forward contracts GBP	-	-13	0	-4
Forward contracts INR	-	8	0	9
Forward contracts MAD	-	3	0	2
Forward contracts CNY	-	-	0	1
Forward contracts DKK	-	-	0	1
Forward contracts CHF	-	-	-	0
Forward contracts MYR	-	-	-	-
Forward contracts BRL	-	-	0	0
Forward contracts RON	-	7	0	5
Forward contracts PLN	-	24	0	16
Forward contracts PHP	-	4	0	6
Forward contracts MXN	-	-	0	6

The net amount of cash flow hedge reserve at December 31, 2018 was €+6 million (net of tax), with a variation of €+3 million (net of tax) over the year.

Note 12 Shareholders' equity

12.1 – Earnings per share

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

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

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

Potential dilutive instruments comprised stock options (15,254 employee stock options) and did not generate a restatement of net income used for the diluted EPS calculation.

(in € million and shares)	12 months ended December 31, 2018	12 months ended December 31, 2017
Net income – Attributable to owners of the parent [a]	**630**	**601**
Impact of dilutive instruments	-	-
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**630**	**601**
Average number of shares outstanding [c]	106,012,480	105,081,802
Impact of dilutive instruments [d]	15,254	376,158
Diluted average number of shares [e] = [c]+[d] *(In €)*	106,027,734	105,457,960
Basic EPS [a] / [c]	5.95	5.72
Diluted EPS [b] / [e]	**5.95**	**5.70**

No significant share transactions occurred subsequently to the 2018 closing that could have a dilutive impact on earnings per share calculation.

12.2 – Equity attributable to the owners of the parent

Treasury stock

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

Capital increase

In 2018, Atos SE increased its share capital by incorporating additional paid-in-capital and common stock for € 123 million related to the issuance of 1,440,870 new common stocks split as follows:

- 1,063,666 new shares;
- exercise of 377,204 stock options in 2018.

As at December 31, 2018, Atos SE issued share capital amounted to € 107 million, divided into 106,886,219 fully paid-up common stock of € 1.00 par value each.

12.3 – Non-controlling Interests

Non-controlling interests purchase commitments

Firm or conditional commitments under certain conditions to purchase non-controlling interests are similar to a purchase of shares and are recorded in borrowings with an offsetting reduction of non-controlling interests.

For puts granted after January 1, 2010, when the cost of the purchase exceeds the amount of non-controlling interests, the Group chooses to recognize the balance in equity (attributable to owners of the parent). Any further change in the fair value of the non-controlling interests purchase commitment will also be recorded in equity (attributable to owners of the parent).

(in € million)	December 31, 2017	2018 Income	Capital Increase	Dividends	Scope Changes	Others	December 31, 2018
Worldline	555	69	1,140	-7	282	-20	2,019
Other	10	4	0	-4	-1	0	9
TOTAL	**564**	**73**	**1,140**	**-11**	**281**	**-20**	**2,027**

(in € million)	December 31, 2016	2017 Income	Capital Increase	Dividends	Scope Changes	Others	December 31, 20117
Worldline	499	60	11	-	-15	1	555
Other	21	5	-	-2	-14	0	10
TOTAL	**519**	**64**	**11**	**-2**	**-29**	**0**	**564**

The "scope changes" on Worldline related mainly to SIX payment Services transaction (please refer to Note 1 for more details).

Note 13 Off-balance sheet commitments

Contractual commitments

The table below illustrates the minimum future payments for firm obligations and commitments over the coming years. Amounts indicated under the long-term borrowings and finance leases are posted on the Group balance sheet.

		Maturing			
(in € million)	December 31, 2018	Up to 1 year	1 to 5 years	Over 5 years	December 31, 2017
Bonds	2,700	-	1,600	1,100	900
Bank loans & commercial papers	2,365	809	1,556	-	880
Finance leases	15	6	8	1	23
Recorded on the balance sheet	**5,080**	**815**	**3,165**	**1,101**	**1,803**
Operating leases: land, buildings, fittings	1,220	216	640	364	1,134
Operating leases: IT equipment	264	100	161	3	180
Operating leases: other fixed assets	75	27	47	0	73
Non-cancellable purchase obligations (> 5 years)	366	45	189	132	62
Commitments	**1,924**	**389**	**1,037**	**499**	**1,449**
TOTAL	**7,004**	**1,203**	**4,201**	**1,599**	**3,252**
Financial commitments received (Syndicated Loan)	2,320	-	2,320	-	1,470
TOTAL RECEIVED	**2,320**	**-**	**2,320**	**-**	**1,470**

The received financial commitment refers exclusively to the non-utilized part of the € 2.4 billion revolving facility.

Commercial commitments

(in € million)	December 31, 2018	December 31, 2017
Bank guarantees	**398**	**283**
• Operational - Performance	207	193
• Operational - Bid	14	11
• Operational - Advance Payment	97	41
• Financial or Other	79	38
Parental guarantees	**4,751**	**4,998**
• Operational - Performance	3,828	4,389
• Financial or Other	923	609
Pledges	**9**	**2**
TOTAL	**5,157**	**5,284**

For various large long-term contracts, the Group provides performance guarantees to its clients. These guarantees amount to € 3,828 million as of December 31, 2018, compared with € 4,389 million at the end of December 2017. This decrease of € 561 million compared to last year is mainly due to the expiration of some guarantees provided to the benefit of the US, UK and Benelux & the Nordics customers.

In relation to the multi-currency revolving facility amended in October 2018, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to € 660 million (unchanged amount) the obligations of its subsidiaries: Atos Telco Services B.V. and Atos International B.V.

In relation to the Term Facility agreement signed in July 2018 in the context of the Syntel acquisition financing, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover USD 1,230 million (€ 1,078 million) obligations of its US subsidiary, Green Finco Inc. considering the partial reimbursement of $ 200 million (€ 175 million) as of 20 December 2018.

Atos SE has given a € 102.0 million guarantee to Ester Finance in relation to a securitization program involving certain of its subsidiaries. Guarantee amount decreased due to the restructuration of the securitization program in May 2018.

As part of the general agreement with Siemens in respect of the transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29, 2011 meeting, agreed to provide a 20-year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is GBP 200.0 million (€ 222 million).

In the framework of the Atos pension Scheme discussions in UK, for a more efficient structure, the Board of Directors of Atos SE, during its July 22, 2018 meeting, agreed to provide three parental guarantees (amending and extending those in force) to the Atos Pension Schemes Limited as trustee of the Atos Pension Fund and the Atos (SEMA) Pension Schemes Limited and Atos CS Pension Scheme. Under the said guarantees, Atos SE will guarantee the obligations of the sponsoring employers of the respective Pension Scheme to make certain payments. The total estimated amount of the new guarantees when authorized by the Board of Directors therefore represented an extension of 150 GBP (€ 166 million) to the existing guarantees (totaling 635 GBP (€ 704 million)) which Atos SE had previously provided to the three schemes.

Note 14 Related party transactions

Related parties are defined as follows:

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

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

No transactions between the Group and such entities or key management personnel have occurred in 2018.

Compensation of members of the Board of Directors as well as Senior Executive Vice-President

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

(in € million)	12 months ended December 31, 2018	12 months ended December 31, 2017
Short-term benefits	6	7
Employer contributions & other taxes	2	1
Post-employment benefits	3	3
Equity-based compensation: stock options & free share plans	5	8
TOTAL	**16**	**20**

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

The employer contribution related to performance shares granted is due and calculated at the vesting date in accordance with the provisions of the "Macron" law.

Note 15 Main operating entities part of scope of consolidation as of December 31, 2018

	% of Interest	Consolidation method	% of Control	Adress
HOLDING				
Atos SE		Consolidation Parent company		80, quai Voltaire - 95870 Bezons
Atos International B.V.	100	FC	100	Papendorpseweg, 93 - 3528 BJ Utrecht - The Netherlands
Saint Louis Ré	100	FC	100	74, rue de Merl - L2146 Luxembourg
Atos International SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Bull SA	100	FC	100	Rue Jean Jaurès - 78340 Les Clayes-sous-Bois
FRANCE				
Worldline SA	50.8	FC	51	80, quai Voltaire - 95870 Bezons
Atos Integration SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Mantis SAS	32.3	FC	63.6	24, rue des Jeûneurs - 75002 Paris
Atos Infogérance SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos Consulting SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos Worldgrid SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Yunano	100	FC	100	80, quai Voltaire - 95870 Bezons
Bull SAS	100	FC	100	Rue Jean Jaurès - 78340 Les Clayes-sous-Bois
Agarik SAS	100	FC	100	20, rue Dieumegard 93400 Saint-Ouen
Avantix SAS	100	FC	100	655, avenue Galilée - 13794 Aix-en-Provence
Evidian SA	100	FC	100	Rue Jean Jaurès - 78340 Les Clayes-sous-Bois
BlueKiwi Software SA	100	FC	100	80, quai Voltaire - 95870 Bezons
Air Lynx	100	FC	100	1, avenue de l'Atlantique, Immeuble Everest – 91940 Les Ulis

	% of Interest	Consolidation method	% of Control	Adress
GERMANY				
Equens Worldline GmbH	32.3	FC	63.6	Hahnstrasse, 25 - 60528 Frankfurt - Germany
Atos Information Technology GmbH	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich - Germany
CHG Communications Holding GmbH	100	FC	100	Mies-van-der-roh-Straβe, 6 - 80807 Munich Germany
Unify Funding GmbH	100	FC	100	Mies-van-der-roh-Straβe, 6 - 80807 Munich Germany
Atos IT Dienstleistung und Beratung Gmbh	100	FC	100	Bruchstrasse, 5 - 45883 Gelsenkirchen - Germany
Atos International Germany Gmbh	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich - Germany
Applied International Informatics GmbH	100	FC	100	Torstraβe, 49 - 10119 Berlin - Germany
Bull GmbH	100	FC	100	Von-der-wettern-straβe, 27 - 51149 Cologne - Germany
Science + computing AG	100	FC	100	Hagellocher Weg, 73 - 72070 Tübingen - Germany
Energy4u GmbH	100	FC	100	Albert-Nestler Straβe, 17 - 76131 Karlsruhe - Germany
Wivertis GmbH	50.1	FC	50.1	Konrad-Adenauer-Ring, 60D - 65187 Wiesbaden Germany
Atos Support GmbH	100	FC	100	The Squaire, Am Flughafen 14 - 60549 Frankfurt am Main - Germany
Atos IT Services GmbH	100	FC	100	Stinnes-Platz, 1 - 45 472 Mülheim an der Ruhr Germany
Unify Communications and Collaboration GmbH & Co. KG**	100	FC	100	Mies-van-der-Rohe-Straße, 6 - 80807 München - Germany
Atos Systems Business Services GmbH	100	FC	100	Am seestem, 1 - 40547 Dusseldorf - Germany
BD POS GmbH	100	FC	100	Hörselbergblick, 1 - 99820 Hörselberg-Hainich Germany
Cycos AG	95.1	FC	100	Joseph-von-Frauenhofer-Straβe, 5 - 52477 Alsdorf Germany
FastvViewer GmbH	100	FC	100	Schwesterhausgasse, 11 - 92318 Neumarkt - Germany
Unify Software and Solutions GmbH & Co. KG**	100	FC	100	Mies-van-der-Rohe-Straße, 6 - 80807 Munich - Germany
Unify GmbH & Co. KG**	100	FC	100	Mies-van-der-Rohe-Straße, 6 - 80807 Munich - Germany
Unify Beteiligungsverwaltung GmbH & Co. KG**	100	FC	100	Mies-van-der-Rohe-Straße, 6 - 80807 Munich - Germany
Unify Deutschland Holding GmbH	100	FC	100	Mies-van-der-Rohe-Straße, 6 - 80807 Munich - Germany
Unify Patente GmbH & Co. KG**	100	FC	100	Mies-van-der-Rohe-Straße, 6 - 80807 Munich - Germany
Atos Convergence Creators Management GmbH	100	FC	100	An den Treptwoers 1 - 12435 Berlin - Germany
Atos Convergence Creators GmbH & Co. KG**	100	FC	100	An den Treptwoers 1 - 12435 Berlin - Germany
THE NETHERLANDS				
Atos Nederland B.V.	100	FC	100	Burgemeester Rijnderslaan 30 - 1185 MC Amstelveen - The Netherlands
Atos Telco Services B.V.	100	FC	100	Burgemeester Rijnderslaan 30 - 1185 MC Amstelveen - The Netherlands
Worldline B.V.	50.8	FC	51	Wolweverstraat 18 - 2984 AB Ridderkerk - The Netherlands
Equens Wordline SE	32.3	FC	63.6	Eendrachtlaan 315 - 3526 LB Utrecht - The Netherlands
Stichting Derdengelden InterEGI	50.8	FC	51	Eendrachtlaan 315 - 3526 LB Utrecht - The Netherlands
PaySquare SE NL	50.8	FC	51	Eendrachtlaan 315 - 3526 LB Utrecht - The Netherlands
OTHER EUROPE - MIDDLE EAST - AFRICA				
Algeria				
Bull Algerie	100	FC	100	16, rue Yehia El-Mazouni, El Biar - Algers - Algeria
Austria				
Atos IT GmbH	100	FC	100	Siemensstraβe 92 - 1210 Vienne - Austria
Atos IT Solutions and Services GmbH	100	FC	100	Siemensstraβe 92 - 1210 Vienne - Austria
TSG EDV-Terminal Service GmbH	99	FC	100	Modecenterstraβe 1 - 1030 Vienne - Austria
Unify GmbH	100	FC	100	Siemensstraβe 92 - 1210 Vienne - Austria
Six Payments Services Europe	50,8	FC	51	1B, Marxergasse, 1030 Vienna, Austria
Convergence Creators Beteiligungs Gmbh	100	FC	100	Autokaderstrasse 29, 1210 Vienna, Austria
Atos Convergence Creators GmbH	100	FC	100	Autokaderstrasse 29, 1210 Vienna, Austria
Belgium				
Atos Belgium SA/NV	100	FC	100	Da Vincilaan, 5 - 1930 Zaventem - Belgium
Worldline SA/NV	50.8	FC	51	Chaussée de Haecht, 1442 - 1130 Bruxelles - Belgium
Unify Communications N.V.	100	FC	100	Demeurslaan, 132 - 1654 Beersel - Belgium
Bielorussia				
LLC Atos IT Solutions and Services	100	FC	100	Ul Leonid BEDI, 11 - BuildING 1 - 220040 Minsk - Biélorussia
Bulgaria				
Atos IT Solutions and Services EOOD	100	FC	100	Mladost 4 Region - Business Park Sofia Str, 4 - 1766 Sofia - Bulgaria
Unify Service Centre EOOD	100	FC	100	2 knyaginya Maria Louisa Blvd - Tzentralen universalen magazine (TZUM), 4th Floor, City Of Sofia 1000 - Bulgaria

	% of Interest	Consolidation method	% of Control	Adress
Ivory Coast				
Bull Cote d'Ivoire	100	FC	100	31 avenue Noguès - 01 BP 1580 Abidjan 01 - Ivory Coast
Denmark				
Atos IT Solutions and Services A/S	100	FC	100	Dybendalsvaenget 3 - 2630 Taastrup - Denmark
Croatia				
Atos IT Solutions and Services d.o.o	100	FC	100	Heinzelova 69 - 10000 Zagreb - Croatia
Czech Republic				
Atos IT Solutions and Services s.r.o.	100	FC	100	14000 Praha 4 - Doudlebská 1699/5 - Czech Republic
Cataps s.r.o	50.8	FC	51	Lazarská, 11/6 – 120 00 Praha 2 – Czech Republic
Gabon				
Bull Gabon	100	FC	100	Immeuble Abiali - ZI d'Oloumi - BP 2260 Libreville - Gabon
Greece				
Bull IT and Telecommunications Services SA	100	FC	100	455 Iraklion Avenue - Iraklion - Greece
Finland				
Atos IT Solutions and Services oy	100	FC	100	Kalkkipellontie 6 - 026050 Espoo - Finland
Hungary				
Atos Magyarország Kft	100	FC	100	1138 Budapest, Vaci ut 121-127. Vaci greens D Building, 4th floor - Hungary
Ireland				
Atos IT Solutions and Services Limited	100	FC	100	Fitzwilliam Court - Leeson Close - 2 Dublin - Ireland
Italy				
Atos Italia S.p.A.	100	FC	100	Via Caldera no. 21 - 20158 - Milan - Italy
Lebanon				
Bull SAL	100	FC	100	69 Rue Jal el Dib - Secteur 1 – BP 60208 - Beyrouth Lebanon
Latvia				
Worldline Latvia (ex First Data Latvia)	50.8	FC	51	Dzirnavu iela 37 - Rīga LV-1010 - Latvia
Lithuania				
UAB "Bull Baltija"	100	FC	100	40 Gostauto Street - 01112 Vilnius - Lithuania
Worldline Lietuva (ex UAB First Data Lietuva)	50.8	FC	51	Ukmergės g. 220 - Vilnius - Lithuania
Luxembourg				
Atos Luxembourg PSF S.A.	100	FC	100	1, rue Edmond Reuter Contern - 5326 - Luxembourg
Six Payment Services SA	50.8	FC	51	10, Rue Gabriel Lippmann, 5365, Munsbach, Luxembourg
Madagascar				
Bull Madagascar SA	100	FC	100	12, rue Indira Gandhi - Tsaralalana BP 252 - Antananarivo Madagascar
Morocco				
Atos IT Services SARL	100	FC	100	Espace les Palmiers - angle Avenues Mehdi Benbaraka et Annakhil- Hayryad Rabat - Marocco
Atos ITS Nearshore Center Maroc SARL	100	FC	100	Casablanca - shore 7 - 1100, Boulevard Al Qods Quartier Sidi Maarouf - Casablanca - Marocco
Bull Maroc	100	FC	100	Casanearshore - 1100, Boulevard Al Qods - Quartier Sidi Maarouf - Casablanca - Marocco
Namibia				
Bull Information Technology Namibia Pty. Ltd.	100	FC	100	C/o Deloitte & Touche - Namdeb Center, 10 Bulow street - PO Box 47 - Windhoek - Namibia
Poland				
Atos Polska SA	100	FC	100	Krolewska, 16 - 00-103 Varsovie - Poland
Atos Global Delivery Center Polska Sp. z o.o. Sp. k.	100	FC	100	Ul. Postepu 18 X p. (Neptun Building) 02-676 Varsovie - Poland
Portugal				
Atos Soluções e Serviços para Tecnologias de Informação, Unipessoal, Ltda	100	FC	100	Avenida José Malhoa 16 - Piso sétimo B2 - Edificio Europa. Distrito: Lisboa, Concelho: Lisboa, freguesia: Campolide 1070 159 Lisbon - Portugal
Romania				
Atos IT Solutions and Services s.r.l.	100	FC	100	Calea Floreasca 169A - Sector 1 - 014459 Bucarest -Romania
Atos IT Solutions Romania SRL (ex Bull Romania s.r.l)	100	FC	100	Calea Floreasca 169A - Sector 1 - 014459 Bucarest -Romania
Siemens Convergence Creators GmbH S.R.L	100	FC	100	Municipiul Braşov, Strada MIHAIL KOGĂLNICEANU, Nr. 21, Bloc C6, Judet Braşov, Romania

	% of Interest	Consolidation method	% of Control	Adress
Russia				
Atos IT Solutions and Services LLC	100	FC	100	1st Kozhevnicheski per. 6, bld. 1 115114 Moscou - Russia
Senegal				
Bull Senegal	100	FC	100	Cité Keur Gorgui, Immeuble Khadimou Rassoul - BP 3183 Dakar - Senegal
Serbia				
Atos IT Solutions and Services d.o.o.	100	FC	100	Danila Lekica Spanca 31 - 11070 Belgrade - Serbia
South Africa				
Atos (PTY) Ltd	74	FC	100	Woodlands Office Park, Ground Floor Building 32, 2144 Woodlands South Africa
Spain				
Worldline Iberia SA	50.8	FC	51	Calle Albasanz 16 - 28037 Madrid - Spain
Atos Consulting Canarias, SA	100	FC	100	Calle Subida al Mayorazgo 24b - 38110 Santa Cruz de Tenerife Spain
Atos Spain SA	100	FC	100	Albarracin 25 - 28037 Madrid - Spain
Atos IT Solutions and Services Iberia SL	100	FC	100	Ronda de Europa 5 - 28760 Madrid - Spain
Atos Worldgrid SL	100	FC	100	Calle Isabel Torres, 19 Edificio Cisga - 39011 Santander - Spain
MSL Technology SL	100	FC	100	C/ Marques de Ahumada 7 - 28028 Madrid - Spain
Slovakia				
Atos IT Solutions and Services s.r.o.	100	FC	100	Pribinova 19/7828 - 811 09 Bratislava - Slovakia
Sweden				
Atos IT Solutions and Services AB	100	FC	100	Johanneslundsvägen 12-14 - 194 87 Upplands Väsby - Sweden
Worldline Sweden AB (exDigital River World Payments AB)	50.8	FC	51	31 Textilgaten - 120 30 Stockholm - Sweden
Switzerland				
Atos AG	100	FC	100	Freilagerstrasse 28 - 8047 Zurich - Switzerland
Atos Consulting SA (ex Cambridge Technology Partners Ltd)	100	FC	100	Chemin de Précossy 27 - 1260 Nyon - Switzerland
SIX Payments Services Ltd	50.8	FC	51	201, Hardturmstarsse, 8005 Zurich - Switzerland
Turkey				
Atos Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	99.92	FC	100	Yakacık Caddesi no. 111 – 18 - 34870, Kartal, Istanbul - Turkey
United Arab Emirats - Dubai				
Atos Origin FZ LLC	100	FC	100	Office G20 - Building DIC-9 Dubai Internet City - PO Box.500437 United Arab Emirates - Dubai
Atos FZ LLC Dubai Branch	100	FC	100	The Galleries Building - no. 2 Level 2 - Downtown Jebel 500437 United Arab Emirates - Dubai
Saudi Arabia				
Atos Saudi LLC	49	PC	49	P. O. Box # 8772 - Riyadh-11492 Saudi Arabia
Qatar				
Atos QATAR Llc	100	FC	100	Sheikh Suhaim bin Hamad Street - No.89858 - Doha - Qatar
Egypt				
Atos IT SAE	100	FC	100	50 Rue Abbass El Akkad - Nasr city- La Caire - Egypt
THE UNITED KINGDOM				
Atos Consulting Limited	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Atos IT Services Limited	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Atos IT Services UK Limited	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Atos UK IT Holdings Limited	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Atos Esprit Limited	95	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Shere Limited	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Atos Scotland GP Limited	100	FC	100	McClure Naismith LLP 3 Ponton Street - Edinburgh, EH3 9 QQ United Kingdom
Atos CS Scotland LP*	100	FC	100	McClure Naismith LLP 3 Ponton Street - Edinburgh, EH3 9 QQ United Kingdom
Atos APF Scotland GP Limited	100	FC	100	McClure Naismith LLP 3 Ponton Street - Edinburgh, EH3 9 QQ United Kingdom

	% of Interest	Consolidation method	% of Control	Adress
Atos APF Scotland LP*	100	FC	100	McClure Naismith LLP 3 Ponton Street - Edinburgh, EH3 9 QQ United Kingdom
Atos ASPS Scotland GP Limited	100	FC	100	McClure Naismith LLP 3 Ponton Street - Edinburgh, EH3 9 QQ United Kingdom
Atos ASPS Scotland LP*	100	FC	100	McClure Naismith LLP 3 Ponton Street - Edinburgh, EH3 9 QQ United Kingdom
Atos BPS Ltd	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Atos IT Outsourcing Services Limited	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Atos UK Holdings Ltd	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Atos International IT Holdings Ltd	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
Atos Restaurant Technology Services UK Limited	100	FC	100	4 Triton Square - Regent's Place - London, NW1 3HG United Kingdom
Unify Enterprise Communications Limited	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
ENGAGE ESM HOLDING LTD	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
ENGAGE ESM LTD	100	FC	100	Second Floor - Mid City Place - 71 High holborn - London, WC1V6EA - United Kingdom
ASIA PACIFIC				
Australia				
Atos (Australia) Pty. Ltd	100	FC	100	885 Mountain Highway 3153 Bayswater - Victoria Australia
China				
Atos Information Technology (Nanjing) Co. Ltd	100	FC	100	Floor 12 - Building 1B Powerise accelerator - High Tech zone Software park - Nanjing - Jiangsu Province - China
Atos Information Technology (China) Co. Ltd	100	FC	100	Room 05.161 - Floor 5 - Building E - No. 7 - Zhonghuan Nanlu Wangjing - Chaoyang District - Beijing - China
Atos Worldgrid Information Technology (Beijing) Co Ltd	100	FC	100	Room 05.162 - Floor 5 - Building E - No. 7 - Zhonghuan Nanlu Wangjing - Chaoyang District - Beijing - China
RTS Information Consulting (Chengdu) Co. Ltd	100	FC	100	Room 108-109 - 1st floor, Building B2 - Tianfu Software Park - High Tech Zone - Chengdu - Sichuan Province - China
Hong Kong				
Atos Information Technology HK Ltd	100	FC	100	8/F Octa Tower - 8 Lam Chak Street - Kowloon Bay - Kowloon Hong Kong
Bull Information Systems (Hong Kong) Limited	100	FC	100	RM 1401 - Hutchison House - 10, Harcourt Road Hong Kong
India				
Atos India Private Limited	100	FC	100	Godrej & Boyce Complex - Plant 5 - Pirojshanagar - LBS Marg Vikhroli(W) - Mumbai - 400079 - India
Worldline India Private Ltd	50.8	FC	51	701, Interface 11 - Malad (West) - Mumbai 400064 - India
Atos IT Services Private Limited	99.99	FC	100	Innovator Building - International Tech Park - Whitefield Road - 560066 Bangalore - Karnataka - India
Anthelio Business Technologies Private Limited	99.99	FC	100	Level 1, Part A of Tower1, Phase 2, SY.NO 115 (Part) Waverock, APIIC IT\ITES SEZ, Nanakramguda Serilingampally Mandal Hyderabad Telangana 500008 - India
MRL Posnet Private Limited	50.8	FC	51	Sunny Side Central Block - 8/17, Shafee Mohamed Road B Block 1st Floor, Nungambakkam – Chennai 600034 – Tamil Nadu India
Syntel Pvt Ltd.	100	FC	100	Unit No, 112, SDF IV, SEEPZ Andheri (East) Mumbai 400 096 Maharashtra- India
State street Syntel Services Pvt Ltd***	100	FC	100	4/5th floor, Building No. 4, Mindspace – Navi Mumbai, Thane-Belapur road, Airoli-400708, India
Syntel Global Pvt Ltd	100	FC	100	Ground floor,E-Tech Software Technology Park,Dhokali Naka,Kolshet road,Thane(West)-400607, India

	% of Interest	Consolidation method	% of Control	Adress
Indonesia				
PT Worldline International Indonesia	50.8	FC	51	Wisma Keiai #1707 - Jalan Jenderal Sudirman Kav 3 - Jakarta 10220 Indonesia
Japan				
Atos KK	100	FC	100	6 F, Daisan Toranomon Denki Building - 1-2-20 Minato-ku Tokyo - Japan
Evidian-Bull Japan KK	100	FC	100	6 F, Daisan Toranomon Denki Building - 1-2-20 Minato-ku Tokyo - Japan
Malaysia				
Atos Services (Malaysia) SDN BHD	100	FC	100	16-A (1st Floor) Jalan Tun Sambanthan - 3 Brickfields - 50470 Kuala Lumpur - Malaysia
Mauritius				
State street Syntel Services Mauritus Ltd***	100	FC	100	C/o SGG Corporate Services (Mauritius) Ltd33, Edith Cavell Street - Port Louis, 11324 Mauritius
Philippines				
Atos Information Technology Inc.	99.94	FC	100	23/F Cyber One Building - Eastwood City - Cyberpark - 1110 Libis, Quezon City - Philippines
Atos Global Delivery Center Philippines, Inc.	100	FC	100	8th Floor, Two E-Com Center, Palm Coast Ave., Mall of Asia Complex, 1110 Pasay City - Philippines
Singapore				
Atos Information Technology (Singapore) Ptd Ltd	100	FC	100	Blk 988 Toa Payoh North #08-01 - 319002 Singapore
Taïwan				
Atos (Taiwan) Ltd	100	FC	100	5F, no. 100 Sec 3, Min Sheng E. Road - Taipei -Taïwan
Thaïland				
Atos IT Solutions and Services Ltd	100	FC	100	2922/339 Charn Issara Tower II - 36th Floor - New Petchburi Road - Bangkapi - Huay Kwang - 10310 Bangkok - Thaïland
AMERICAS				
Argentina				
Atos Argentina SA	100	FC	100	Cnel. Manuel Arias 3751, piso 18, PB, C.A.B.A.- C1430DAL Buenos aires - Argentina
Worldline Argentina S.A	50.8	FC	51	Cnel. Manuel Arias 3751, piso 18, PB, C.A.B.A.- C1430DAL Buenos aires - Argentina
Bull Argentina SA	100	FC	100	Manuela Saenz 323 5 to. Piso Of. 506 - C 1107 bpa Buenos aires - Argentina
Brazil				
Atos Brasil Ltda	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa - São Paulo -SP - CEP 05069-900 - Brazil
Atos Serviços de Tecnologia da Informação do Brasil Ltda	100	FC	100	Rua Werner Von Siemens, 111 – Prédio 6 – Lapa - São Paulo -SP - CEP 05069-900 - Brazil
Atos Soluçoes e Serviços de tecnologia da informaçao LTDA	100	FC	100	Rua Wemer Von Siemens, 111 – Prédio 6 – Lapa - São Paulo -SP - CEP 05069-900 - Brazil
Bull Ltda.	100	FC	100	Rua Wemer Von Siemens, 111 – Prédio 6 – Lapa - São Paulo -SP - CEP 05069-900 - Brazil
Canada				
Atos Inc.	100	FC	100	6375 Shawson Drive - L5T 1S7 Mississauga - Ontario - Canada
Amesys Canada Inc.	100	FC	100	206-137 rue Saint Pierre - H2Y3T5 Montreal, Quebec - Canada
Chile				
Worldline Chile S.A	50.8	FC	51	Andres Bello 2115, Piso 7, Comuna de Providencia - 7510094 Santiago de Chile - Chile
Colombia				
Atos IT Solutions and Services S.A.S	100	FC	100	Autopista Norte Carrera 45 N° 108-27 Torre 2 oficina 1505 - Bogotá - Colombia
Mexico				
Atos Global Delivery Center México, S. de R.L. de C.V.	99.9	FC	100	Sevilla No. 40 Piso 3 - Colonia Juarez delgation Cuauhtemoc - 06600 Ciudad de Mexico - Mexico

	% of Interest	Consolidation method	% of Control	Adress
The United States of America				
Atos IT Outsourcing Services, LLC	100	FC	100	Cooporation Service company - 27111 Centerville Road - Ste 400 - New Castle - Delaware, 1908 - United States of America
Atos Governmental IT Outsourcing Services, LLC	100	FC	100	Cooporation Service company - 27111 Centerville Road - Ste 400 - New Castle - Delaware, 1908 - United States of America
Atos Healthcare Services, LLC	100	FC	100	Cooporation Service company - 27111 Centerville Road - Ste 400 - New Castle - Delaware, 1908 - United States of America
Anthelio Global Inc.	100	FC	100	One Lincoln Centre, Suite 200 - 5400 LBJ FreewayTX 75240 Dallas - United States of America
Atos Digital Health Solutions	100	FC	100	2500 Weschester Ave - 3rd Floor - Purchase New York 10577 - United States of America
Pyramid Healthcare Solutions Inc.	100	FC	100	One Lincoln Centre, Suite 200 - 5400 LBJ FreewayTX 75240 Dallas - United States of America
Evidian Systems Inc.	100	FC	100	285 Billerica Road, Suite 200 - Chelmsford, MA 01824-4174 United States of America
Unify Inc.	100	FC	100	1630 Corporate Court - Irving - Texas 75038 - United States of America
Green Finco Inc.	100	FC	100	C/O The Corporation Trust company, 1209 Orange Street, Wilmington, DE 19801 - United States of America
Syntel Inc.	100	FC	100	525 E. Big Beaver Road, Suite 300, Troy, MI 48083 - United States of America
Uruguay				
Bull Uruguay SA	100	FC	100	Av. Dr Luis A. de Herrera, 2802 - 1160 Montevideo - Uruguay

* *The Group has an interest in three Scottish limited partnerships, which are fully consolidated into these Group financial statements. The Group has taken advantage of the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 under United Kingdom law, and therefore separate accounts for the partnerships are not required to be, and have not been, filed at Companies House in the United Kingdom.*

** *The Group has an interest in six German companies, which are fully consolidated into these Group financial statements. The companies have made use of the stipulations available under § 264b of the German Commercial Code (HGB). It exempts these legal entities from the requirement to disclose separate audited financial statements as of December 31, 2018, since they are included in the Consolidated Financial Statements of the ultimate parent company (Atos S.E.) and such Consolidated Financial Statements for the full year of 2018 are registered with the trade register of the particular entity. For the entity Atos Convergence Creators GmbH & Co KG, the exemption is also applicable for the financial statements as of September 30, 2018.*

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

Note 16 Subsequent events

On January 29, 2019, Atos' Board of Directors, following a specific governance process, proposed to submit to its shareholders the project to distribute in kind around 23.4% of Worldline's share capital, out of the 50.8% currently owned by the Group. Post transaction, Atos would retain approximately 27.4% of Worldline's share capital and Worldline's free float would be increased to approximately 45.7%. Following the partial distribution, Worldline is expected to be deconsolidated from the Group's accounts and Atos remaining stake would be accounted for as an investment in associates under equity method.

Worldline's Board of Directors met on January 29, 2019 and unanimously welcomed this planned change in ownership structure.

The shareholders' agreement between Atos and SIX will be amended to reflect the continued partnership between the two groups post distribution, and both parties are expected to commit to a 6-month joint lock-up on their respective stakes in Worldline post distribution.

Regarding the structure of the proposed distribution, Atos' shareholders are expected to receive 2 Worldline shares for 5 Atos shares held. Technical terms of the proposed transaction are under review and would be submitted to the vote of the Atos shareholders at the 2018 Annual General Meeting planned on April 30, 2019.

Note 17 Auditors' fees

	Grant Thornton				Deloitte			
	Grant Thornton		Other Grant Thornton members firms		Deloitte & Associés		Other Deloitte members firms	
(in € thousand and %)	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,120	53%	-	-	1,173	46%	-	-
Subsidiaries	824	39%	3,558	98%	812	32%	2,550	83%
Sub-total Audit	**1,944**	**92%**	**3,558**	**98%**	**1,985**	**77%**	**2,550**	**83%**
Non audit services*								
Parent company	15	1%	-	-	133	5%	-	-
Subsidiaries	159	7%	56	2%	448	17%	521	17%
Sub-total Non Audit	**174**	**8%**	**56**	**2%**	**580**	**23%**	**521**	**17%**
TOTAL FEES 2018	**2,118**	**100%**	**3,614**	**100%**	**2,565**	**100%**	**3,071**	**100%**

* *In 2018, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligence, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries.*

	Grant Thornton				Deloitte			
	Grant Thornton		Other Grant Thornton members firms		Deloitte & Associés		Other Deloitte members firms	
(in € thousand and %)	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	1,005	58%	-	-	1,258	56%	-	-
Subsidiaries	707	41%	2,828	99%	811	36%	3,478	84%
Sub-total Audit	**1,712**	**99%**	**2,828**	**99%**	**2,069**	**92%**	**3,478**	**84%**
Non audit services*								
Parent company	-	-	-	-	95	4%	239	6%
Subsidiaries	14	1%	38	1%	73	3%	439	11%
Sub-total Non Audit	**14**	**1%**	**38**	**1%**	**168**	**8%**	**678**	**16%**
TOTAL FEES 2017	**1,726**	**100%**	**2,866**	**100%**	**2,237**	**100%**	**4,156**	**100%**

* *In 2017, non audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligence, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries.*

E.6 Parent company summary financial statements

E.6.1 Statutory auditors' report on the financial statements for the year ended December 31, 2018

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

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

To the General Meeting of Shareholders of Atos S.E.,

Opinion

In compliance with the engagement entrusted to us by your General Meetings, we have audited the accompanying financial statements of Atos S.E. for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics for statutory auditors (Code de déontologie de la profession de commissaire aux comptes)

Justification of Assessments – Key audit matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risk of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

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

VALUATION OF PARTICIPATING INTERESTS

Note "Accounting rules and policies – Financial assets" of consolidated financial statements and Note 2 "Financial assets"

Key Audit Matter	Our audit approach
As of December 31, 2018, Participating interests are recorded on the balance sheet at a net book value of € 8,965.8 million, or 80% of total assets. Participating interests are initially booked at their acquisition cost. An impairment loss is recognized when the acquisition cost exceeds the value-in-use determined as follows: ● on the basis of their part of interest in shareholding equities for the holding entities; ● on the basis of the enterprise value for the operational entities based on cash flow forecasts. We considered the valuation of participating interests as a key audit matter, given the weight of these assets in the balance sheet and the importance of management's judgments and estimates in the determination of cash flow assumptions.	Our assessment of the valuation of participating interests is based on the process implemented by the Company to determine their value-in-use. We performed the following procedures: ● for valuation based on historical value, we verified the consistency of the part of interest in the investment's shareholder equity as calculated by the Company with the financial statements of the related entities; ● for valuation based on forecasts: obtain the cash flow forecasts of the entities concerned and reconcile them with the three year financial plan per Cash Generating Unit (CGU) approved by Management, analyze the consistency of the assumptions used with the performance history of the Group and the entities, and confirm through interviews with Management and other procedures, future growth prospects.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

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

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

In accordance with French law, we report to you that the information relating to payment deadlines referred to in article D. 441-4 of the French Commercial Code (Code de commerce) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of statutory auditors

We have been appointed as statutory auditors of the Company by your General Meetings of December 16, 1993 for Deloitte & Associés, and October 31, 1990 for Grant Thornton.

As at December 31, 2018, Deloitte & Associés was in its 25th year mandate, without any interruption, and for Grant Thornton in its 28th year mandate, without any interruption, and for both statutory auditors, on 23 years of exercise of mandate since the Company securities had been admitted to trading on a regulated market.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

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

The financial statements were approved by the Board of Directors.

Statutory auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

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

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

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for statutory auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris – La Défense and Neuilly-sur-Seine, February 21, 2019

The statutory auditor

French original signed by

Deloitte & Associés	**Grant Thornton**
Christophe Patrier	*Virginie Palethorpe*

E.6.2 Statutory auditors' special report on regulated agreements and commitments with third parties – Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2018

This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking users. This report on regulated agreements should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting of Shareholders of Atos S.E.,

In our capacity as statutory auditors of your company, we hereby report to you on regulated agreements and commitments with third parties.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms, the conditions and the reasons for the Company's interest of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to article R. 225-31 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information provided for in article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments, already authorized by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of statutory auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted for approval to the Shareholders' Meeting

Agreements and commitments authorized and concluded during the year

We hereby inform you that we have not been advised of any agreement or commitment authorized and concluded during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments approved in prior years

A. Whose implementation continued during the year

Pursuant to article R. 225-30 of the French Commercial Code (Code de Commerce), we have been informed that the following agreements and commitments, already approved by the Shareholders' Meeting in previous years, continued during the year.

With Siemens AG, shareholder holding more than 10% of the voting rights

Director concerned: M. Roland Busch, Director of Atos SE and member of the Management Board of Siemens AG

a. Amendment to the *Customer Relationship Agreement* entered into with Siemens AG

On May 20, 2011, Atos SE and Siemens AG entered into a commercial agreement (hereafter the "*Customer Relationship Agreement*") regarding their future provider-customer relationship. The initial term of the contract was 7 years and Siemens committed to a certain volume of services (€ 5.5 billion).

On October 28, 2015, subject to the condition precedent of the authorization by your Board of Directors, Atos SE and Siemens AG entered into an agreement called "*Third Amendment Agreement to the Customer Relationship Agreement*", for the purpose of amending the *Customer Relationship Agreement* mainly as follows:

- **(i)** extend the term of the *Customer Relationship Agreement* for an additional period of 3.5 years, and in this context, increase the minimum volume of services to which Siemens remains committed towards Atos by an additional amount of € 3.23 billion (i.e. a contract length extended until December 31, 2021, and a total amount of services of € 8.73 billion to which Siemens remains committed) ;
- **(ii)** in addition to managed services, application management and systems integration projects included in the initial contract, include in the scope of the *Customer Relationship Agreement Cloud*, industrial data analytics, and cybersecurity services.

The Board of Directors authorized this agreement at its meeting of November 3, 2015 and therefore satisfied the condition precedent. This same agreement was approved by the Shareholders' Meeting on May 26, 2016.

This agreement continued during the year ended December 31, 2018, your company considering that volumes recorded during fiscal year 2018 between the Group Atos and the group Siemens do not question the achievement of these commitments by December 31, 2021.

b. Amendment to the Lock-Up Agreement entered into with Siemens AG

On May 20, 2011, Atos SE, Siemens AG and Siemens Beteiligungen Inland GmbH ("Siemens Inland") entered into a lock-up agreement (hereafter the "Lock-Up Agreement") which provides for a lock-up undertaking of Siemens AG and Siemens Inland on the participating interests held by Siemens Inland in the share capital of Atos SE (12,483,153 shares) until June 30, 2016 (hereafter the "Lock-Up Period"). Siemens Inland transferred this shareholding in the share capital of Atos SE to Siemens AG in December 2013.

In the context of the strengthening of the partnership between Atos and Siemens, as announced by the parties in July 2015, Atos SE, Siemens AG and Siemens Inland entered, on October 30, 2015, into an agreement called "Amendment to the Lock-Up Agreement", subject to the condition precedent of the authorization by the Board of Directors of the Company, for the purpose of amending the Lock-Up Agreement as follows:

(i) extend the maturity date of the Lock-Up Period until September 30, 2020 (i.e. an additional lock-up period of 4 years and 3 months);

(ii) provide for the possibility for Siemens AG or Siemens Inland, as from July 1, 2016, to transfer the shares to two Siemens employees' pension funds named Siemens Pension Trust e.V. and BSAV-Trust e.V. (or to any investment fund or investment vehicle in which - directly or indirectly - either or both of these pension trusts invest their assets provided that these pension trusts are the only investors), subject to such transferee agreeing to abide by the Lock-Up Agreement.

Thus, on March 27, 2018, in connection with the funding of a pension plan by Siemens AG, Siemens AG transferred, off-market, to Siemens Pension-Trust eV that it controls its entire participation in the Company, corresponding to 12,483,153 Atos SE shares. As part of the transfer, Siemens Pension-Trust eV signed on March 23, 2018 an act entitled "Joinder Agreement" under which Siemens Pension-Trust eV agreed to be bound by all terms and conditions of the Lock-up Agreement.

The Board of Directors authorized this agreement at its meeting of November 3, 2015 and therefore satisfied the condition precedent. This same agreement was approved by the Shareholders' Meeting on May 26, 2016.

This agreement continued during the year ended December 31, 2018.

B. Which were not implemented during the year

Furthermore, we have been informed that the following commitment, already approved by the Shareholders' Meeting in previous years, was not implemented during the year.

Commitment concluded with Mr. Thierry Breton, Chairman and Chief Executive Officer related to the supplementary defined benefit pension plan

All Executive Committee members of Atos Group, including the Chairman and Chief Executive Officer, provided that they finish their career at Atos SE or Atos International SAS, benefit from a supplementary defined benefit pension plan. The implementation of this pension plan for the benefit of the current Chairman and Chief Executive Officer, Mr. Thierry Breton, was authorized by the Board of Directors on March 26, 2009, approved by the Shareholders' Meeting on May 26, 2009 and then confirmed by the Board of Directors on December 17, 2009.

Amendments (cap on the rights granted, performance conditions) have been brought to the defined benefit pension plan, and are described in an agreement whose implementation to the benefit of the Chairman and Chief Executive Officer was previously authorized by the Board of Directors at its meeting of March 26, 2015 and approved by the Shareholders' Meeting on May 28, 2015.

The Board of Directors, at its meeting of November 24, 2016, acknowledged the compliance of the commitment with the Macron law (cap on the rights granted, performance conditions) and authorized its continuance, without any modification, in the context of the renewal of the term as Chairman and Chief Executive Officer of Mr. Thierry Breton. The continuance of this commitment was approved by the Combined Shareholders' Meeting on December 30, 2016.

The main characteristics of this amended pension scheme with defined benefits are presented hereafter:

a) Conditioning the acquisition of rights under the supplementary pension scheme to performance conditions determined by the Board of Directors:

The Board of Directors has decided to condition the acquisition of rights under the supplementary pension scheme to performance conditions under the following conditions:

- these performance conditions will be set annually by Atos SE's Board of Directors which may in particular refer to the performance conditions contained in stock option plans or free shares plans or to any other condition which it will consider relevant;
- the Board of Directors checks on a yearly basis, prior to the Shareholders' Meeting convened to rule on the financial statements for the last financial year, that the conditions were indeed fulfilled and determines the increase of conditional rights in favor of Mr. Thierry Breton for the said financial year;
- entire calendar quarters for periods after January 1, 2015 are only be taken into account to assess the amount of the additional pension if they relate to a year during which the performance conditions set by the Board of Directors will have been achieved. Failing that, the corresponding quarters will not be taken into account to determine the additional pension;
- the periods prior to January 1, 2015 are also subject to performance conditions and will only be taken into account to determine the amount of the additional pension if for each year, the performance conditions then set by the Board of Directors, either for the vesting of stock-options plans or for the vesting of free performance shares plans, were met.

Moreover, for the award of the additional annuity it is expected that at least two-thirds of the years are validated under the performance conditions here above mentioned, during Mr. Thierry Breton's membership in the Executive Committee while performing his various terms of office. The Board of Directors will meet at the end of the term of office of the concerned person to verify whether this two-thirds requirement is satisfied. If that is the case, Mr. Thierry Breton will hence automatically enjoy an additional pension. Failing that, he will not be provided with any additional annuity.

b) Other characteristics of the scheme:

- The membership requirement at the Executive Committee level is five years;
- the minimum age to benefit from the scheme is aligned on the statutory retirement age set by article L. 161-17-2 of the French Social Security Code (Code de la sécurité sociale);
- the age for liquidation of the supplementary pension is the age at which the person may liquidate his full pension under the general scheme. This age cannot in any case be less than the one foreseen in article L. 161-17-2 of the French Social Security Code.

c) Terms and conditions for determining the amount of Mr. Thierry Breton's additional pension

The annual additional pension amounts to 0.625% of the reference compensation per entire calendar quarters of seniority recognized by the scheme. The reference compensation is the average of the last sixty monthly compensation multiplied by twelve.

For the assessment of this reference compensation, only the followings are taken into account:

- the basic compensation of the Executive Director;
- the annual on-target bonus actually paid to the Executive Director excluding any other form of variable compensation. This annual bonus is taken into account within the cap of 130% of the basic compensation.

d) Cap of Mr. Thierry Breton's additional pension

The amount of the annual supplementary pension paid under the present scheme to Mr. Thierry Breton cannot exceed the difference between:

- 33% of the reference compensation above mentioned;
- and the annual amount of the basic additional and supplementary pensions.

No right has been definitively acquired for the benefit of the Chairman and Chief Executive Officer during the year ended December 31, 2018.

Paris – La Défense and Neuilly-sur-Seine, February 21, 2019

The statutory auditors

French original signed by

Deloitte & Associés	**Grant Thornton**
Christophe Patrier	Virginie Palethorpe

E.6.3 Atos SE Financial statement

As of December 31, 2018, the Group issued common stock amounted to € 106.9 million comprising 106 886 219 fully paid-up shares of € 1 per value each. Atos shares are traded on the Paris Euronext market under ISIN FR0000051732.

The shares are not listed on any other stock exchange. Worldline SA shares are also traded on the Paris Euronext market and Atos SE and Worldline SA are the only listed companies of the Group.

E.6.3.1 Balance sheet

(in € thousand)	Notes	December 31, 2018			December 31, 2017
ASSETS		**Gross**	**Amortization / Depreciation**	**Net**	
Intangible fixed assets	Note 1	113,918	-113,918	-	-
Tangible fixed assets		-	-	-	-
Participating interests	Note 2	9,419,864	-454,097	8,965,767	6,281,660
Other financial investments	Note 2	398,520	-	398,520	584,136
Total fixed assets		**9,932,302**	**-568,015**	**9,364,287**	**6,865,796**
Advances and down payments		301	-	301	307
Trade accounts and Notes receivable	Note 3	77,853	-245	77,608	35,791
Other receivables	Note 3	948,478	-42,597	905,881	904,162
Cash and cash equivalent	Note 4	798,760	-	798,760	600,774
Total current assets		**1,825,392**	**-42,842**	**1,782,550**	**1,541,035**
Prepayments, deferred expenses	Note 5	39,539	-	39,539	26,844
TOTAL ASSETS		**11,797,233**	**-610,857**	**11,186,377**	**8,433,675**

(in € thousand)	Notes	December 31, 2018	December 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock		106,886	105,445
Additional paid-in capital		2,993,742	2,871,855
Legal reserves		10,545	10,491
Other reserves and retained earnings		803,959	816,257
Net income for the period		161,090	166,990
Shareholders' equity	**Note 6**	**4,076,220**	**3,971,037**
Provisions for contingencies and losses	**Note 7**	**1,800**	**37,290**
Borrowings	Note 8	5,227,084	2,479,328
Trade accounts payable	Note 9	22,159	21,889
Other liabilities	Note 9	1,839,664	1,904,075
Total liabilities		**7,088,906**	**4,405,291**
Unrecognised exchange gains	Note 10	19,449	20,057
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,186,377**	**8,433,675**

E.6.3.2 Income statement

(in € thousand)	Notes	December 31, 2018	December 31, 2017
Revenue	**Note 11**	**145,558**	**144,418**
Other income		6,580	8
Total operating income		**152,138**	**144,426**
Cost of sales		-42,709	-21,441
Taxes		-1,929	-2,171
Remuneration and social charges		-3,490	-4,153
Depreciation amortization and provisions		-39	-28
Other expenses	Note 12	-17,624	-18,118
Total operating expenses		**-65,793**	**-45,910**
Operating margin		**86,345**	**98,516**
Net financial result	Note 13	-32,507	25,555
Net income on ordinary activities		**53,838**	**124,071**
Non-recurring items	Note 14	80,917	29,422
Employee profit sharing			
Corporate income tax	Note 15	26,335	13,498
NET INCOME FOR THE PERIOD		**161,090**	**166,990**

E.6.4 Notes to the Atos SE statutory financial statements

Atos SE Activity

Atos SE main activities are:

- the management of the Atos trademark;
- the management of Group participating interests;
- the management of Group financing activities.

Revenue consist mainly of trademark fees received from Group subsidiaries.

The Company Atos SE is the parent company of the Atos Group and consequently establishes consolidated financial statements.

Highlights

Atos Group completed in October 2018 the acquisition of Syntel Inc., a leading global provider of integrated information technology and knowledge process services headquartered in Michigan, with $ 924 million revenue in 2017 of which 89% in North America, 25% operating margin, and c. 40% of its activities in digital, automation, and robotization. Syntel offers its customers high value-added digital services in several specific verticals such as Banking and Financial Services, Healthcare, Retail and Insurance.

Pursuant to a merger agreement dated July 20, 2018, Atos SE and Green Merger Sub, a wholly owned subsidiary of Atos SE, have agreed to acquire 100% of the common voting shares of Syntel Inc., a US corporation listed on the New York Stock Exchange. The acquisition has been completed by way of merging Green Merger Sub into Syntel US. In order to Finance the acquisition and related costs and refinance certain existing indebtedness of Syntel US, Atos SE and Green Finco have entered into a USD 3.8 billion term facilities agreement. In the frame of corporate and financing steps Atos SE has paid $ 2.69 billion to AI BV by way of subscription to a corresponding share premium contribution of AI BV.

Also Atos completed a € 1.8 billion bond issue in three instalments, which were admitted to Euronext Paris as of the November 7, 2018 settlement-delivery date. The loan has three instalments, with maturities of 3.5 years (0.75% coupon), 6.5 years (1.75%) and 10 years (2.5%).

Rules and accounting methods

The financial statements of Atos SE have been prepared in application with ANC 2014-03 and current regulations with generally accepted accounting principles in France. General conventions were applied, in the respect of:

- principle of prudence;
- principle of going concern;
- permanence of the accounting methods from one exercise to another;
- cut-off principle.

As a principle, items are booked in the accountancy based on the historical cost method. The annual accounts are established and presented in thousands of euros.

Intangible assets

Intangible assets consist of software and merger deficit.

The software are booked at the acquisition cost and amortized on a straight-line basis over their expected useful life.

Those assets are fully depreciated at December 31, 2018.

Tangible assets

There are no more assets at 31 December 2018.

Financial assets

Financial assets consist of participating interests and other financial investments (treasury stock, loans, and deposits).

Participating interests are booked at their acquisition cost; an impairment loss is recognized when the acquisition cost exceeds the value-in-use determined as follows:

- on the basis of the enterprise value for the operational subsidiaries and their holding entities based on cash flow projections;
- on the basis of their part of interest in shareholding equities for the non-operational subsidiaries.

Loans are mainly intra-Group transactions.

Trade accounts and Notes receivable

Trade accounts and Notes receivable are recorded at their nominal value. They are calculated individually and, if necessary, are subject to an impairment loss.

Trade accounts and Notes receivable denominated in foreign currency are booked at their fair value at the closing date. The difference between their historical value and their fair value at year-end is booked as unrecognized exchange gain or loss.

Cash and cash equivalents

Treasury stocks are recorded at their acquisition cost in the context of a liquidity contract or in the intention to grant them as free shares plan or stock-options plan.

For the shares acquired in the context of the liquidity contract a depreciation charge is recognized when the carrying value exceeds the weighted average market price of Atos stock for the month of December.

Prepayments, deferred expenses

Deferred expenses relate exclusively to costs for issuing borrowings. Those costs are recognized over the duration of the borrowings on a straight-line basis.

Provisions

The amount of the provisions is based on the best estimate of the outflow of resources necessary to extinguish the underlying obligation.

When the participating interest is fully impaired, in addition to the depreciation of the related current assets a provision for risk may be required when the carrying value exceeds the value in-use.

Bonds

Bond issues are recorded for their refund value at the date of receipt of the funds, the triger event.

Issue premiums are capitalized and amortized over the term of the loan.

Non-recurring items

Non-recurring items are made of incomes and expenses generated by operations which are unusual, abnormal or infrequent in their magnitude or occurrence.

Note 1 Intangible assets

Net value of intangible fixed assets

(in € thousand)	December 31, 2017	Acquisitions/charges	Disposals/reversals	December 31, 2018
Intangible assets	**113,918**	**-**	**-**	**113,918**
Amortization	-9,960	-	-	-9,960
Depreciation	-103,958	-	-	-103,958
TOTAL OF AMORTIZATION & DEPRECIATION	**-113,918**	**-**	**-**	**-113,918**
Net value of intangible assets	**0**	**-**	**-**	**0**

The intangible assets were mainly composed of:

- a merger deficit resulting from the transfer of assets and liabilities from Atos Investissement 6 to Atos SE in 2004, fully depreciated since 2016. This merger deficit is allocated to the various assets brought to allow a proper follow-up and is broken down as follows:
  - France: € 40.8 million,
  - Spain: € 63.1 million;
- and other merger dificit accounted prior 2004 for a gross value of € 9.96 million, depreciated on a straightline basis.

Note 2 Financial fixed assets

Change in financial fixed assets – Gross value

(in € thousand)	December 31, 2017	Acquisition	Decrease	December 31, 2018
Investments in consolidated companies	6,764,945	2,661,511	-6,800	9,419,655
Investments in non consolidated companies	124	-	-	124
Other investments	85	-	-	85
Total Investments	**6,765,154**	**2,661,511**	**-6,800**	**9,419,864**
Intercompany loans and accrued interests	317,172	62,448	-60,461	319,159
Others	266,965	322,036	-509,640	79,361
Total Other financial assets	**584,137**	**384,484**	**-570,101**	**398,520**
TOTAL	**7,349,291**	**3,045,995**	**-576,901**	**9,818,384**

Acquisition/diminution of participating interest and other movements

In the course of the year, Atos SE increased the capital of the following entities of the Atos Group:

- Atos Integration for € 60.7 million;
- Atos International BV for € 2,520.2 million;
- Bull SA for € 24.3 million;
- Atos Spain for € 13.5 million;
- Atos Investissement 10 for € 42.8 million.

In the frame of the 8th settlement agreement between Atos SE and Siemens AG related to the purchase of SIS, Siemens AG paid the amount of € 6.8 million resulting in a decrease of the value of participating interest for the following entities:

- € 1.3 million for Atos Information Technology GMBH;
- € 5.5 million for Atos International BV.

Other financial assets deadline details

(in € thousand)	Gross amount December 31, 2018	Up to 1 year	1 to 5 years
Loans and accrued interests	319,159	5,400	313,759
Others	79,361	79,361	-
TOTAL	**398,520**	**84,761**	**313,759**

Other financial assets at closing date corresponded to deposit under securitization program for receivables for € 79.4 million and loans granted to Group entities.

Accrued interests amounted to € 5.3 million (2017: € 3.4 million).

Change in financial fixed assets – Impairment

(in € thousand)	December 31, 2017	Depreciation	Release	December 31, 2018
Investments in consolidated companies	-483,285	-12,680	42,077	-453,888
Investments in non consolidated companies	-124	-	-	-124
Other investments	-85	-	-	-85
TOTAL	**-483,494**	**-12,680**	**42,077**	**-454,097**
Of which financial				

The depreciation of the period corresponded mainly to the impairment of entities in France including the holdings for an amount of € 12.55 million, and an entity in Spain for € 0.13 million.

The release of the period corresponded to French entities for € 29.4 million and an entity in Turkey for € 12.7 million.

Net value of the financial fixed assets

(in € thousand)	Gross amount	Depreciation	Net value
Investments in consolidated companies	9,419,655	-453,888	8,965,767
Investments in non consolidated companies	124	-124	-
Other investments	85	-85	-
Investments	**9,419,864**	**-454,097**	**8,965,767**
Loans and accrued interests	319,159	-	319,159
Others	79,361	-	79,361
Other financial assets	**398,520**	**-**	**398,520**
TOTAL	**9,818,384**	**-454,097**	**9,364,287**

Main subsidiaries and investment

(in € thousand)	% interest	Gross value at December 31, 2018	Net value at December 31, 2018	Loans and advances made by the Company not refunded	Sureties and guaranties made	Dividends received
SUBSIDIARIES (over 50% interest)						
French subsidiaries						
Worldline SA	50	87,849	87,849			
Bull SA	100	1,338,131	1,338,131			
Atos Infogérance	100	339,501	188,921			
Atos Intégration	95	221,054	221,054		75,000	
Atos Consulting	68	16,539	10,536			
Atos Participation 2	100	30,616	16,039			
Atos International	100	103,725	0		210,329	
Atos Investissement 10	100	88,899	42,240		1,650	
Atos Management France	100	44,820	0		4,000	
Atos Investissement 12	100	62	28			
Atos Meda	100	8,840	8,840			
Atos Investissement 19	100	59	59			
Atos Investissement 20	100	37	0			
Atos Investissement 21	100	37	1			
Atos Worldgrid	100	32,328	32,328		48,181	
Foreign subsidiaries						
Atos Origin Srl, Italy	100	57,183	173			
St Louis Ré, Benelux	100	2,174	2,174		31,250	
Atos Spain SA	100	128,121	128,121		95,925	23,374
Atos Information Technology GMBH	100	585,747	585,747		104,000	
Atos International BV, The Netherlands	100	6,280,461	6,280,461			
Atos Bilisim, Turkey	81	22,276	22,276		71,450	
Atos Customer Serv Turkey	92	199	199		5,000	
SUBSIDIARIES (10 to 50% interest)						
Canopy uk	11	30,245	311			
Group technic informatic, spain	33	751	279			

(in € thousand)	
Total equity from French subsidiaries (net income excluded)	4,020,778
Total equity from foreign subsidiaries (net income excluded)	6,475,422
Total net income from French subsidiaries	907,434
Total net income from foreign subsidiaries	467,133

Note 3 Trade accounts, Notes receivable and other receivables

Trade accounts, Notes receivable and other receivables

(in € thousand)	Gross amount December 31, 2018	Depreciation	Net value December 31, 2018	Net value December 31, 2017
Trade accounts and Notes receivable and doubtful debtors	35,791	-245	35,546	34,864
Invoices to be issued	42,062	-	42,062	928
Trade accounts and Notes receivables	**77,853**	**-245**	**77,608**	**35,791**
State and income tax	75,634	-	75,634	65,329
VAT receivable	6,885	-	6,885	4,206
Intercompany current account	859,349	-42,597	816,752	823,113
Other debtors	6,610	-	6,610	11,514
Other debtors	**948,478**	**-42,597**	**905,881**	**904,162**
TOTAL	**1,026,330**	**-42,842**	**983,489**	**939,954**
Of which operating		*-245*		

The trade accounts and doubtful debtors include intra-Group re-invoicing at the end of the year 2018.

The "invoices to be issued" mainly relates to:

- € 15.8 million of intercompany invoicing of fees expensed for the takeover of Syntel;
- € 23.5 million of intercompany invoicing of Trade Mark Fees.

A € 42.6 million depreciation on current accounts was recorded related to the impairment of some affiliates.

Maturity of trade accounts receivable and other debtors

(in € thousand)	Gross amount at December 31, 2018	Up to 1 year	1 to 5 years
Trade accounts and Notes receivable and doubtful debtors	35,791	35,502	289
Invoices to be issued	42,062	42,062	-
State and income tax	75,634	75,634	-
VAT receivable	6,885	6,885	-
Intercompany current account	859,349	859,349	-
Other debtors	6,610	6,610	-
TOTAL	**1,026,330**	**1,026,041**	**289**

Accrued income

(in € thousand)	December 31, 2018	December 31, 2017
Accrued income included in Receivable accounts		
Other receivables	857	953
TOTAL	**857**	**953**

Note 4 Cash and cash equivalents

Cash and cash equivalents and mutual funds

(in € thousand)	Gross amount at December 31, 2018	Depreciation	Net value December 31, 2018	Net value December 31, 2017
Mutual funds	2	-	2	2
Treasury stocks - owned shares	5,261	-1,341	3,920	40,346
Short Term Bank deposits	-	-	-	1,244
Cash at bank	794,838	-	794,838	559,182
TOTAL	**800,102**	**-1,341**	**798,760**	**600,774**

Movement in Treasury stocks-owned shares

As at December 31, 2018, the Company owned 54,842 Atos SE shares which amounted to 0.1% of the share capital with a portfolio value of € 3,920,106.16, based on December 31, 2018 market price, and with book value of € 5,261,326.50. These shares were purchased in the context of a share buyback program and were assigned to the allocation of shares to employees or corporate officers of the Company or its group, and correspond to the hedging of its undertakings under the performance shares plans or share purchase plans.

The Company proceeded to the purchase of:

(i) 70,000 shares on February 22, 2018 as part of a mandate given to a financial intermediary as announced by the Group on the same day;

(ii) 360,000 shares from June 1, to June 12, 2018, as part of a mandate given to a financial intermediary as announced by the Group on May 28, 2018.

From January 1, 2018 to December 31, 2018 the Company transferred 732,636 shares of the Company to beneficiaries of LTI (Long term Incentives) plans.

Short term bank deposits

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

Note 5 Prepayments and deferred expenses

(in € thousand)	December 31, 2018	December 31, 2017
Redemption premiums of bonds	5,964	-
Translation losses	20,894	19,561
Prepaid expenses	2,164	152
Deferred expenses	10,518	7,132
TOTAL	**39,539**	**26,844**

The redemption premiums of bonds, for an amount of € 5.964 million, is the premium of € 6.123 million related to the bond emitted in November 2018, deduction made of the amortization (amortization on a straight line basis depending on the maturities).

The deferred expenses consist of:

- fees amortization related to the syndicated loan for € 1.4 million;
- fees amortization related to the bonds for € 9.1 million.

Note 6 Shareholders' equity

Common stock

	December 31, 2018	December 31, 2017
Number of shares	106,886,219	105,445,349
Nominal value *(in €)*	1	1
COMMON STOCK *(IN € THOUSAND)*	**106,886**	**105,445**

Capital ownership structure over three years

	December 31, 2018		December 31, 2017		December 31, 2016	
	Shares	%	Shares	%	Shares	%
Siemens	-	-	12,483,153	11.8%	12,483,153	11.9%
Siemens Pension Trust e.V.[3]	12,483,153	11.7%				
Blackrock Inc.	-	-	5,339,057[2]	5.1%	-	0%
Board of Directors	517,054	0.5%	546,630	0.5%	668,316	0.6%
Employees	1,156,732	1.1%	1,182,158	1.1%	1,489,140	1.4%
Treasury stock	54,842	0.1%	332,478	0.3%	196,435[1]	0.2%
Others	92,674,438	86.7%	85,561,873	81.1%	90,071,635	85.9%
TOTAL	**106,886,219**	**100.0%**	**105,445,349**	**100.0%**	**104,908,679**	**100.0%**

1 Including 12,120 shares to be effectively delivered to LTI beneficiaries on January 2, 2017.
2 On the basis of the threshold crossing statement made on December 5, 2017.
3 Siemens Pension Trust e.V. is controlled by Siemens A.G.

Siemens Pension Trust e.V. owns a 11.7% stake which it committed to keep until September 30, 2020. No other reference shareholder has announced its will to maintain a strategic shareholding in the Group's share capital.

During 2018, the Group was informed of the following threshold crossing:

(i) Siemens Aktiengesellschaft ("Siemens AG") declared having crossed downwards, on March, 27 2018, the statutory thresholds of 10% and 5% of the share capital and the voting rights of the Company and not to directly hold any share of the Company anymore;

(ii) Siemens Pension-Trust e.V., a German law association, controlled by Siemens A.G.[(1)], declared having individually crossed upwards, on March, 27 2018, the statutory thresholds of 5% and 10% of the share capital and the voting rights of the Company (following the transfer off-market by Siemens AG of 12,483,153 shares of the Company) and declared holding 11.84% of the share capital and voting rights of the Company;

(iii) BlackRock Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on July 10, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following the return of shares held as collateral). BlackRock, Inc. declared holding 4.96% of the share capital and voting rights of the Company;

(iv) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards on July 17, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following an acquisition of shares off-market and an increase in the number of shares held as collateral). BlackRock, Inc. declared holding 5.11% of the share capital and voting rights of the Company;

(v) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on July 18, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following the sale of Atos SE shares on the market and a decrease in the number of Atos SE shares held as collateral). BlackRock, Inc. declared holding 4.98% of the share capital and voting rights of the Company;

(vi) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards on August 8, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following a receipt of shares held as collateral). BlackRock, Inc. declared holding 5.01% of the share capital and voting rights of the Company;

(1) Siemens Pension Trust e.V. is controlled by Siemens AG as the Chairman of the Board of Directors of the association is proposed by Siemens AG, the members of the association still being in position to refuse the proposed candidate but the members cannot appoint a candidate which has not been presented by Siemens AG. The other members of the Board of Directors are appointed upon proposal made by the Chairman.

(vii) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards on August 13, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following a sale of Atos SE shares on the market and a return of shares held as collateral). BlackRock, Inc. declared holding 4.90% of the share capital and voting rights of the Company;

(viii) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards on November 30, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following an acquisition of shares on the market and a receipt of shares held as collateral). BlackRock, Inc. declared holding 5.04% of the share capital and voting rights of the Company;

(ix) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards on December 3, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following a return of shares held as collateral). BlackRock, Inc. declared holding 4.89% of the share capital and voting rights of the Company.

The 12th resolution of the Combined General Meeting of May 24, 2018, renewed in favor of the Board of Directors, the authorization to trade in the Group's shares, in connection with the implementation of a share buyback program. The number of shares purchased may not exceed 10% of the Company's common stock. As of December 31, 2018, the Company held 54,842 shares of treasury stocks, 25,000 of which were held through the liquidity contract.

The shares owned by employees are held through mutual funds and corporate savings plans. The shares of the Company owned by employees and the members of the Board of Directors are excluded from the free float.

As at December 31, 2018	Shares	% of share capital	% of voting rights
Siemens Pension Trust e.V.	12,483,153	11.7%	11.7%
Board of Directors	517,054	0.5%	0.5%
Employees	1,156,732	1.1%	1.1%
Treasury stock	54,842	0.1%	-
Free float	92,674,438	86.7%	86.7%
TOTAL	**106,886,219**	**100.0%**	**100.0%**

Changes in shareholders' equity

(in € thousand)	December 31, 2017	Exercice of share options	Dividends	Appropriation of result	Capital increase	Net Income 2018	December 31, 2018
Common stock	105,446				1,441		106,887
Additional paid-in capital	2,871,855				121,887		2,993,742
Legal reserve	10,491			54			10,545
Other reserves	25,511						25,511
Retained earnings	790,745		-179,235	166,937			778,447
Net income for the period	166,990			-166,990		161,090	161,090
TOTAL OF THE SHAREHOLDERS' EQUITY	**3,971,037**		**-179,235**	**0**	**123,328**	**161,090**	**4,076,220**

As at December 31, 2018, the Company's issued common stock amounted to € 106.9 million, divided into 106,886,219 fully paid-up shares of € 1.00 par value each.

Compared to December 31, 2017, the share capital was increased by the issuance of 1,440,870 new shares, split as follows:

- 377,204 new shares resulting from the exercise of stock options;
- 1,063,666 new shares resulting from the payment of the 2017 dividend in shares.

Potential common stock

Based on 106,886,219 outstanding shares as of December 31, 2018, the common stock of the Group could be increased by 2,620,383 new shares, representing 2.45% of the common stock before dilution. This dilution could come from the exercise of stock subscription options granted to employees or from the acquisition of performance shares, as follows:

(in shares)	December 31, 2018	December 31, 2017	Change	% dilution
Number of shares outstanding	**106,886,219**	**105,445,349**	**1,440,870**	
From stock subscription options	25,467	406,707	-381,240	0.02%
From performance shares	2,594,916	2,799,220	-204,304	2.43%
Potential dilution	**2,620,383**	**3,205,927**	**-585,544**	**2.45%**
TOTAL POTENTIAL COMMON STOCK	**109,506,602**	**108,651,276**	**855,326**	

On the total of 25,467 of stock options, no option had a price of exercise higher than € 71.10 (opening stock price as of December 31, 2018).

Note 7 Provisions

Provisions

(in € thousand)	December 31, 2017	Charges	Release used	Release unused	December 31, 2018
Subsidiary risk	36,979	-	-	-36,979	0
Contingencies	311	1,489	-	-	1,800
Litigations	0	-	-	-	0
TOTAL	**37,290**	**1,489**	**-**	**-36,979**	**1,800**
Of which					
• operating					
• financial		1,489		-36,979	-35,490
• exceptional					

The evaluation of the participating interest let to a reversal mainly for the following subsidiaries:

- Atos International for € 12.6 million;
- Atos Investissement 10 for € 12.7 million;
- Atos Management France for € 11.6 million.

The provision on contengencies for € 1.489 million is mainly due to exchange loss on an intercompany borrowing for an amount of € 1.445 million.

Note 8 Financial borrowings

Closing net debt

(in € thousand)		Up to 1 year	1 to 5 years	Over 5 years	Gross value December 31, 2018	Gross value December 31, 2017
Bank overdraft		581,638	-	-	581,638	415,456
Bonds			1,600,000	1,100,000	2,700,000	900,000
Bank loans		720,000	80,000		800,000	800,000
Other borrowings		269,574	546,012	313,870	1,129,456	351,800
Loan Interest to paid		15,987	17		16,004	12,072
Borrowings		**1,587,199**	**2,226,029**	**1,413,870**	**5,227,098**	**2,479,328**
Cash at bank	Note 5	794,838			794,838	559,182
CLOSING NET DEBT		**792,361**	**2,226,029**	**1,413,870**	**4,432,260**	**1,920,146**

Financial borrowings included mainly:

- bonds as detailed below:
  - in June 2015, a € 600 million bond, 5 years maturity with a 2.375% rate,
  - in October 2016, a 300 million bond, 7 years maturity with a 1.444% rate,
  - in November 2018, a 700 million bond, 3.5 years maturity with a 0.75% rate,
  - in November 2018, a 750 million bond, 6.5 years maturity with a 1.75% rate,
  - in November 2018, a 350 million bond, 10 years maturity with a 2.5% rate;
- on October 9, 2018, Atos SE issued a bridge loan of $ 1.9 billion for the acquisition of Syntel. The bridge loan was fully reimbursed on November 9 2018;
- on October 9, 2018, Atos SE issued a term loan of $ 2.5 billion for the acquisition of Syntel (including the 1.9 billion bridge repaid on November 9 2018). The term loan outstanding position at December 31, 2018 is $ 600 million composed of:
  - $ 350 million with a 3 years maturity,
  - $ 250 million with a 5 years maturity.

The term loan includes one financial covenant which under the terms is the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

- NEU MTN for € 80 million;
- NEU CP for € 720 million;
- intercompany loans for € 607.7 million;
- profit-sharing for € 2.3 million.

Syndicated loan (2014-2021) renewed

On October 11, 2018, Atos signed with a number of major financial institutions a five-year € 2.4 billion credit facility maturing in November 2023 with an option for Atos to request the extension of the Facility maturity date until November 2025.

The revolving credit facility includes one financial covenant which under the terms is the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

This facility is used for the general needs of the Group.

As of December 31 2018, Atos SE hasn't used this facility.

Note 9 Trade accounts, Notes payable and other liabilities

Maturity of trade accounts, Notes payable and other liabilities

(in € thousand)	Gross amount December 31, 2018	Up to 1 year	1 to 5 years	Gross amount December 31, 2017
Trade accounts and Notes payable	22,159	22,150	9	21,889
Trade accounts and Notes payable	**22,159**	**22,150**	**9**	**21,889**
Social security and other employee welfare liabilities	2,613	2,613	-	2,358
VAT payable	4,751	4,751	-	598
Intercompany current account liabilities	1,790,299	1,790,299	-	1,892,891
Other liabilities	42,000	42,000	-	8,228
Other liabilities	**1,839,664**	**1,839,664**	**-**	**1,904,075**
TOTAL	**1,861,823**	**1,861,814**	**9**	**1,925,964**

Terms of payments

The general terms of external purchases were sixty days as from the date of issuance of the invoice except lawful or agreed contrary provisions between the parties. As far as intercompany purchases are concerned, the general terms of payments are 30 days.

The breakdown of accounts payable at the end of the financial year was as follows:

(in € thousand)	Gross amount December 31	Associated companies	Other	Total December 31	Overdue for more than 1 year	Overdue for less than 1 year	Invoices non-due at December 31
2018							
Accounts payable and liabilities	**22,159**	**17,475**	**4,684**	**22,159**	**9**	**-2,803**[1]	**24,953**
	100,0%				0.0%	-12.6%	112.6%
Accounts payable	-2,240	-3,297	1,057	-2,240	9	-2,803	554
Invoices to be received	24,399	20,772	3,627	24,399	-	-	24,399
2017							
Accounts payable and liabilities	**21,889**	**18,047**	**3,842**	**21,889**	**88**	**249**	**21,552**
	100,0%				0.4%	1.1%	98.5%
Accounts payable	-2,634	-3,465	831	-2,634	88	249	-2,971
Invoices to be received	24,523	21,512	3,011	24,523	-	-	24,523

1 relates mainly to an inter-company credit Note for an amount of € 3.465 million.

Deferred Expenses

(in € thousand)	December 31, 2018	December 31, 2017
Deferred Expenses included in the trade payable accounts		
Invoices to be received	24,399	24,523
Other liabilities	1,914	1,325
State and employee related liabilities	933	679
TOTAL	**27,245**	**26,527**

Note 10 Unrecognized exchange gains

It was related to unrecognized exchange gains for € 19.4 million.

Note 11 Revenue

Revenue split

	December 31, 2018		December 31, 2017	
	(in € thousand)	*(in %)*	*(in € thousand)*	*(in %)*
Trademark fees	129,046	88.7%	133,872	92.7%
Re-invoicing	8,582	5.9%	2,040	1.4%
Parental guarantees	7,929	5.4%	8,506	5.9%
TOTAL REVENUE BY NATURE	**145,558**	**100.0%**	**144,418**	**100.0%**
France	30,197	20.7%	19,271	13.3%
Foreign countries	115,360	79.3%	125,147	86.7%
TOTAL REVENUE BY GEOGRAPHICAL AREA	**145,558**	**100.0%**	**144,418**	**100.0%**

Note 12 Other expenses

Expenses

(in € thousand)	December 31, 2018	December 31, 2017
Expenses of the functions' Group	-16,196	-17,228
Directors' fees	-608	-500
Other expenses	-821	-390
TOTAL	**-17,624**	**-18,118**

Expenses detailed above mainly included marketing, communication, investor relations and human resources expenses invoiced by Atos International SAS and other holdings subsidiaries to the Company including fees paid to the International Olympic Committee.

Note 13 Financial result

(in € thousand)	December 31, 2018	December 31, 2017
Dividends received	23,374	9,091
Intercompany current account interests	1,248	1,042
Other financial assets income	17,417	17,405
Investment banking revenues	157	77
Reversal of provisions on investments in consolidated companies	42,077	119,018
Reversal of provisions on treasury stock	2,523	-
Disposal of short-term investment	1,050	340
Foreign exchange gains	47,149	223
Total of the financial incomes	**171,974**	**147,195**
Interests on borrowings	-24,151	-20,590
Securitisation interests	-939	-1,323
Intercompany loans interests	-19,291	-17,405
Intercompany current accounts interests	-27	-32
Provision for depreciation on investments in consolidated companies	55,277	-29,101
Provision for deferred expenses	-3,356	-3,092
Other financial provisions	-2,791	-19,680
Short term borrowing interests	-2,626	-458
Foreign exchange losses	-9,790	-220
Other financial expenses	-86,232	-29,738
Total of the financial expenses	**-204,481**	**-121,640**
NET FINANCIAL RESULT	**-32,507**	**25,555**

E

Financial incomes

Atos SE received from its subsidiary, Atos Spain SA, the amount of € 23.4 million of dividends in 2018.

The depreciation on investments has been disclosed in the Note 2 «Financial Assets» and Note 7 «Provision».

The other financial assets income relates to interests on an intercompany loan in GBP.

Financial expenses

The interests on borrowings are composed of:

- € 2.6 million on syndicated loan;
- € 22.6 million on bonds;
- € 2.3 million on NEU CP – Negociable European Commercial Paper;
- € 1.1 million on borrowing related to the purchase of Syntel.

The intercompany loans interests are related to a loan with an entity located in the United Kingdom for € 19.3 million.

The provision for deferred expenses is composed of:

- € 1.4 million on syndicated loan;
- € 1.9 million on bonds.

The other financial expenses are related to the loss incurred on the delivery of the 690,614 performance shares to the employees for an amount of € 84.9 million (€ 29.7 million in 2017) as well as a loss of € 1.3 million on liquidity contract.

The depreciation on investments has been disclosed in the Note 2 «Financial Assets» and Note 7 «Provision».

Note 14 Non-recruring items

(in € thousand)	December 31, 2018	December 31, 2017
Selling price from disposal of financial investments		
Other income	92,635	38,334
Total of non recurring income	**92,635**	**38,334**
Amortization of merger loss		
Net book value of financial investments sold	-	-68
Net book value of fixed assets sold		
Provisions for liabilities and charges		
Other expenses	-11,718	-8,845
Total of non recurring expenses	**-11,718**	**-8,912**
NON RECURRING ITEMS	**80,917**	**29,422**

In 2018, the non-recurring incomes are mainly related to the re-invoicing to Group entities for the cost of the performance plan granted to employees and to the operations of merger and acquisitions.

The increase of exceptional income in 2018 compared to 2017 is due to the unwinding of several plans to grant free shares to Group employees. Indeed, Atos SE re-invoiced their subsidiaries for a total amount of € 82.4 million in 2018, whereas it re-invoiced only € 28.7 million in 2017.

The amount in "Other expenses" is mainly related to fees expensed in the take over of Syntel.

Note 15 Tax

Tax consolidation agreement

As per article 223-A of the French Fiscal Code, Atos SE signed a Group tax consolidation agreement with a certain number of its French subsidiaries with effect as of January 1, 2001.

Atos SE as parent company of the Group is designated as the only entity liable for the corporate tax of the Group tax consolidation.

The main features of the agreement are:

- the result of the consolidated companies is determined as if they had been taxed individually;
- Atos SE is the only company liable for any additional tax to be paid in the event of an exit by a subsidiary from the Group. In the event of tax audit, the subsidiary which exited from the Group remains liable toward Atos SE of any additional income tax related to the time it was part of the tax consolidation.

Decrease and increase of the future tax charge of Atos SE taxed separately

At year end, decreases and increases of the future tax charge were broken down as follows:

(in € thousand)	Basis Decrease	Basis Increase
Non deductible provisions for timing differences	782	39
TOTAL	**782**	**39**

No deferred tax assets or liabilities had been recognized.

Breakdown between net income on ordinary activities and non-recurring items

(in € thousand)	Before tax	Computed tax	Net amount
Net income on ordinary activities	53,838	-	53,838
Non recurring items and employee participation	80,917	-	80,917
Tax Charge	-	26,335	26,335
TOTAL	**134,755**	**26,335**	**161,090**

The result of the fiscal consolidation is a profit of € 119.7 million before use of losses carried forward. After use of the losses carried forward the taxable profit 2018 was an amount of € 33.7 million with a tax charge of € 11.6 million. The tax that would have been paid in the absence of French tax consolidation would have been an expense of € 29.8 million.

The total amount of the losses carried forward was € 198.0 million as of December 31, 2018.

Note 16 Off-balance sheet commitments

Commitments given

(in € thousand)	December 31, 2018	December 31, 2017
Performance Parental Guarantees	3,340,909	4,225,571
Bank guarantees[1]	50,324	324
TOTAL	**3,391,233**	**4,225,895**

1 Borne by Atos SE.

For various large long-term contracts, the Group provides performance guarantees to its clients. These guarantees amount to € 3,341 million as of December 31, 2018, compared with € 4,226 million at the end of December 2017. This decrease of € 885 million compared to last year is mainly due to the expiration of some guarantees provided to the benefit of the US, UK and Benelux & the Nordics customers.

In relation to the multi-currency revolving facility amended in October 2018, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover up to € 660.0 million (unchanged amount) the obligations of its subsidiaries: Atos Telco Services B.V. and Atos International B.V.

In relation to the Term Facility agreement signed in July 2018 in the context of the Syntel acquisition financing, Atos SE issued a parental guarantee to the benefit of the consortium of banks represented by BNP Paribas, in order to cover USD 1,230 million (€ 1,078 million) the obligations of its US subsidiary, Green Finco Inc. considering the partial reimbursement of $ 200 million (€ 175 million) as of 20 December, 2018.

Atos SE has given a € 102.0 million guarantee to Ester Finance in relation to a securitization program involving certain of its subsidiaries. Guarantee amount decreased due to the restructuration of the securitization program in May 2018.

As part of the general agreement with Siemens in respect of the transfer of SIS UK pension liabilities, the Board of Atos SE, during its March 29, 2011 meeting, agreed to provide a 20-year guarantee to the Atos 2011 Pension Trust set up to accommodate the transfer. The maximum amount of the guarantee is GBP 200.0 million (€ 222 million).

In the framework of the Atos pension Scheme discussions in UK, for a more efficient structure, the Board of Atos SE, during its July 22th, 2018 meeting, agreed to provide three parental guarantees (amending and extending those in force) to the Atos Pension Schemes Limited as trustee of the Atos Pension Fund and the Atos (SEMA) Pension Schemes Limited and Atos CS Pension Scheme. Under the said guarantees, Atos SE will guarantee the obligations of the sponsoring employers of the respective Pension Scheme to make certain payments. The total estimated amount of the new guarantees when authorized by the Board of Directors therefore represented an extension of GBP 150 million (€ 166 million) to the existing guarantees (totaling GBP 635 million (€ 704 million)) which Atos SE had previously provided to the three schemes.

Finally, in addition to the previous amounts, pension commitments are consistent with the pension scheme described in section G.3.2.2 of the Atos Group 2018 Registration Document.

Commitments received

(in € thousand)	December 31, 2018	December 31, 2017
Syndicated loan	2,320	1,470

The received financial commitment refers exclusively to the part non utilized at Group level of the € 2.32 billion revolving facility.

Note 17 Risk analysis

Market risks: fair value of financial instruments

Cash at bank and short term deposits, trade accounts receivable, bank overdraft and trade accounts payable

Due to the short term nature of these instruments, the Group considers that the book value constitutes a reasonable estimate of their market value as of December 31, 2018.

Long and medium term liabilities

As of December 31, 2018, Atos SE doesn't present a long and medium term liabilities related to the syndicated loan.

Liquidity risk

Syndicated loan (2014-2021) renewed

On October 11, 2018, Atos signed with a number of major financial institutions a five-year € 2.4 billion credit facility maturing in November 2023 with an option for Atos to request the extension of the Facility maturity date until November 2025.

The revolving credit facility includes one financial covenant which under the terms is the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

This facility is used for the general needs of the Group.

As of December 31 2018, Atos SE hasn't used this facility.

Securitization program

Atos securitization program of trade receivables has been renewed for 5 years on May 29, 2018 with a maximum amount of receivables sold of € 500 million and a maximum amount of financing reduced from € 200 million to € 100 million. The program has been restricted to two French participants.

The program is still structured with two compartments, called ON and OFF:

- compartment "ON" is similar to the previous program (i.e. the receivables are maintained in the Group balance sheet) which remains by default the compartment in which the receivables are sold. This compartment was used at its lowest level;
- compartment "OFF" is designed so the credit risk (insolvency and overdue) of the debtors eligible to this compartment of the program is fully transferred to the purchasing entity of a third party financial institution.

As of December 31, 2018, Atos SE has sold:

- in the compartment "ON" € 85.2 million in receivables of which € 5.9 million were received in cash. The sale is with recourse, thus re-consolidated in the balance sheet;
- in the compartment "OFF" € 33.1 million in receivables which qualify for de-recognition as substantially all risks and rewards associated with the receivables were transferred.

Financial covenants of the Atos securitization program are the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) which may not be greater than 2.5 times.

Liquidity risk at December 31, 2018

Instruments	Fix/Variable	Line (in € million)	Maturity
Syndicated loan	Variable	2,400	November 2023
Securitization program	Variable	100	May 2023
Bond borrowing	Fixe	600	July 2020
Bond borrowing	Fixe	300	September 2023
Bond borrowing	Fixe	700	May 2022
Bond borrowing	Fixe	750	May 2025
Bond borrowing	Fixe	350	November 2028

On June 2, 2017 Atos SE set up a Negotiable European Commercial Paper program (NEU CP), at variable interest rate, with a maximum outstanding amount of € 900 million.

On October 5, 2017 Atos SE increased the program size from € 900 million to € 1,200 million.

On October 17, 2018 Atos SE increased the program size from € 1,200 million to € 1,800 million.

On May 4, 2018 Atos SE set up a Negotiable European Medium Term Notes program (NEU MTN), with a maximum outstanding amount of € 600 million.

On October 31, 2018 Atos SE issued a € 1,8 billion global bond in 3 instalments with different rates and maturity.

Credit risk

The Group has a fully-integrated process concerning credit risk. In its trade relations, the Group manages its credit risk with a portfolio of diversified customers and follow-up tools.

Financially, the Group monitors the credit risk on its investments and its market operations by rigorously selecting leading financial institutions and by using several banking partners. The Group thus considers its credit risk exposure as being limited.

Market risk

The Group monetary assets comprise receivables and loans, securities investments and cash at bank. Monetary liabilities comprise financial, operating and other liabilities.

Interest rate risk

The exposure to interest rate risk encompasses two types of risks:

- a price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Company is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expenses as reported in the Company's Income Statement and, as such, future net income of the Company up to maturity of these assets and liabilities;
- a cash-flow risk on floating-rate financial assets and liabilities. The Company considers that a variation in rates would have little effect on floating-rate financial assets and liabilities.

Note 18 Related parties

There is no transaction made by the Company (trade mark fees, financing operations and tax consolidation) that were not performed under market conditions.

Note 19 Subsequent events

On January 29, 2019, Atos' Board of Directors, following a specific governance process, proposed to submit to its shareholders the project to distribute in kind around 23.4% of Worldline's share capital, out of the 50.8% currently owned by the Group. Post transaction, Atos would retain approximately 27.4% of Worldline's share capital and Worldline's free float would be increased to approximately 45.7%. Following the partial distribution, Worldline is expected to be deconsolidated from the Group's accounts and Atos remaining stake would be accounted for as an investment in associates under equity method.

Worldline's Board of Directors met on January 29, 2019 and unanimously welcomed this planned change in ownership structure.

The shareholders' agreement between Atos and SIX will be amended to reflect the continued partnership between the two groups post distribution, and both parties are expected to commit to a 6-month joint lock-up on their respective stakes in Worldline post distribution.

Regarding the structure of the proposed distribution, Atos' shareholders are expected to receive 2 Worldline shares for 5 Atos shares held. Technical terms of the proposed transaction are under review and would be submitted to the vote of the Atos shareholders at the 2018 Annual General Meeting planned on April 30, 2019.

E.6.5 Atos SE financial summary for the last five years

(in € million)	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
I - Common stock at period end					
Common stock	106.9	105.4	104.9	103.5	101.3
Number of shares outstanding	106,886,219	105,445,349	104,908,679	103,519,242	101,332,527
Maximum number of shares that may be created by:					
• conversion of convertible bonds					
• exercise of stock subscription options	2,620,383	3,205,927	3,128,274	3,374,859	2,806,747
II - Income for the period					
Revenue	145.6	144.4	169.6	107.0	116.6
Net income before tax. employee profit-sharing and incentive schemes. Depreciation. amortization and provisions	114.6	76.7	23.5	32.7	339.1
Corporate income tax	26.3	13.5	6.2	8.2	-2.7
Net income after tax, employee profit-sharing, depreciation, amortization and provisions	161.0	167.0	29.5	40.9	336.4
Dividend distribution	-	179.2	167.6	113.5	79.7
III – Per share data (in euros)					
Net income after tax and employee profit-sharing but before depreciation. Amortization and provisions	1.3	0.9	0.3	0.4	3.3
Net income after tax, employee profit-sharing, depreciation, amortization and provisions	1.5	1.6	0.3	0.4	3.3
Dividend per share	-	1.7	1.6	1.1	0.8
IV – Employees					
Average number of employees during the period	1.0	1.0	1.0	1.0	-
Total payroll for the period	2.8	3.3	3.0	3.4	-
Employee social security and welfare payments	0.7	0.8	0.9	1.9	-

E.6.6 Payables and receivables payment terms

INVOICES RECEIVED AND EMITTED NOT PAID AT YEAR'S END CLOSING BUT DUE (STATEMENT I OF ARTICLE D. 441-4)

	Article D. 441 I.-1°: Invoices received not paid at year's end closing but due						Article D. 441 I.-1°: Invoices emitted not paid at year's end closing but due					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Payment delay periods												
Number of invoices concerned	15					110	15					711
Total amount of invoices concerned excluding VAT in K€	478	-3,161	163	27	121	-2,850	294	7,387	22,638	1,414	3,240	34,679
Total amount percentageof year expenses	0.75	-4.94	0.25	0.04	0.19	-4.46						
Percentage of year's sales excluding VAT							0.13	3.33	10.20	0.64	1.46	15.63
(B) Invoices excluded of (A) related to contentious payables and receivables or not recorded												
Number of excluded invoices												1
Total amount of excluded invoices												245
(C) Used reference payment terms (contractual or legal term - article L. 441-6 or article L. 443-1 of Code of commerce)												
Payment terms used for late payment penalties calculation	Contractual payment terms: 60 days Legal payment terms: N/A						Contractual payment terms: 30 days Legal payment terms: N/A					

F

Risks analysis

[GRI 102-11]

The Group operates in a changing environment and is exposed to risks that, if materialized, may have a material adverse effect on its business, prospects, customers, partners, reputation, financial condition, including operating results and cash flows.

Risk assessment and management is an integral part of the Group's operational and strategic management. The Company conducts on a regular basis a review of risks through different channels, described hereinafter in section F.1, thereby enabling to select them, and class them by order of importance as reflected in section [F2]; this document follows the guidelines of the AMF dated October 24, 2018 concerning the implementation of Regulation (EU) 2017/1129 of June 14, 2017, with regards to the description of risk factors in universal Registration Documents. The risks described in section [F.2.1 to F.2.5] are those assessed as the major risks for the Company, i.e. which could have the most material adverse impact on its business or results (or its ability to achieve its objectives), and/or a significant likelihood to occur. In addition, section [F.2.6] outlines other material risks that may impact the Company's business or its results, albeit more moderately. The mitigation plans in relation to each of these risks are described in section [F.3].

The extra-financial performance analysis assesses on a yearly basis, risks related to the four top areas underlined through the Corporate Responsibility and Sustainability Program. This materiality assessment is aligned with the Enterprise risk management exercise described in section F.1.1. The main extra-financial risks identified are **People** (Talent attraction & retention; Skills enhancement; Employee well-being at work), **Business & Innovation** (Cyber-attack; System security, reliability and continuity; Customer relationship management and cross-selling; Partnerships; Ability to innovate, Digital transformation and digital offering), **Ethics & Governance** (Compliance with law and regulations, Bribery and corruption, Client's data protection) and **Environment** (Natural disasters and climate change adaptation; Energy consumption and carbon footprint). Their magnitude varies in terms of impact on Atos business or results and/or likelihood to occur. Please refer to the mapping table in paragraph D.7- Extra-Financial Performance Declaration, to obtain their description and mitigation actions.

At the date of the registration document, Atos SE is the major shareholder of Worldline and owns its control. Therefore, the risks identified below take into account Worldline's business.

F.1 Risk management activities

Risks are assessed and monitored through Global Business Units/Divisions and Functions. In addition to managing the risks embedded in each process, dedicated activities are also deployed for a transversal management of risks. This combination of functional and transversal approaches enables the identification of the most critical risks for the Company.

F.1.1 Enterprise risk management (ERM)

A risk mapping is revised each year under the sponsorship of general management. The selected methodology involves the top 400 managers through questionnaires and workshops, to collect their perception of the main risks, their relative importance (inherent risk) and mitigation effectiveness (residual risk).

This assessment covers potential risks related to:

- external factors (stakeholders' eco-system, external events and market environment);
- the organization and business development (ability to innovate, organization alignment, go to market);
- services and product delivery (people, system performance, delivery) and;
- compliance and information used for decision making (laws and regulations, Corporate Social Responsibility, financial performance).

This recurring process allows identifying evolutions from one year to another. Improvement plans for the main residual risks are designed at local and group level, with assigned owners and milestones/timelines for follow-up and completion.

Results are shared with general management and the Group Executive Committee, to ensure that appropriate measures are deployed to mitigate the main risks, and they are also presented to the Audit Committee of the Board of Directors.

In parallel, other dedicated risk assessments are performed within departments such as Legal and Compliance, Ethics, Security and Corporate Social Responsibility. Those assessments are aligned with the Enterprise risk management exercise.

F.1.2 Business risk assessment and management

Atos has a robust business risk management approach reinforced during the last years, based on specific processes and organization.

F.1.2.1 Business risk management system

Atos Rainbow (Risk Assessment in Named Business Opportunities Worldwide) is a set of procedures and tools that provides a formal and standard approach to bid execution and contract monitoring. The Group operates a risk management system that facilitates the analysis (by identification and assessment) and treatment (by control and financing) of business risks throughout the life cycle of a project. This process is integrated with the control and approval process when entering into new contracts. The objective is to ensure that the Group only bids for projects that can be delivered effectively and to provide an early warning system for any project that encounters problems or diverges from its original targets. Specifically, the risk management process:

- identifies potential exposures, including technical, legal and financial risks that could have an impact during the life cycle of the project;
- evaluates, both qualitatively and quantitatively, the significance and materiality of any such exposures;
- ensures that appropriate and cost-effective risk control or risk mitigation measures are initiated to reduce the likelihood and impact of negative outcomes on the project; and
- manages residual exposure through a combination of external risk transfer instruments and internal contingency reserves to optimize the use of exposed capital. All operational projects are monitored monthly at different levels (from Global Business Units/Divisions to Group level) according to their size and risk exposure, using the Rainbow Delivery Dashboard, providing status on financial, delivery and technology, customer, legal, Human Resources and supplier KPIs.

Bids are also monitored on a constant basis at different level (from Global Business Units/Divisions to Group level) according to their size, using standardized review templates to bid phases (Pursuit, Strategy, solution, offer, contract) to balance sales and risks while ensuring the re-use of experience/best practices and the adherence to Atos standards.

F.1.2.2 Bid Control and Business risk management organization

The control and approval process governing the bidding and contracting activities report to the Group Senior Vice-President for Bid Control and Business risk management, ensuring the capturing and ongoing tracking of risks identified at the bidding stage throughout the delivery cycle.

Bid Control and Business risk management report directly to the Group CFO, with the risk managers in the Global Business Units/Divisions reporting directly to the Group Senior Vice-President for Bid Control and Business Risk Management, thereby shortening the lines of command.

F.1.2.3 Group Risk Management Committee

A Group Risk Management Committee convenes on a monthly basis to review the most significant contracts and the sensitive ones. The Committee is chaired by the Group CFO and led by the Senior Vice-President for Bid Control and Business Risk Management. Permanent members of the Committee include the Senior Executive Vice-President Operations, Executive Vice-Presidents in charge of the Global Divisions and several other representatives from the Global Functions, including Finance and Legal. On a quarterly basis, the Audit Committee conducts a thorough review of all the major critical contracts considered to be high risk. The Global Divisions and the Risk Managers perform the continuous monitoring of contracts in deviation of their initial business case, thanks to the Rainbow Delivery Dashboard which contains all financial, commercial and operational KPIs.

F.1.3 Insurance

Global insurance policies have been taken out with reliable international insurance companies, providing the Group with appropriate insurance coverage for its worldwide operations. The total cost of these policies in 2018 represented circa 0.14% of total Group revenue.

The most important global insurance programs are bought and managed centrally with renewal on January 1 for Liability insurance and on July 1 for Property Damage and Business Interruption insurance. In 2018, the Property Damage and Business Interruption policy and Professional Indemnity policies were both renewed for limits respectively of € 180 million and € 150 million. Several additional policies cover insurable business risks such as general liabilities, cyber risks or car fleet and are maintained at cover limits commensurate with the Group's size and risk exposures.

Deductible retentions are used both to promote good risk management practices and to control the quantity of claims and level of premiums.

Each country also contracts insurance policies in accordance with local regulations, customs and practice. These include employers' liability, workers compensation and employee travel.

Atos' wholly-owned reinsurance Company provides insurance for some layers of the property policy and professional indemnity policies, which are the most critical policies for the Group's operations.

Insurable losses are not a frequent occurrence. This is partly due to quality risk management processes which are deployed at all key locations to protect assets from natural disasters and other unexpected events as well as to ensure business continuity in the event of damage or loss. With respect to offers and contracts, a uniform and mandatory process of risk management is used as described in previous section.

Risks are also monitored by the Underwriting Committee of the Atos reinsurance company which maintains adequate net equity and technical reserves commensurate with the level of insured risks and ensures a satisfying diversification of external reinsurer. The Underwriting Committee also carries out regular surveys and analyses to monitor the relevance of Atos' insurance cover.

F.2 Risk Factors

The above-mentioned risk mapping exercise allowed the Group management to select, and rank in priority order, the risk factors specific to Atos which are the most material. They are classified by importance (decreasing in magnitude).

F.2.1 Cyber-attack, security of systems and data protection [# extra-financial risks – Business & innovation challenges]

The visibility and worldwide presence of Atos and its clients may attract hackers, members of organized crime or state-sponsored organization to conduct attacks on Atos systems that could compromise the security of data. The sensitivity of Atos and its customers' activities, the growing complexity of technical infrastructures which may be affected by security breaches, including the use of mobile technologies and cloud-based services, and the increasing sophistication of cyber-crime contribute to intensify this risk.

An information breach or unauthorized access in or through the Atos systems and/or a loss of sensitive or confidential information (notably in payments activities) could have a long and significant impact on the business operations. It could result in losing the customers' confidence and thus the loss of their business, as well as reputational damages.

Being an IT company, IT system breakdowns or disruptions could also be highly critical both for the Group's internal operations and its customers' needs in respect of the services provided. A failure in providing the appropriate and contractually required level of services and protection to customer environments and data, could cause security breaches, customer data leakage, business disruption, high recovery costs in case of an incident, and customer loss of trust with a significant impact on reputation.

As a worldwide employer and as a service provider, Atos is subject to numerous laws and regulations which protect personal data and the privacy of individuals in the digital world, such as the European Union General Data Protection Regulation (GDPR). These laws and regulations are increasing in complexity and number, change frequently and sometimes conflict among the various countries in which the Group operates. If any person, including any Atos employees, negligently disregards or intentionally breaches the Group's established controls with respect to client or Atos data, or otherwise mismanages or misappropriates that data, Atos could be subject to significant litigation, monetary damages, claims from customers, regulatory enforcement actions, fines and/or criminal prosecution in one or more jurisdictions. Atos has therefore deployed a strong and coordinated data protection organization at all levels of its organization to provide training, support and expertise to the operations.

As a result, risks related to cyber-attack, security of systems and data protection are highly important for the Group in terms of impact and likelihood and are therefore proactively and closely monitored.

F.2.2 People [# extra-financial risks – People challenges]

Several risk factors related to human capital have been identified. As the Company mostly delivers services, it remains highly dependent on the skills, the experience and the performance of its staff and the key members of its management teams. Delivery quality relies on the establishment of robust and stable teams, committed to meeting client's needs.

The success of the organization in this field depends first, on its ability to **retain** and **attract** key qualified staff and to use their competences for the benefit of customers. This is becoming a substantial challenge considering the current highly competitive labor market for digital skills.

Secondly, the success in a fast-evolving sector, depends on the Company ability to continuously **up/reskill** its employees and finally, the Company ability to meet the expectations regarding **well-being** at work, personal development, fair and attractive Company culture.

Finally, Atos increasingly performs its client contracts using **offshore** facilities in order to optimize its cost structure. To keep up with increasing demand, the Group developed its near- and offshore capacity with circa 50,000 staff at the end of December 2018 in Global Delivery Centers and offshore countries, increased by 15,000 mainly through Syntel acquisition.

Failing in "People" domain would materially adversely impact the Company as it may limit the organization's ability to provide high quality services as contractually agreed followed by penalties/claims, loss of customers and reputational damages.

F.2.3 Innovation and New Offerings [# extra-financial risks – Business & innovation challenges]

In a context of rapid technological evolutions, accelerated digital shockwaves, rapid business transformation and emergence of (new) offers on the market, there is a risk for Atos to miss technological shifts or to neglect business model disruptions.

The Company's success depends on its capacity to explore new ideas and concepts, to support innovation and the digital transformation of its clients. It also relies upon adequate definition and readiness of the offerings and the overall solution portfolio.

The Company would be materially adversely impacted if it fails in any of these domains as it could result in the loss of opportunities, the inability to compete, and may prevent access to more profitable or growing markets.

F.2.4 Market and competitors

The activity of the Group is dependent on the demand fluctuation in the different markets of our clients. Volatile, negative, differing or uncertain economic conditions and patterns of economic growth in the markets we serve could adversely affect client demand for our services and solutions.

Faced with major budgetary pressure, governments and public administrations are delivering breakthrough performance improvement though the digitalization of their processes, citizens' relationships and the development of smart cities.

Challenged by the political market conditions, low interest rates, low volatility, and new capital adequacy regulations, Financial Services companies are refocusing their portfolio of businesses and keeping a strong focus on operational excellence, cost optimization and new technologies.

Manufacturing customers have seen an improvement of their profitability, due to productivity improvement programs completed in the recent past, which enables them to increase their IT investments, notably to support growth.

Faced with the continuing changes in regulations, ongoing market consolidation and even more aggressive competition, telecom, media and utilities companies are transforming to data-driven business models supported by cloud and Big Data.

In an increasingly global market, Atos organization is naturally facing some degree of competitive risk. This is further detailed in section B.3.2 "Competitive landscape and new expected position of Atos".

F.2.5 Delivery quality and customer relationship [# extra-financial risks – Business & innovation challenges]

The IT services provided to customers are a critical element for the performance of their commercial activities. Often, IT solutions also play a key role in the development of their businesses. Any inadequate implementation of sensitive IT systems or any deficiency in the performance of services, either related to delays or to unsatisfactory levels of services, may result in significant prejudicial consequences for clients and may result in deteriorated customer relationship (penalty claims or litigations).

Below are some of the key risks that Atos manages in this area:

- degraded performance resulting from third party products and/or product customization: Systems Integration frequently involves products (whether software or hardware, standard or adapted or specifically developed for customized requirements) designed and developed by third parties and which, by definition, the IT service provider cannot fully control. In addition, the needs of certain clients who require specific functionalities may disrupt the operation of the products or generate significant delays or difficulties in providing the services;
- exposure due to inadequate assessment of services or delivery failures: it is a practice of the IT sector to enter into certain contracts on a fixed-rate basis whereas other contracts are invoiced according to the services provided. For fixed-rate contracts, an under assessed scope of the provided services or dedicated resources to a specific project may lead to a budget or agreed timeframe overrun and, therefore, to an operating loss, by exceeding budget and/or through the payments of penalties for late performance.

As a result, the delivery quality and client relationship are highly important for the Group in terms of impact and likelihood and are therefore proactively and closely monitored.

F.2.6 Other risks

Risks described hereinafter have also been identified as potentially impacting the Company’s business or results. Although material, their impact has been assessed as moderate compared with the risks described in sections [F.2.1 to F.2.5].

F.2.6.1 Acquisitions / External growth

The success of external growth is key to achieve the Group’s objectives, and acquisitions may result in adverse impacts, especially in the event of:

- liabilities or under-performing contracts which were not properly disclosed or identified during the acquisition process;
- ineffective integration efforts preventing expected level of synergies from being reached or ineffective integration of employees;
- high involvement of support functions and operational Business Units in multiple integrations could entail overloads which might impact day-to-day operations.

F.2.6.2 Clients

The Group delivers services to a large number of clients which are international groups or public organizations throughout different markets and countries. It limits its risk of dependency on one particular client. The Group’s top 5 and 10 customers generated respectively 12% and 18% of total Group revenues in 2018 and the top 50 customers generated 42% of total Group revenues.

F.2.6.3 Partnerships and subcontractors [# extra-financial risks – Business & innovation challenges]

[GRI 102-8] [GRI 203-2]

Atos' activities sometimes require partners and/or subcontractors' assistance on projects to complement its resources in terms of people, expertise or means. In such situations, partnerships may be formed, or subcontractors may be used by Atos in order to win contracts and to perform duties.

This is a common practice; however, those third parties may represent risks as they expose Atos to liabilities: business, compliance, ethical and reputation risks. Atos partners and partnerships are therefore closely monitored based on need for skills or resources justification, compliance with competition rules, proportionate remuneration, quality, cost, delivery, innovation, ethics and sustainability requirements.

During 2018, the Group had in average 7,849 subcontractors (headcount) working across more than 70 countries.

F.2.6.4 Regulatory and compliance risks [# extra-financial risks – Ethics & governance challenge]

Due to its business model delivering IT products and services throughout the world, Atos is subject to a wide array of stringent regulations, particularly in the following fields: competition law, corruption, controls on exports of dual-use goods, data protection, human rights, international sanctions, fraud, harassment and discrimination and to a lesser extent money laundering and terrorist financing. As a result of regular local and global changes in laws and regulations in multiple areas, the Company could be materially affected if it fails to timely comply with them.

F.2.6.5 Intellectual property protection [# extra-financial risks – Business & innovation challenges]

The Group's intellectual property rights may be challenged or infringed, and the Group may be subject to infringement claims, cross license agreement requests or license requirements under open source.

The Group relies on a combination of contractual rights and copyrights, trademarks, patents, domain name and trade secret laws to establish and protect its proprietary technology products and solutions and co-owned intangible assets. Third parties may challenge, invalidate, circumvent, infringe or misappropriate its intellectual property.

While the Group strives to ensure that its intellectual property is sufficient to permit to conduct its business independently, others, including its competitors, may develop similar technology, duplicate its services or design around its intellectual property. In such cases the Group may not be able to assert its intellectual property rights against such parties or may have to obtain licenses from these third parties (including in the context of cross-license agreements, pursuant to which the Group would also grant a license to its intellectual property). The Group may have to litigate to enforce or determine the scope and enforceability of its intellectual property rights, trade secrets and know-how, which is expensive, could cause a diversion of resources and may not prove successful. The loss of intellectual property protection or the inability to obtain third party intellectual property could harm the Group's business and ability to freely operate.

F.2.6.6 Suppliers [# extra-financial risks – Ethics & governance challenges]

Atos has a strategic target to restrict the number of vendors it works with. Many of these key vendors work with Atos to design, implement and operate IT systems for its own and its customers' needs. While there are alternative solutions for most sources of supply, there is always the possibility of failure of those suppliers' businesses and/or products and/or services, or the inability to renew agreements on acceptable terms, which may have an adverse impact on Atos operations.

Atos project performance may be degraded because of third party goods and/or services. This risk is further detailed in section F.2.5 – "Delivery Quality & Customer relationship".

F.2.6.7 Country risks

Atos operates in 73 countries. Some countries are more exposed than others to political or economic risks that may affect the Group's business and profitability. However, most of the revenue of the Group is generated from "stable" and non-sanctioned countries.

F.2.6.8 Counterparty risks

Payments services (delivered by Worldline) expose Atos to a counterparty risk in the case a counterparty (mainly card issuer client) would be in default while the clearing and settlement are processed (which may take a few days depending on the type of processing, the day of the week and the card scheme).

F.2.6.9 Financial risks

Financial risks include liquidity, credit, interest rate, and exchange rate risks. Due to its worldwide operations, Atos is subject to interest rate and exchange rate risks. The exposure and mitigation actions are presented in section E.5.7.3 Note 11 - "Fair value and characteristics of financial instruments".

More details on liquidity risk, cash flow interest rate risk, foreign exchange risk, market value of financial instruments, price risk and credit risk are contained in section E.5.7.3 Note 11 to the consolidated financial statements. The risk on shares and financial instruments is overall narrowed to Atos and Worldline treasury shares, respectively.

F.2.6.10 Environmental risks [Extra-Financial risks – Environment challenges]

[GRI 201-2]

Atos main global external environmental risks relate to climate change (adaptation and carbon taxes), to natural disasters (extreme natural events) and to energy and carbon (efficiency, consumption, emissions). More details on environmental risks are contained in section D.5.2.4 – "Main environmental opportunities and risks".

F.3 Mitigation measures

F.3.1 Cyber-attack, security of systems and data protection [extra-financial risks – Business & Innovation challenges – refer to D.3.3 "Building client trust through Security and Data protection" for detailed programs]

The Group has implemented specific programs and procedures to ensure the proper management of IT risks, covering security and personal data protection, back-up systems and effective insurance cover.

IT production sites, offshore development centers, maintenance centers and data centers are specifically subject to extensive administrative and technical procedures for safeguarding and monitoring, covering physical and IT system access, energy supply breakdown or disruption, fire, regulation of extreme temperature changes, data storage and back-up, contingency and disaster recovery plans.

To strengthen its defense capabilities and prevent unauthorized access to information, including personal data, and systems, Atos has deployed an information security management system which is certified to the ISO 27001 standard.

Crisis management is defined in the Atos Crisis Management Policy and is applicable to all Atos business entities and their executive leadership, management, and staff (employees and contractors). In addition, Atos has established a Cyber Emergency Policy to ensure the implementation of a consistent methodology by which Atos executive leadership, management, and staff (employees and contractors) will act in addressing any declared cyber emergency event.

To minimize the impact of security incidents, including data breaches, improve the responsiveness and enforce the management of cybersecurity defenses, Atos has implemented a CSIRT (Computer Security Incident Response Team) to manage all security events and security incidents worldwide, employing a 24x7 follow-the-sun methodology. In addition, the CSIRT provides forensic and threat management expertise. A Threat Intelligence Team is responsible for identifying and monitoring all published security vulnerabilities and must present to the Group Chief Security Officer security vulnerabilities based on specific criteria. As general principle, any personal data breach is qualified as a security incident. Therefore, in case of data breach, the Data Protection Officer is invited to be part of the response team in accordance with Atos Data Breach Policy.

In order to limit the risks of data breach caused by its own employees and to enhance their responsiveness in such cases, Atos has deployed a new worldwide awareness training program, mandatory for all employee within the Group.

F.3.2 People [extra-financial risks – People challenges - refer to D.2 "Being a responsible employer" for detailed programs]

Atos is focused on providing challenging career opportunities and job content. Over the reporting period, Atos has been able to continue its focus on employability, to further develop strategic and tactical workforce management and to offer better career perspectives supported by competency development through the Atos University programs.

Given Atos' ambition to be the trusted digital partner of its client, development and certification of "digital" skills and competencies, in technology, commercial and support functions, remains a priority.

Skills and performance enhancement is also managed through on-going investment in certifications, adaptive and multi-channel learning and the development of Atos University in India.

Continuous improvement cycles of the recruitment process in different countries have been established with the identification of Talents and pools of experts in the market (Tier 1 universities, network of experts) and the set-up of career plans for Tier 1 graduates and interns.

An active **follow-up of key people** (top performers, talents, experts) is implemented. Individual Development Plan as well Career Mobility programs (like Internal First) are developed, while enhancing key people identification and experts' community. Through state of the art global programs in place from early career to senior executive level ("Launch for Future Leaders", "Fuel for Emerging Leaders", "Gold for Technology Leaders", "Gold for Business Leaders" and "Value for Executive Leaders") and with worldwide leading institutions, Atos commits to offer our talent the best management and leadership development opportunities throughout their career.

To enhance the Group ability to **attract and retain staff**, the Human Resources department has developed competitive reward structures. More and more efforts were initiated in social collaboration to create communities of professionals and experts, in which sharing of knowledge and expertise is encouraged. A particular focus was put on digital experts offering a dedicated career framework.

These initiatives allowed faster adaptation of people to client needs and led to greater mobility, which also helped to balance attrition. The success of these "People" initiatives is evidenced by an increase in Trust Index as well as in the social dimension of the Dow Jones Sustainability Index (DJSI). Atos is now considered in the DJSI as IT sector lead.

Through the Wellbeing@work program Atos creates a collaborative environment which is underpinned by development (including Individual Development Plans) and career mobility plans such as Internal First, as well as initiatives to close the gender gap and encourage inclusiveness (for further details on those programs please refer to D.2.4 "Enhance the Wellbeing@work").

Given Atos' ongoing need to attract and to deploy Human Resources, the Group ascertained its ability to optimize resource utilization rate. The Group processes in this area are mature and the offshore facilities of the Company were the subject of external certifications. Atos is therefore well positioned and ready in any case of business risks associated with offshoring.

F.3.3 Innovation and New Offerings [extra-financial risks – Business & Innovation challenges - refer to D.3.4 "Innovative approach of sustainable business" and D.3.5 "Meeting sustainability challenges of client through offerings" for detailed programs]

In this domain, Atos has deployed a proactive strategy under the supervision of the Chief Technology Officer, which involves a Scientific Community looking ahead for future trends, and a network of recognized "experts".

The R&D investment committee oversees the global R&D roadmap and a specific risk assessment process (named "RAPID") has been setup to approve and follow R&D investments.

Atos is also addressing the risks related to the safeguard of Innovation and new offerings through a dedicated Intellectual Property Factory managing all types of IP assets: domain names, trademarks, copyrights, patents and trade secrets. This is a defense mechanism against the competitors and patent trolls, who may target Atos with infringement claims or litigations.

As described in section F.1.2, the Rainbow bidding process enables the detection of potential exposures, including technical, legal and financial risks, related to deals in which the Company is engaged. It is a quality gate to ensure that solutions requested by the clients are ready to be delivered.

F.3.4 Market and competitors

Atos is performing periodically a review of the different markets to plan and adapt its activities. This is further detailed in section B.3.2"Competitive landscape and new expected position of Atos ".

F.3.5 Delivery quality and customer relationship [extra-financial risks – Business & Innovation challenges – refer to D.3.2 "Meeting client needs and expectations" for detailed programs]

The Group seeks to minimize the risks related to the delivery quality through rigorous review processes (including a technical and delivery assessment of the solution) right from the offer stage. A dedicated process is in place, called Atos Rainbow Delivery (further detailed in section F.1.2) under which service proposals are reviewed, with an inventory of risks being kept for tracking purposes. This process also covers the execution phase of the contract, including updates of the risk registers. This allows the Group to take mitigating actions where appropriate and to follow up on outstanding actions.

In order to further strengthen Atos' operational excellence, a Group Contract Management program is deployed on major accounts to globalize and homogenize contract management activities, combining legal risk assessment, contractual obligations and performance management. Taskforces are also set up in the event of delivery issues, aimed at responding quickly and adequately to failures.

Atos must also consider the evolving customer preferences by adopting cross-selling and cross divisional portfolio to answer their demand. This implies an adequate management of client relationship through client intimacy and centricity.

F.3.6 Other risks

F.3.6.1 Acquisitions / External Growth

In the context of regular acquisitions, and in particular significant ones such as this year with Syntel or SIX Payment Services, Atos rolls out integration programs which are closely monitored by general management in order to facilitate the integration of the acquired businesses and of their teams. These programs notably aim to improve efficiency through the use of Atos' or the acquired companies' best practices. They also generally include an in-depth review of contracts deemed at risk in all countries in order to adequately assess their fair value and implement corrective actions as the case may be.

F.3.6.2 Clients

Although Siemens is Atos' first client and partner, the dependence towards Siemens is limited due to the multiplicity of contracts the Group has with this customer having different termination dates, durations and terms and conditions for renewal. It is also reduced as Atos has a large group of similarly sized accounts (from 2 to 10 Top accounts) apart from Siemens that balance each other.

F.3.6.3 Partnerships and subcontractors [extra-financial risks – Business & innovation challenges – refer to D.3.6 "Shape the future with business partners and ecosystem" for detailed programs] [GRI 102-8] [GRI 203-2]

Subcontracting is managed by HR Workforce Managers working in each entity; but the commercial relationship is through contracts negotiated by the Global Procurement function. Atos|Syntel subcontractors (all Time & Material contracts) are managed by HR including Business demand.

In order to manage compliance risks (including corruption, competition, international sanctions or conflict of interest risks), Atos' contemplated partners are subject to a due diligence and approval process. For more information on the Business Partner process, please refer to D.4.2 "Atos Ethics and Compliance Management".

F.3.6.4 Regulatory and compliance risks [extra-financial risks – Ethics & governance challenges – refer to section D.4.2. "Atos Ethics and compliance management" for detailed programs]

Atos has created internal rules that aim to ensure compliance with national and international laws and regulations, in support of Atos's Code of Ethics principles relating to business integrity. They are continuously reviewed to ensure adherence to laws and regulations, as well as relevance and usefulness in guiding the behaviors of its employees and key stakeholders. Please refer to section D.4.2.1 "Atos Ethics and Compliance program".

F.3.6.5 Intellectual property protection [extra-financial risks – Business & innovation challenges - refer to section D.3 "Generating value with co-innovation and sustainable business solutions" for detailed programs]

Due to their complexity, the technology domains addressed by the Group are subject to an increase in the number of risks related to intellectual property but also in the financial impact they may have. In order to tackle these risks and to manage them efficiently, the Group develops its own strategy by means of specific governance described in the "Atos IP policy" and is providing dedicated resources which are entrusted with the implementation of appropriate policies and processes, and a strong worldwide patent applications filings campaign. This governance is headed by the Atos Global CTO which convenes on a weekly basis and gathers top management representatives and internal stakeholders and ramifies deeply into operations by means of an Intellectual Property Managers network active within Research & Development and Global Business Lines at Divisions or local level.

F.3.6.6 Suppliers [extra-financial risks – Ethics and governance challenges – refer to D.4.3 "Ethics in the supply chain" for detailed programs]

Risks associated with vendors are jointly managed by Global Procurement and the Divisions. The Global Procurement function is responsible for managing the cost base of Atos and for managing the commercial relationship with the vendors including their identification and selection, input into customer bids, contract negotiation and signature, cost savings actions and innovation ideas. The Divisions are responsible for defining the specification of goods and/or services required and for managing the operational delivery to the right quality, cost and delivery indices.

To mitigate risks, the procurement process integrates the quality, cost, delivery, innovation, management and sustainability criteria to the supplier management process. To assist in this risk mitigation, Atos receives regular assessments of Atos' Suppliers Corporate Social Responsibility risks from EcoVadis. In addition, pursuant to Atos Business Partners' Commitment to Integrity, Atos suppliers adhere and commit themselves to respecting detailed rules including Environment and Humans Rights that include prevention against discrimination, child labor, forced or compulsory labor, compliance with working hours and wages laws, preservation of a safe and healthy work environment. Atos partners acknowledge that their non-compliance can be a breach of their contractual obligations, which could result, depending on the seriousness, in the termination of the contract.

Regarding the ranking of the main vendors of Atos, the largest one accounted for 7.18% of total Group purchases in 2018, the five biggest represented 16.73% of the total and the ten biggest amounted to 23.47%.

At December 31, 2018, there was no binding commitment with vendors for capital expenditures higher than € 8.5 million.

F.3.6.7 Country risks

In June 23, 2016, British citizens voted to exit the European Union. On the activity in the UK, our view is that the potential risk is concentrated on discretionary expenses and more particularly on the Banking and Financial sector for which Atos has a limited exposure. Indeed on 2016 Atos figures in the UK, revenue from discretionary expenses amounts circa 20% of which a small portion in Financial Services. The limited exposure has been confirmed in 2017 and 2018; the business remains dynamic in the UK with strong opportunities.

The modifications of the immigration policy announced by the US administration, notably in Executive Order 13788 of April 18, 2017, are expected to have a limited impact for Atos. Although the US revenue as of December 31, 2018 represents 16% of Atos Group revenue, the Company does not massively rely on non-US workers or the H-1B visa program for the its US business. In addition, the delivery model for US clients is to provide services directly from the US. Offshore costs coming from India and Mexico represent respectively 3.2% and 1.5% of total costs in the US for the US entity including Atos|Syntel. The impact of the US tax reform has been reviewed and was not material to the Group; however, we are reviewing and assessing the impact following the Syntel acquisition.

A country compliance process is in place in order to secure operations in identified risked zones. A compliance dashboard is periodically updated for each country by the Legal & Compliance department with the support of risk, finance, insurance and security departments to monitor the specific risks of each country regarding regulations and compliance matters.

The Group makes a periodic Strategic Operational Review of its activities in order to fully revisit all options in respect of portions of the business which would not have the critical size on their market, as well as activities considered as being non-core business.

F.3.6.8 Counterparty risk

To mitigate the counterparty risks, Atos' subsidiary Worldline has developed a methodology for:

- defining the type of risk, calculating and managing risk exposures;
- evaluating and monitoring its counterparties' financial standing.

The main objective is to mitigate the impact of significant counterparty credit events on the Company. This framework has been fully implemented for banks and merchants.

F.3.6.9 Financial risks

The Group proceeds to a specific review of its liquidity risk and considers itself as being able to face future requirements. As described in section E.4.3 "Financing policy" of this document, Atos' policy is to cover fully its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and future developments.

The risk on Atos and Worldline treasury shares is mitigated by the relative close dates of, respectively, market purchase plans and delivery to the beneficiaries of performance shares.

F.3.6.10 Environmental risks [extra-financial risks – Environmental challenges – refer to D.5.2 "Environmental management" for detailed programs]

The Environmental Program has been in place since 2008. The Environmental Policy, the Environmental Management System (EMS) and the ISO 14001 certification implemented worldwide, are at the heart of the program. Program details are contained in D.5.2"Environmental management".

F.4 Claims and litigation

The Atos Group is a global business operating in 73 countries. In many of these countries there are no claims, and in others there are only a very small number of claims or actions made involving the Group. Having regards to the Group' size and revenue, the level of claims and litigation remains low.

The low level of claims and litigation is attributable in part to self-insurance incentives and the vigorous promotion of the quality of the services delivered by the Group and the intervention of a fully dedicated risk management department, which effectively monitors contract management from offering through delivery and provides early warnings on potential issues. All potential and active claims and disputes are carefully reported, monitored and managed throughout their evolution and are subject to legal reviews by the Group Legal department.

During the second half-year of 2018 the Group successfully closed several important disputes through settlement agreements.

Group Management considers that sufficient provisions have been made.

The total amount of the provisions for litigation risks, in the consolidated accounts closed as of December 31, 2018 to cover for the identified claims and litigations, amounted to 42.16 million of euros (including tax claims but excluding labor claims).

F.4.1 Tax claims

The Group is involved in several routine tax claims, audits and litigations.

Such claims are usually solved through administrative non-contentious proceedings. Some of the tax claims are in Brazil, where Atos is defendant in some cases and plaintiff in others. Such claims are typical for companies operating in this region and proceedings usually take a long time to be processed.

Following the decision in a reported test case in the UK, there is substantial ongoing court claim against the UK tax authorities for a Stamp Duty re-imbursement. Following an HSBC ruling reached by the European Court of Justice, Atos UK commenced proceedings in 2009 to recover a stamp duty of an amount over €10 million paid in 2000. The Stamp Duty aspect of the claim was won in 2012. Regarding the time limit rule a favorable judgement was released in April 2017. Atos UK is now waiting for the outcome of the HMRC's request for appeal in the test case.

The total provision for tax claims, as inscribed in the consolidated accounts closed as at December 31, 2018 was € 21.2 million.

F.4.2 Commercial claims

There are a small number of commercial claims across the Group.

Some major contracts which were monitored by the Risk Management Committee turned into litigation throughout the 2018 exercise, notably in Germany. These disputes are directly managed by the Group Legal department.

There is a number of significant on-going commercial cases in various jurisdictions that the Group has integrated as a result of several acquisitions. In this respect, the Group and Siemens signed two settlements agreements covering the Unify cases on one hand and the Siemens IT Solutions et Services cases on the other. Further to the signature of these agreements, the Group is confident that it has obtained a satisfactory coverage of the associated risks.

The total provision for commercial claim risks, as inscribed in the consolidated accounts closed as at December 31, 2018, amounts to € 12.65 million.

F.4.3 Labor claims

There are circa 120,000 employees in the Group and relatively few labor claims. In almost every jurisdiction there are no or very few claims. Latin America is the only area where there is a significant number of claims, but such claims are often of low value or inflated and typical for companies operating in this region.

The Group is a respondent in a few labor claims of higher value in France and Brazil, but in the Group's opinion most of these claims have little or no merit and are provisioned appropriately.

All of the claims exceeding € 300,000 have been provisioned for an overall amount of € 8.9 million as inscribed in the consolidated financial statements as at December 31, 2018.

F.4.4 Representation & Warranty claims

The Group is a party to a very small number of representation & warranty claims arising out of acquisitions/dispositions.

F.4.5 Miscellaneous

The Group is only involved in a small number of administrative proceedings relating to competition law mainly inherited from the SIX Payment Services acquisition. The total amount of the associated provisions in the consolidated accounts closed as of December 31, 2018 is 8.3 million of euros.

To the knowledge of the Company, there are no other administrative, governmental, judicial, or arbitral proceedings, pending or potential, likely to have or having had significant consequences over the past semester on the Company's and the Group's financial situation or profitability.

F.5 Internal control

The internal control system whose definition is stated in section F.5.1 below and designed within Atos relies on the internal control reference framework prescribed by the AMF (Autorité des Marchés Financiers).

The "general principles" section of the AMF framework has been used to describe in a structured manner the components of the internal control system of Atos—section F.5.3 Components of the internal control system. Specific attention has been given to the internal control system relating to accounting and financial information—section F.5.4 "Systems related to accounting and financial information", in compliance with the application guide of the AMF.

Internal control players are described in section F.5.2 "Internal control system players".

F.5.1 Internal control definition and objectives

Internal control system designed throughout the Group aims to ensure:

- compliance with applicable laws and regulations;
- application of instructions and directional guidelines settled by general management;
- correct functioning of Company's internal processes to establish operational effectiveness and efficiency, the safeguarding of assets and the reliability of financial information.

One of the objectives of internal control procedures is to prevent and control risks of error and fraud. As for any internal control system, this mechanism can only provide reasonable assurance and not an absolute guarantee against these risks.

F.5.2 Internal control system players

The main bodies involved in the implementation of internal control procedures at Atos are as follows:

Board of Directors supported by Audit Committee

The Board of Directors prepares governance rules detailing the Board's role supported by its Committees. Those Committees enlighten the Board as to the quality of the internal control system. The Audit Committee, in particular, is informed of the content and the implementation of internal control procedures used to ensure the reliability and accuracy of financial and business information and stays informed about the proper implementation of the Internal Control System.

General management and Executive Committee

General management is responsible for the management of the Group's business and focuses on strategic aspects to develop the Group. As part of its role, general management defines the framework of the internal control system.

The Executive Committee leads the operational performance of the Group. Management at different levels, is responsible for implementing and monitoring the internal control system within their respective areas of responsibility.

Audit, Risk and Compliance (ARC) Committees

At Global Division level, ARC Committees have been setup under the supervision of Group Internal Audit, in order to strengthen the local supervision of Internal Control topics. Their purpose is to share the main audit conclusions with local management, and to review action plans related to identified weaknesses or potential risks.

Internal control & ERM (Enterprise risk management)

Internal control & ERM function is to ensure the development and the coordination of the internal control system, like the implementation of the Book of Internal Control and its continuous monitoring and improvement within the Group. Internal control & ERM also runs the Enterprise Risk assessment in coordination with Global Functions, Divisions and Business Units.

Internal control relies on local internal control coordinators in each Global Function/Division/Business Unit who assist in the deployment of the various initiatives.

Internal Audit

The Internal Audit organization is centralized which enables a global working practice following one Group audit plan and a consistent audit methodology. Internal Audit operating principles are defined in the Group Internal Audit Charter, which is validated by general management. The Audit Committee also receives regular reports on the Internal Audit work plan, objectives of assignments, and associated results and findings. The Internal Audit department liaises with the statutory auditors to ensure an appropriate co-ordination between internal and external audits.

In 2018, Group Internal Audit department obtained the renewal of the French Institute for Internal Audit's IFACI certification. This accreditation attests the quality of the Internal Audit (IA) function, the level of compliance with international standards and IA's degree of control over key challenges.

F.5.3 Components of the internal control system

A – Governance/control environment

The organization, competencies, policies (methods, procedures and practices) and systems represent the ground layer of the internal control system and the fundamentals of the Group. The main components are presented in this section.

Matrix organization: The Company runs a matrix organization structure that combines operational management (Global Business Units (Geographies)/Divisions) and Functional Management (Sales & Markets and Support Functions). This matrix structure allows a dual view on all operations and therefore enhances the control environment.

Responsibilities and powers: The following initiatives aim to frame the assignment of responsibilities:

- Delegation of Authority: In order to ensure efficient and effective management control from the country level to general management level, a formal policy sets out the authorization of officers of subsidiaries to incur legal commitments on behalf of the Group with clients, suppliers and other third parties. The delegation of authority policy has been approved by the Board of Directors and rolled-out under the supervision of the Group Legal & Compliance department;
- Segregation of Duties: The segregation of duties (SOD) policy is defining accountability for implementing and monitoring organizational and technical measures proportionate to the risks of errors or fraud. A tool has been used to perform automatic assessments of those rules in the main systems.

Compliance coordination: Compliance is managed by a committee chaired by the Group General Counsel, in order to ensure that the organizations, processes and activities effectively support the compliance policy of Atos.

Competencies: The Group Human Resource management policy relies on the *Global Capability Model* (GCM) which is a standard for categorizing jobs by experience and expertise across the Group. A Group Policy on bonus scheme completes this system by setting incentives.

Policies and procedures: Policies and procedures contribute to an appropriate control environment: They are gathered in the Book of Internal Policies and stored in a common repository. They include among other, Code of Ethics (further described in the section D.4.2 "Atos Ethics and Compliance Management"), Data protection, Payments & Treasury Security Rules, Investment Committee, Security Policy.

Along with the centralization of the Group Policies, the "Business Process and Rollout Management" (BPOM) department focuses on creating an Atos Business Process Center of Excellence (BPCOE) in coordination with business process owners and the functions related to internal control, quality, Security etc. The BPCOE community, supported by process analysts, is responsible for documenting existing and targeted business processes, including the supporting organization, KPIs, and internally and externally mandated compliance parameters.

Information Systems: Group Business Process and Internal IT department is in place to provide common internal IT infrastructures and applications for Atos staff worldwide. It supports functions like Finance (accounting and reporting applications), Human Resources (resourcing tool, corporate directory), Communication (Group websites and Intranet) or Project Managers (capacity planning and project management).

Security and access to these infrastructures and applications as well as their reliability and performance are managed by this department and benefit from the core expertise and resources from the Group.

B – Communication of relevant and reliable information

Several processes are in place to ensure that relevant and reliable information is provided within the Group.

Monthly reviews of operational performance by Division and Operational Entity are organized under the responsibility of the Group Chief Financial Officer and in the presence of the relevant Executive Vice-Presidents.

A shared ERP system is deployed and used in almost all countries of the Group except recently acquired entities, enabling easier exchange of operational information. It allows producing cross border reporting and analysis (cross border project analysis, customer profitability…) as well as business reports through different analytical axis (Division, geographical and market axis).

Formal information reporting lines have been defined, following the operational and the functional structures. This formal reporting, based on standard formats, concerns financial and non-financial information as well as operational risks (through Risk Management Committees), treasury (with Payments and Treasury Security Committee), or financial restructuring (Equity Committee).

This bottom-up communication is accompanied by top-down instructions, issued regularly, and especially for budgeting and financial reporting sessions.

C – System for risk management

Risk management refers to means deployed in Atos to identify, analyze and manage risks. Although risk management is part of a manager's day to day decision making process, specific formal initiatives are in place for risk management, as described in section [F.1 "Risk management activities"] of this document.

Risk management activities include a yearly Enterprise risk management assessment, identifying the key challenges that may impact the Company. The ERM methodology is also used to perform the Legal Risk Mapping, targeting more specifically legal and compliance risks.

Operational risks on projects are managed by the risk management function (including a Group Risk Management Committee who meets monthly to review the most significant and challenging contracts). Similarly, the same process has been duplicated for R&D projects with a dedicated organization.

Risks related to logical or physical security are managed by the Security Function.

All risk management activities include an assessment of the key risks, and a regular follow up of mitigation actions.

Control activities have also been implemented (through the Book of Internal Control), on the basis of main risks identified, as described next section related to "control activities".

D – Control activities

Atos key control activities are described in the Book of Internal Control (BIC). This document, sent out to all entities by the general management, complements the different procedures by addressing the key control objectives of each process to achieve an appropriate level of internal control.

It doesn't cover only the financial processes, but also the various operational processes (Opportunity to Order, Order to Cash, Offering Lifecycle, HR Management) and Risk & Compliance activities (Security, Legal, Sustainability).

An updated version of the Book of Internal Control has been released and distributed throughout the Group in January 2019, in order to take into account additional controls and some improvements in various processes. This framework will continue to evolve, according to growing maturity of processes and emerging risks (update at least once a year).

An IT control framework (part of the BIC) has been defined, detailing control activities related to client service. This framework is used to issue "ISAE 3402" reports [1] for several Atos clients.

E – Monitoring

Monitoring of the internal control system is the responsibility of the Group and Local Management, and is also supported by Internal Audit missions.

Control self-assessments (through questionnaires) and control testing are performed by the Functions and the divisions within the GBUs/Countries, and are reviewed at Group level. Action plans are initiated when deviations were reported.

Internal Audit is ensuring, through its reviews, that the internal control procedures are properly applied and supports the development of internal control procedures. Internal Audit also defines, in partnership with Group and Local management, action plans for continuously improving internal control processes.

In 2018, Internal Audit carried out a total of 63 audit assignments (including investigations at the request of general management) assessing the functioning of internal control system: 22 in the domain of support functions and 41 related to Operations/core business. All assignments have been finalized by the issuance of an audit report including action plans to be implemented by the related division or country.

Twice a year, a full review of open recommendations is performed by Internal Audit with concerned owners, and critical, high & medium risk actions are reported up to the Group Executive Committee and Audit Committee. End of H1 2018, circa 92% of high and medium audit recommendations have been implemented.

Internal Audit has also actively contributed to help the business in meeting the compliance requirements to maintain the "payments institution" status for Worldline entities. An annual assessment has therefore been included in the audit plan.

Audits on Service Organization Controls (SOC) have been performed by independent auditors for the main service providers who run processes on behalf of Atos, notably in the areas of payroll processing, accounts payable management or general ledger accounting processing.

F.5.4 Systems related to accounting and financial information

The financial governance of the Group supports a set of global financial processes, which are part of the Group Internal Control system and are carefully monitored due to their sensitive nature:

- finance processes: general accounting, budgeting and forecasting, consolidation and reporting, treasury, credit risk management;
- "expert" functions processes: taxes, insurance, pensions, real estate transactions;
- operational processes: bidding, contract execution, financial business model.

(1) ISAE3402 (International Standards for Assurance Engagements [ISAE] No. 3402). A global assurance standard for reporting on controls at a service organization used for auditor's report on internal control of a service to a third party. Activities of Atos typically have an impact on the control environment of its clients (through information systems), which may require the issuance of"ISAE3402 reports" for the controls ensured by Atos.

A – Local and Group financial organization

The management of the Finance function is performed through two main Committees that meet on a bi-monthly basis and are chaired by the Group CFO:

- the Group Finance Committee (GFC) is composed of the Directors of the main functions within the Finance organization and Finance Directors of the Divisions. This Committee deals with cross functional topics critical to the Group;
- the Operational Finance Committee (OFC) comprises CFOs from the GBUs and the divisions, Treasury and Controlling Directors (and other Directors according to the agenda). It deals with operational topics and GBU specific issues.

A direct reporting line to the Group Finance Function, as it is the case for the other support functions, reinforces the integration of the financial function, contributes to the full alignment of key finance processes and provides an appropriate support to operational entities of the Group.

The Group Finance department is in charge of piloting the financial processes, especially through financial consolidation, monitoring of compliance matters and supplying expertise and control of the reported financial information. Group Finance reviews significant accounting options and positions, as well as potential Internal Control weaknesses, and it initiates any required corrective actions.

B – Group Finance policies & procedures

Group Finance has drawn up a number of Group policies and procedures to control how financial information is recorded and processed in the subsidiaries. These policies and procedures are discussed with the statutory external auditors before issuance. They cover a number of elements:

- Financial accounting policies cover Group reporting and accounting principles, guidelines on how financial information must be prepared, with common presentation and valuation standards. They also specify the accounting principles to be followed by Atos entities in order to prepare budgets, forecasts and submit actual financial reporting required for Group consolidation purposes. Group Reporting Definitions (GRDs), internal guidelines for IFRS and accounting rules applicable in the Operations, are regularly updated;
- Training and information sessions are organized regularly in order to disseminate these policies and procedures within the Group. A dedicated Intranet site is accessible to all accounting staff to facilitate the sharing of knowledge and issues raised by members of the Atos financial community;
- Instructions and timetable: financial reporting including budgets, forecasts and financial statements by subsidiary is performed in a standard format and within a timetable defined by specific instructions and procedures. Group Finance liaises with statutory auditors to coordinate the annual and half-year closing process.

C – Information systems

Information systems play a key role in the establishment and maintenance of a control system related to accounting and financial information. They have strongly structured the processes and have enabled automated preventive controls. They also provide ongoing monitoring and analysis capabilities.

An integrated ERP system supports the production of accounting and financial information in almost all the subsidiaries within the Group except for those recently acquired.

A single group reporting and consolidation tool is used for financial reporting (operational management reporting and statutory data). Each subsidiary reports its financial statements on a standalone basis in order to be consolidated at Group level. There is no intermediary consolidation level and all accounting entries linked to the Group consolidation remain under the direct control of Group Finance. Off balance sheet commitments are reported as part of the mainstream financial information and are reviewed by Group Finance.

D – Monitoring and control

In addition to the financial processes defined, monitoring and control processes aims to ensure that accounting and financial information complies with all applicable policies, rules and instructions.

The Closing File (which is closely linked with the Book of Internal Control) has been deployed at local level across all GBUs. It requires the main subsidiaries to complete a standard electronic closing file on a quarterly basis in order to formalize key internal controls performed over financial cycles and provide appropriate back up to support closing positions. Templates created by Group Finance illustrate the expected level of control for the main items.

Functional reviews are performed by Group financial support functions on significant matters relating to financial reporting, such as tax issues, pensions, litigations, off balance sheet items or business performance and forecasts.

Operational and financial reviews: Group Controlling supports Operations and general management in the decision making process through monthly reviews and by establishing a strong link with country and division management in performing financial analysis and monitoring, enhancing control over operations and improving the accuracy and reliability of information reported to the Group.

Representation letters: During the annual and half-year accounts preparation, the management and financial head of each subsidiary are required to certify in writing that:

- they have complied with the Group's accounting rules and policies;
- they are not aware of cases of proven or potential fraud that may have an impact on the financial statements;
- the estimated amounts resulting from assumptions made by management enable the Company to execute the corresponding actions; and
- to the best of their knowledge, there was no major dysfunction in the control systems in place within their respective subsidiaries.

Internal Audit department: The review of the internal control procedures linked to the processing of financial information is a key component of the reviews conducted by the Internal Audit department on an ongoing basis. The Internal Audit department works together with Group Finance to identify the main risks and to focus its audit plan accordingly.

F.5.5 Outlook and related new procedures to be implemented

In 2019, financial, commercial and social development programs, as well as other transformation initiatives, will pursue their effects to improve and streamline processes, with benefits for the Internal Control System. In particular, recently acquired entities will be integrated in Atos internal control system.

Initiatives identified through the updated risk mapping will be monitored to ensure that proper attention is given to those topics.

The Internal Audit department will pursue the internal review program updated following the risk assessment performed in 2018, and the follow-up of its recommendations.

G

Corporate governance and capital

G.1 Legal Information

G.1.1 Corporate form

[GRI 102-5]

The Company, which was initially incorporated as a "Société Anonyme" (public limited-liability company) was transformed into a European public limited-liability company ("Societas Europaea" (European company) or "SE") pursuant to a decision of the Extraordinary General Meeting of May 30, 2012. It is governed by applicable European and French legal provisions on "European companies", and to the extent they are not contrary to such specific provisions, French legal provisions, applicable to "Sociétés Anonymes", as well as by the Articles of Association.

G.1.2 Corporate purpose and other information

- **Corporate purpose**: under article 2 of the Articles of Association, the Company's purpose in France and elsewhere is as follows:
  - the processing of information, systems engineering, studies, advice and assistance notably in the finance and banking sectors;
  - the research into, study, realization and sale of products or services which help in promoting or developing the automation and broadcasting of information and notably: the design, application and implementation of software, computer, on-line and office automation systems;
  - it can also operate, either by itself or using any other method, without any exception, or create any company, make all contributions to existing companies, merge or create alliances therewith, subscribe to, purchase or resell all shares and ownership rights, take all interests in a partnership and grant all loans, credits and advances;
  - and more generally any commercial, industrial, real-estate, movable property or financial transactions, either directly or indirectly related to one of the above-mentioned purposes.
- **Company name:** the corporate name of the Company has been changed to "Atos SE" (previously "Atos") upon the transformation into a "Societas Europaea" (European company) (article 3 of the Articles of Association).
- **Nationality:** French.
- **Registered office and principal place of business:** under article 4 of the Articles of Association, the registered offices of Atos SE are located at 80, quai Voltaire – 95870 Bezons, France – +33 (0)1 73 26 00 00.
- **Registered** in the Pontoise Registry of Commerce under Siren number 323 623 603.
- **Business Identification Code (APE code):** 7010Z.
- **Date of incorporation and term:** The Company was incorporated in 1982 for a period of 99 years, i.e. up to March 2, 2081.

G.1.3 Provisions of the Articles of Association

G.1.3.1 Governance, related party agreements

Members of the Board of Directors (articles 13, 14, 15, and 16 of the Articles of Association)

The Company is managed by a Board of Directors composed of a minimum of seven members and a maximum of eighteen members that are appointed by the Ordinary General Meeting of Shareholders. The Board of Directors will be renewed annually by rotation in such a way as to allow a rotation of one third of the members of the Board of Directors. The term of office of the Directors is three years. The number of members of the Board of Directors over the age of 70 must not be greater than one third of the total serving members. Each Director is required to own at least 500 Company shares during the term of his or her office (this rule however does not apply to the Director representing the employees and the Director representing the employee shareholders).

The Board of Directors comprises up to two Directors representing the employees. It may also comprise, when applicable legal requirements are met, a Director representing the employee shareholders.

Chairman (article 21 of the Articles of Association)

The Board of Directors elects a Chairman from among its members. The Chairman represents the Board of Directors. He organizes and directs the Board's activities, on which he reports at General Meetings of Shareholders. He oversees the proper operation of the Company's bodies and makes sure, in particular, that the Directors are able to carry out their assignments.

Chief Executive Officer (articles 22, and 23 of the Articles of Association)

Pursuant to the choice made by the Board of Directors, the general management is handled either by the Chairman, or by an individual appointed by the Board of Directors who has the title of Chief Executive Officer. The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company. He exercises these powers within the limits of the Company's purpose and what the law, the Articles of Association and the Internal Rules of the Board of Directors expressly assign to the General Meetings of shareholders or the Board of Directors. The Chief Executive Officer represents the Company in its relationship with third parties.

Notices to attend Board meetings and decisions of the Board of Directors (article 18 of the Articles of Association)

The Board of Directors convenes as often as the Company's interest demands and at least every three months. Notice of Board meetings is sent to Directors by the Chairman. If no Board meeting has been called for over two months, at least one third of the Directors are empowered to ask the Chairman to call a meeting in order to handle the specific matters included on the agenda. The Chief Executive Officer is also empowered to ask the Chairman to call a Board meeting in order to discuss specific matters included on the agenda. Decisions are taken by majority of the members present or represented. In the event of a tie in the voting, the Chairman has a casting vote.

Powers of the Board of Directors (article 17 of the Articles of Association)

The Board of Directors determines the orientations of the Company's business and monitors their implementation. With the exception of powers expressly assigned to General Meetings of Shareholders and within the limits of the Company's purpose, it handles all matters involving the proper operation of the Company and settles matters through its deliberations. The Board of Directors sets the limitations on the Chief Executive Officer's powers, where required, in its Internal Rules, by indicating the decisions which require a prior authorization of the Board of Directors.

Related-party agreements (article 25 of the Articles of Association)

Any agreement entered into (directly, indirectly or through an intermediary) between the Company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, any of its Directors or one of its shareholders holding a fraction of the voting rights greater than 10% or, if it is a Company shareholder, the Company that controls it in the meaning of article L. 233-3 of the French Commercial Code, must receive the prior authorization of the Board of Directors. Agreements between the Company and another company, if the Chief Executive Officer, one of the Deputy Chief Executive Officers or one of the Directors of the Company is an owner, indefinitely responsible partner, manager, Director, member of the Supervisory Board or, in general, a senior manager of this company, are also subject to prior authorization.

Such prior approval does not apply to agreements covering standard operations that are concluded under normal conditions nor to those entered into by two companies where one of them holds, directly or indirectly, the entire share capital of the other, after deducting, if applicable, the minimum number of shares required to meet the requirements of article 1832 of the Civil Code or articles L. 225-1 and L. 226-1 of the Commercial Code.

Directors' compensation (article 20 of the Articles of Association)

The members of the Board of Directors may receive as Directors' fees, a compensation, the aggregate amount of which, as determined by the General Meeting, is freely allocated by the Board of Directors. The Board of Directors may in particular allocate a greater share to the Directors who are members of the Committees.

G.1.3.2 Rights, privileges and restrictions attached to shares

Voting rights (article 33 of the Articles of Association)

Each share carries one voting right. There is no share with double voting right. On the occasion of the Combined General Meeting held on May 28, 2015, the shareholders approved the modification of article 33 of the Articles of Association aimed at excluding the application of the so called "Florange law" (Act dated March 29, 2014) related to double voting rights and consequently, maintain single voting rights at General Meetings of the Company.

Participation in General Meetings of Shareholders (article 28 of the Articles of Association)

All shareholders may participate in General Meetings either in person or by proxy. All shareholders may be represented by their spouses, by another shareholder, or by partners with whom a civil solidarity pact ("PACS") has been concluded. They may also be represented by any other natural person or legal entity of their choice. The proxy must show evidence of this delegation.

The right of shareholders to participate in General Meetings is subject to the registration of the shares in the name of the shareholder or the financial intermediary registered on its behalf according to the regulations in force. Such financial intermediaries shall deliver to holders of bearer shares a shareholding certificate enabling them to participate in the General Meeting.

The shareholders, upon decision of the Company's Board of Directors, may take part in General Meetings through video conference or by telecommunication means, including the Internet. Article 28 of the Articles of Association provides for the terms and conditions of shareholders' participation in General Meetings in particular by means of an electronic voting form made available on the Company's website.

Identifiable bearer shares (article 9 par.3 of the Articles of Association)

The Company may proceed to the identification of holders of bearer shares at any time.

Changes to shareholders' rights

Any amendment to the Articles of Association, which set out the rights attached to the shares, must be approved by a two-thirds majority at an Extraordinary General Meeting. A unanimous shareholder vote is required to increase the liabilities of shareholders.

Terms and conditions for calling and general conduct of Ordinary General Meetings and Extraordinary General Meetings (articles 34 and 35 of the Articles of Association)

General Meetings of Shareholders are considered to be "Extraordinary" when the decisions relate to a change in the Articles of Association or Company's nationality or where required by law; and, "Ordinary" in all other cases. The Extraordinary General Meeting rules by a majority of two-third of the expressed votes, and the Ordinary General Meeting rules by the majority of expressed votes; expressed votes do not include blank and null votes of the present or represented shareholders, or of shareholders having voted by mail.

General Meetings are called and conducted in accordance with the terms and conditions of French law.

Disclosure of threshold crossing (article 10 of the Articles of Association)

In addition to the thresholds defined by applicable laws and regulations, all private individuals and legal entities, acting alone or in concert, who acquire, directly or indirectly, a fraction of the share capital equal to or greater than 2% or, following a shareholding of 2%, any multiple of 1%, are required to inform the Company, by registered letter with return receipt requested, within 5 trading days from the date on which one of these thresholds is crossed, of the total number of shares, voting rights or securities giving access to the share capital or voting rights of the Company held by them.

Failure to comply with the above requirements results in rescission of the voting rights attached to those shares relating to the unreported fraction at all General Meetings of Shareholders held during a two-year period following the date or regularization filing of the aforementioned notice. Application of this penalty is subject to a request by one or more shareholders holding at least 5% of the Company's share capital or voting rights mentioned in the minutes of the General Meeting.

The same information obligation applies, under the same terms and conditions, each time the fraction of the share capital or voting rights of a shareholder decreases to less than one of the above-mentioned thresholds.

Control of the issuer

No provisions in the Articles of Association, nor in any charter or Internal Rules, may delay, postpone or prevent a change of control of the Company.

G.1.3.3 Financial statements (articles 37, 38 and 39 of the Articles of Association)

Legal Reserve

5% of the statutory net profit for each year, reduced by prior losses if any, has to be allocated to the legal reserve fund before dividends may be paid with respect to that year. Funds must be allocated until the amount in the legal reserve is equal to 10% of the share capital, and shall be allocated again if, for any reason whatsoever, the legal reserve falls below that threshold.

Approval of dividends

Dividend payments are approved by the General Meeting of Shareholders, in accordance with articles L. 232-12 to L.232-18 of the French Commercial Code. The General Meeting of Shareholders may offer the shareholders, for all or part of the dividend available for distribution, an option for cash payments or payments in the form of new shares of the Company under the terms and conditions set by law.

G.2 Corporate governance

[GRI 102-10] [GRI 102-18] [GRI 102-22] [GRI 102-23] [GRI 102-24] [GRI 102-26]

G.2.1 Compliance with the AFEP-MEDEF Code - Frame of reference on corporate governance

French legislation and rules published by the financial market regulatory authorities apply to the Company's corporate governance.

The Company refers to the Corporate Governance Code of Listed Companies issued by the AFEP-MEDEF (revised version of June 2018) and has decided to use the Code, as soon as published, as a reference in terms of corporate governance, and to follow it up, through an annual Board meeting entirely dedicated to these issues.

In that respect, and as happens every year, Atos' Board of Directors met on December 17, 2018 to perform the annual review of the implementation by the Company of these governance principles. Following this meeting, also attended by employee members of the Participative Committee (body stemming from the European Company Council) who actively participated in the debates, the Board considered that the Company's governance practices are compliant with the recommendations of the AFEP-MEDEF Code.

The detail of the Board's assessment items on the implementation of the AFEP-MEDEF Code is available in its entirety on Atos' website: atos.net. The AFEP-MEDEF Code is available on the AFEP website: www.afep.com, in the Governance section.

As at the date of publication of this Registration Document, and in compliance with the rule "Comply or Explain" set forth under article L. 225-37-4 of the Commercial Code and article 27.1 of the AFEP-MEDEF Code, the Company has deviated from the following provisions for the reasons hereafter indicated:

Recommendation of the AFEP-MEDEF Code	Justification
Director's independence criteria (article 8.5.6 of the AFEP-MEDEF Code) The criteria to be reviewed by the Committee and the Board in order for a Director to qualify as independent and to prevent risks of conflicts of interest between the Director and the management, the corporation, or its group, are as follows: - not to have been a Director of the corporation for more than twelve years. Loss of the status of independent Director occurs on the date when this twelve years is reached.	As part of its annual review during the meeting of December 17, 2018, the Board of Directors, acknowledged that 80% of its Directors were considered independent (8 out of 10 members to be taken into account in order to calculate the independent Director ratio[1]), i.e. Nicolas BAZIRE, Valérie BERNIS, Bertrand MEUNIER, Colette NEUVILLE, Aminata NIANE, Lynn PAINE, Pasquale PISTORIO and Vernon SANKEY. In particular, the Board considered that even though Vernon SANKEY had served for 13 years as member of the Supervisory Board and member of the Board of Directors of the Company, his independence remained unaffected as of today due to the modification of the Company's governance structure in 2009 (from a dual to a unified Board structure) and more significantly to the modification of the identity of the Chief Executive Officer in 2008 (arrival of Mr. Thierry BRETON as Chief Executive Officer). Consequently, Mr. SANKEY was considered as having served 10 years so far under the current governance structure.

[1] *As per article 8.3 of the AFEP-MEDEF Code, the Directors representing the employee shareholders and the Directors representing the employees are not taken into account for the ratios of independent Directors.*

Moreover, upon the Chairman of the Board of Directors' initiative corporate governance issues are regularly addressed during Board meetings. The Board has indeed consistently expressed its will to take into account, and sometimes anticipate, recommendations on the improvement of corporate governance for listed companies whenever such recommendations are in line with the interests of the Company and of its shareholders.

This includes, in particular, the appointment of a Lead Independent Director, the reinforcement of conditions for stock option or performance share plans for which the senior managers of the Company are beneficiaries, the reinforcement of the presence of women and of employee representation at Board and Committee levels, the addition, in 2015, of performance conditions on the acquisition of rights under the supplementary pension scheme that benefit the Chairman and Chief Executive Officer, or the consultation of the Shareholders' General Meeting on the strategic orientation plans for 3 years (December 2013 and December 2016), which, in December 2016, also dealt with the anticipated renewal of the term of office of the Chairman and Chief Executive Officer for 3 years in order to align his mandate on the 2017-2019 strategic orientation plan. In December 2018, the Board also decided to create a Board Committee dedicated to social and environmental responsibility issues ("CSR Committee") in order to strengthen the consideration of these stakes for the Company.

G.2.2 Management Mode

The statutory governance of the Company was changed from a Supervisory Board and Management Board system to a system with a Board of Directors further to the decisions of the Combined General Meeting held on January 10, 2009. This evolution has simplified and unified the governance by adapting it to the Company's situation. On the occasion of the vote concerning the Company's transformation from a "Société Anonyme" (public limited-liability company) into a "Societas Europaea" (European public limited-liability company or "European Company") decided by the Annual General Meeting of May 30, 2012, the unitary Board structure, with Board of Directors, was upheld by the shareholders in the Articles of Association of the Company that were submitted to their approval.

The Board of Directors confirmed the choice of governance by deciding to unify the functions of Chairman and Chief Executive Officer and appointed Thierry Breton as Chairman and Chief Executive Officer on January 10, 2009 and upon the renewal of his term of office in 2012, 2015 and in December 2016.

The Board of Directors believes that this unified management structure allows for the necessary proactivity which enabled the Chief Executive Officer to implement the Company reconstruction since 2009, the successful integrations of Siemens IT Solutions and Services from 2011 and of Bull from 2014, and is one of the factor of the successful 3-year strategic plans 2011-2013, 2014-2016, 2017-2019, and now of the implementation of ADVANCE 2021, Atos' new three-year plan.

Yet, the Company has implemented several mechanisms to ensure a good balance of powers at corporate governance level:

(i) the Board of Directors is composed by 80% of independent Directors;

(ii) the Board has constituted three internal Committees, to help in the decision process, composed majoritarily or entirely of independent members;

(iii) since 2010, in accordance with the recommendations of the French Financial Market Authority, the Board has appointed, alongside the Chairman of the Board, a Lead Independent Director, in order to ensure the implementation of best corporate governance standards by the Board of Directors;

(iv) at least twice a year the Directors hold unformal meetings, in the absence of the Chairman and Chief Executive Officer, during which they discuss the Company's affairs, and address, among other subjects, the executive Director's succession plan;

(v) the Internal Rules of the Board of Directors specify the Board's reserved matters which require the Board's prior authorization (see below).

Limitations on the powers of the Chief Executive Officer

The Board has defined, in its Internal Rules, reserved matters which require the Board's prior authorization:

- purchase or sale of shareholdings exceeding € 100 million;
- purchase or sale of assets exceeding € 100 million;
- purchase of assets or shareholdings beyond the Group's usual activities;
- purchase or sale of real property exceeding € 100 million;
- strategic alliance or partnership which may have a structural impact for the Group;
- parental company guarantees exceeding the scope of the delegation granted to the Chief Executive Officer;
- any material transaction not within the scope of the strategy announced by the Company.

Executive Director Succession plan

At least twice a year the Directors hold unformal meetings, in the absence of the Chairman and Chief Executive Officer, during which they discuss the Company's affairs, and address, among other subjects, the executive Director's succession plan.

Moreover, during the 2019 Investor Day held on January 30, 2019, the Chairman and Chief Executive Officer indicated to be working on his succession plan in the context of the renewal of his term of office as Director during the General Meeting of April 30, 2019. In that respect, relationships between the members of the Board of Directors and the Group senior executives were strengthened in 2018.

G.2.3 The Board of Directors: composition and organization principles

[GRI 102-5] [GRI 102-22] [GRI 102-23]

G.2.3.1 Composition of the Board of Directors

Evolution of the composition of the Board of Directors and its Committees

In 2018, the composition of the Board of Directors was modified as a result of the following events:

	Departure	Appointment	Renewal
Board of Directors	N/A[1]	N/A	Pasquale PISTORIO[2] Bertrand MEUNIER[3] (05/24/2018)
Audit Committee	N/A	N/A	N/A
Nomination and Remuneration Committee	N/A[1]	Jean FLEMING (12/17/2018)	N/A
CSR Committee	N/A	Valérie BERNIS Marie-Christine LEBERT Lynn PAINE Vernon SANKEY (12/17/2018)	N/A

1 *Pasquale Pistorio resigned from his office as member of the Board of Directors with effect as of January 1, 2019.*
2 *For 1 year.*
3 *For 3 years.*

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Composition of the Board of Directors

In 2018, the Board of Directors was composed of 12 members as listed below:

		PERSONAL INFORMATION				EXPERIENCE	POSITION ON THE BOARD				
		Age	Gender	Nationality	Number of shares	Number of other mandates in listed companies[1]	Independence	Date of first appointment[2]	End of term of office	Seniority on Board	MEMBERSHIP IN COMMITTEES[3] (And other office)
Chairman & CEO	**Thierry BRETON**	64	M	French	508085	2	NO	02/10/2009	AGM 2019	10	N/A
	Nicolas BAZIRE	61	M	French	1040	4	YES	02/10/2009	AGM 2020	10	N&R ë
	Valérie BERNIS	60	F	French	505	2	YES	04/15/2015	AGM 2020	3	CSR ë
	Roland BUSCH	54	M	German	1000	2	NO	07/01/2011	AGM 2020	7	Audit
	Bertrand MEUNIER	62	M	French	1000	N/A	YES	02/10/2009	AGM 2021	10	Audit, N&R
	Colette NEUVILLE	82	F	French	1012	1	YES	04/13/2010	AGM 2020	8	N/A
	Aminata NIANE	62	F	Senegalese	1012	N/A	YES	05/27/2010	AGM 2019	8	**Lead Independent Director**
	Lynn PAINE	69	F	American	1000	N/A	YES	05/29/2013	AGM 2019	5	CSR
Directors	**Pasquale PISTORIO[4]**	83	M	Italian	1000	N/A	YES	02/10/2009	AGM 2019	10	N&R
(L.225-17 Ccom)	**Vernon SANKEY**	69	M	British	1000	N/A	YES	02/10/2009	AGM 2019	10	Audit ë, CSR
Director representing the employee shareholders (L.225-23 CCom)	**Jean FLEMING**	49	F	Bristish	1390	N/A	NO	05/26/2009	AGM 2020	9	N&R
Director representing the employees (L.225-27-1 CCom)	**Marie-Christine LEBERT**	56	F	French	10	N/A	NO	12/18/2017	AGM 2020	1	CSR**

1 *Other mandates exercised in listed companies (outside the Atos Group). Mandates exercised in listed companies belonging to the same group account for one single mandate.*
2 *Date of first appointment on the Board of Directors of Atos.*
3 *N&R: Nomination and Remuneration Committee, Audit: Audit Committee, CSR: CSR Committee.*
4 *Pasquale Pistorio resigned from his office as member of the Board of Directors with effect as of January 1, 2019.*
ë *Chairman of Committee.*
** *Vice-Chairman.*

Directors' biographies

Thierry BRETON

Professional address:
River Ouest – 80 quai Voltaire 95870 Bezons, France

Number of shares:
508,085

Date of birth:
01/15/1955

Nationality:
French

Date of first appointment:
Chairman & CEO: February 10, 2009 - Chairman of Management Board: November 16, 2008

Date of last renewal:
December 30, 2016

Term expires on:
AGM ruling on the accounts of the 2018 financial year

Individual attendance rate:
Board: 100%

Biography - Professional Experience

Chairman and Chief Executive Officer of Atos SE

Thierry Breton graduated from the Paris *École Supérieure d'Electricité* (Supélec) and the *Institut des Hautes Etudes de Défense Nationale* (IHEDN, 46th class). In 1986, he became Project Manager of the Poitiers Futuroscope theme park, and then headed its teleport operations. He later served as an advisor to Education Minister René Monory in the area of new information technologies. He also served in the Poitou-Charentes Regional Council from 1986 to 1992 (as Vice-Chairman from 1988 on).

He then joined Bull as Director of Strategy and Development before becoming Deputy Managing Director. Member of the Board of Directors in February 1996, he was successively named Vice-Chairman of the Board then Group Delegated Director.

After being appointed Chairman and Chief Executive Officer of Thomson (1997-2002) then Chairman and Chief Executive Officer of France Telecom (2002-2005), he was France's Minister for the Economy, Finance and Industry between February 25, 2005 and May 16, 2007, before becoming a professor at Harvard University (USA) for "*Leadership, Corporate Accountability*".

In November 2008, he became Chairman of the Management Board of Atos Origin. He is today Chairman and Chief Executive Officer of Atos SE. He is also Chairman of the ASEP (Alliance for Societas Europea Promotion), and he has also been Chairman of the French National Association for Research and Technology (ANRT) since March 2015 and member of the National Academy of Technologies (France) since 2015.

Directorships and positions

Other directorships and positions as at December 31, 2018

Within the Atos Group

France:

- Chairman of the Board of Directors: Worldline**

Outside the Atos Group

France:

- Director: Carrefour SA**, BofA Securities Europe SA (as from February 4, 2019)

Abroad:

- Director: Sonatel** (Senegal)

Other positions held during the last five years

Within the Atos Group

- Chief Executive Officer of Atos International
- Chairman of the Board of Directors: Bull

Outside the Atos Group

- Sats** (Singapore)

*** Listed company (Worldline was controlled by Atos SE as at December 31, 2018).*

Nicolas BAZIRE*

Chairman of the Nomination and Remuneration Committee

Professional address:
LVMH, 22 avenue Montaigne 75008 Paris, France

Number of shares:
1,040

Date of birth:
07/13/1957

Nationality:
French

Date of first appointment:
February 10, 2009

Date of last renewal:
May 24, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:
Board: 86.67%
N&R Committee: 100%

Biography - Professional Experience

General Manager of groupe Arnault SE

Nicolas Bazire is a graduate of the *École Navale* (1978), the Paris *Institut d'Etudes Politiques* (1984), former student of the *École Nationale d'Administration*, Magistrate on the French *Cour des Comptes* (Court of Audit). Nicolas Bazire is a honorary *Conseiller Référendaire* with the *Cour des Comptes*.

In 1993 he became Cabinet Director for French Prime Minister Edouard Balladur. He served as a Managing Partner at Rothschild & Cie Banque from 1995 to 1999.

He was appointed General Manager at Groupe Arnault in 1999, and became a member of the LVMH Board of Directors; he is also a member of the Executive Committee.

Nicolas Bazire is a Reserve Officer in the French Naval Reserve. He is an Officer in the French *Ordre National du Mérite* (National Order of Merit) and a *Chevalier* in the French *Légion d'honneur*.

Directorships and positions

Other directorships and positions as at December 31, 2018

Within the Atos Group

None

Outside the Atos Group

France:

- Member of the Supervisory Committee:
  - Montaigne Finance SAS
- Vice-President of the Supervisory Board:
  - Les Echos SAS
- Deputy CEO:
  - Financière Agache SA
  - Semyrhamis SA
- Director:
  - LVMH Moët Hennessy Louis Vuitton SE**
  - Agache Développement SA
  - Europatweb SA
  - Groupe Les Echos SA
  - LV Group SA
  - Suez SA**
  - Carrefour SA**
  - Louis Vuitton (Fondation d'Entreprise)
  - Christian Dior SE**
- Permanent Representative:
  - Groupe Arnault SE, Director of Financière Agache SA
  - Groupe Arnault SE, Director of Semyrhamis SA
  - Ufipar SAS, Director of Louis Vuitton Malletier SA
  - Montaigne Finance SAS, Director of GA Placements SA

Abroad:

- Permanent Representative:
  - Ufipar SAS, Director of Société des Bains de Mer de Monaco SA**

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Director:
  - Financière Agache Private Equity SA

* *Independent Director.*
** *Listed company.*

Valérie BERNIS*

<table>
<tr><td rowspan="4">

Chairman of the CSR Committee

Professional address:
28 boulevard Raspail
75007 Paris, France

Number of shares:
505

Date of birth:
12/09/1958

Nationality:
French

Date of first appointment:
April 15, 2015, ratified by AGM held on May 28, 2015

Date of last renewal:
May 24, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:
Board: 80%

</td><td colspan="2">Biography - Professional Experience</td></tr>
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Vice-President of Engie Foundation

Valérie Bernis is a graduate of the *Institut Supérieur de Gestion* and *Université des Sciences Economiques* in Limoges. In 1996, after 2 years spent as Communication and Press Advisor to the Prime Minister, she joined Compagnie de Suez as Executive Vice-President – Communications, and then in 1999, she became Executive Vice-President Financial and Corporate Communications and sustainable development. During the same period, she served for 5 years as Chairman and CEO of Paris Première, a French TV channel. Valérie Bernis is currently Vice-President of Engie Foundation. She currently is a Member of the Board of Directors of Suez and l'Occitane.

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<tr><td colspan="2">Directorships and positions</td></tr>
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Other directorships and positions as at December 31, 2018

Within the Atos Group

None

Outside the Atos Group

France:

- Member of the Board of Directors:
  - Suez SA**, AROP

Abroad:

- Independent member of the Board of Directors:
  - l'Occitane International SA (Luxemburg)**

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Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Member of the Supervisory Board:
  - Euro Disney SCA (until January 11, 2017)**

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* *Independent Director.*
** *Listed company.*

Roland BUSCH

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<tr>
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Member of the Audit Committee

Professional address:
Siemens AG
Werner-von-Siemens-Straße 1 80333
Munich, Germany

Number of shares:
1,000

Date of birth:
11/22/1964

Nationality:
German

Date of first appointment:
July 1, 2011

Date of last renewal:
May 24, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:
Board: 40%

Audit Committee: 66.67%

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Biography - Professional Experience

Member of the Management Board of Siemens AG (Germany)

Roland Busch is a graduate of the University of Friedrich Alexander (Germany) where he received a PHD in Physics and of the University of Grenoble.

He is a member of the Management Board, Chief Operating Officer and Chief Technology Officer of Siemens AG.

During the past five years, Roland Busch was appointed Chairman of Infrastructure & Cities and Chief of Strategy with Siemens AG in Germany.

Directorships and positions

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Other directorships and positions as at December 31, 2018

Within the Atos Group

None

Outside the Atos Group

Abroad:

- Executive Vice-President, Member of the Management Board of Siemens AG** (Germany)
- Chief Technology Officer, Siemens AG** (Germany)
- Chief Operating Officer, Siemens AG** (Germany)
- Chairman Middle East, Commonwealth of Independent States, Siemens AG** (Germany)
- Head of Corporate Sustainability Office, Corporate Development & Corporate Technology Siemens AG** (Germany)
- Vice-Chairman of the Board of Directors and Member of the Audit Committee of OSRAM Licht AG** and Osram GmbH (Germany)
- Member of the Supervisory Board of the European School of Management Technology GmbH (Germany)

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Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Chairman of Infrastructures & Cities, Siemens AG** (Germany)
- Chief of Strategy, Siemens AG** (Germany)

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</table>

*** Listed company.*

Jean FLEMING

Director representing the employee shareholders **Member of the Nomination and Remuneration Committee** **Professional address:** Midcity Place,71 High HolbornLondon WC1V 6EA UK **Number of shares:** 1,390 **Date of birth:** 03/04/1969 **Nationality:** British **Date of first appointment:** May 26, 2009 **Date of last renewal:** May 24, 2017 **Term expires on:** AGM ruling on the accounts of the 2019 financial year **Individual attendance rate:** Board: 66.67%	**Biography - Professional Experience** **People Development Director (United Kingdom)** Jean Fleming is a graduate of the London South Bank University where she obtained an MSc in Human Resources and from Brunnel University where she obtained a BA in Business Administration. Former Operations Director, Business Process Services, she is now Client Executive, Business Transformation Services at Atos in the United-Kingdom. Jean Fleming was appointed Director representing the employee shareholders. **Directorships and positions** **Other directorships and positions as at December 31, 2018** None	**Other positions held during the last five years** None

Marie-Christine LEBERT

Director representing the employees

Vice-Chairman of the CSR Committee

Professional address:
19 rue de la Vallée Maillard 41000 Blois, France

Number of shares:
10

Date of birth:
01/28/1963

Nationality:
French

Date of first appointment:
December 18, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:
Board: 80%

Biography - Professional Experience

Project leader, Worldline SA

Marie-Christine Lebert joined Atos as Programmer analyst in 1986, in the payment sector.

Marie-Christine Lebert has acted as international Project Leader, with over 20 years of experience in project and application portfolio management in payment area as well as team management.

From 2000, Marie-Christine Lebert has engaged herself in employee representation having high level of responsibilities as successively chair and treasurer of local and national Works Councils.

From 2001 to 2017, Marie-Christine Lebert assumed the highest function vice-secretary and secretary of the European Works Council of Atos Group, after having initiated and taken part to the prior negotiations to the establishment of this European social dialog.

All these roles have given her a deep knowledge of French and European Social Dialog, and a solid understanding of Atos economy, businesses, industrial sectors, organizations, jobs and conditions, technological environments and human aspects.

Marie-Christine Lebert was appointed Director representing the employees.

Directorships and positions

Other directorships and positions as at December 31, 2018	Other positions held during the last five years
None	None

Bertrand MEUNIER*

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<tr>
<td rowspan="3">
Member of the Nomination and Remuneration Committee
Member of the Audit Committee
Professional address:
111 Strand, London, WC2ROA9, UK
Number of shares:
1,000
Date of birth:
03/10/1956
Nationality:
French
Date of first appointment:
February 10, 2009 (Director) – July 3, 2008 (Member of Supervisory Board) ratified by General Meeting of February 10, 2009
Date of last renewal:
May 24, 2018
Term expires on:
AGM ruling on the accounts of the 2020 financial year
Individual attendance rate:
Board: 100%
N&R Committee: 100%
Audit Committee: 100%
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Biography - Professional Experience
Managing Partner of CVC Capital Partners Ltd (United Kingdom)
Bertrand Meunier is a graduate of the École Polytechnique and of Paris VI University. He joined PAI Partners in 1982 up until 2009. Bertrand Meunier joined CVC Capital Partners as a Managing Partner in 2012.
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<td colspan="2">Directorships and positions</td>
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Other directorships and positions as at December 31, 2018
Within the Atos Group
None
Outside the Atos Group
France:
• Parex
• Vedici
Abroad:
• CVC group Ltd (Luxembourg)
• Continental Foods (Belgium)
• PDC Brands (USA)
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Other positions held during the last five years
Within the Atos Group
None
Outside the Atos Group
• Director: CVC Capital Partners (Luxembourg)
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* *Independent Director.*

Colette NEUVILLE*

Professional address:
ADAM
4, rue Montescot
28000 Chartres, France

Number of shares:
1,012

Date of birth:
01/21/1937

Nationality:
French

Date of first appointment:
May 30, 2012 (Director) – June 12, 2008 (member of Supervisory Board) – April 13, 2010 (Censor) ratified by General Meeting of May 27, 2010

Date of last renewal:
May 24, 2017

Term expires on:
AGM ruling on the accounts of the 2019 financial year

Individual attendance rate:
Board: 93.33%

Biography - Professional Experience

Chairman (founder) of the ADAM

Colette Neuville is a law graduate and a graduate of the Paris *Institut d'Etudes Politiques* and holds a post-graduate degree in economics and political science. She served as an Economist for NATO, the Moroccan administration (National Office for Irrigation), and the Loire-Bretagne agency. Ms. Neuville is the founding Chairman of ADAM (*Association de Défense des Actionnaires Minoritaires*) and member of the commission "*Epargnants et Actionnaires Minoritaires*" (Retail Investors and Minority shareholders) of the *Autorité des Marchés Financiers* (French Financial Markets Authority). She is the Lead Director of the Board of Directors, member of the Audit Committee and Chairman of the Appointments and Remuneration Committee of Groupe Eurotunnel SA. She is member of the Governance Committee of the Paris "*École de Droit et de Management*". She is member of the Board of Directors of the FAIDER and the ARCAF.

Directorships and positions

Other directorships and positions as at December 31, 2018

Within the Atos Group

None

Outside the Atos Group

France:

- Director: Groupe Eurotunnel SA** (also member of the Audit Committee and Chairman of the Remuneration Committee and Lead Director since February 2014), ARCAF (*association des fonctionnaires épargnants pour la retraite*), FAIDER (*fédération des associations indépendantes de défense des épargnants pour la retraite*)
- Member: of the Consultative Commission "*Epargnants et actionnaires minoritaires*" ("Retail Investors and Minority shareholders") of the *Autorité des Marchés Financiers* (French Financial Markets Authority), of the Club of the Chairmen of Remuneration Committees, of the *Conseil de Gouvernance de l'École de Droit & Management de Paris*

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Director (and also member of the Audit Committee) of Numericable-SFR** from November 27, 2014 to January 12, 2016

* *Independent Director.*
** *Listed company.*

Aminata NIANE*

Lead Independent Director[1] **Professional address:** BP 29495 – DAKAR, Senegal **Number of shares:** 1,012 **Date of birth:** 12/09/1956 **Nationality:** Senegalese **Date of first appointment:** May 27, 2010 **Date of last renewal:** May 26, 2016 **Term expires on:** AGM ruling on the accounts of the 2018 financial year **Individual attendance rate:** Board: 100%	**Biography - Professional Experience** **International Consultant** Aminata Niane holds an Engineering Degree in Science and Technology of Food Industries (Montpellier, France) and a Master in Business Administration (Birmingham, UK). Then she started her career in 1983 as an engineer in big Senegalese companies in the food-processing sector (SIPL and SONACOS). This experience continued in 1987 in the Senegalese administration (Ministry of Commerce, Senegalese Institute for Standardization), then in 1991 in the first structures supporting the private sector, financed by the French Cooperation and the World Bank (Support Unit to the Business Environment and Private Sector Foundation). Finally, after several years of entrepreneurial experience in strategy consulting, she was appointed in 2000 Managing Director of APIX, National Agency for Investment Promotion and Major Projects. She handled the creation and the management until May 2012. Then, she was Special Advisor of the President of the Republic of Senegal until May 2013. Today she is International Consultant, after being with the African Development Bank, Lead Advisor-Office of the Vice-President Infrastructure, Private Sector and Regional Integration, and Manager for the return of the Bank to its registered offices in Abidjan.	
	Directorships and positions	
	Other directorships and positions as at December 31, 2018 **Within the Atos Group** None **Outside the Atos Group** Abroad: • Director: Groupe Envol Immobilier Sénégal (Senegal)	**Other positions held during the last five years** None

* *Independent Director.*
[1] *As from December 17, 2018.*

Lynn PAINE*

Member of the Audit Committee

Member of the CSR Committee

Professional address:
Harvard Business School,

Soldiers Field Road, Boston, Massachusetts 02163

Number of shares:
1,000

Date of birth:
07/17/1949

Nationality:
American

Date of first appointment:
May 29, 2013

Date of last renewal:
May 26, 2016

Term expires on:
AGM ruling on the accounts of the 2018 financial year

Individual attendance rate:
Board: 86.67%

Audit Committee: 83.33%

Biography - Professional Experience

John G. McLean Professor of Business Administration, Harvard Business School, Senior Associate Dean for International Development

Lynn Paine is John G. McLean Professor of Business Administration and Senior Associate Dean for International Development at Harvard Business School. She previously served as Senior Associate Dean for Faculty Development. She is former chair of the School's general management unit and a specialist in corporate governance. An American with worldwide recognition, she currently teaches corporate governance in both the MBA and executive programs.

She co-founded and chaired the "Leadership and Corporate Accountability" required course, which she has taught in the MBA program as well as the Advanced Management Program. Ms. Paine has also taught in numerous other executive programs including the Senior Executive Program for China and, currently, Leading Global Business, the Senior Executive Program for Africa, Women on Boards, and Making Corporate Boards more Effective.

In addition to providing executive education and consulting services to numerous firms, she has served on a variety of Advisory Boards and panels. In particular, she was a member of the Conference Board Commission on Public Trust and Private enterprise and the Conference Board's Task Force on Executive Compensation. She also served on the Academic Advisory Council of the Hills Program on Governance at the Center for Strategic and International Studies (CSIS), in Washington, D.C.; on the Governing Board of the Center for Audit Quality in Washington D.C.; and the Advisory Board of the Conference Board's Governance Center in New York. She was a Director of RiskMetrics group (NYSE) prior to the Company's merger with MSCI.

Directorships and positions

Other directorships and positions as at December 31, 2018

Within the Atos Group

None

Outside the Atos Group

Abroad:

- Global Advisory Council, Odebrecht S.A., São Paulo (Brazil)
- Senior Advisor to Independent Monitor for Volkswagen AG** (Germany)
- Selection Panel, Luce Scholars Program, Henry Luce Foundation, NYC (USA)

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Senior Associate Dean, Harvard Business School, Boston, Massachusetts (USA) (2010-2016)
- Governing Board (Public Member), Center for Audit Quality, Washington D.C. (USA) (2007-2016)
- Academic Advisory Council, Hills Program on Governance – Center for Strategic and International Studies, Washington, D.C. (USA) (2001-2017)

* *Independent Director.*
** *Listed company.*

Pasquale PISTORIO*[1]

Lead Independent Director[2] **Member of the Nomination and Remuneration Committee** **Professionnal address:** River Ouest- 80 quai Voltaire 95870 Bezons, France **Number of shares:** 1,000 **Date of birth:** 01/06/1936 **Nationality:** Italian **Date of first appointment:** February 10, 2009 **Date of last renewal:** May 24, 2018 **Term expires on:** Resigned with effect on January 1st, 2019 **Individual attendance rate:** Board: 86.67% N&R Committee: 80%	**Biography - Professional Experience** **Chairman of the Pistorio Foundation (Switzerland)** Pasquale Pistorio graduated in Electrical Engineering from the Polytechnic school of Turin. He began his career as a salesman for Motorola products and in 1967 he joined Motorola in Italy, rising through the ranks to become Director of International Marketing and Vice-President of Motorola Corporation in 1977. In 1978 he was promoted to General Manager of Motorola's International Semiconductor Division. In 1980 he was appointed Chairman and Chief Executive Officer of the SGS group and oversaw, with success, in 1987, the integration of SGS with Thomson Semiconducteurs. The new company was renamed STMicroelectronics in 1998. In 2005, Pasquale Pistorio is appointed *Honorary Chairman* of the Board of Directors and ambassador of ST Microelectronics. **Directorships and positions** **Other directorships and positions as at December 31, 2018** **Within the Atos Group** None **Outside the Atos Group** Abroad: • Honorary Chairman: STMicroelectronics Corporation (Switzerland), ST Foundation (Switzerland) and of the Kyoto Club (Italy) (charities) • Independent Director: XiD (Singapore) **Other positions held during the last five years** **Within the Atos Group** None **Outside the Atos Group** • Independent Director: Fiat S.p.A.** (Italy), Brembo S.p.A.** (Italy)

* Independent Director.
** Listed company.
1 Pasquale Pistorio resigned from his office as member of the Board of Directors with effect as of January 1, 2019. Information concerning Mr. Pistorio is presented in this table as of January 1st, 2019.
2 Until December 17, 2018.

Vernon SANKEY*

Chairman of the Audit Committee

Member of the CSR Committee

Professional address:
51 Walnut Court, St Mary's Gate, London W85UB, UK

Number of shares:
1,000

Date of birth:
05/09/1949

Nationality:
British

Date of first appointment:
February 10, 2009 (Director) – December 16, 2005 (Member of Supervisory Board) ratified by General Meeting of May 23, 2006

Date of last renewal:
May 26, 2016

Term expires on:
AGM ruling on the accounts of the 2018 financial year

Individual attendance rate:
Board: 93.33%
Audit Committee: 100%

Biography - Professional Experience

Officer in companies

Vernon Sankey graduated from Oriel College, Oxford University (United Kingdom).

He joined Reckitt and Colman plc in 1971, and became Chief Executive Officer in Denmark, France, the USA and in Great Britain. He was Group Chief Executive Officer in the period 1992-1999.

Since then, he has held several non-executive positions as Chairman or Board member (Pearson plc, Zurich AG, Taylor Woodrow plc, Thomson Travel plc, Gala plc, Photo-Me plc, Firmenich SA, etc.) and was a member of the Management Board of the FSA (Food Standards Agency) UK.

Directorships and positions

Other directorships and positions as at December 31, 2018

Within the Atos Group

None

Outside the Atos Group

Abroad:

- Chairman, former Director: Harrow School Enterprises Ltd (United Kingdom)
- Member: Pi Capital (United Kingdom)

Other positions held during the last five years

Within the Atos Group

None

Outside the Atos Group

- Chairman: Firmenich (Switzerland)
- Director: Zurich Insurance AG (Switzerland)

* *Independent Director.*

Diversity policy at Board level

The Board of Directors held on December 17, 2018, upon recommendation of the Nomination and Remuneration Committee, examined the composition of the Board of Directors and approved the diversity policy applicable at Board level.

In that respect, after carefully analyzing the Board's membership with respect to such criteria as age, gender, skills, professional experience, nationality and independence, and in light of the evolution of the Board composition over the past recent years, it set the following objectives:

(i) Age of Directors: In 2018, Directors' age rank from 49 to 83 with an average of 64 years old. The Board considered that the age average was satisfactory and decided to closely monitor the limit of one third exceeding 70 years old set in the Articles of Association;

(ii) Gender diversity: In 2018, the Board of Directors was composed of 6 men and 6 women. The Board considered that the ratio was highly satisfactory and aimed to maintain the ratio of 50% allowing a perfect equal representation of men and women;

(iii) Diversity of skills and professional experience: The Board acknowledged that (i) Directors have extensive professional experience in various industries on high profile positions and are serving or have served as Directors or corporate officers in other French or non-French companies, some of which are listed on the stock exchange, (ii) the diversity of skills is well reflected in the variety of profiles of Board members who have different experiences and trainings: engineering, finance, education, management skills, etc., and (iii) the Board has two Directors representing the employees (employees and employee shareholders) who enrich the panel of professional experience and perspective. Consequently, the Board considered that the diversity of skills was satisfactory and should be upheld;

(iv) Diversity of nationalities: In 2018, the proportion of Directors of non-French nationality reached 50%, in line with the Group's international dimension. Consequently, the Board considered that the ratio was highly satisfactory and set the objective to uphold the ratio in line with the Group's identity;

(v) Directors' independence: As at December 17, 2018, the ratio of independent Directors was 80%. The Board considered that the ratio was satisfactory and that the Company should remain above the ratio recommended by the AFEP-MEDEF Code (i.e. at least half of the Board members).

G.2.3.2 Directors' independence

Definition of an independent Director

As per the AFEP-MEDEF Code

The AFEP-MEDEF Code defines as independent, a Director when *"he or she has no relationship of any kind whatsoever with the corporation, its group or its management that may interfere with his or her freedom of judgment"*. The AFEP-MEDEF Code also provides for a certain number of that criteria must be reviewed in order to determine the independence of a Director:

Criterion 1: Employee Company officer within the previous 5 years

Not to be and not to have been within the previous five years:

- an employee or executive officer of the corporation;
- an employee, executive officer or Director of a company consolidated within the corporation;
- an employee, executive officer or Director of the Company's parent company or a company consolidated within this parent company.

Criterion 2: Cross-directorships

Not to be an executive officer of a company in which the Corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3: Significant business relationships

Not to be a customer, supplier, commercial banker, investment banker or consultant:

- that is significant to the corporation or its group;
- or for which the corporation or its group represents a significant portion of its activities.

The evaluation of the significance or otherwise of the relationship with the Company or its group must be debated by the Board and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the report on corporate governance.

Criterion 4: Family ties

Not to be related by close family ties to a Corporate Officer.

Criterion 5: Auditor

Not to have been an auditor of the corporation within the previous 5 years;

Criterion 6: Period of office exceeding 12 years

Not to have been a Director of the corporation for more than 12 years. Loss of the status of independent Director occurs on the date of the 12th anniversary.

Criterion 7: Status of non-executive officer

A non-executive officer cannot be considered independent if he or she receives a variable compensation in cash or in the form of securities or any compensation linked to the performance of the corporation or Group.

Criterion 8: Status of the major shareholder

Directors representing major shareholders of the corporation or its parent company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board of Directors, upon a report from the Nominations Committee, should systematically review the qualification of a Director as independent in the light of the make-up of the corporation's capital and the existence of a potential conflict of interest.

Independence criteria based on the significant nature of the relationship with the Company

As recommended by the AFEP-MEDEF Code, as part of the assessment of how significant the relationship with the Company or its group is, the Board of Directors, during its meeting held on December 17, 2018, on the recommendation of the Nomination and Remuneration Committee retained the same criteria as those used the previous year:

- a quantitative criterion, being the consolidated turnover of 1% performed by the Company with a group within which an Atos Director exercises a function and/or holds a mandate. This criterion was set on the basis of the specificities of the Atos Group activity, in particular the rigorous procedures related to answers to bidding processes;
- qualitative criteria, i.e.: (i) the duration and continuity of the business relationship (seniority of the relationship or impact of potential contract renewals…), (ii) the importance or intensity of the relationship (potential economic dependency), and (iii) the structure of the relationship (Director free of any interest…).

Review of the Directors' independence

As part of its annual review during the meeting of December 17, 2018, the Board, relying on the preliminary work of the Nomination and Remuneration Committee, and on the basis of the above mentioned criteria acknowledged that 80% of its Directors were considered independent (8 out of 10 members to be taken into account in order to calculate the independent Director ratio: Nicolas BAZIRE, Valérie BERNIS, Bertrand MEUNIER, Aminata NIANE, Colette NEUVILLE, Lynn PAINE, Pasquale PISTORIO and Vernon SANKEY). i.e. more than half of the Board members, in conformity with the AFEP-MEDEF recommendations. Consequently, the Board acknowledged that the Audit Committee and the Nomination and Remuneration Committee were both chaired by an independent Director.

In particular, the Board considered that even though Vernon SANKEY had served for 13 years as member of the Supervisory Board and member of the Board of Directors of the Company, his independence remained unaffected as of today due to the modification of the Company's governance structure in 2009 (from a dual to a unified Board structure) and more significantly to the modification of the identity of the Chief Executive Officer in 2008. Consequently, Mr. SANKEY was considered as having served 10 years so far under the current governance structure.

4 out of 12 members of the Board were not considered as independent, namely, Mr. Thierry BRETON due to his office as Chief Executive Officer, Roland BUSCH due to his relations with Siemens which he represents (as main indirect shareholder of the Company having significant relationship with it), Jean FLEMING, Director representing the employee shareholders and Marie-Christine LEBERT, Director representing the employees by virtue of their quality as employees of a subsidiary of the Company (it being specified that as Directors representing the employee and the employee shareholders, Marie-Christine LEBERT and Ms. Jean FLEMING are not taken into account in the calculation of the percentage of independent Directors).

The detailed assessment of the Directors' independence carried out on December 17, 2018, and based on the above-mentioned criteria is reproduced in the below table:

Criteria[1]	Nicolas Bazire	Valerie Bernis	Thierry Breton	Roland Busch	Jean Fleming	Marie-Christine Lebert	Bertrand Meunier	Colette Neuville	Aminata Niane	Lynn Paine	Pasquale Pistorio	Vernon Sankey
Criterion 1: Employee corporate officer within the past 5 years	✔	✔	✖	✔	✖	✖	✔	✔	✔	✔	✔	✔
Criterion 2: Cross-directorships	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 3: Significant business relationships	✔	✔	✔	✖	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 4: Family ties	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 5: Auditor	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 6: Period of office exceeding 12 years	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 7: Status of non-executive officer	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 8: Status of the major shareholder	✔	✔	✔	✖	✔	✔	✔	✔	✔	✔	✔	✔
Independant	✔	✔	✖	✖	✖	✖	✔	✔	✔	✔	✔	✔

[1] *In this table, ✔ represents an independence criterium that is satisfied and ✖ signifies that a criterion for independence is not satisfied.*

G.2.3.3 Lead Independent Director

In accordance with the Autorité des Marchés Financiers' (French Financial Markets Authority) recommendation of December 7, 2010 in the Autorité des Marchés Financiers' supplemental report on corporate governance, executive compensation and internal control, the Board of Directors has appointed a Lead Independent Director since 2010. Mr. Pasquale PISTORIO had held this office since December 22, 2010. After being appointed Deputy Lead Independent Director during the Board meeting of May 24, 2018, Ms. Aminata NIANE was appointed Lead Independent Director during the Board meeting held on December 17, 2018, to replace Mr. PISTORIO.

As per the Internal Rules of the Board of Directors, the Lead Independent Director is in charge of ensuring continuous commitment and the implementation of best corporate governance standards by the Board of Directors. In that respect, he/she is in charge, in particular, of the assessment of the Board's work, carried out every year under his/her supervision. A detailed presentation of the works carried out in that respect is available in section G.2.5. He/she is also in charge of arbitrating potential conflicts of interest. He/she is questioned on the functioning of the Board. The Board of Directors may assign specific tasks to the Lead Independent Director related to governance or to the relationships with the shareholders. In connection with the carrying out of his/her duties, the Lead Independent Director is assisted by the Company's General Secretarial team for administrative tasks.

G.2.3.4 Employee's participation at Board level

The Board comprises a Director representing the employee shareholders, appointed by the General Meeting. The appointment of such Director was voluntarily submitted to the General Meeting in 2013 and 2017.

The Board also comprises a Director representing the employees within the meaning of article L. 225-27-1 of the French Commercial Code, appointed as per the procedure set in the Articles of Association.

Both the Director representing the employee shareholders and the Director representing the employees are expressly designated as members of the Board in the Internal Rules. In that respect, they participate in the meetings and deliberations of the Board. They have the same obligations as any other Directors, in particular of confidentiality, save for the obligation to hold at least 500 shares of the Company.

In addition, pursuant to an agreement of December 14, 2012, the Company has implemented an innovative scheme of participation of employees through the creation of the European company Council of Atos SE and the designation, among such council members, or within Atos' employees, of a Participative Committee made up of four persons, which meets with members of the Board of Directors and discusses on topics on the agenda of Atos SE's Board meetings. Once a year, the Participative Committee is invited to a plenary meeting of the Board of Directors corresponding to the session on the review of compliance practices of the Company with rules of corporate governance. The Participative Committee has also been associated to the determination of the Group Strategy. In that respect, it was invited, in March 2015, to attend the Board of Directors meeting related to the strategic development of the Atos Group, and in November 2016, to attend the meeting of the Board concerning the 3-year plan "Ambition 2019". In November 2018, the Chairman of the Board met with the Participative Committee in connection with the preparation of the Company's next strategic plan.

With the implementation of all these schemes, the Company is showing its great interest for employee representation within the Group.

G.2.3.5 Directors' training

As per the AFEP-MEDEF Code recommendations, upon the appointment of a new Director, various sessions are offered with the main group executives on the Group's business, organization and governance.

In addition, in her capacity as Director representing the employees, Ms. Marie-Christine LEBERT received a full training, upon her appointment on the Board of Directors, on such subjects as corporate governance and corporate law, finance and Company's businesses and markets. She was provided with the Company's governance documentation (Articles of Association, Board Internal Rules, Charter of the Atos Board of Directors) and alerted on stock exchange regulation obligations applying to Directors of listed companies. In addition, she was informed of training opportunities as provided by law.

A specific training is also provided to Directors appointed on the Audit Committee. Upon their appointment on the Committee, Mr. MEUNIER and Ms. PAINE were trained by the Chairman and Chief Executive Officer, the Chairman of the Audit Committee, the Group Chief Financial Officer and the Group General Counsel on the Company's specific accounting, financial or operational features and the Company's governance.

A specific training on social and environmental responsibility aspects shall be proposed in connection with the setting up of the CSR Committee.

G.2.3.6 Shareholding obligations

Pursuant to the Articles of Association, each Director must own at least 500 shares. However, such requirement does not apply to the Director representing the employees and the Director representing the employee shareholders.

G.2.3.7 Declarations related to the members of the Board of Directors

To the best of the Company's knowledge, there have been no official public incrimination and/or sanctions taken by statutory or regulatory authorities (including designated professional organisms) against any of the members of the Board of Directors. No court has, over the course of the past five years at least, prevented the members of the Board of Directors from acting as member of an administrative, managing or supervisory body of an issuer or from participating in the management or oversight of an issuer's business. No Board member has been convicted of fraud over the past five years at least. No Board member has taken part as senior manager in a bankruptcy, receivership or liquidation over the past five years.

G.2.3.8 Potential conflict of interest and agreements

To the Company's knowledge, there are no existing service agreements between the members of the Board of Directors and Atos SE or one of its subsidiaries which would provide for benefits.

To the best of the Company's knowledge, save for the case of Dr. Roland Busch whose appointment was proposed pursuant to the agreements signed with Siemens in connection with the acquisition of Siemens Information Technology Services, which provided for the possibility for Siemens to submit an applicant as a Director of the Company, there are no arrangements, or any type of agreement with the shareholders, clients, service providers or others by which one of the members of the Board of Directors was selected as member of an administrative, managing or supervisory body or as a member of the general management of the Company.

To the best of the Company's knowledge, there are no parental relationships between any executive officers and Directors of the Company.

Finally, to the best of the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors concerning the sale of their potential shareholding in the Company's share capital other than the provision of the Articles of Association under which each Director, save for the Directors representing the employees and the employee shareholders, must own at least 500 shares of the Company and the retention obligations that the Board of Directors defined for the Chairman and Chief Executive Officer of the Company.

G.2.3.9 Internal Rules of the Board of Directors

The Board of Directors of Atos SE has approved Internal Rules which govern the works of the Board of Directors. The Internal Rules were last updated during the Board meeting held on December 17, 2018 to adapt to the new provisions of the revised version of the AFEP-MEDEF Code. The Board's Internal Rules include, as attachments, a Charter of the Atos Board of Directors and a Guide to the prevention of insider trading.

The Internal Rules specify the rules on composition, operation and role of the Board, compensation of Directors, assessment of the works of the Board, information of Directors, the role, competence, and operating rules of the Committees of the Board, missions and prerogatives of the Lead Independent Director, the specific missions which can be granted to a Director and the confidentiality obligations imposed on Directors. The Internal Rules also specify the terms and conditions of attendance by the Participative Committee employee representatives (set up pursuant to the agreement dated December 14, 2012 between the Company and the European Company Council – see supra) to the meetings with the Board representatives and the Board plenary meeting on the review of the Company's compliance practices with rules of corporate governance.

As soon as appointed, a copy of the Internal Rules as well as the Charter of the Atos Board of Directors and the Guide to the prevention of insider trading are provided to the Directors who acknowledge the provisions of these documents.

Extracts of the Internal Rules of the Board of Directors

The provisions of the Internal Rules of the Board of Directors regarding such topics as (i) reserved matters of the Board of Directors, (ii) operation of the Board of Directors (iii) Lead Independent Director, (iv) Participative Committee representatives, (v) mission and operation of the Committees, (vi) assessment of the works of the Board of Directors, are summarized in the dedicated sections of this Registration Document. The Internal Rules provide for additional provisions, the main ones being summarized below:

Information supplied to the Directors

The Company shall be required to provide its Directors with any information necessary for the efficient participation in the work of the Board of Directors in such a way as to enable it to carry out its mandate under appropriate conditions. The same shall apply at any time in the life of the Company where the importance or urgency of the information so requires. This permanent information shall include any relevant information, including critical information, concerning the Company and particularly articles in the press and financial analysis reports. The Board of Directors is informed about market developments, the competitive environment and the most important aspects facing the Company, including in the area of social and environmental responsibility. A Director may request from the Chairman any complementary information that he or she deems necessary for the full accomplishment of his or her tasks, particularly in view of the agenda of the meetings.

Acceptance of new social mandates

The Chairman and Chief Executive Officer seeks the Board of Directors' opinion before accepting a new directorship in a listed company, whether French or foreign, outside the Group.

Possibility to assign a task to a Director

Where the Board of Directors decides to entrust an assignment to one (or more) of its members or to a third party it shall establish the main features of such task. The Chairman shall initiate the drafting of a commissioning letter, which shall: (i) define the specific purpose of the assignment; (ii) determine the form that the report of the assignment shall take; (iii) determine the duration of the assignment; (iv) determine, where applicable, the remuneration due to the person carrying out the assignment as well as the methods of payment of the amounts due to the interested party; (v) provide for, where applicable, a maximum limit of reimbursement of travel expenses as well as expenses incurred by the interested party and those related to the carrying out of the assignment. The report of the assignment shall be communicated by the Chairman of the Board of Directors to the Directors of the Company.

Extracts of the Charter of the Atos Board of Directors

The Charter of the Atos Board of Directors summarizes the mission and obligations of the members of the Board of Directors. This charter covers in particular the following points: prohibition to hold a corporate office and an employment contract, Company interests, attendance, diligence, loyalty, independence, confidentiality, trading in the Group's shares, conflicts of interest, information of members.

The following paragraphs are extracted from the Charter of the Atos SE Board of Directors.

Appointment

Before accepting his or her function, each Director must fully acquaint himself or herself with his or her duties and obligations and must ensure that he or she is fully aware of the general obligations as well as those that are specific to his or her responsibilities. He or she must particularly acknowledge any legal and regulatory provisions, provisions of the Company's by-laws, the Internal Regulations of the Board of Directors, and this Charter and any amendments brought to it by the Board of Directors, as well as the recommendations of the AFEP-MEDEF Code of corporate governance for listed companies.

Executive office and employment contract – No overlap

When an employee becomes the main executive Officer of the Company, he or she shall undertake to terminate his or her employment contract with the Company (if such employment contract existed), either by contractual termination or by resignation. This provision does not apply to an employee who is appointed for such office as Director representing the employee shareholders or the Director representing the employees.

Defending the interests of the Company

Each Director represents all shareholders and must act, in any circumstance, in the corporate interest of the Company. Each Director must inform the Board of Directors of any known issue which appears to be of such a nature as to affect the interests of the Company.

Conflicts of interest [GRI 102-25]

The Director undertakes to strictly avoid any conflict that may exist between his or her own moral and material interests and those of the Company. Directors must inform the Chairman of the Board of Directors of any conflict of interest, even a potential one, within which he or she may be directly or indirectly involved. In the case where he or she cannot avoid having a conflict of interest, he or she must abstain from participating in discussions and decisions on such matter. A conflict of interest arises when a Director or a member of his or her family could personally benefit from the way the Company's business is conducted, or could maintain a relationship of any kind with the Company, its affiliates or its management that could compromise the Director's judgment (particularly as a client, supplier, business banker, legal representative).

Attendance – Diligence

Each Director must devote the necessary time and attention to the preparation of the Board of Directors' meetings as well as, where applicable, the Committees of which he or she is a member. He or she must be diligent and must, unless prevented from doing so, participate in every Board of Directors' meetings and, where applicable, the meetings of all Board Committees of which he or she is a member, as well as the shareholders' General Meetings.

He or she shall keep informed about the work and specifics of the Company, including its stakes and values, by inquiring, if necessary, its management. He or she shall make a point of keeping updated on the knowledge that enables him or her to perform his or her functions.

The Director shall request any documents that he or she considers essential to be able to deliberate with full knowledge, on the issues on the agenda. If a Director considers that he or she does not have full knowledge of the facts, it is his or her duty to inform the Board and to demand any essential information.

Loyalty

Each Director is under an obligation of loyalty towards the Company. He or she shall not take any initiative that could harm the interests of the Company or other companies or entities within the Atos Group and shall act in good faith in all circumstances. He or she shall not take on any responsibilities on a personal basis in any company or business practicing any activities in direct competition with those of the Company without prior approval of the Chairman of the Board of Directors and of the Chairman of the Nomination and Remuneration Committee.

Objectivity

Each Director undertakes to preserve in all circumstances his or her objectivity of analysis, judgment, decision and action. He or she does not tolerate being influenced by any factor outside of the corporate interest, which he or she undertakes to protect. He or she commits to inform the Board of any known issue which appears to be of such a nature as to affect the interest of the Company.

Confidentiality

The Directors are required to uphold professional secrecy, which exceeds the mere obligation of discretion provided for in the law, in regards to any information gathered during or outside of the Board of Directors' meetings.

Inside information and trading in the Company's securities

Directors shall strictly refrain from using any privileged information he or she has access to, to his or her personal advantage or to the advantage of anyone else. In particular, where a Director holds information that has not yet been rendered public, he or she shall refrain from using it to perform, or getting a third party to perform, any transaction involving the securities of the Company. He or she shall only perform transactions involving the Company's securities in compliance with the legal and regulatory provisions pertaining thereto. Each Director undertakes to observe and strictly comply with the provisions of the "Guide to the prevention of insider trading" approved by the Board of Directors.

Extracts of the Guide to the prevention of insider trading

In order to ensure market transparency and integrity in the market of Atos SE securities, the Company aims at providing its investors and shareholders, under conditions that are equal for all, information on its activities and performance. The Company requires all senior managers or employees having access to critical information to follow the insider trading rules and regulations that can be found in a prevention guide.

Insider trading

The undue use or disclosure of inside information constitutes a stock market regulation or legal violation which are liable to, disciplinary, regulatory (Autorité des Marchés Financiers, the French Financial Market Authority) or judicial proceedings that could lead to a sanction from the stock exchange authority or from a criminal court. Accordingly, no employee may disclose any inside information to third parties or deal in Atos SE securities when he or she is in possession of any inside information.

Dealing during closed periods

Employees who are likely to have access on a regular or occasional basis to privileged information must not deal in Atos SE securities, whether directly or indirectly, during any "closed period", which is defined as six weeks prior to the publication of Atos SE annual financial statements, 30 days preceding the publication of Atos SE half year financial statements, and four weeks prior to the publication of Atos SE financial information concerning the first, and third quarters.

Hedging of stock-options and performance shares

All staff members are prohibited to put in place, by means of derivatives or otherwise, hedging operations (right to purchase or sell at a certain price or any other terms and conditions) against Atos SE stock price changes from their exposure to the potential value of:

- stock-options they are entitled to until the beginning of such options' exercise period;
- performance shares they were awarded, during acquisition and holding periods.

In line with the commitments made on the occasion of previous share award plans, the Chairman and Chief Executive Officer, on the occasion of the award of performance shares on July 28, 2015 and July 26, 2016, took note of the Company's prohibition towards him to engage in any risk hedging transactions over the shares which are the subject of the award throughout the duration of his social mandate. In addition, on the occasion of the awards of performance shares on July 24, 2017 and July 22, 2018, he also formally undertook to abide by the prohibition.

G.2.4 Operation of the Board of Directors and its Committees

G.2.4.1 Attendance to the meetings of the Board of Directors and its Committees in 2018

Global attendance

Global attendance on the Board of Directors	Global attendance on the Audit Committee	Global attendance on the Nominations and Remuneration Committee
84,44%	87.50%	93.33%

Individual attendance

	Regular attendance on the Board of Directors	Regular attendance on the Audit Committee	Regular attendance on the Nominations and Remuneration Committee
Thierry Breton *(Chairman & Chief Executive Officer)*	100%	N/A	N/A
Nicolas Bazire *(Director)*	86.67%	N/A	100%
Valerie Bernis *(Director)*	80%	N/A	N/A
Roland Busch *(Director)*	40%	66.67%	N/A
Jean Fleming *(Director representing the employee shareholders)*	66.67%	N/A	N/A
Marie-Christine Lebert *(Director representing the employees)*	80%	N/A	N/A
Bertrand Meunier *(Director)*	100%	100%	100%
Colette Neuville *(Director)*	93.33%	N/A	N/A
Aminata Niane *(Director)*	100%	N/A	N/A
Lynn Paine *(Director)*	86.67%	83.33%	N/A
Pasquale Pistorio *(Director)*	86.67%	N/A	80%
Vernon Sankey *(Director)*	93.33%	100%	N/A

G.2.4.2 The Board of Directors' activity

Mission

The mission of the Board of Directors is to determine the strategy and trends of the Company's activity and to oversee their implementation. Moreover, the Board of Directors appoints senior executive officers and rules on the independence of Directors on a yearly basis, possibly imposes limitations on the powers of the Chief Executive Officer, issues the report on corporate governance, convenes the General Meetings and decides on the agenda, undertakes the controls and verifications which it deems opportune, the control and audit of the sincerity of the financial statements, the review and approval of the financial statements, the communication to the shareholders and reviews communications to the market of high quality information. The Board of Directors endeavors to promote long-term value creation by the Company by considering the social and environmental aspects of its activities. It regularly reviews, in relation to the strategy it has defined, the opportunity and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly.

Operating rules

As per the Internal Rules of the Board of Directors, the Board of Directors, convened by its Chairman, shall meet at least 5 times a year and as often as necessary in the interest of the Company. The Directors may attend Board of Directors' meetings by video-conference or conference call. The meetings of the Board of Directors shall follow the agenda determined by the Chairman and communicated to the Directors. Whenever possible, the necessary documents and elements are sent to the Directors with the agenda.

The Board of Directors shall elect a Chairman from among its members, who shall be a natural person, and, if the Board deems it appropriate, one or more Vice-Chairmen. It shall determine their functions, which shall not exceed those of their mandate as Director, and which may be terminated by the Board at any time. The Board of Directors shall appoint, determining his or her term of office, a secretary who may be chosen from among the Directors or from outside.

The Directors shall have the option of being represented at meetings of the Board of Directors by another Director. Each Director may only represent one of the other Directors during the same Board of Directors.

The Board of Directors may only deliberate validly if at least half of its members are present. Decisions shall be passed by a majority of members present or represented. If the votes are equal, the Chairman of the session shall cast the deciding vote.

The Board of Directors meeting minutes shall be kept by the secretary of the Board of Directors. Excerpts of meeting minutes of the Board of Directors may be created and certified by the persons entitled to do so.

Activities in 2018

Pursuant to the Articles of Association and the Internal Rules, the Board of Directors met as often as necessary. During the 2018 financial year, the Board of Directors met 15 times.

Global attendance of Directors at these meetings was an average of 84.44%.

The Board of Directors met to discuss the following topics:

as far as financial statements, budget and financial commitments are concerned:

- review and approval of the 2019 budget,
- review of the financial information and quarterly reports and forecasts,
- review of and closure of consolidated half-year and yearly financial statements,
- review of financial presentations and press releases,
- approval of parental company guarantees and review of off-balance commitments,
- approval of the financing relating to the acquisition of Syntel,
- authorization to proceed to the issuance of bonds,
- amendment of securitization programs;

as far as strategic projects and operations are concerned:

- acquisition of Syntel, a leading global provider of integrated information technology and knowledge process services, based in Michigan,
- acquisition of SIX Payment Services, by its subsidiary Worldline, dedicated to payment and transactions,
- launch of preparatory works in connection with the proposed distribution of Worldline shares to Atos SE shareholders to be submitted to the 2019 General Meeting of shareholders, on the basis of the works of an ad hoc Committee made up of the Company's independent Directors;

as far as compensation is concerned:

- setting the objectives of the variable part of the Chairman and Chief Executive Officer's compensation for H2 2018 and H1 2019, and confirming the results for his variable compensation related to H2 2017 and H1 2018,
- setting the objectives of the performance conditions for 2018 and 2019 applicable to the defined benefits pension scheme benefiting to the Chairman and Chief Executive Officer, confirming the results for the performance conditions for 2017 applicable to the said pension scheme,
- review of the conformity of the Chairman and Chief Executive Officer's compensation with the recommendations of the AFEP-MEDEF Code,
- setting up a performance share allocation plan in favor of Group employees and the Chairman and Chief Executive Officer,

- confirming achievement of performance conditions, including the achievement of the CSR performance conditions, and setting new annual objectives for the same in connection with on-going performance share plans,
- deciding the implementation of a share buyback program in connection with the vesting of performance shares,
- review of a project of employee stock ownership plan;

as far as governance is concerned:

- convening the Annual General Meeting, reviewing and approving the Board of Directors' report to the Annual General Meeting,
- amendment of the Internal Rules of the Board of Directors,
- review of a plan for the succession of the Chairman and Chief Executive Officer,
- review of the Group's Corporate Social Responsibility program and the Group's results at the Global Reporting Initiative,
- review of the 2017 Compliance report and amendment of the Code of Ethics,
- review of the 2017 Registration Document,
- review of the Great Place to Work Survey,
- review of the risk mapping exercise after its review by the Audit Committee,
- review of the operation of the corporate bodies and corporate governance (confirmation of the composition of the Committees after the renewal of terms of office decided by the Annual General Meeting, appointment of the Lead Independent Director and a Deputy Lead Independent Director, renewal of certain delegations of powers of the Chairman and Chief Executive Officer, propositions of renewal of Directors, assessment of the Board's work, review of the independence of Directors, conformity review of the Company's practices with the AFEP-MEDEF Code recommendations, annual review of related parties agreement authorized during previous financial years, allocation of Directors' fees),
- creation of a CSR Committee,
- acknowledgement of the issuance price of the shares in connection with the payment of the dividend in shares.

The Board regularly heard the reports of the statutory auditors as well as those of the Audit Committee and the Nomination and Remuneration Committee.

These Committees are governed by the Internal Rules of the Board of Directors. The Committees only have an advisory role in preparing the works of the Board which is the only decision-making and liable body. They report to the Board of Directors. Their recommendations are discussed at length during the meetings, where applicable, on the basis of the documentation generated by the Committees.

G.2.4.3 The Audit Committee's activity

Mission

Within its relevant fields of competence pursuant to the provisions of the Internal Rules of the Board of Directors, the Audit Committee shall have the task of preparing and facilitating the work of the Board of Directors. For this purpose, it shall assist the Board of Directors in its analysis of the accuracy and sincerity of the Company's corporate and consolidated accounts. The missions of the Audit Committee are specified by the Internal Rules of the Board of Directors.

The Committee formulates all opinions or recommendations to the Board of Directors within the area described below. The Committee particularly receives from the Board of Directors the following assignments:

with respect to the accounts:

- to monitor the financial reporting process, and as the case may be, issue recommendations to guarantee integrity of the said process,
- to proceed with the prior examination of and give its opinion on the draft annual, half-yearly and, where applicable, quarterly company and consolidated accounts of the Company prepared by the financial management,
- to examine the relevance and the permanence of the accounting principles,
- to be presented with the evolution of the perimeter of consolidated companies,
- to meet, whenever it deems necessary, the auditors, the general management, the financial, treasury and accounting management, internal audit or any other member of the management; these hearings may take place, when appropriate, without members of the general management being present,
- to examine the financial documents distributed by the Company upon approval of the annual accounts as well as the important financial documents and press releases,
- to report on the results of the financial statements certification, on the way this mission contributed to the integrity of the financial information and about the role that the Committee played in the process;

with respect to the external control of the Company:

- to examine questions concerning either the appointment or renewal of the statutory auditors,
- to monitor the conduct of the assignment entrusted to the statutory auditors,
- to approve the provision of services by the statutory auditors or by their network members for the benefit of the Company or its subsidiaries, other than the certification of the accounts and the services required from the statutory auditors by the law. The Committee bases its recommendations on the analysis of the risk to the independence of the statutory auditor(s) and on the safeguard measures applied by them,
- to ensure the statutory auditors act in compliance with their duty of independence;

with respect to the internal control and risk-monitoring of the Company:

- to assess, along with the persons responsible at Group level, the efficiency and the quality of the systems and procedures for internal control of the Group, to examine the significant off-balance sheet risks and commitments, to meet with the person responsible for internal audit, to give its opinion on the organization of the department and to be informed of its work program. The Committee shall be provided with the internal auditor's reports or a periodic summary of these reports,
- to assess the reliability of the systems and procedures that are used for establishing the accounts, as well as the methods and procedures for reporting and handling accounting and financial information,
- to regularly make itself aware of the financial situation, the cash position and any significant commitments or risks, notably through a litigation review, and to examine the procedures adopted to assess and manage such risks,
- to monitor the effectiveness of the internal audit of the procedures relating to the preparation and processing of financial and extra-financial accounting information.

Composition

During the 2018 financial year, the Audit Committee was composed as follows[1]:

- Vernon SANKEY* (Chairman of the Committee);
- Dr. Roland BUSCH;
- Lynn PAINE*;
- Bertrand MEUNIER*.

i.e. four members, three of which are independent.

Vernon SANKEY, Chairman of the Audit Committee has financial and accounting skills acquired over the years by virtue of his mandates as Chief Executive Officer, Chairman and Board member of several companies located in Switzerland and the United Kingdom. Bertrand MEUNIER has extensive knowledge of accounting and corporate finance due to his long-standing experience as manager of private equity investment funds (formerly PAI Partners – now CVC Capital). Ms. PAINE and Mr. BUSCH have the required expertise by virtue of their educational background and professional experience.

In addition, upon their appointment on the Audit Committee, Mr. MEUNIER and Ms. PAINE were trained by the Chairman and Chief Executive Officer, the Chairman of the Audit Committee, the Group Chief Financial Officer and the Group General Counsel on the Company's specific accounting, financial or operational features and the Company's governance. This training shall be implemented on the occasion of any new appointment on the Audit Committee.

Operating rules

Under the Internal Rules of the Board of Directors, the Audit Committee members should be provided, at the time of appointment, with information relating to the Company's specific accounting, financial and operational features.

The Audit Committee should interview the statutory auditors, and also the persons responsible for finance, accounting and treasury matters. The review of accounts by the Audit Committee should be accompanied by a presentation from the statutory auditors stressing the essential points not only of the results of the statutory audit, in particular the adjustments resulting from the audit and significant weaknesses in internal control identified during the auditor's works, but also of the accounting methods chosen. It should also be accompanied by the complementary report to the Audit Committee provided for by applicable law and a presentation from the chief financial officer describing the corporation's risk exposures including those of a social and environmental nature, and its material off-balance-sheet commitments.

As far as internal audit and risk control are concerned, the Committee must interview those responsible for the internal audit. It should be informed of the program for the internal audit and receive internal audit reports or a regular summary of those reports. The Committee may use external experts as needed.

In 2018, the Audit Committee, in its operation, benefited from Company's internal skills, in particular the Group Chief Financial Officer, the Group Head of Internal Audit and Internal Control, the Group Senior Vice-President Bid Control and Business risk management, the Senior Vice-President Group Controlling, Accounting & Consolidation, the Group Head of Mergers and Acquisitions, Legal, Compliance and Contract Management, the Investor Relations and Financial Communication Director, the Group Head of Tax as well as the statutory auditors who attended, as applicable and upon request from the Committee Chairman, meetings of the Audit Committee.

All documentation presented to the Committee was communicated to the Committee by the Group Chief Financial Officer several days prior to the meetings.

Activities in 2018

During the 2018 financial year, the Audit Committee met 6 times. Attendance of members to the meetings was an average of 87.5%.

During the 2018 financial year, the Audit Committee reviewed the accounting and financial documents, including the statements related to off-balance sheet, before their presentation to the Board; the Committee also reviewed the main accounting items and methods. The Audit Committee examined the quarterly financial reports on the Group's performance, the consolidated accounts for 2017, the half yearly accounts 2018, and the draft financial press releases before their submission to the Board of Directors.

*(1) Independent Directors are identified by this symbol: *.*

The Audit Committee was regularly informed of the conclusions of the main missions and reviewed the summary reports concerning the activities of the internal audit. The Committee was informed on a regular basis of the monitoring and management of risk of the significant contracts and reviewed the risk mapping exercise presented by the Head of Internal Audit and Internal Control. The Committee also reviewed the state of the declared claims and litigations and the provisions. The Committee reviewed relevant sections of the Registration Document. The Committee was regularly informed on the state of the Group's treasury and financing needs and reviewed the off-balance sheet commitments. The Committee heard the intermediate and final reports of the statutory auditors concerning the annual and half-yearly accounts, as well as the reports of their other works carried out in connection with their general audit mission. The Committee was informed on Unify financial performance and the financing of the Syntel acquisition.

It also examined the fees and the independence of the statutory auditors.

G.2.4.4 The Nomination and Remuneration Committee's activity [GRI 102-36] [G 102-37]

Mission

Within its relevant fields of competence, the Nomination and Remuneration Committee shall have the task of preparing and facilitating the decisions of the Board of Directors.

With respect to nominations, the general field of competence of the Nomination and Remuneration Committee is to seek and examine any application for an appointment to the position of member of the Board of Directors or to a position of manager who holds a corporate mandate of the Company and to formulate an opinion on these applications and/or a recommendation to the Board of Directors.

The Nomination and Remuneration Committee examines major operations involving a risk of a conflict of interest between the Company and the members of the Board of Directors. The qualification of an independent Director shall be discussed by the Nomination and Remuneration Committee and reviewed and discussed each year by the Board of Directors before the publication of the Registration Document.

With respect to compensation, the Nomination and Remuneration Committee's task is to formulate proposals regarding the compensation of the Chairman and Chief Executive Officer (the amount of the fixed compensation and definition of the rules governing the variable compensation, ensuring the consistency of these rules with the annual assessment of the performances and with the medium-term strategy of the Company, as well as checking the annual application of such rules) and of the Directors.

The Nomination and Remuneration Committee also contributes to the preparation of the profit sharing policy of the staff of the Company and its subsidiaries. In particular, the Committee's task is to formulate proposals regarding the decisions to grant options for the subscription and/or purchase of Company shares, or Company performance shares to the benefit of corporate officers and any or all employees of the Company and its subsidiaries.

The rules relating to the compensation of senior executives are described in the "Executive Compensation and Stock Ownership" section of the Registration Document.

Concerning the members of the Board of Directors, the Committee is responsible for proposing to the Boards of Directors to rule each year on the total amount of the Directors' fees (*jetons de presence*) which is submitted to the approval of the General Meeting of Shareholders and the way in which such Directors' fees shall be distributed among the Directors, particularly taking into account the attendance of the members at the Board of Directors meetings and the Committees of which they are members, the level of liability incurred by the Directors and the time dedicated to their functions.

The Committee also makes observations and/or recommendations related to the pension and insurance plans, payments in kind, various financial rights granted to corporate officers of the Company and their subsidiaries.

Composition

During the 2018 financial year, the Nomination and Remuneration Committee was composed as follows[(1)]:

- Nicolas BAZIRE (Chairman)*;
- Bertrand MEUNIER*;
- Pasquale PISTORIO*[(2)].

All of its members were independent, in perfect conformity with the recommendations of the AFEP-MEDEF Code.

During its meeting dated December 17, 2018, the Board appointed Ms. Jean FLEMING, Director representing the employee shareholders on the Nomination and Remuneration Committee. Ms. FLEMING will attend a meeting of the Nomination and Remuneration Committee for the first time in 2019.

Operating rules

The Nomination and Remuneration Committee meets without the Chairman and Chief Executive Officer's presence for the setting of the Chairman and Chief Executive Officer's compensation policy and its related objectives as well as the assessment of this latter's performance on the occasion of the allocation of his variable compensation. The Nomination and Remuneration Committee delivers an opinion to the Board of Directors on the performance of the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer is associated to the works of the Committee relating to appointments and to the long-term incentive policy related proposals.

The Committee may use external experts as needed.

*(1) Independent Directors are identified by this symbol: *.*
(2) Mr. Pasquale PISTORIO resigned with effect on January 1st, 2019.

Activities in 2018

During the 2018 financial year, the Nomination and Remuneration Committee met 5 times. Attendance of members to the meetings was 93.33%.

The Nomination and Remuneration Committee met in 2018 in order to deal in particular with the following subjects so as to formulate opinions and recommendations to the Board of Directors:

- proposals regarding the setting of the objectives of the variable part of the Chairman and Chief Executive Officer's compensation for H2 2018 and H1 2019, and the confirmation of the results for his variable compensation related to H2 2017 and H1 2018;
- proposals regarding the setting of the objectives of the performance conditions for 2018 and 2019 applicable to the defined benefits pension scheme benefiting to the Chairman and Chief Executive Officer, and the confirmation of the results for the performance conditions for 2017 applicable to such pension scheme;
- review of the conformity of the Chairman and Chief Executive Officer's compensation with the recommendations of the AFEP-MEDEF Code;
- preparation of the "say on pay" vote on the Chairman and Chief Executive Officer's compensation, review of the criteria set for the latter's compensation and of the terms and conditions of presentation of such compensation to the shareholders;
- proposals regarding the setting up of a performance share allocation plan in favor of Group employees and the Chairman and Chief Executive Officer;
- proposals regarding the confirmation of the achievement of performance conditions, including the achievement of the CSR performance conditions, and the setting of new annual objectives for the same in connection with on-going performance share plans;
- proposal regarding the implementation of a share buyback program in connection with the vesting of performance shares;
- review of a project of employee stock ownership plan;
- review of a plan for the succession of the Chairman and Chief Executive Officer;
- proposals regarding the composition of the Board of Directors and the renewal of Directors mandates during the 2018 Annual General Meeting;
- proposals regarding the confirmation of the composition of the Board's Committees after the renewal of terms of office decided by the Annual General Meeting;
- proposals regarding the appointment of the Lead Independent Director and of a Deputy Lead Independent Director;
- proposals regarding the total amount of Directors' fees (*jetons de présence*) envelope that was proposed during the 2018 General Meeting and the terms and conditions of allocation of these Directors' fees;
- review of the Board members' independence.

G.2.4.5 The CSR Committee's activity

In order to strengthen the consideration of Corporate Social Responsibility, the Board, during its meeting held on December 17, 2018, decided to create a Committee dedicated to social and environmental responsibility issues. The provisions of the Internal Rules of the Board of Directors were amended accordingly. The CSR Committee will meet as from 2019.

Mission

Within its relevant fields of competence, the CSR Committee shall have the task of preparing and facilitating the work of the Board of Directors. The Committee shall formulate all opinions and recommendations to the Board of Directors within the areas described here below. The Committee shall particularly receive from the Board of Directors the following assignments:

- to review the Group's social and environmental responsibility strategy and the rollout of the related initiatives;
- to review the Group's social and environmental responsibility commitments in light of the challenges specific to the Group's business and objectives, in particular in such areas as well being at work, diversity and environment;
- to evaluate the risks and opportunities with regard to social and environmental performance;
- to review the social and environmental policies taking into account their impact in terms of economic performance;
- to review the annual statement on extra-financial performance; and
- to review the summary of ratings awarded to the Group by rating agencies and in extra-financial analysis.

Composition

The CSR Committee is composed as follows[1]:

- Valérie BERNIS (Chairman)*;
- Marie-Christine LEBERT (Vice-Chairman);
- Lynn PAINE*;
- Vernon SANKEY*.

(1) *Independent Directors are identified by this symbol: *.*

Operating rules

The CSR Committee is subject to the same general operating rules as those applicable to the other Board Committees. The CSR Committee meets as often as the Company's interest so requires. The Committee may, in carrying out its responsibilities, contact leading managers of the Company after notifying the Chairman of the Board of Directors or the Board of Directors itself and under the condition that it reports back to the Board of Directors.

The Committee may use external experts as needed.

G.2.5 Assessment of the works of the Board of Directors

[GRI 102-28]

As mentioned in the Internal Rules of the Board of Directors, the Board of Directors must assess its capacity to meet the expectations of the shareholders by periodically analyzing its composition, organization and its operation, as well as the composition, organization and operation of its Committees.

The evaluation has three objectives:

(i) to assess the way in which the Board operates;

(ii) to check that the important issues are suitably prepared and discussed;

(iii) to measure the actual contribution of each Director to the Board's work.

The Internal Rules of the Board of Directors provide that for this purpose, once a year, the Board of Directors shall devote one item on its agenda to the discussion of its operation and inform the shareholders each year, in the Registration Document, of the conduct of these assessments and the subsequent follow-up.

In accordance with the AFEP-MEDEF recommendations, the Board of Directors has undertaken since 2009 the annual assessment under the supervision of its Lead Independent Director, Pasquale PISTORIO. For the 2018 financial year, the Board decided during its meeting held on October 22, 2018, to proceed with a formalized assessment under the same conditions as for the previous years.

The formalized assessment carried out on the works of the Board and its Committees during the 2018 fiscal year, allowed to deepen the appreciation of the works achieved at the Board level as well as in the Committees, as to the conditions in which these meetings are prepared and in particular at the Committees' level (the latter also being subject to an assessment).

The assessment was carried out pursuant to the following procedure:

- under the supervision of the Lead Independent Director, each Director answers a questionnaire which he is individually provided, with the possibility of individual interviews with the Lead Independent Director. The questionnaire addresses such topics as:
  - the suitability of the Board and Committees composition,
  - the suitability of the agenda and information provided in that respect, of the time devoted to specific subjects,
  - the suitability of the means provided to the Committees to carry out their mission,
  - the quality of the recommendation from both Committees,
  - the quality of the minutes of meetings,
  - the documents/information the Directors wish to be addressed/provided,
  - the satisfactory nature of the actual contribution of each Director to the works of the Board,
  - the improvements to be made;
- at the end of these works, an item was put on the agenda of the Board of Directors' meeting of December 17, 2018 in order to report on the outcome of this assessment and consider the improvements to retain.

The tone of the assessment is very positive, as for the previous years. The following points emerged from the Lead Independent Director's analysis and, were shared with all the Directors:

- the Directors were fully satisfied with the diversity of the composition of the Board of Directors, with a very satisfactory proportion of women (6/12, i.e. 50% of members) and of Directors of foreign nationality (6/12, i.e. 50% of members). They also mentioned that the diversity of skills was appropriate at the Board level;
- they were globally satisfied with the Board of Directors addressing in 2018 in details such issues as strategy, growth and Atos positioning towards competitors, but considered that more should be done next year, for example through the organization of one or two specific days devoted to certain strategic topics, including, if possible, in other geographies than France representing important stakes for the Group;
- the functioning of the Board and its Committees was most appreciated; the Directors generally underlined the high quality of the supporting documentation and considered that sustainability and corporate responsibility topics - for which Atos has been enjoying a large recognition over the last few years and in particular in 2018 (DJSI World and Europe Gold level (Atos leader in its industry group) and Ecovadis Gold level)- should, as in 2018, be discussed at Board level in 2019, based on the preliminary work of the new CSR Committee. This new Committee was set up on December 17, 2018 upon the recommendation of the Nomination and remuneration Committee and the outcomes of this assessment.

In addition to being addressed through the questionnaire (in particular with the assessment of the actual contribution of each Director), the assessment of the performance of the Chief Executive Officer took place twice in 2018 during the Board of Directors' meetings that ruled in February and July, respectively for the second semester 2017 and the first semester 2018, on the achievement of the performance criteria of the Chairman and Chief Executive Officer's variable compensation.

G.2.6 Board of Directors' report on corporate governance

Dear Shareholders,

Pursuant to the provisions of article L. 225-37 of the French Commercial Code, the Board of Directors of Atos SE (the "Company") hereby presents its report on corporate governance, approved during its meeting held on February 20, 2019.

The 2018 Registration Document includes all corporate governance-related items required under articles L. 225-37 et seq of the French Commercial Code to be included in the Board of Directors' report on corporate governance. Consequently, the following table allows identifying in the 2018 Registration Document the required information.

Information required under L. 225-37 et *seq* of the French Commercial Code	Section of the 2018 Registration Document
Governance *(L. 225-37-4 CCom)*	
List of mandates and functions in any company exercised by each corporate officer during the financial year	G.2.3.1
Agreements entered into between a subsidiary and a corporate officer or a shareholder holding more than 10% of the voting rights	N/A
Table of on-going delegations to proceed to share capital increases	G.5.7.7
Choice of terms and conditions to exercise the general management of the Company	G.2.2
Composition of the Board of Directors and conditions of organization of the works of the Board of Directors	G.2.3, G.2.4
Diversity policy at Board of Directors and Comex levels and results in terms of gender diversity for the 10% highest responsibility positions within the Company	G.2.3.1, D.2.4.3
Limitations of powers on the Chief Executive Officer	G.2.2
Recommendations of corporate governance Code which are not followed and place where Code may be consulted	G.2.1
Specific terms and conditions of participation in General Meetings	G.1.3.2
Executive Compensation *(L. 225-37-2 and L. 225-37-3 CCom)*	
Presentation of draft resolutions on compensation policy to be submitted to the General Meeting i n the context of the ex ante vote	G.3.2.1, G.4.3
Corporate officers' compensation paid during the closed financial year	G.3.1, G.3.2.2, G.4.2
Undertakings in favor of corporate officers in case of taking up, ending or change of functions.	G.3.2.1, G.3.2.2
Elements likely to have an impact in case of public offer *(L. 225-37-5 CCom)*	
Structure of share capital of the Company	G.5.1.2, G.5.2, G.5.7.3
Limitations on the exercise of voting rights and share transfers as per the Articles of Association	G.1.3.2, G.5.7.4, G.5.7.5
Direct or indirect shareholdings in the share capital of the Company	G.5.1.2, G.5.2, G.5.7.3
List of holders of any securities with special control rights	N/A
Control mechanisms in employee shareholding systems	G.5.7.5
Agreements between shareholders which may result in restrictions to share transfers and the exercise of voting rights	G.5.7.5
Rules applicable to the appointment and replacement of Board of Directors members and the amendment of the Articles of Association of the Company	G.1.3.1, G.1.3.2
Powers of the Board of Directors' (in particular for the issuance or buyback of shares)	G.1.3.1, G.2.2, G.2.4.2, G.5.7.6, G.5.7.7
Agreements entered into by the Company which are modified or terminated in case of change of control of the Company	G.5.7.5
Agreements providing for indemnities to Board of Directors members or employees upon termination of their employment contract, by resignation or termination without real and serious cause, or pursuant to a purchase or exchange public offer	G.3.2.1, G.3.2.2, G.5.7.5

In addition to the legally required items under articles L. 225-37 et seq of the French Commercial Code (as above mentioned), and pursuant to the "Comply or Explain rule", the 2018 Registration Document also includes the following additional corporate governance-related items recommended under the AFEP-MEDEF Code of corporate governance to be included in the Board of Directors' report on corporate governance.

Consequently, the following table allows identifying in the 2018 Registration Document the recommended information. It is specified that the items recommended by the AFEP-MEDEF Code which also fall within the list of legally required items under articles L. 225-37 et seq of the French Commercial Code (as above mentioned) are not depicted in the below table.

Information recommended under the AFEP-MEDEF Code of Corporate Governance	Section of the AFEP-MEDEF Code	Section of the 2018 Registration Document
Internal rules of the Board of Directors	2.2	G.2.3.9
Quantitative and qualitative criteria that led to the evaluation of the significance or otherwise of the relationship with the Company or its group	8.5.3	G.2.3.2
Assessment of the works of the Board of Directors	9.3	G.2.5
Number of meetings of Board of Directors and of Board Committees held in the past financial year and information relating to Directors' individual attendance at such meetings	10.1	G.2.4
Start and end dates of Directors' term of office, Directors' nationality, age and principal position, list of names of the members of each Board's committees	13.3	G.2.3.1, G.2.4
Description of the Committees activities in the past financial year	14.2	G.2.4
Number of shares held by the Directors	19	G.2.3.1
Rules for allocation of Directors' fees and individual amounts of payments made in this regards to the Directors	20.4	G.3.1
Minimum number of registered shares that the Company officers must retain	22	G.1.3.1, G.2.3.4
Recommendation of the High Committee and reasons why the Company decided not to comply with it	27.2	N/A

The Board of Directors of Atos SE

Represented by Thierry BRETON, Chairman

G.3 Executive compensation and stock ownership

G.3.1 Directors' fees

[GRI 102-51]

In accordance with a resolution adopted at the Combined General Meeting of May 24, 2018, the 2018 annual budget for Directors' fees was set at € 500,000.

The rules of payment of the Directors' fees are set by the Board of Directors, based on the proposal of the Nomination and Remuneration Committee. For 2018, the fees were allocated on the basis of the following principles:

- for the Board of Directors: a fixed compensation of € 20,000 per Director plus a variable fee of € 1,500 per attended meeting. The Lead Independent Director receives an additional compensation of € 1,500 for each attended Board meeting;
- for the Committees: compensation is only based on attendance to the meetings: € 1,500 per attended meeting for the Chairman of the said Committee and € 750 per attended meeting for each member of the Committee;
- successive meetings held on the same day account for one meeting as far as Directors' fees are concerned;
- as far as Directors' fees are concerned, the Board may consider one meeting, in case several meetings, held on different days but in a close timeframe, are connex.

As it was the case the previous years, Thierry Breton has renounced to the Director's fees he was entitled to. In addition, as per the Articles of Association, the Director representing the employees does not receive Directors' fees.

With the exception of (i) Thierry BRETON, Chairman and Chief Executive Officer, (ii) Jean FLEMING, Director representing employee shareholders, and (iii) Marie-Christine LEBERT, Director representing the employees, the members of the Board of Directors did not receive in 2018 any other compensation from Atos SE or any of its subsidiaries.

G.3.1.1 Director's fees paid and due to Directors according to their attendance at the Board of Directors and Committees meetings in 2018

	2018		2017	
(in euros)	Paid[a]	Owed[b]	Paid[c]	Owed[d]
Nicolas Bazire	51,500	45,500	44,000	51,500
Valérie Bernis	45,500	36,500	33,500	45,500
Thierry Breton	-	-	-	-
Roland Busch	38,000*	32,000*	29,750*	38,000*
Jean Fleming[1]	39,500*	35,000*	35,000*	39,500*
Marie-Christine Lebert[2]	N/A	N/A	N/A	N/A
Bertrand Meunier	54,500*	49,250*	47,000*	54,500*
Colette Neuville	44,000	39,500	38,000	44,000
Aminata Niane	47,750*	41,000*	43,250*	47,750*
Lynn Paine	44,750*	41,750*	38,000*	44,750*
Pasquale Pistorio	74,750*	59,000*	47,750*	74,750*
Vernon Sankey	53,000*	48,500*	48,500*	53,000*
TOTAL	**493,250**	**428,000**	**404,750**	**493,250**

N/A: Non applicable.
* *These fees granted to Directors residing outside of France correspond to the amounts, before withholding tax, paid or due by Atos SE.*
a *Directors' fees paid in 2018 for the year 2017.*
b *Directors' fees owed for the year 2018.*
c *Directors' fees paid in 2017 for the year 2016.*
d *Directors' fees owed for the year 2017.*
1 *Ms. Jean Fleming, Director representing the employee shareholders is employed by the Atos Group.*
2 *Ms. Marie-Christine Lebert, Director representing the employees, is employed by the Atos Group. The Director representing the employees does not receive Directors' fees.*

The variable portion of the Directors' fees represents the majority (53.3%) of the total Director's fees, which is in conformity with article 20.1 of the AFEP-MEDEF Code.

G.3.2 Executive compensation

[GRI 102-35]

Thierry Breton was appointed Chairman of the Management Board on November 16, 2008 and has been Chairman of the Board and Chief Executive Officer since February 10, 2009.

On December 30, 2016, following the Shareholders' Meeting which approved the renewal by anticipation of Thierry Breton's term of office for a 3-year period aligned with the duration of the 2017-2019 strategic plan, the Board of Directors renewed his mandate as Chairman of the Board and Chief Executive Officer. It will be proposed to renew the terms of office as Director at the Shareholders' Meeting to be held in 2019, approving the 2018 financial statements.

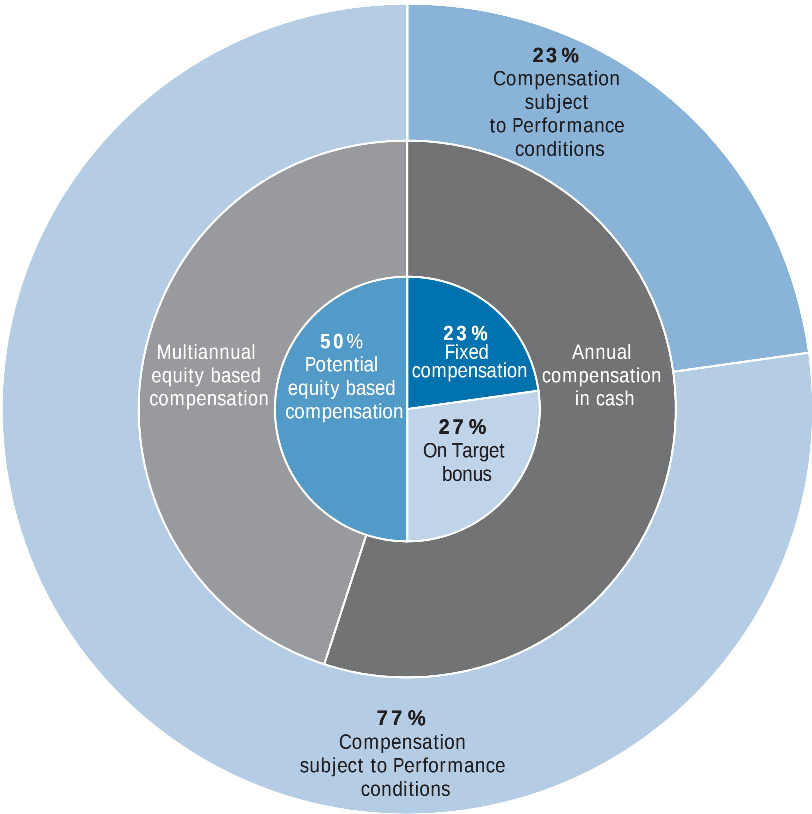
G.3.2.1 Principles and criteria for setting, allocating, and granting, all elements of compensation of the Chairman and CEO, submitted to the shareholders' vote

The principles of the compensation of the Chairman and CEO of Atos SE are proposed by the Nomination and Remuneration Committee, approved by the Board of Directors and submitted to the vote of the Shareholders' Meeting. Thus, in accordance with article L. 225-37-2 of the French Commercial Code, the features and criteria for setting, allocating, and granting, the fixed, variable, long-term and exceptional elements making up the total compensation and benefits of all kinds attributable the Chairman and Chief Executive Officer, in respect of the year 2019, will be submitted to the shareholders' vote during the Shareholders' Meeting approving the 2018 financial statements. These principles and criteria, set by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee, are presented in the Company's corporate governance report.

The principles governing the determination of the compensation of the Chairman and CEO are established in the framework of the AFEP-MEDEF Code to which the Company is referring:

- principle of balance: the Nomination and Remuneration Committee ensures that no element represents a disproportionate share of the Chairman and CEO's compensation;
- principle of competitiveness: The Nomination and Remuneration Committee also ensures the competitiveness of the remuneration of the Chairman and CEO, through regular compensation surveys;
- related to performance: The Chairman and CEO's compensation is closely linked to Company performance, notably through a variable compensation plan determined on a half-year basis. The payment of the semester bonuses is subject to the achievement of precise, simple, and measurable objectives which are closely linked to Company's objectives, as regularly disclosed to the shareholders. In order to develop a community of interest with the Group's shareholders and to associate Atos managers and Chairman and CEO with the performance and financial results of the Company in a long-term perspective, a part of their compensation is equity based, including performance shares. Finally, the compensation policy of the Chairman and CEO supports Atos' commitment to corporate responsibility. In this context, performance criteria related to the social and environmental responsibility of the Company have been established in the performance share plans granted as from 2013.

In accordance with these general principles of compensation, the Board of Directors, during its meeting on November 24, 2016, upon recommendation of the Nomination and Remuneration Committee, set the compensation of the Chairman and CEO applicable throughout the plan 2017-2019 based on comparisons with nation-wide, European, international and sectoral references and taking into account, in particular, the Chairman and CEO compensation history with regard to the performance of the Company under its various mandates. As a reminder, the Chairman and CEO's compensation remained unchanged from January 1, 2012 to December 31, 2016.



Therefore, this compensation results from a balance between the performance of the Chairman and CEO, Atos SE social interest and market practices.

These elements include as from January 1, 2017:

1. Fixed compensation

The fixed annual compensation amounts to € 1.4 million.

2. Variable compensation

The on-target annual variable compensation amounts to € 1.65 million, with a maximum payment capped at 130% of the target variable compensation in case of over-performance and no minimum payment.

The variable compensation of the Chairman and CEO is conditional, based on clear and demanding operating performance criteria exclusively related to quantitative and financial objectives. The objectives are fully aligned with the Group Ambitions, as they are regularly presented to the shareholders.

In order to monitor Company's performance more closely and establish a proactive way to support its strategic plan, the performance objectives for the Chairman and CEO are set and reviewed on a half-year basis. Thus, objectives for the first-half of the year are set on the basis of the Company's budget approved by the Board of Directors in December and objectives for the second-half of the year on the basis of the "Full Year Forecast 2" approved in July.

For both semesters of 2018 and 2019, the nature and weighting of each indicator of the variable on-target bonus of the Chairman and CEO are as follows:

- Group Operating Margin (40%);
- Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (30%);
- Group Organic Revenue Growth (30%).

The Board of Directors sets the biannual objectives on which the variable compensation of the Chairman and CEO is based on in connection with the Group ambition to deliver in the context of its 3-year strategic plan, defined targets in terms of revenue organic growth, operating margin and its conversion into free cash flow. The underlying biannual objectives are determined by the Board of Directors in order to carry out the achievement of the financial objectives announced to the market (refer to the section E.2. of the 2017 and 2018 Registration Document).

Thus, for each performance indicator, the Board of Directors sets:

- a predefined target, aligned with the strategic plan (budget), the attainment of which resulting in 100% achievement for getting the on-target variable compensation in respect of this indicator;
- a floor which defines the threshold below which no variable compensation for that component is due;
- a cap which defines the threshold above which the variable compensation for that indicator is capped of its on-target amount.

The elasticity curve accelerates the amount of the variable compensation due upwards and downwards according to the level of achievement of each of the objectives.

According to the article L. 225-37-2 of the French Commercial Code, the payment of the variable compensation due for the first and the second semester is subject to the vote of the Shareholders' Meeting approving the financial statements of the previous year.

3. Multiannual equity-based compensation

Atos is strongly committed to associating its employees with the long-term performance and results of the Group, notably through long-term incentive plans. Beneficiaries of such plans are mostly the first managerial and technology experts lines of Atos, including the Chairman and CEO.

The total equity-based compensation of the Chairman and CEO is limited, based on the fair value set by reference to IFRS 2 recognized in the consolidated financial statements, to circa 50% of the global compensation of the Chairman and CEO.

In the context of the grant decision, the Board of Directors sets the percentage of acquired equity instruments (at least 15%) that the Chairman and CEO must remain owner for the duration of his duties. The Board also set a general rule for the holding of Atos SE shares applicable to the Chairman and Chief Executive Officer of 15% of the shares awarded to him since the beginning of his mandate, aside from the specific rules usually set at the time of each award.

At the time of each award, the Chairman and CEO is asked to acknowledge the prohibition to conclude any financial hedging instruments over the equity instruments being the subject of the award during the whole duration of his mandate, and to commit himself to comply with.

The vesting of equity instruments (shares and/or stock-options) is subject to the achievement of performance conditions, which must be fulfilled over a period of at least three years, based on operational and measurable criteria as well as Corporate Social Responsibility indicators reflecting the key success factors of the Group's strategy.

Upon proposal of the Nomination and Remuneration Committee, the Board of Directors plans, for the 2019 grant of equity instruments to the Chairman and CEO and the Executive Committee members, to define a new structure of performance plans with a mix of performance shares and stock options with the aim to introduce a criteria tied to the stock market performance in order to reinforce the alignment with the the long-term interests of shareholders.

Specifically, half of the 2019 total number of equity instruments granted would consist in stock options with the balance consisting in performance shares. The following main features and conditions (to be further specified in the report of the Board of Directors to the Shareholders" Meeting to be held on April 30, 2019) would apply to the performance plans:

- **Stock options:**
  - a strike price equals to the average of the closing Atos share price during the twenty trading days before the grant date, increased by five percent,
  - a vesting period of three years from the grant date,
  - a vesting and an ability to exercise options in whole or in part tied to the achievement of a financial criterion of relative performance comparing the growth of the total return of the Atos SE share (Total Shareholder Return – "TSR") with the growth of the TSR of a basket including comparable companies in the same business sector and stock reference indexes, over a 3-year period,
  - a mandatory preservation of corporate officer status by the beneficiary during the period of the vesting of the right to exercise options, except in the event of death, disability or retirement,
  - a term of 10 years.

    No option would become exercisable if the relative market performance of the Atos SE share is below 100% of the average of the market performance of the basket over a 3-year period.
  - The performance of the Atos SE share and the shares or indexes of the basket would be calculated on the basis of the average of the closing share price (dividends reinvested) during the trading days of the quarter before the grant and vesting dates.
- **Performance shares:**
  - a vesting period maintained at three years from the grant date,
  - three Internal Financial Performance Indicators and one external performance condition related to the social and environmental responsibility of the Company, the achievement of which, measured over the 3-year period, conditions the vesting in whole or in part of the performance shares,
  - a mandatory preservation of corporate officer status by the beneficiary during the vesting period, except in the event of death, disability or retirement.

The three Internal Financial Performance Indicators would be directly connected to key success factors for the achievement of the Group's ambitions as outlined in the strategic plan "ADVANCE 2021": (i) Organic Revenue growth conditioning 30% of the grant, and (ii) Operating Margin conditioning 25% of the grant, and (iii) Free Cash Flow conditioning 25% of the grant.

These indicators would be calculated on a consolidated basis, taking into account potential scope variations and changes in the foreign exchange rates.

Their target achievement levels would be set in line with the objectives of the plan "ADVANCE 2021". An elasticity curve would accelerate upwards and downwards the percentage of the grant related to each indicator according to its level of achievement over the 3-year period.

The external performance condition linked to the Corporate Social Responsibility, referring to the Dow Jones Sustainability Index ("DJSI") (World or Europe) would condition 20% of the grant. The target achievement would be based on the average of the scores achieved by the Group during the vesting period compared to the average of the scores achieved by the other companies included in the DJSI over the same period.

The final number of vested performance shares shall in no circumstance be above the number granted.

4. Benefits in kind

The benefits in kind granted to the Chairman and CEO since his appointment remained unchanged and include a company car with driver.

5. Other compensation elements

As in the previous years, the Chairman and CEO has renounced to the Director's fees he is entitled to for the year 2019.

The Chairman and CEO does not receive exceptional compensation nor compensation elements or fringe benefits due by Atos SE or its affiliates related to his mandate. He does not have an employment contract and will not receive a severance payment at the end of his mandate nor any compensation for non-compete clause in the event of termination of his mandate. There is no other multiannual compensation than the one stated in paragraph 3 and there is no need to pay compensation or benefit due or likely to be due for taking office.

6. Commitments stated in the first and sixth paragraph of article L. 225-42-1 of the French Commercial Code

Supplementary Pension Plan: The Chairman and CEO benefits from the supplementary pension plan reserved for members of the Group's Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code. The beneficiary group is thus wider than the inner circle of executive Directors.

The implementation of the Pension Plan of the Executive Committee members for the benefit of the present Chairman and CEO was authorized by the Board of Directors on March 26, 2009, was approved by the Shareholders' Meeting on May 26, 2009 under the 4th resolution, and confirmed by the Board of Directors on December 17, 2009.

Atos SE and Atos International SAS examined, end of 2014 and beginning of 2015, the opportunity of strengthening the conditions for the acquisition of pension rights by providing for an acquisition of these rights conditioned upon the achievement of performance criteria.

In this context, on the basis of the report and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company authorized on March 26, 2015 the revision of the existing collective supplementary pension scheme with defined benefits to the benefit of the members of the Executive Committee ending their career within Atos SE or Atos International SAS, because it also applies to the Chairman and Chief Executive Officer. These modifications were approved by the Shareholders' Meeting on May 28, 2015 under the 10th resolution.

Within the framework of the renewal of the mandate as Chairman and Chief Executive Officer, pursuant to article L. 225-42-1 of the French Commercial Code, the Board of Directors, on November 24, 2016, acknowledged the compliance of the commitment with the Macron law provisions (cap on the rights granted, performance conditions) and authorized the continuance of the collective supplementary pension scheme with defined benefits to the benefit of the Chairman and Chief Executive Officer. The continuance of this commitment was approved by the Shareholders' Meeting on December 30, 2016 under the 2nd resolution with 89.68% of the vote.

Performance conditions for pension rights acquisition in respect of the supplementary pension scheme

According to new plan rules, the acquisition of rights under the supplementary pension scheme is now subject to performance conditions set annually by the Board of Directors which may in particular refer to the performance conditions contained in stock option plans or free shares plans or to any other condition which it will consider more relevant.

Each year, the Board of Directors will meet in order to verify the completion, of the performance conditions during the preceding year.

Entire calendar quarters for periods after January 1, 2015 are only taken into account to assess the amount of the pension supplement if they relate to a year during which the performance conditions set by the Board of Directors will have been achieved. Failing that, the corresponding quarters will not be taken into account to determine the pension supplement.

The periods prior to January 1, 2015 are also subject to performance conditions and, likewise, will only be taken into account to determine the amount of the pension supplement if for each year, the performance conditions then set by the Board of Directors, either for the vesting of stock-options plans or for the vesting of performance shares plans, were met.

Thus, failing any performance conditions assessed for 2008, no entire calendar quarters related to this year will be taken into account in the assessment of the amount of the pension supplement.

Moreover, for the award of the additional pension it is expected that at least two-thirds of the years are validated under the performance conditions here above mentioned, during Mr. Thierry BRETON's membership in the Executive Committee while performing his various terms of office. The Board of Directors will meet at the end of the term of office of the concerned person to verify whether this two-thirds requirement is satisfied. If that is the case, Mr. Thierry BRETON will hence benefit to a pension supplement. Failing that, he will not be provided with any additional pension.

For the year 2018, the Board of Directors, during its meeting on February 20, 2018, decided to condition the acquisition of rights under the supplementary pension scheme to the same performance conditions than those retained for the performance share plan dated July 24, 2017.

For the year 2019, the Board of Directors decided on February 20, 2019, to condition the acquisition of rights under the supplementary pension scheme to the same performance conditions than those retained for this same performance share plan dated July 24, 2017.

Terms and conditions for determining the amount of the Executive Director's pension supplement

The annual amount of the pension supplement is 0.625% of the reference compensation per entire calendar quarters of seniority recognized by the scheme. The reference compensation is the average of the last sixty monthly compensation, multiplied by twelve.

For the assessment of this reference compensation, only the followings are taken into account:

- the fixed compensation of the Executive Director;
- the annual on-target bonus actually paid to the Executive Director excluding any other form of variable compensation. This annual bonus is taken into account within the cap of 130% of the basic compensation.

Cap on the Executive Director's pension supplement

The annual amount of the pension supplement paid under the present scheme to the Chairman and Chief Executive Officer cannot be superior to the difference between:

- 33% of the reference compensation above mentioned; and
- the annual amount of the basic, complementary and supplementary pensions.

Other rules

The membership requirement at the Executive Committee level is extended to five years minimum. The minimum age to benefit from the scheme is aligned on the statutory retirement age set by article L. 161-17-2 of the Social Security Code (i.e. between 60 to 62 years depending on the year of birth according to the current legislation) and the age for liquidation of the pension supplement is aligned on the age at which the person may liquidate his full pension under the general scheme. This age cannot in any case be less than the one foreseen in article L. 161-17-2 of the Social Security Code, it being specified that a survivor's pension is provided in case of death occurring before or after the age for the liquidation.

G.3.2.2 Elements of the compensation due or awarded at the end of the closed financial year to the Executive Director, submitted to the shareholders' vote

In compliance with article L. 225-37-2 of the French Commercial Code, the principles and criteria for setting, allocating, and granting, the fixed, variable, long-term and exceptional elements making up the total compensation and fringe benefits of all kinds attributable to the Chairman and Chief Executive Officer by reason of his office, for the 2018 financial year and constituting the compensation policy applicable to him have been submitted to the shareholders' vote and adopted by the Shareholders' Meeting on May 24, 2018 under the 11th resolution.

Pursuant to article L. 225-100 of the French Commercial Code, the amounts and elements stated below, resulting from the implementation of these principles and criteria are submitted to the approval of the Shareholders' Meeting which will approve the 2018 financial statements. They are entirely part of the Company's corporate governance report.

Compensation Components	Amounts	Comments
Fixed compensation	€ 1,400,000	The fixed compensation paid to the Chairman and CEO has been approved by the Shareholders' Meeting on May 24, 2018 under the 11th resolution.
Variable compensation	€ 1,304,821 due with respect to the 2018 year i.e. 79.1% of the annual target variable compensation	As a reminder, the nature and weighting of each indicator for the 2018 variable compensation of the Chairman and CEO are the following: • Group Operating Margin (40%); • Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (30%); • Group Organic Revenue Growth (30%). Achievement of the performance criteria and the resulting variable compensation amount have been validated by the Board during the meetings held on July 22, 2018 and February 20, 2019: for the first semester of 2018, the variable bonus of the Chairman and CEO, stood at € 507,953 (61.6% of the semester on-target bonus), and at € 796,868 (96.6% of the semester on-target bonus) for the second semester of 2018.

	First-half of 2017		Second-half of 2017	
Indicators	**Weight**	**Payout***	**Weight**	**Payout***
Group Operating Margin	40%	< 100%	40%	<100%
Group Free Cash Flow[1]	30%	< 100%	30%	>100%
Group Organic Revenue Growth	30%	< 100%	30%	<100%
Payout in % of the semester on-target bonus		**61.6%**		**96.6%**

* *On the basis of the elasticity curve capped at 130%.*

1 *before acquisitions/disposal and variation of equity and dividends.*

Budget achievements are as follows:

Budget	2018
Group Operating Margin	92,7%
Group Free Cash Flow[1]	94,4%
Group Organic Revenue Growth	52,8%

Objectives which are set every semester on the basis of the Company's budget are in line with the financial guidance announced to the market at the beginning of the year.

Benefits in kind	€ 18,500	Thierry Breton, Chairman and CEO, has a company car with driver.
Multiannual equity-based compensation	€ 0 No stock-option Grant ~ Grant of 51,350 Performance Shares Shares valuation € 0 Based on the fair value as determined according to IFRS 2 standard retained for the consolidated financial statements.	The Board of Directors decided, during its meeting held on July 22, 2018, and upon the recommendation of the Nomination and Remuneration Committee, to proceed to the allocation of 51,350 performance shares to be issued in favor of the Chairman and Chief Executive Officer. This allocation was decided further to its approval by the Shareholders' Meeting of May 24, 2018 under the 11th resolution ("Say on Pay ex ante") and pursuant to the authorization granted for thirty-eight months by this same Shareholder's Meeting (21st resolution). The failure to reach the organic revenue growth rate target for the year 2018 has rendered the granting of 51,350 performance shares to the benefit of the Chairman and Chief Executive Officer null and void.
Other compensation elements	N/A	As a reminder, the Chairman and CEO does not receive exceptional compensation nor compensation elements or fringe benefits due by Atos SE or its affiliates related to his mandate. He does not have an employment contract and will not receive a severance payment at the end of his mandate nor any compensation for non-compete clause in the event of termination of his mandate. Moreover, the Chairman and CEO has declined to accept his Director's fees.
Defined Benefit Supplementary Pension scheme	Does not apply	The Chairman and CEO benefits from the supplementary pension plan reserved for members of the Group's Executive Committee ending their career at Atos SE or Atos International SAS governed by article L. 137-11 of the French Social Security Code. This pension benefit that has been confirmed by the shareholders when they voted a specific resolution during the Shareholders' Meeting held on December 30, 2016, is described in the section G.3.2.1 of the Registration Document. On February 20, 2019, the Board of Directors verified the completion of the performance conditions for the year 2018, with at least two of three internal performance indicators achieved, thus validating pension rights for the four quarters of the year 2018.

Group Operating Margin	**2018**
Budget achievement (%)	92.7%
85% of budget or +10% vs previous year achieved	YES
Group Free Cash Flow	**2018**
Budget achievement (%)	94.4%
85% of budget or +10% vs previous year achieved	YES
Group Organic Revenue Growth	**2018**
Budget achievement (%)	52.8%
85% of the revenue growth rate set by the Board of Directors at the beginning of the year, in line with the Company's budget for the year	NO
Environmental and Social Responsibility[1]	**2018**
"Qualified "GRI standards comprehensive"" or, be part of the Dow Jones Sustainability Index (World or Europe)	YES[1]

Assuming the Chairman and CEO was entitled to the pension supplement as from the day after the closing of the financial year, the gross amount of the pension supplement would be estimated at € 711 thousand per annum. The pension supplement will be subject to the following social contributions payable exclusively by the beneficiary: CSG/CRDS (8.8%), Health Contribution (1%), CASA (0.3%) and a special contribution of up to 14%. In addition, the pension supplement will be subject to income tax. The employer will pay an annual contribution at the rate of 32% on the pension amount paid. Pensions are paid by an insurer and Atos funds its commitments when beneficiaries retire.

1 *In 2018, Atos has been ranked n°1 as the most sustainable company in its industry group in the Dow Jones Sustainability Index (DJSI)World and Europe (Gold level).*

G.3.2.3 Compliance of total executive compensation with AFEP-MEDEF recommendations

The Company committed in 2008 to implement the recommendations of the AFEP-MEDEF corporate governance Code for listed companies, relating, in particular, to the conditions of compensation of executive Directors, and to regularly report thereon.

The Board of Directors met on December 17, 2018 to perform the annual review of the implementation by the Company of these governance principles. Following this meeting, also attended by some employee representatives of the Company's council, the Board of Directors considered that the Company's governance practices, including on the Chairman and Chief Executive Officer's compensation, are compliant with the recommendations of the AFEP-MEDEF Code.

The complete and detailed document which supported this Board assessment, as reviewed and updated by the Board, is made available in its entirety on Atos' website.

G.3.2.4 Summary of the Chairman and CEO's compensation, due or paid by the Company and its subsidiaries – AMF Tables 1 and 2

AMF Table 1	2018 *(in euros)*	2017 *(in euros)*
Due remuneration for the relevant year	2,723,321	3,246,764
Value of options granted during the year	-	-
Value of Performance Shares granted during the year	0	2,876,186
TOTAL	**2,723,321**	**6,122,950**

On each date of grant, the fair value of performance shares granted is determined pursuant to IFRS 2 standard retained for the consolidated financial statements. Performance shares granted are valued based on this fair value. Thus, the value of performance shares granted as disclosed above is a historical value on the date of grant calculated for accounting purposes. This value does not represent a current market value nor the actual amounts that may be paid to the beneficiary if and when the performance shares are acquired. Performance shares granted in 2018 are entirely become null and void (refer to § G.3.2.2) and are valued at zero consequently.

	2018 *(in euros)*		2017 *(in euros)*	
AMF Table 2	Due	Paid	Due	Paid
Fixed remuneration	1,400,000	1,400,000	1,400,000	1,400,000
Variable remuneration	1,304,821	815,430	1,840,410	1,824,383
Exceptional remuneration	-	-	-	-
Atos SE Director's fees	-	-	-	-
Fringe benefits	18,500	18,500	6,354	6,354
TOTAL	**2,723,321**	**2,233,930**	**3,246,764**	**3,230,737**

Due remuneration reflects amounts due for the first and second semesters of the relevant year. Paid remuneration reflects amounts paid for the second semester of the previous year and the following first semester. As a reminder, pursuant to the provisions of the so-called "Sapin 2" law, the payment of the variable compensation due as from the second semester 2017 is subject to the approval of the Shareholders' Meeting which will approve the financial statements. Thus, the variable compensation paid in 2018 corresponds to the variable compensation due with regard to the second semester 2017 as approved by the Shareholders' Meeting on May 24, 2018 under the 10th resolution ("Say on Pay ex-post").

In 2017, the financial objectives achievement has triggered a payout rate in percentage of the target variable compensation at 124.2% for the first semester and 98.8% for the second semester. For 2017, the annual variable compensation due to the Chairman and CEO corresponds to 111.5% of his target annual variable compensation.

In 2018, the financial objectives achievement has triggered a payout rate in percentage of the target variable compensation for the first and the second semester at 61.6% and 96.6% respectively. For 2018, the annual variable compensation due to the Chairman and CEO corresponds to 79.1% of his target annual variable compensation

G.3.2.5 AMF Table 11

Chairman and Chief Executive Officer	Employment contract	Supplementary Pension plan	Payments or Benefits effectively or potentially due in the event of termination or change of position	Non-Compete Clause payment
Thierry Breton Chairman of the Management Directory November 16, 2008 - February 10, 2009 Chief Executive Officer February 10, 2009 to date	NO	YES	NO	NO

G.3.3 Performance share plans and stock subscription or purchase option plans

[GRI 102-35]

Atos is strongly committed to associating its employees with the long-term performance and results of the Group, notably through long-term incentive plans. Beneficiaries of such plans are mostly top managers of the Group, including the Chairman and CEO.

In the context of the 2014-2016 strategic plan, the Atos Board of Directors, upon proposal of the Nomination and Remuneration Committee, decided to implement performance share plans based on performance criteria reflecting key success factors for the achievement of the Group's ambitions with the aim of associating the first managerial and technology experts lines of Atos. The Atos Board of Directors decided to pursue this approach in the context of following strategic plans.

History of grants of performance shares and stock subscription or purchase options are detailed in the following paragraphs.

G.3.3.1 Past grants of Performance Shares – AMF Table 10

The outstanding 2,594,916 rights to performance shares represented 2.4% of Atos SE's share capital as of December 31, 2018.

	Plan dated 07/28/2014	Plan dated 07/28/2015	Plan dated 07/26/2016	Plan dated 07/24/2017	Plan dated 07/25/2017	Plan dated 03/27/2018	Plan dated 07/22/2018
Shareholders' Meeting authorization date	5/29/2013	5/27/2014	5/26/2016	5/26/2016	7/24/2017	7/24/2017	5/24/2018
Board of Directors meeting date	7/28/2014	7/28/2015	7/26/2016	7/24/2017	7/25/2017	3/27/2018	7/22/2018
Number of beneficiaries	**684**	**851**	**983**	**1**	**1,088**	**1**	**1,231**
France Plan	169	241					
International Plan	515	610					
Total number of granted perf. shares	**691,000**	**868,000**	**947,885**	**43,000**	**777,910**	**8,500**	**891,175**
Of which to the executive Director	***46,000***	***55,000***	***56,500***	***43,000***	***-***	***-***	***51,350***
France Plan	301,195	393,400					
International Plan	389,805	474,600					
Vesting date							
France Plan	7/28/2016	1/2/2018	7/26/2019	7/31/2020	7/31/2020	3/27/2021	7/31/2021
International Plan	7/28/2018	1/2/2020					
End of holding period	7/28/2018	1/2/2020	7/26/2019	7/31/2020	7/31/2020	3/27/2021	7/31/2021
Performance conditions	Yes[1]	Yes[1]	Yes[1]	Yes[1]	Yes[1]	Yes[1]	Yes[1]
Achievement of performance conditions	Yes	Yes	Yes				
Number of vested shares as at Dec. 31, 2018	**591,145**	**322,310**	**400[2]**	**-**	**-**	**-**	**-**
France Plan	280,195	322,060					
International Plan	310,950	250[2]					
Number of shares cancelled as at Dec. 31, 2018	**99,855**	**103,450**	**48,485**	**-**	**199,698**	**2,125**	**265,086**
France Plan	17,750	28,840					
International Plan	82,105	74,610					
International Mobility movements	**-**	**-**					
France Plan	-3,250	-42,200					
International Plan	3,250	42,200					
Outstanding performance shares as at Dec. 31, 2018	**-**	**442,240**	**899,000**	**43,000**	**578,213**	**6,375**	**626,089**
France Plan	-	-					
International Plan	-	442,240					

[1] Performance conditions of the various plans are summarized hereafter.
[2] Early-vested shares following the death of a grantee.

Conditions as from the plan dated 07/26/2016 are in all respects identical for France and International plans (same acquisition period).

Performance conditions	Plan dated 07/28/2014	Plan dated 07/28/2015	Plan dated 07/26/2016	**Plan dated 07/24/2017
Group free cash flow before dividend and acquisition/sales results of the year in question is at least equal to:	(i) 85% of the amount of the Group free cash flow, before dividends and acquisition/sales results, as mentioned in the Company's budget of the year in question; or (ii) the amount of the Group free cash flow before dividends and acquisition/sales results for the previous year with a 10% increase.			
And				
Group operating margin of the year in question is at least equal to:	(i) 85% of the amount of the Group's operating margin as mentioned in the Company's budget of the year in question; or (ii) the amount of the Group operating margin for the previous year with a 10% increase.			
And				
Revenue growth of the year in question is at least equal to:	(i) Revenue growth rate as mentioned in the Company's budget minus a percentage decided by the Board of Directors; or (ii) Yearly growth rate per reference to the Group growth targets.			85% of the revenue growth rate set by the Board of Directors at the beginning of the year, in line with the Company's budget for the year
And				
External condition linked to the social and environmental performance	For each year in question, Atos Group must at least achieve the qualification "GRI standards comprehensive" or be a member of the Dow Jones Sustainability Index (Europe or World).			
Years in question	2014 and 2015	2015, 2016 and 2017*	2016, 2017 and 2018	2017, 2018 and 2019

* *First semester for the internal performance conditions and full year for the external condition in case this condition would not be met for the year 2015 or the year 2016.*

** *Conditions enabling the acquisition of 70% of the performance shares. Assuming the achievement of these conditions, the additional 30% are subject to:*

- the effective performance of the Group over the 3-year period as measured based on the average of annual achievement rates underlying the variable compensation of Group Managers (the "Average Group Multiplier"), including that due to the Chairman and Chief Executive Officer; the "Average Group Multiplier" must be higher than 85%;

- at the average over the 3-year period of the scores obtained in the DJSI index (Europe or World); the average score must be greater than or equal to 75 out of 100.

Performance conditions	Plan dated 07/25/2017*	Plan dated 03/27/2018*	Plan dated 07/22/2018
Earnings per share of the year in question is at least:	In line with the annual financial objectives communicated by the Company at the beginning of the year, and for the year 2018 rising by at least 10% in the second half of the year (excluding costs related to the acquisition of Syntel Inc.), after a 7% increase achieved in the first semester.		
And			
Operating margin of the year in question is at least:	In line with the annual financial objectives communicated by the Company at the beginning of the year.		
And			
Revenue organic growth rate of the year in question is at least:	In line with the annual financial objectives communicated by the Company at the beginning of the year, and for the year 2018 but only for 75% of the performance shares granted to each beneficiary, in line with the revised annual financial target for 2018**		
And			
External condition linked to the environmental and social performance	Atos must be a member of the Dow Jones Sustainability Index (Europe or World) or be granted at least Ecovadis Silver rating.		
Years in question	2017, 2018 and 2019	2018, 2019 and 2020	2018, 2019 and 2020

* *In the context of significant acquisitions decided in 2018, in particular the signature of the Syntel Inc. acquisition on July 20, 2018, the Board of Directors of Atos SE, during its meeting on July 22, 2018, decided to replace for those two plans, as from 2018, the performance condition related to the operating margin conversion rate into free cash flow with a new performance condition tied to the earnings par share assuming the completion of the Syntel Inc. acquisition. In particular, the Syntel Inc. acquisition was financed through bank indebtedness and bonds' issuance for an overall amount greater than € 3 billion. As a result of this acquisition, Atos expects an increase of the net EPS to reach a double-digit in 2019. Following the general management recommendations, the Board found essential to obtain from the leading executives of the Group benefiting from the plan (1,230 persons including Syntel key people) a strong commitment in order to ensure that the shareholders benefit from this positive effect on EPS. That is the reason why the Financial Performance Indicator EPS replaced the operating margin conversion rate to free cash flow from October 9, 2018 on, upon completion of the Syntel Inc. acquisition. Nevertheless, it must be noted that for 2018 the Group reported an operating margin conversion rate to free cash flow above 57%, in line with the "2019 Ambition" three-year strategic plan target. For the year 2017, the performance share plan dated July 25, 2017 remains subject to the initial performance condition related to the operating margin conversion rate into free cash flow; the achievement of this performance condition for the year 2017 was verified by the Board of Directors, on February 20, 2018.*

** *In order to take into account the downward revision of the annual financial revenue objective, as indicated in the press release relating to the performance of the third quarter of 2018, the Board of Directors, during its meeting on October 22, 2018, decided to modify, for the year 2018, but only for 75% of the total number of performance shares granted to each beneficiary, the wording of the achievement rate of this internal performance indicator. This amendment is not applicable to the Chairman and Chief Executive Officer for whom the grant of performance shares decided on July 22, 2018 remained subject to the achievement of the annual target announced at the beginning of the year.*

% of the grant if the employment condition is met at the vesting date

Plan dated 07/28/2014	100% if for each year, the external performance condition is reached and at least 2 of 3 internal performance criteria are met given that the condition that would not be met would become compulsory for the following year. 0% otherwise.
Plan dated 07/28/2015	100% if for each year, at least 2 of 3 internal performance criteria are met given that the condition that would not be met in 2015 would become compulsory for the following year, and the external performance condition is validated at least two years over the 3-year period. 0% otherwise.
Plan dated 07/26/2016	100% if for each year, the external performance condition is reached and at least 2 of 3 internal performance criteria are met given that the condition that would not be met in 2016 or 2017 would become compulsory for the following year. 0% otherwise.
Plan dated 07/24/2017	Between 70% and 100% if at least 2 of 3 internal performance criteria are met given that the condition that would not be met in 2017 or 2018 would become compulsory for the following year, and the external performance condition is validated at least two years over the 3-year period. 0% otherwise. Assuming the achievement of the performance conditions stated above, the final vesting percentage depends on the achievement of the two additional conditions: 70% +15% if the average score obtained in the DJSI World or Europe index is at least 75 out of 100 (0% otherwise) +15% if the "Average Group Multiplier" is at least equal to 100% (0% if it is less than or equal to 85% and linear progression between 0% and 15% if it is between 85% and 100%).
Plan dated 07/25/2017	75%* if all performance conditions are achieved for the last year. 0% otherwise.
Plan dated 03/27/2018 Plan dated 07/22/2018	75%* if all performance conditions are achieved for the last two years. 0% otherwise.

* *Due to the verification of the Board of Directors on February 20, 2019 of the failure to reach the initial organic revenue growth rate target for the year 2018, applying to 25% of the performance shares granted, the maximum number of shares that can be acquired at the end of the vesting period is reduced at 75% (except for the Chairman and CEO for whom the performance shares granted on July 22, 2018 are null and void).*

G.3.3.2 Achievement of the performance conditions related to the performance share plans in the course of being acquired or acquired during the year

The performance conditions related to the performance share plan dated July 26, 2016 were achieved for each of the years 2016, 2017 and 2018 with at least two of three internal performance indicators achieved. The acquisition of the performance shares in respect of this plan remains subject to the completion of the presence condition on July 26, 2019.

Group free cash flow	**2018**	**2017**	**2016**
Budget achievement *(i%)*	**94.4%**	**103.6%**	**104.8%**
Criterion completion	YES	YES	YES
Group operating margin	**2018**	**2017**	**2016**
Budget achievement *(%)*	**92.7%**	**102.8%**	**102.4%**
Criterion completion	YES	YES	YES
Group revenue growth	**2018**	**2017**	**2016**
Budget achievement *(%)*	**52.8%**	**100.9%**	**100.5%**
Criterion completion	NO	YES	YES
External performance condition linked to the social and environmental performance	**2018**	**2017**	**2016**
Criterion completion*	YES	YES	YES
Achievement of performance conditions		**YES**	

* *In 2018, Atos has been ranked n°1 as the most sustainable company in its industry group in the Dow Jones Sustainability Index (DJSI) World and Europe (Gold level).*

The performance conditions related to the performance share plan dated July 24, 2017 were achieved for each of the years 2017 and 2018 with at least two of three internal performance indicators achieved. The acquisition in whole or in part of the performance shares in respect of this plan remains subject to the achievement of the performance conditions for the year 2019 and, specifically, to the achievement of the organic revenue growth condition which become mandatory. In addition, the acquisition is also subject to the completion of the presence condition on July 31, 2020.

Group free cash flow	2018	2017
Budget achievement *(%)*	**94.4%**	**103.6%**
Criterion completion	YES	YES
Group operating margin	**2018**	**2017**
Budget achievement *(%)*	**92.7%**	**102.8%**
Criterion completion	YES	YES
Group revenue growth	**2018**	**2017**
Budget achievement *(%)*	**52.8%**	**100.9%**
Criterion completion	NO	YES
External performance condition linked to the social and environmental performance	**2018**	**2017**
Criterion completion*	YES	YES
Achievement of performance conditions	**Subject to 2019 achievement**	

* *In 2018, Atos has been ranked n°1 as the most sustainable company in its industry group in the Dow Jones Sustainability Index (DJSI) World and Europe (Gold level).*

The performance conditions related to the performance share plan dated July 25, 2017 were achieved for the year 2017 and for the year 2018 on the basis of the revised organic growth rate. The acquisition of 75% of the performance shares granted in respect of this plan remains subject to the achievement of the performance conditions for the year 2019 as well as the completion of the presence condition on July 31, 2020.

Group free cash flow	2018	2017
Budget achievement *(in %)*	**n/a**	**103.6%**
Criterion completion	n/a	YES
Earnings per share	**2018**	**2017**
Budget achievement *(in %)*	**105.5%**	**n/a**
Criterion completion	YES	n/a
Group operating margin	**2018**	**2017**
Budget achievement *(in %)*	**100.5%**	**102.8%**
Criterion completion	YES	YES
Group revenue growth	**2018**	**2017**
Budget achievement *(in %)*	**118.7%**	**100.9%**
Criterion completion	YES	YES
External performance condition linked to the social and environmental performance	**2018**	**2017**
Criterion completion*	YES	YES
Achievement of performance conditions	**Subject to 2019 achievement**	

* *In 2018, Atos has been ranked n°1 as the most sustainable company in its industry group in the Dow Jones Sustainability Index (DJSI) World and Europe (Gold level).*

The performance conditions related to the performance share plan dated July 22, 2018 were achieved for the year 2018 on the basis of the revised organic growth rate. The acquisition of 75% of the performance shares granted in respect of this plan remains subject to the achievement of the performance conditions for the year 2019 and 2020 as well as the completion of the presence condition at the acquisition date, on July 30, 2021. The table below does not apply to the Chairman and CEO grant which is become null and void due to the failure to reach the initial organic revenue growth rate target for the year 2018 (refer to § G.3.2.2). The wording of the achievement of the organic revenue growth rate condition for the year 2018 was modified by the Board of Directors for the plan's participants excluding the Chairman and CEO (refer to § G.3.3.1).

Group free cash flow	2018
Budget achievement *(in %)*	**n/a**
Criterion completion	n/a
Earnings per share	**2018**
Budget achievement *(in %)*	**105.5%**
Criterion completion	YES
Group operating margin	**2018**

Budget achievement *(in %)*	**100.5%**
Criterion completion	YES
Group revenue growth	**2018**
Budget achievement *(in %)*	**118.7%**
Criterion completion	YES
External performance condition linked to the social and environmental performance	**2018**
Criterion completion*	YES
Achievement of performance conditions	**Subject to 2019 and 2020 achievements**

* *In 2018, Atos has been ranked n°1 as the most sustainable company in its industry group in the Dow Jones Sustainability Index (DJSI) World and Europe (Gold level).*

G.3.3.3 Performance shares granted to or became available for the Chairman and CEO during the year – AMF Tables 6 and 7

The below table shows the performance shares granted during the year to the Chairman and CEO and the performance shares that have become acquired. Performance conditions related to the various plans stated hereafter are summarized in the "Past grants of performance shares" or in the G.3.2.2 ("Multiannual equity-based compensation") sections.

AMF Table 6	Plan date	Number of shares	Acquisition date	Availability date*	Share valuation *(in €)***
Chairman and CEO	July 28, 2015	55,000	January 2, 2018	January 2, 2020	2,142,282
	July 22, 2018	51,350[1]	July 31, 2021	July 31, 2021	0

* *The Chairman and CEO is subject to a conservation obligation for the duration of his mandate of 15% of the performance shares vested.*

** *Valuation of the shares at their grant date, pursuant to the application of the IFRS 2, after taking account of any discount related to performance criteria and the probability of presence in the Company after the vesting period, but before spreading the load under IFRS 2 throughout the vesting period.*

1 *The total number of performance shares granted is become null and void as of December 31, 2018.*

During 2018, the performance shares granted on July 28, 2014 became available for possible sale to the beneficiaries according to the France plan rules. The Atos Chairman and CEO is one of the beneficiaries of this plan. Acquisition and availability terms are described above, in the paragraph related to the past grants of performance shares.

AMF Table 7	Plan Date	Number of shares available during the financial year	Vesting Date	Availability Date*
Chairman and CEO	July 28, 2014	46,000	July 28, 2016	July 28, 2018

* *The Chairman and CEO is subject to a conservation obligation for the duration of his mandate of 15% of the shares vested.*

G.3.3.4 Past awards of subscription or purchase options – AMF Table 8

The Company has not issued any stock option plans for its employees or executive officers since the stock options granted on December 31, 2010. The table below shows the past grants over the last ten years.

Date of shareholders' meeting	Date of Board meeting	Exercise period start date	Exercise period end date	Strike Price *(in €)*	Options granted	Of which to members of the Board*	Numbers of beneficiaries	Options exercised	Options cancelled or expired	Situation at Dec. 31, 2018	Value of outstanding options *(in € millions)*
05/23/07	03/10/08	03/10/14	03/10/18	34.73	190,000	0	3	50,000	140,000	0	0.0
05/23/07	07/22/08	07/22/11	07/22/18	34.72	5,000	0	1	5,000	0	0	0.0
05/23/07	07/22/08	07/22/12	07/22/18	34.72	2,500	0	1	2,500	0	0	0.0
05/23/07	12/23/08	04/01/10	03/31/18	18.40	459,348	233,334	24	456,013	3,335	0	0.0
05/23/07	12/23/08	04/01/11	03/31/18	22.00	459,326	233,333	24	452,660	6,666	0	0.0
05/23/07	12/23/08	04/01/12	03/31/18	26.40	459,326	233,333	24	449,327	9,999	0	0.0
05/23/07	03/26/09	07/01/10	06/30/18	20.64	611,714	0	74	568,377	43,337	0	0.0
05/23/07	03/26/09	07/01/11	06/30/18	24.57	611,643	0	74	533,313	78,330	0	0.0
05/23/07	03/26/09	07/01/12	06/30/18	29.49	611,643	0	74	509,982	101,661	0	0.0
05/26/09	07/03/09	07/01/10	06/30/18	25.00	481,414	0	438	432,226	49,188	0	0.0
05/26/09	07/03/09	07/01/11	06/30/18	30.00	481,108	0	438	388,387	92,721	0	0.0
05/26/09	07/03/09	07/01/12	06/30/18	35.00	480,978	0	438	369,561	111,417	0	0.0
05/26/09	09/04/09	07/01/10	06/30/18	34.28	86,347	0	24	82,844	3,503	0	0.0
05/26/09	09/04/09	07/01/11	06/30/18	40.81	86,334	0	24	79,500	6,834	0	0.0
05/26/09	09/04/09	07/01/12	06/30/18	48.97	86,319	0	24	78,490	7,829	0	0.0
05/26/09	12/31/10	07/01/11	06/30/19	40.41	124,842	0	18	121,341	0	3,501	0.1
05/26/09	12/31/10	07/01/12	06/30/19	48.11	124,830	0	18	113,197	3,333	8,300	0.4
05/26/09	12/31/10	07/01/13	06/30/19	57.74	124,828	0	18	104,496	6,666	13,666	0.8
Total					**5,487,500**	**700,000**		**4,797,214**	**664,819**	**25,467**	**1.3**

* *Current members of the Board of Directors.*

G.3.3.5 Stock options granted to or exercised by the Chairman and CEO during the year – AMF Tables 4 and 5

During 2018, the Chairman and CEO, was not granted any options to purchase or buy shares of the Company. In addition, he did not hold any outstanding options since January 1, 2016.

G.3.3.6 Stock options granted to the top ten employees who are not company officers, and options exercised by the ten employees with the highest number of options purchased or subscribed during 2018 – AMF Table 9

	Total number of granted or exercised options	Average Price	Plans
Options granted during the year by the issuer to the ten employees having the highest number of options granted (Global Information)	No Grant of Atos Stock-options since 2011		
Options held on the issuer exercised during the financial year by the ten employees of the issuer having the highest number of options purchased or subscribed (Global Information)	229,525	€ 31.59	Plans granted: March 10, 2008, December 23, 2008, March 26, 2009, July 3, 2009, September 4, 2009

G.4 Annual General Meeting of April 30, 2019

G.4.1 Resolutions submitted to the Annual General Meeting

Resolutions to be submitted to the shareholders' vote will be published in the *"Bulletin des Annonces Légales Obligatoires"* (official legal gazette for listed companies) in a notice of meeting which will be followed by a convening notice to the Annual General Meeting which will be held on April 30, 2019. These notices will be posted on the Atos Group website ("Investors" section) as required by applicable laws and regulations.

G.4.2 Elements of the compensation due or awarded at the end of the closed financial year to the Executive Director, submitted to the shareholders' vote

The elements of compensation due or awarded at the end of the 2018 financial year to the Executive Director, which will be submitted to the shareholders' vote during the Annual General Meeting of April 30, 2019, are presented in section G.3.2.2 of this Registration Document.

G.4.3 Principles and criteria for setting, allocating and granting the elements of compensation of the Company's Executive Director, in respect of the 2019 year, submitted to the shareholders' vote

The principles and criteria for setting, allocating and granting the elements of compensation of the Company's Executive Director, in respect of the year 2019, which will be submitted to the shareholders' vote during the Annual General Meeting of April 30, 2019, are presented in section G.3.2.1 of this Registration Document.

G.4.4 Board of Directors report to the Ordinary General Meeting on the transaction on the shares of the Company

Dear shareholders,

We hereby inform you that the following transactions on the Company's shares were carried out in 2018 by the persons referred to in article L. 621-18-2 of the French Monetary and Financial Code (*Code Monétaire et Financier*):

Name	Number of shares purchased	Number of shares sold	Date	Purchase price / sale price *(in €)*
Thierry Breton	55,000		01/02/2018	0.0000[1]
		92,000	04/27/2018	112.3642
	8,085		06/22/2018	105.0700[2]
Jean Fleming	348		06/14/2018	35.0000
		348	06/14/2018	117.3287
	600		07/28/2018	0.0000[3]
		282	07/30/2018	115.9498[4]
Elie Girard	12,000		01/02/2018	0.0000[1]
	249		06/22/2018	105.0700[2]
Eric Grall	9,450		07/28/2018	0.0000[3]
		2,693	08/21/2018	101.8173
		6,757	08/28/2018	103.8116
Gilles Grapinet	9,200		01/02/2018	0.0000[1]
		20,000	02/27/2018	109.8129
	2,930		03/02/2018	18.4000[5]
	14,212		03/02/2018	22.0000[5]
	2,127		03/07/2018	22.0000[5]
	591		03/08/2018	22.0000
Michel-Alain Proch		2,000	08/01/2018	114.5000
		7,000	08/02/2018	111.5904

1 *Vesting of free performance shares pursuant to a plan set up by the Company (Plan of July 28, 2015).*
2 *Dividend paid in shares.*
3 *Vesting of free performance shares pursuant to a plan set up by the Company (Plan of July 28, 2014).*
4 *Disposal of shares initiated by the Company pursuant the performance share plan rules in order to finance the taxes owed by the beneficiary upon the vesting of the performance shares at the end of the plan.*
5 *Exercise of PEE stock options.*

G.5 Common stock evolution and performance

[GRI 102-16]

G.5.1 Basic data

G.5.1.1 Information on stock trading

The Company's shares have been admitted to trading on the Euronext Paris regulated market (Compartment A) since 1995, under ISIN code FR0000051732. Atos SE securities are eligible for SRD and PEA. The Company’s shares have been included in the CAC 40, the main share index published by Euronext Paris, since March 20, 2017.

The main tickers are:

Source	Tickers
Euronext	ATO
AFP	ATO
Bloomberg	ATOS FP
Reuters	ATOS PA
Thomson	ATO FR

The Euronext sector classification is as follows:

Euronext: ICB sectorial classifications	
Industry	9000, Technology
Supersector	9500, Technology
Sector	9530, Software and Computer Services
Subsector	9533, Computer Services

G.5.1.2 Free Float

The free-float of the Group shares excludes the stake held by the reference shareholder, Siemens Pension Trust e.V., representing 11.7% of the share capital, which it committed to keep until September 30, 2020 as explained in section G.5.7.5 Shareholders’ agreements.

Stakes owned by the employees and the management as well as treasury shares, are also excluded from the free float.

As of December 31, 2018	Shares	% of share capital	% of voting rights
Siemens Pension Trust e.V.[1]	12,483,153	11.7%	11.7%
Employees	1,156,732	1.1%	1.1%
Board of Directors	517,054	0.5%	0.5%
Treasury stock	54,842	0.1%	-
Free float	92,674,438	86.7%	86.7%
TOTAL	**106,886,219**	**100.0%**	**100.0%**

[1] *Siemens Pension Trust e.V. is controlled by Siemens A.G.*

G.5.2 Stock ownership

Principal changes in the ownership of the Company's shares in the past three years have been as follows:

	December 31, 2018		December 31, 2017		December 31, 2016	
	Shares	%	Shares	%	Shares	%
Siemens	-	-	12,483,153	11.8%	12,483,153	11.9%
Siemens Pension Trust e.V.[3]	12,483,153	11.7%	-	-	-	-
BlackRock Inc.	-	-	5,339,057[2]	5.1%	-	-
Employees	1,156,732	1.1%	1,182,158	1.1%	1,489,140	1.4%
Board of Directors	517,054	0.5%	546,630	0.5%	668,316	0.6%
Treasury Stock	54,842	0.1%	332,478	0.3%	196,435[1]	0.2%
Others	92,674,438	86.7%	85,561,883	81.1%	90,071,635	85.9%
TOTAL	**106,886,219**	**100.0%**	**105,445,349**	**100.0%**	**104,908,679**	**100.0%**

1 *Including 12 120 shares to be effectively delivered to LTI beneficiairies on January 2, 2017*
2 *On the basis of the threshold crossing statement made on December 15, 2017*
3 *Siemens Pension Trust e.V. is controled by Siemens A.G.*

The Company's shares which are owned by employees are mainly managed by Group mutual funds (FCPE). The Supervisory Boards of the Group mutual funds exercise the voting rights attached to the securities held within the funds. As at December 31, 2018, the shareholding of current and former Atos Group employees into Atos SE represented an overall 1.1% of the share capital.

As at December 31, 2018, save for Siemens Pension Trust e.V., no other shareholder had announced holding more than 5% of the Company's share capital.

The treasury stock evolution is described below in section G.5.7.6 Treasury stock and liquidity contract.

The threshold crossings which were disclosed in 2018 are described in section G.5.7.3 Threshold crossings.

G.5.3 Dividend policy

[GRI 201-1]

During its meeting held on February 20, 2019, the Board of Directors decided to propose to the next Annual General Meeting of Shareholders a dividend in 2019 on the 2018 results of € 1.70 per share with the option for each shareholder to receive the dividend in Atos shares. The ordinary dividend would be paid at the end of May 2019.

During the past four fiscal periods, Atos SE paid the following dividends:

Fiscal period	Dividend paid per share *(in €)*
Dividend 2017 (paid in 2018)	1.70
Dividend 2016 (paid in 2017)	1.60
Dividend 2015 (paid in 2016)	1.10
Dividend 2017 (paid in 2015)	0.80

G.5.4 Shareholder documentation

In addition to the Registration Document, which is published in English and French, the following information is available to shareholders:

- a half year report;
- quarterly revenue and operational review;
- regular press releases, regulated information and general Group's information, available through the Atos website at atos.net

G.5.5 Financial calendar

April 25, 2019	First quarter 2019 revenue
April 30, 2019	Annual General Meeting
July 25, 2019	First half 2019 results
October 24, 2019	Third quarter 2019 revenue

G.5.6 Contacts

[GRI 102-53]

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G.5.7 Common stock

G.5.7.1 At December 31, 2018

As at December 31, 2018, the Company's issued common stock amounted to € 106.9 million, divided into 106,886,219 fully paid-up shares of € 1.00 par value each.

Compared to December 31, 2017, the share capital was increased by the issuance of 1,440,870 new shares, split as follows:

- 377,204 new shares resulting from the exercise of stock options;
- 1,063,666 new shares resulting from the payment of the 2017 dividend in shares.

G.5.7.2 Over the 5 last five years

Year	Change in common stock	Date	New shares	Total number of shares	Common stock	Additional paid in capital	New common stock
						(in € million)	
2014	Exercise of stock options	04/03/2014	1,361,294	99,526,740	1.4	50.5	99.5
	Payment of the dividend in shares	06/19/2014	567,574	100,094,314	0.6	30.3	100.1
	Exercise of stock options	07/02/2014	167,356	100,261,670	0.2	5.2	100.3
	Capital increase reserved to employees[1]	07/31/2014	699,100	100,960,770	0.7	34.6	101
	Exercise of stock options	09/30/2014	40,360	101,001,130	0.0	1.1	101
	Exercise of stock options	12/31/2014	331,397	101,332,527	0.3	15.1	101.3
2015	Exercise of stock options	04/02/2015	762,408	102,094,935	0.8	25.7	102.1
	Payment of the dividend in shares	06/23/2015	787,232	102,882,167	0.8	49.1	102.9
	Exercise of stock options	07/03/2015	236,908	103,119,075	0.2	10.7	103.1
	Exercise of stock options	09/30/2015	107,787	103,226,862	0.1	5	103.2
	Exercice of stock options	12/31/2015	292,380	103,519,242	0.3	14	103.5
2016	Exercise of stock options	04/08/2016	240,301	103,759,543	0.3	12.9	103.8
	Payment of the dividend in shares	06/22/2016	892,830	104,652,373	0.9	65.6	104.7
	Exercise of stock options	06/30/2016	107,260	104,759,633	0.1	3.8	104.8
	Exercise of stock options	10/07/2016	115,904	104,875,537	0.1	3.7	104.9
	Exercice of stock options	12/31/2016	33,142	104,908,679	0.0	1.1	104.9
2017	Capital increase reserved to employees[2]	02/17/2017	294,965	105,203,644	0.3	22.1	105.2
	Exercise of stock options	04/01/2017	107,922	105,311,566	0.1	3.4	105.3
	Exercise of stock options	06/30/2017	57,402	105,368,968	0.0	1.8	105.3
	Exercise of stock options	09/30/2017	14,876	105,383,844	0.0	0.4	105.3
	Exercise of stock options	12/31/2017	61,505	105,445,349	0.1	1.8	105.4
2018	Exercise of stock options	03/31/2018	153,130	105,598,479	0.2	4.9	105.6
	Payment of the dividend in shares	06/21/2018	1,063,666	106,662,145	1.1	110.7	106.7
	Exercise of stock options	06/30/2018	222,074	106,884,219	0.2	6.5	106.9
	Exercise of stock options	12/31/2018	2,000	106,886,219	0.0	0.1	106.9

1 *Under the 14th resolution of the Combined General Meeting of May 29, 2013.*
2 *Under the 19th resolution of the Combined General Meeting of May 26, 2016.*

A total of 377,204 stock options were exercised during 2018, representing 92.75% of the outstanding number of stock options as at December 31, 2017.

G.5.7.3 Threshold crossings

Since January 1, 2018, the Group has been informed of the following statutory thresholds crossings:

(x) Siemens Aktiengesellschaft ("Siemens AG") declared having crossed downwards, on March 27, 2018, the statutory thresholds of 10% and 5% of the share capital and the voting rights of the Company and not to directly hold any share of the Company anymore;

(xi) Siemens Pension-Trust e.V., a German law association, controlled by Siemens A.G.[1], declared having individually crossed upwards, on March 27, 2018, the statutory thresholds of 5% and 10% of the share capital and the voting rights of the Company (following the transfer off-market by Siemens AG of 12,483,153 shares of the Company) and declared holding 11.84% of the share capital and voting rights of the Company;

(xii) BlackRock Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on July 10, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following the return of shares held as collateral). BlackRock, Inc. declared holding 4.96% of the share capital and voting rights of the Company;

(xiii) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards on July 17, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following an acquisition of shares off-market and an increase in the number of shares held as collateral). BlackRock, Inc. declared holding 5.11% of the share capital and voting rights of the Company;

(xiv) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards, on July 18, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following the sale of Atos SE shares on the market and a decrease in the number of Atos SE shares held as collateral). BlackRock, Inc. declared holding 4.98% of the share capital and voting rights of the Company;

(xv) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards on August 8, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following a receipt of shares held as collateral). BlackRock, Inc. declared holding 5.01% of the share capital and voting rights of the Company;

(xvi) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards on August 13, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following a sale of Atos SE shares on the market and a return of shares held as collateral). BlackRock, Inc. declared holding 4.90% of the share capital and voting rights of the Company;

(xvii) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, upwards on November 30, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following an acquisition of shares on the market and a receipt of shares held as collateral). BlackRock, Inc. declared holding 5.04% of the share capital and voting rights of the Company;

(xviii) BlackRock, Inc., acting on behalf of clients and funds which it manages, declared having crossed, downwards on December 3, 2018, the statutory thresholds of 5% of the share capital and voting rights of the Company (following a return of shares held as collateral). BlackRock, Inc. declared holding 4.89% of the share capital and voting rights of the Company.

[1] Siemens Pension Trust e.V. is controlled by Siemens AG as the Chairman of the Board of Directors of the association is proposed by Siemens AG, the members of the association still being in position to refuse the proposed candidate but the members cannot appoint a candidate which has not been presented by Siemens AG. The other members of the Board of Directors are appointed upon proposal made by the Chairman.

The Company was not informed of any other statutory threshold crossing, in accordance with article L. 233-7 of the Commercial Code, in 2018.

Name of entity notifying the threshold crossing	Date of reporting	Date of threshold crossing	Shares	% of share capital[1]	% of voting rights[2]
Siemens Aktiengesellschaft	04/03/2018[3]	03/27/2018	0	0%	0%
Siemens Pension-Trust e.V.	04/03/2018[3]	03/27/2018	12,483,153	11.84%[4]	11.84%[4]
BlackRock Inc.	07/11/2018	07/10/2018	5,241,479[5]	4.96%[6]	4.96%[6]
BlackRock Inc.	07/18/2018	07/17/2018	5,403,962[7]	5.11%[8]	5.11%[8]
BlackRock Inc.	07/19/2018	07/18/2018	5,265,225[9]	4.98%[10]	4.98%[10]
BlackRock Inc.	08/08/2018	08/07/2018	5,352,737[11]	5.01%[12]	5.01%[12]
BlackRock Inc.	08/14/2018	08/13/2018	5,239,881[13]	4.90%[14]	4.90%[14]
BlackRock Inc.	12/04/2018	11/30/2018	5,386,705[15]	5.04%[16]	5.04%[16]
BlackRock Inc.	12/04/2018	12/03/2018	5,230,505[17]	4.89%[18]	4.89%[18]

1 *On the date of threshold crossing.*

2 *Including treasury shares on that date pursuant to article 223-11 I al. 2 of the Règlement Général de l'Autorité des Marchés Financiers (French Financial Market Authority General Regulations).*

3 *Supplemented in particular by a postal mail received on April 5, 2018.*

4 *On the basis of a share capital composed of 105,469,200 shares representing the same amount of voting rights pursuant to article 223-11 al. 2 of the Règlement Général.*

5 *Including (i) 1,269 Atos SE shares in the form of ADRs, (ii) 314,440 Atos SE shares assimilated pursuant to the provisions of article L. 233-9 I, 4° bis of the French Commercial Code coming from the CFDs (contracts for differences) without due date, concerning the same amount of Atos SE shares, exclusively paid in cash and (iii) 206,516 Atos SE shares held as collateral. Besides, BlackRock, Inc. declared holding 647,514 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*

6 *On the basis of a share capital composed of 105,674,700 shares representing the same amount of voting rights pursuant to article 223-11 al. 2 of the Règlement Général.*

7 *Including (i) 1,042 Atos SE shares in the form of ADRs, (ii) 2,000 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until September 21, 2018 at a price of € 130.00, (iii) 316,225 Atos SE shares assimilated pursuant to the provisions of article L. 233-9 I, 4° bis of the French Commercial Code coming from the CFDs (contracts for differences) without due date, concerning the same amount of Atos SE shares, exclusively paid in cash, (iv) 1,109 Atos SE shares assimilated pursuant to the provisions of articles L. 233-9 I, 6° of the French Commercial Code further to a securities loan, and (v) 394,616 Atos SE shares held as collateral. Besides, BlackRock, Inc. declared holding 638,825 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*

8 *On the basis of a share capital composed of 105,674,700 shares representing the same amount of voting rights pursuant to article 223-11 al. 2 of the Règlement Général.*

9 *Including (i) 1,031 Atos SE shares in the form of ADRs, (ii) 2,000 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until September 21, 2018 at a price of € 130.00, (iii) 317,169 Atos SE shares assimilated pursuant to the provisions of article L. 233-9 I, 4° bis of the French Commercial Code coming from the CFDs (contracts for differences) without due date, concerning the same amount of Atos SE shares, exclusively paid in cash, (iv) 1,109 Atos SE shares assimilated pursuant to the provisions of articles L. 233-9 I, 6° of the French Commercial Code further to a securities loan, and (v) 258,011 Atos SE shares held as collateral. Besides, BlackRock, Inc. declared holding 638,826 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*

10 *On the basis of a share capital composed of 105,674,700 shares representing the same amount of voting rights pursuant to article 223-11 al. 2 of the Règlement Général.*

11 *Including (i) 910 Atos SE shares in the form of ADRs, (ii) 2,000 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until September 21, 2018 at a price of € 130.00, (iii) 299,934 Atos SE shares assimilated pursuant to the provisions of article L. 233-9 I, 4° bis of the French Commercial Code coming from the CFDs (contracts for differences) without due date, concerning the same amount of Atos SE shares, exclusively paid in cash, (iv) 91,005 Atos SE shares assimilated pursuant to the provisions of articles L. 233-9 I, 6° of the French Commercial Code further to a securities loan, and (v) 425,583 Atos SE shares held as collateral. Besides, BlackRock, Inc. declared holding 602,157 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*

12 *On the basis of a share capital composed of 106,884,219 shares representing the same amount of voting rights pursuant to article 223-11 al. 2 of the Règlement Général.*

13 *Including (i) 2,000 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until September 21, 2018 at a price of € 130.00, (ii) 321,568 Atos SE shares assimilated pursuant to the provisions of article L. 233-9 I, 4° bis of the French Commercial Code coming from the CFDs (contracts for differences) without due date, concerning the same amount of Atos SE shares, exclusively paid in cash, (iii) 125,364 Atos SE shares assimilated pursuant to the provisions of articles L. 233-9 I, 6° of the French Commercial Code further to a securities loan, and (iv) 334,884 Atos SE shares held as collateral. Besides, BlackRock, Inc. declared holding 605,980 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.*

14 *On the basis of a share capital composed of 106,884,219 shares representing the same amount of voting rights pursuant to article 223-11 al. 2 of the Règlement Général.*

[15] Including (i) 944 Atos SE shares in the form of ADRs, (ii) 1,600 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 102.00, 3,400 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 105.00, 1,700 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 108.00, 19 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 110.00, 800 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 112.00, 1,600 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until March 15, 2019 at a price of € 85.00, 1,600 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until March 15, 2019 at a price of € 100.00, 1,600 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until March 15, 2019 at a price of € 115.00, (iii) 254,116 Atos SE shares assimilated pursuant to the provisions of article L. 233-9 I, 4° bis of the French Commercial Code coming from the CFDs (contracts for differences) without due date, concerning the same amount of Atos SE shares, exclusively paid in cash, (iv) 92,781 Atos SE shares assimilated pursuant to the provisions of articles L. 233-9 I, 6° of the French Commercial Code further to a securities loan, and (v) 545,618 Atos SE shares held as collateral. Besides, BlackRock, Inc. declared holding 641,613 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.

[16] On the basis of a share capital composed of 106,884,219 shares representing the same amount of voting rights pursuant to article 223-11 al. 2 of the Règlement Général.

[17] Including (i) 1,849 Atos SE shares in the form of ADRs, (ii) 1,600 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 102.00, 3,400 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 105.00, 1,700 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 108.00, 19 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 110.00, 800 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until December 21, 2018 at a price of € 112.00, 1,600 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until March 15, 2019 at a price of € 85.00, 1,600 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until March 15, 2019 at a price of € 100.00, 1,600 physically settled call options giving the right, upon exercise, to the same amount of Atos SE shares, which may be exercised at any moment until March 15, 2019 at a price of € 115.00, (iii) 254,116 Atos SE shares assimilated pursuant to the provisions of article L. 233-9 I, 4° bis of the French Commercial Code coming from the CFDs (contracts for differences) without due date, concerning the same amount of Atos SE shares, exclusively paid in cash, (iv) 87,409 Atos SE shares assimilated pursuant to the provisions of articles L. 233-9 I, 6° of the French Commercial Code further to a securities loan, and (v) 381,031 Atos SE shares held as collateral. Besides, BlackRock, Inc. declared holding 636,244 Atos SE shares on behalf of clients (not taken into account in the stated holding) for which clients have retained the exercise of voting rights.

[18] On the basis of a share capital composed of 106,884,219 shares representing the same amount of voting rights pursuant to article 223-11 al. 2 of the Règlement Général.

G.5.7.4 Voting rights

Voting rights are in the same proportion as shares held except for treasury shares which do not carry any voting right. No shares carry double voting rights.

G.5.7.5 Shareholders' agreements

On the occasion of the acquisition by the Company from Siemens of Siemens' former subsidiary SIS, the Siemens group committed to keep its shareholding in the Company, amounting to 12,483,153 shares, until June 30, 2016. This lock-up shareholder commitment was extended to September 30, 2020, pursuant to an amendment to the lock-up agreement entered into on October 30, 2015 between Siemens AG, the Company and Siemens Beteiligungen Inland GmbH, in the context of the strengthening of the alliance between both Companies. Under this agreement, Siemens nevertheless retained the possibility, as from July 1, 2016, to transfer its shareholding in the Company to two Siemens employees pension funds named Siemens Pension Trust e.V. and BSAV-Trust e.V., provided that such pension trust agree to abide by the terms and conditions of the lock-up agreement, and that when exercising the right to suggest a representative to be elected to the Atos Board of Directors, it shall always suggest an active member of the Management Board of Siemens.

On March 27, 2018, in connection with the financing by Siemens AG of a pension plan, Siemens AG transferred, off the market, the entirety of its shareholding in the Company, i.e. 12,483,153 Atos SE shares, to Siemens Pension-Trust e.V., which Siemens AG controls[(1)]. The corresponding thresholds crossings were notified to the *Autorité des Marchés Financiers* (French Financial Market Authority – "AMF") by Siemens AG and Siemens Pension-Trust e.V.[(2)]. On this occasion, Siemens AG and Siemens Pension Trust e.V. declared, inter alia, (i) not to act in concert together nor with a third party, (ii) not to consider further acquisition of Atos SE shares, nor to acquire control of the Company; (iii) not to modify their strategy towards the Company. In connection with the above-mentioned transfer of shares, Siemens Pension Trust e.V. executed a "Joinder Agreement" on March 23, 2018 under which Siemens Pension Trust e.V. agreed to be bound by the terms and conditions of the lock-up agreement, as mentioned hereabove.

(1) See footnote 1 at section G.5.7.3 Thresholds crossings here above.
(2) See section G.5.7.3 Thresholds crossings here above.

The Group has not received notice of any other shareholder agreements for filing with the stock exchange authorities and, to the best knowledge of the Group Management, no "action de concert" or similar agreements exists.

The Group's shares which are owned by employees are mainly managed by Group mutual funds (FCPE). The Supervisory Boards of the Group mutual funds exercise the voting rights attached to the securities held within the funds. As per the rules of the Group mutual fund (FCPE) Atos Stock Plan, the Supervisory Board decides on the contribution of shares in case of public offer (purchase or exchange). The Supervisory Board decides on any merger, spin-off and liquidation of any compartment of the fund and approves some modifications to the rules of the fund. As at December 31, 2018, the shareholding of current and former Atos Group employees into Atos SE represented an overall 1.1% of the share capital.

To the Company's knowledge, there is no other agreement capable of having a material effect, in case of public offer on the share capital of the Company.

G.5.7.6 Treasury stock and liquidity contract

Treasury Stock

As at December 31, 2018, the Company owned 54,842 Atos SE shares which amounted to 0.1% of the share capital with a portfolio value of € 3,920,106.16, based on December 31, 2018 market price, and with book value of € 5,261,326.50. These shares were purchased in the context of a share buyback program and were assigned to the allocation of shares to employees or corporate officers of the Company or its group and correspond to the hedging of its undertakings under the performance shares plans or share purchase plans.

The Company proceeded to the purchase of:

(i) 70,000 shares on February 22, 2018 as part of a mandate given to a financial intermediary as announced by the Group on the same day;

(ii) 360,000 shares from June 1 to June 12, 2018, as part of a mandate given to a financial intermediary as announced by the Group on May 28, 2018.

From January 1, 2018 to December 31, 2018 the Company transferred 732,636 shares of the Company to beneficiaries of LTI (Long term Incentives) plans.

Liquidity Contract

By Contract dating February 13, 2006, Atos SE entrusted Rothschild & Cie Bank, for a one-year period, renewable by tacit consent, with the implementation of a liquidity contract compliant with the Deontology Charter of the AMAFI. € 15 million were originally allocated for this purpose to the implementation of this contract. On July 1, 2012, an amendment to the liquidity contract dated February 13, 2006 was signed, under which the Company decided to make an additional cash contribution of € 10 million in order to allow Rothschild & Cie Banque to ensure the continuity of the interventions under the contract. An additional cash contribution of € 10 million was made on July 5, 2017.

The transactions carried out in 2018 under the liquidity contract are as follows:

Cumulated gross flows as at December 31, 2018	Cumulative purchases	Cumulated sales
Number of shares	1,769,860	1,744,860.00
Average Sale/Purchase price	110.91	110.986
Total Amount of Purchases/Sales	196,295,353.97	193,655,690.36

Legal Framework

The 12th resolution of the Combined General Meeting of May 24, 2018, renewed in favor of the Board of Directors, the authorization to trade in the Group's shares, in connection with the implementation of a share buyback program.

The purchase of shares shall not exceed, a maximum number of shares representing 10% of the share capital of the Company, at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequently to the General Meeting, it being specified that where the shares are repurchased in the context of a liquidity contract, the number of shares taken into account in calculating the 10% limit shall be the number of shares purchased minus the number of shares resold during the period of the authorization.

These purchases could be carried out:

- to ensure liquidity and an active market of the Company's shares through an investment service provider acting independently in the context of a liquidity contract, in accordance with the Professional Conduct Charter accepted by the *Autorité des Marchés Financiers* (French Financial Market Authority);
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set or accepted by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 *et seq.* of the Commercial Code, and (iii) free awards of shares in particular under the framework set by articles L. 225-197-1 *et seq.* of the Commercial Code and (iv) French and foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;

- to remit the shares acquired upon the exercise of the rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to keep them and subsequently use them in payment or exchange or other in the context of potential external growth operations; or
- to cancel them as a whole or in part through a reduction of the share capital authorized pursuant to the 13th resolution of the Combined General Meeting held on May 24, 2018.

The maximum purchase price per share may not exceed € 190 (fees excluded).

The Board of Directors shall adjust the aforementioned maximum purchase price in the event of incorporation of premiums, reserves or profits, giving rise either to an increase in the nominal value of the shares or to the creation and the free allocation of shares, and in case of division of the nominal value of the share or share consolidation or any other transaction on equity, so as to take account of the impact of such transactions on the value of the shares.

As a result, the maximum amount of funds assigned to the buyback program amounts to € 2,003,461,460 as calculated on the basis of the share capital as at December 31, 2017; this maximum amount may be adjusted to take into account the amount of the capital on the day of the General Meeting.

This authorization was granted for a period of 18 months as from May 24, 2018.

Description of the share buyback program submitted to approval of the General Meeting of April 30, 2019

In connection with the share buyback program (and within the limit of 10% of the share capital), it is proposed to renew, during the General Meeting of April 30, 2019, the authorization to purchase shares which was granted during the General Meeting of May 24, 2018, for 18 months, and which will expire on November 24, 2019.

In accordance with the *Réglement général* of the *Autorité des Marchés Financiers* (General Rules of the French Financial Market Authority) (articles 241-1 *et seq.*), this description of program is aimed at detailing the objectives and the terms and conditions of the new share buyback program by the Company which will be subject to authorization by the Combined General Meeting of Shareholders of April 30, 2019.

The aims of this program are:

- to ensure liquidity and an active market of the Company's share through an investment services provider acting independently in the context of a liquidity contract, in accordance with the Professional Conduct Charter accepted by the *Autorité des Marchés Financiers* (French Financial Market Authority);
- to attribute or sell these shares to the Executive Officers and Directors or to the employees of the Company and/or to the current or future affiliated companies, under the conditions and according to the terms set or accepted by applicable legal and regulatory provisions in particular in connection with (i) profit-sharing plans, (ii) the share purchase option regime laid down under articles L. 225-177 *et seq* of the Commercial Code, and (iii) free awards of shares in particular under the framework set by articles L. 225-197-1 *et seq.* of the Commercial Code and (iv) French or foreign law shareholding plans, in particular in the context of a company savings plan, as well as to carry out all hedging operations relating to these operations, under the terms and conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to remit the shares acquired upon the exercise of rights attached to securities giving the right, whether immediate or deferred, by reimbursement, conversion, exchange, presentation of a warrant or any other way, to the attribution of shares of the Company, as well as to carry out all hedging operations relating to the issuance of such securities, under the conditions set by market authorities and at such times as the Board of Directors or the person acting upon its delegation so decides;
- to keep the shares and subsequently use them in payment or exchange or other in the context of potential external growth operations; or
- to cancel these shares as a whole or in part through a reduction of the share capital.

This authorization may be used at any time, except during public offers on the shares of the Company.

Acquisitions, sales, and transfers or exchange of shares may be made by any means, subject to the limits authorized by the laws and regulations in force, on one or several occasion, on a regulated market or via a multilateral trading facility or a systematic internalizer or over the counter, including by public tender offering or by block purchases or sales (with no limit on the portion of the share buyback program), and where required, by derivative financial instrument (traded on a regulated market or a multilateral trading facility via a systematic internalizer or over the counter) or by warrants or securities giving access to Company shares, or the implementation of optional strategies such as purchases or sales of purchase or sale options, or by the issuance of securities giving access to the Company's capital by conversion, exchange, redemption, exercise of a warrant or any other means to Company shares held by this latter party, and when the Board of Directors or the person acting on the Board of Directors' authority, under conditions laid down in the law, decides in compliance with the relevant legal and regulatory provisions.

The maximum purchase price is set at € 120 (excluding taxes) per share and the number of shares which may be acquired is 10% of the share capital of the Company, at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequently to the General Meeting, theoretically 10,688,621 shares as calculated on the basis of the share capital as at December 31, 2018. The maximum amount of the funds assigned to the share buyback program is € 1,282,634,520, as calculated on the basis of the share capital on December 31, 2018. This maximum amount may be adjusted to take into account the share capital amount on the day of the General Meeting.

As from its authorization by the General Meeting of April 30, 2019, this program will be in force for a maximum duration of 18 months, i.e. until October 30, 2020.

G.5.7.7 Potential common stock

Potential dilution

Based on 106,886,219 euros outstanding shares as of December 31, 2018, the share capital of the Group could be increased by 2,620,383 new shares, representing 2.45% of the share stock before dilution. This dilution could come from the exercise of stock subscription options granted to employees or from the acquisition of performance shares, as follows:

(in shares)	December 31, 2018	December 31, 2017	Change	% dilution
Number of shares outstanding	**106,886,219**	**105,445,349**	**1,440,870**	
From stock subscription options	25,467	406,707	-381,240	0.02%
From performance shares	2,594,916	2,799,220	-204,304	2.43%
Potential dilution	**2,620,383**	**3,205,927**	**-585,544**	**2.45%**
TOTAL POTENTIAL COMMON STOCK	**109,506,602**	**108,651,276**	**855,326**	

On the total of 25,467 of stock options, no option had a price of exercise higher than € 71.10 (opening stock price as of December 31, 2018).

Stock options evolution

Number of stock subscription options at December 31, 2017	**406,707**
Stock subscription options granted in 2018	-
Stock subscription options exercised in 2018	377,204
Stock subscription canceled or forfeited in 2018	4,036
Number of stock subscription options at December 31, 2018	**25,467**

As of December 31, 2018, the total of stock options granted by the Group are all exercisable and in the money.

Current authorizations to issue shares and other securities

Pursuant to the resolutions adopted by the General Meeting of May 24, 2018, the following authorizations to modify the share capital and to issue shares and other securities granted by the General Meeting to the Board of Directors are in force as of December 31, 2018:

Authorization	Authorization amount *(value)*	Use of the authorizations *(par value)*	Unused balance *(par value)*	Authorization expiration date
EGM May 24, 2018 12th resolution Authorization to buyback the Company shares	10% of the share capital adjusted at any moment	385,000	9.64%	11/24/2019 (18 months)
EGM May 24, 2018 13th resolution Share capital decrease	10% of the share capital adjusted as at the day of the decrease	0	10% of the share capital adjusted as at the day of the decrease	07/24/2020 (26 months)
EGM May 24, 2018 14th resolution Share capital increase with preferential subscription right	31,700,186	0	31,700,186	07/24/2020 (26 months)
EGM May 24, 2018 15th resolution Share capital increase without preferential subscription right by public offer[1 2]	10,566,728	0	10,566,728	07/24/2020 (26 months)
EGM May 24, 2018 16th resolution Share capital increase without preferential subscription right by private placement[1 2]	10,566,728	0	10,566,728	07/24/2020 (26 months)
EGM May 24, 2018 17th resolution Share capital increase without preferential subscription right to remunerate contribution in kind[1 2]	10,566,728	0	10,566,728	07/24/2020 (26 months)
EGM May 24, 2018 18th resolution Increase in the number of securities in case of share capital increase with or without preferential subscription right[1 2 3]	Extension by 15% maximum of the initial issuance	0	Extension by 15% maximum of the initial issuance	07/24/2020 (26 months)
EGM May 24, 2018 19th resolution Share capital increase through incorporation of premiums, reserves, benefits or other	3 865 million	0	3 865 million	07/24/2020 (26 months)
EGM May 24, 2018 20th resolution Capital increase reserved to employees[1]	2,113,345	0	2,113,345	07/24/2020 (26 months)
EGM May 24, 2018 21st resolution Authorization to allot free shares to employees and executive officers	951,005	626,089[4]	324,916	07/24/2021 (38 months)

1 *Any share capital increase pursuant to the 15th, 16th, 17th, 18th and 20th resolutions of the Combined General Meeting of May 24, 2018 shall be deducted from the cap set by the 14th resolution of the Combined General Meeting of May 24, 2018.*

2 *The share capital increases without preferential subscription right carried out pursuant to the 15th, 16th, 17th and 18th resolutions of the Combined General Meeting of May 24, 2018 are subject to an aggregate sub-cap corresponding to 10% of the share capital of the Company on the day of the Combined General Meeting of May 24, 2018 (i.e. € 10,566,728). Any share capital increase pursuant to these resolutions shall be deducted from this aggregate sub-cap.*

3 *The additional issuance shall be deducted from (i) the cap of the resolution pursuant to which the initial issuance was decided, (ii) the aggregate cap set by the 14th resolution of the Combined General Meeting of May 24, 2018, and (iii) in case of share capital increase without preferential subscription rights, the amount of the sub-cap mentioned at 2 hereabove.*

4 *Initial grant of 891,175 performance shares on July 22, 2018. This number includes 265,086 shares cancelled as of December 31, 2018.*

The number of new authorized shares that may be issued pursuant to the above-mentioned delegations of authority (the 18th and 19th resolutions of the General Meeting of May 24, 2018 being set aside) amounts to 32,651,191, representing 30.55% of the share capital on December 31, 2018.

G.5.8 Share trading performance

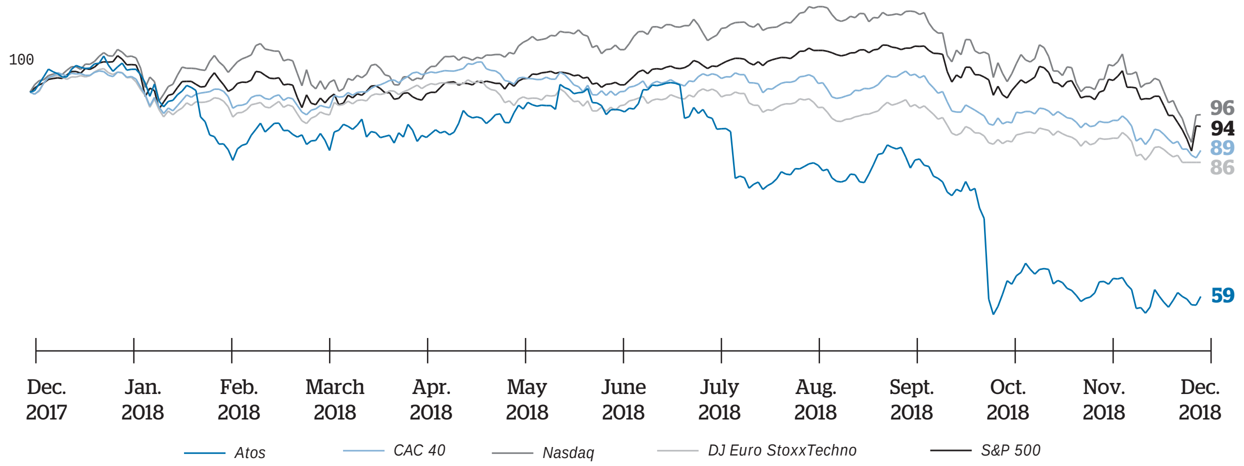
G.5.8.1 Stock market overview

European markets underperformed in 2018 in general, and in our extended tech universe, European tech stocks were down 14%. In this context driven by uncertainties, the mixed performance especially in its Infrastructure & Data Management Division had a strong impact for the Atos' share price: the stock finished 2018 down (-41%) at € 71.48, underperforming the French reference Index CAC 40 (-11%).

To a lesser extent, the market performance in the US was also sensitive with for example the S&P. 500 down (-6%) and the Nasdaq down (-4%).

Atos market capitalization reached € 7,640 million at the end of 2018.

ATOS' SHARE PERFORMANCE IN COMPARISON WITH INDICES (BASE 100 AT DECEMBER 31, 2017)



G.5.8.2 Key figures

	2018	2017	2016	2015	2014
Highest	130.30	135.40	101.30	80.00	71.50
Lowest *(in €)*	66.14	97.94	62.32	61.41	50.92
Closing as of 30/12 *(in €)*	71.48	121.35	100.25	77.45	66.30
Average daily volume processed on Euronext platform	403,600	276,651	326,349	442,480	309,968
Free-float	86.70%	86.20%	85.86%	79.39%	73.47%
Market capitalization as of 31/12 *(in € million)*	7,640	12,796	10,517	8,018	6,718
Enterprise Value as of 31/12* *(in € million)*	10,512	12,488	10,036	7,425	5,729
EV/revenue	0.9	1.0	0.9	0.7	0.6
EV/OMDA	7	8	7	6	6
EV/OM	8	10	9	8	8
P/E (year-end stock price ÷ normalized basic EPS)	9.3	14.7	13.3	13.0	15.0

* *Assuming that (Enterprise Value) = (Net Debt) + (Market Capitalization).*

G.5.8.3 Market capitalization

Based on a closing share price of € 71.48 on December 31, 2018 and 106,886,219 shares in issue, the market capitalization of the Group at December 31, 2018 was € 7,640 million compared to € 12,796 million at the end of December 2017.

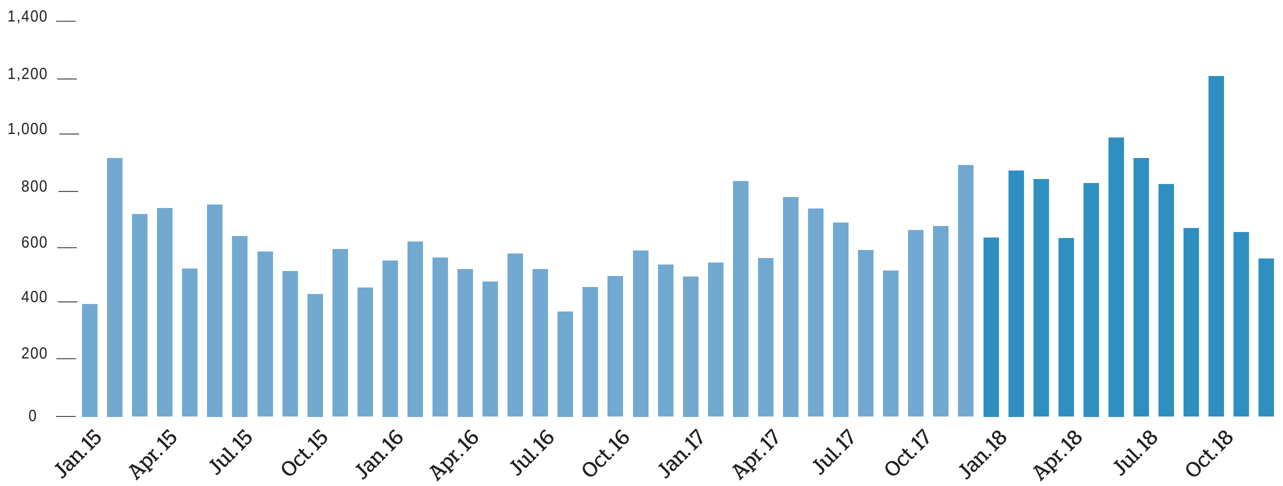
As of December 31, 2018, Atos was ranked 38th within the CAC 40 index, which includes the largest companies by market capitalization on the Paris exchange.

G.5.8.4 Traded volumes

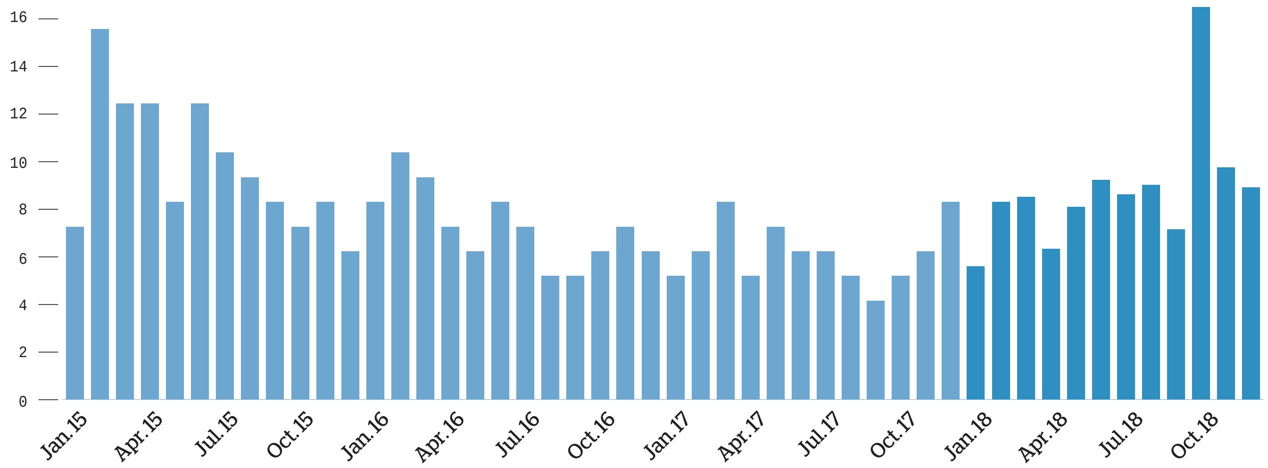
	Trading Volume (Euronext)	
	(in thousands of shares)	*(in € million)*
1st Quarter 2018	21,586	2,517,191
2nd Quarter 2018	22,782	2,624,080
3rd Quarter 2018	23,883	2,578,313
4th Quarter 2018	33,859	2,592,517
TOTAL	**102,111**	**10,312,101**

In 2018, the average daily number of shares traded reached 404 thousand on Euronext platforms, compared to 277 thousand in 2017. Regarding trading volumes on Atos SE shares, Euronext platform represented 32% of the total 2018 volumes, compared to 34% in 2017.

Monthly trading volume (in € million)



Monthly trading volume (in millions of shares)



G.5.8.5 2018 and subsequent key trading dates

January

Atos announced on **January 2**, the completion of the acquisition of the Siemens' subsidiary, Convergence Creators Holding GmbH (CVC), a global multi-industry digital transformation solutions provider. Atos' intent to acquire CVC was announced on October 2, 2017. CVC delivers software-based solutions in the fields of communication networks and enterprise cybersecurity.

February

On **February 21**, Atos announced its Full Year 2017 results and achievement of all of its annual objectives. Revenue was € 12,691 million, +10.1% at constant exchange rates, and +2.3% organically, particularly led by the Atos Digital Transformation Factory. Operating margin was € 1,292 million, representing 10.2% of revenue, compared to 8.9% in 2016 at constant scope and exchange rates. The commercial dynamism of the Group was particularly high in 2017 with order entry reaching € 13.9 billion, up by +6.8% compared € 13.0 billion statutory in 2016. It represented a book to bill ratio of 110% in 2017, of which 123% during the fourth quarter. Full backlog increased by +6.0% year-on-year to € 22.7 billion at the end of 2017, representing 1.8 year of revenue. The full qualified pipeline reached € 7.4 billion, a strong increase by +14.7% compared to € 6.5 billion published at the end of 2016. Net income was € 665 million, +14.5% compared to 2016 excluding the gain on the Worldline's sale of the share in Visa Europe to Visa Inc. for € 51 million and net income Group share reached € 601 million, +10.7% compared to 2016 excluding Visa share. Therefore, basic EPS group share was € 5.72, +9.3% compared to 2016 excluding Visa share and normalized EPS group share was € 8.24, +9.3% compared to 2016. Free cash flow reached € 714 million in 2017, +25.4% compared to € 569 million in 2016, materializing the continuous improvement of operating margin conversion rate to free cash flow, reaching 55.3% in 2017, 56.5% excluding pension one-offs. Net cash position was € 307 million at the end of 2017, broadly stable compared to € 329 million at the end of 2016, reflecting the amount paid for acquisitions and dividend during the year.

April

Atos announced on **April 25** the revenue of its first quarter of 2018. Q1 2018 revenue was € 2,945 million, +3.7% at constant exchange rates and up +2.0% organically. The Group pursued its strong commercial dynamism with order entry at € 2,941 million leading to a book to bill ratio of 100%.

May

Atos, announced on **May 15**, that its subsidiary Worldline, issued a press release related to the signature of an agreement with SIX to enter into a strategic partnership where Worldline would acquire SIX Payment Services, the payment services division of SIX.

Atos published on **May 28** its 2017 Corporate Responsibility report and announced that it had successfully fulfilled the requirements of the Global Reporting Initiative (GRI) Standards "Comprehensive" option in accordance with the International Integrated Reporting Council (IIRC). For the sixth consecutive year, Atos published an integrated report which includes the Group's key information: its financial results, strategy, materiality, and its CSR challenges and initiatives.

June

On **June 21**, Atos announced that the option for the payment of the dividend in share resulted in the exercise of 62.79% of the rights in favor of a payment in shares. This rate of dividend distribution in shares led to an increase by € 111.6 million in the equity of Atos SE. This transaction resulted in the issuance of 1,063,666 new shares (representing an increase by approximately 1.01% of the share capital and of the effective voting rights), which will be delivered and admitted for trading on Euronext Paris on June 22, 2018. The dividend resulting from the option for the payment in cash represented a total amount of € 67.5 million. It was paid on June 22, 2018.

July

On **July 22**, Atos announced its agreement with Syntel (NASDAQ:SYNT), a leading global provider of integrated information technology and knowledge process services, with respect to the acquisition by Atos of Syntel, for aggregate consideration of $3.4 billion or $41.0 per Syntel share. Syntel brings to Atos a powerful suite of digital and proprietary solutions recognized by top analysts as being among the most advanced: cloud, social media, mobile, analytics, IoT, and automation at c. 40% of Syntel's revenue. Syntel will significantly strengthen the Group's Business & Platform Solutions Division with best-in-class delivery platform generating among the highest margins of the industry. This transaction expands Atos' capabilities in North America to provide end-to-end services to US customers. It also strongly reinforces its Banking, Finance & Insurance verticals. The compelling match between the two companies offers multiple opportunities for revenue synergies, expected to reach c. $250 million by the end of 2021 with c. $50 million operating margin, through cross-selling opportunities on both European and US customer base. Annual cost synergies are expected by the end of 2021 at c. $ 120 million from G&A optimization taking advantage of the combined scale as well as the alignment of KPIs in Business & Platform Solutions. This acquisition is expected to be double digit accretive to Group EPS as early as 2019 as well as with a strong double digit EPS accretion with full run rate synergies after 3 years. The transaction is planned to close by year-end.

On, **July 23**, Atos announced its financial results for the first half of 2018. Revenue was € 6,005 million, up +3.4% at constant exchange rates restated from IFRS 15 and +1.7% organically, deriving from the demand of large organizations implementing their digital transformation. This particularly benefitted to Business & Platform Solutions, Big Data & Cybersecurity, and Worldline. The Group grew by +2.8% excluding North America which is expected to go back to growth by year-end. Operating margin was € 545 million, representing 9.1% of revenue. Order entry reached € 7,051 million in H1 2018 with a book-to-bill ratio at 117%. Free cash flow was at € 180 million at the end of June 2018.

August

On **August 8**, Atos reacted to the Note issued by the sell-side analyst from Credit Suisse which has downgraded its recommendation on Atos' stock.

The Group fully disagreed with the approach taken by Credit Suisse which suggests that the customer financial arrangements (accords financiers sur grands comptes clients), part of Atos ongoing business for years, have been implemented to artificially increase the Free Cash Flow. Indeed, they have been put in place for years in order to manage the working capital requirement by compensating more favorable billing and payment terms conditions granted to some customers. Therefore, looking at the sole customer financial arrangements without considering more favorable billing and payment terms conditions granted to some customers does not make any sense.

Thus, to fulfill commercial requirements, the Company has progressively granted more favorable billing and payment terms conditions for its customers at the time of the contract negotiations. In order to compensate this effect on the working capital requirement, the Group put in place specific customer financial arrangements consisting in sales of receivables with no recourse to compensate the increase of the underlying Days Sales Outstanding (DSO, délai de règlement clients).

Indeed, without customer financial arrangements, the underlying DSO would have increased by 6 days between 2014 and 2017 from 50 to 56 days. In the meantime, the impact on the DSO from customer financial arrangements increased from 12 to 21 days. As a result, the effective DSO remained roughly stable from 38 to 35 days over the period.

In 2017, while the underlying DSO increased by 8 days, the Company mostly compensated it with 6 days from customer financial arrangements.

Finally, for the avoidance of doubt, customer financial arrangements have always been disclosed by Atos each year in the annual and half year reports of the Company in addition to the customary DSO disclosure.

September

On **September 10**, Atos announced that it had been informed that the review by the Committee on Foreign Investment in the United States (CFIUS) of its proposed acquisition of Syntel (NASDAQ:SYNT) had been completed, and there were no unresolved national security issues with respect to the transaction.

CFIUS was the last outstanding regulatory authorization prior to closing. Antitrust clearance decisions had previously been obtained from antitrust authorities in the United States, Austria, Serbia and India.

On **September 17**, Atos, announced that it has been ranked n°1 as the most sustainable company in its industry group in the Dow Jones Sustainability Index (DJSI) World and Europe, following the publication of the 2018 DJSI results.

Atos has been ranked as the leader in the IT Software & Services industry (Gold level), a sector which includes 117 companies worldwide. With a total score of 78 points out of 100, Atos is once again in the global leading position in the study based on an annual evaluation of over 3,900 listed companies, a ranking resulting from its top performance in the social, environmental and economic categories.

October

On **October 2**, Atos announced that Syntel's shareholders approved Syntel's acquisition by Atos at the special meeting held in connection with the transaction on October 1, 2018.

On **October 9**, Atos announced that it has completed the acquisition of Syntel Inc., a leading global provider of integrated information technology and knowledge process services headquartered in Michigan, with $ 924 million revenue in 2017 of which 89% is in North America, 25% operating margin, and c. 40% of its activities in digital, automation, and robotization. Syntel offers its customers high value-added digital services in several specific verticals such as Banking and Financial Services, Healthcare, Retail and Insurance.

On **October 23**, Atos announced the revenue of its third quarter of 2018. Revenue was € 2,884 million, up +1.8% at constant exchange rates restated for IFRS 15 and +0.1% organically. During the third quarter, the Group continued to deliver its offerings for large customers in their digital transformation. This particularly benefitted to Business & Platform Solutions, Big Data & Cybersecurity, and Worldline. Order entry was € 2,482 million representing a book to bill ratio at 86%.

November

On **November 5**, Atos announced the successful placement of its € 1.8 billion bonds issue on October 31, 2018.
With this triple tranche transaction Atos takes advantage of the positive momentum aroused from its inaugural BBB+ rating with S&P Global to successfully navigate market conditions and raise a total of € 1.8 billion.

Proceeds were essentially used to refinance the € 1.6 billion Bridge Loan set up in July 2018 to fund the acquisition of Syntel.
The final orderbook amounted to € 4.6 billion with more than 285 different investors. This high level of oversubscription enabled Atos to increase the transaction size, price below initial price indications and underlines bond investors' confidence in Atos' credit profile.

On **November 30**, Worldline, an Atos subsidiary and leader in the payments and transactional services, closed the acquisition of SIX Payment Services as approved by its shareholders during the Combined General Meeting. From a strategic point of view, Worldline and SIX Payment Services perfectly complement each other in terms of geography and product offering. As a result, the combined Group is now the leading and largest European provider in the payments industry, reaching circa 10% European market share in Merchant Acquiring and circa 20% in Financial Services.

On **November 30**, Atos SE announced the launch of the employee shareholding plan entitled "Share 2018" under the framework of article L. 225-138-1 of the French Commercial Code (Code de commerce) and articles L. 3332-18 et seq. of the French Labor Code (Code du travail). The objective of this plan is to strengthen the Group's relationship with its employees by offering them the possibility of being more closely associated with the Group's future developments and performance.

This offering of shares was made to all employees of the Group located in France, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Croatia, Czech Republic, Denmark, Finland, Germany, Greece, Hong-Kong, Hungary, India, Italy, Luxembourg, Malaysia, Morocco, Mexico, Netherlands, Philippines, Poland, Portugal, Romania, Senegal, Serbia, Singapore, Slovakia, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, United State of America and Uruguay, who will be eligible for the Atos Group savings plan (Plan d'Epargne groupe), subject to obtaining the required authorization from local authorities.

The subscription period took place from December 4, 2018 to January 3, 2019 (inclusive).
The settlement-delivery of the shares shall occur as of February 28, 2019.

January 2019

On January 30, Atos announced its project to distribute 23.4% of Worldline's share capital to Atos' shareholders leading to the creation of 2 listed global pure play leaders. As a consequence, while continuing their industrial and commercial partnership, Atos will reinforce its focus as a leading digital pure player and Worldline will benefit from an strengthened equity profile and enhanced ability to pursue consolidation opportunities.

During 2018, the Group completed two transforming acquisitions, Syntel, a € 0.9 billion revenue company in the digital services market, and SIX Payment Services, a € 0.5 billion revenue company in electronic payments. The change in size and business mix has led the Group to build a 3-year plan to the horizon of 2021 taking into account its new structure.

At the occasion of an Investor Day held in its Headquarters in Bezons (France) the Group launched ADVANCE 2021, its new three-year plan, building on its reinforced global profile in digital services.

February 2019

On **February 21, 2019**, Atos announced its FY 208 results. Revenue was € 12,258 million, +4.2% at constant exchange rates, and +1.2% organically, particularly led by the Atos Digital Transformation Factory which represented 30% of 2018 revenue (vs. 23% in 2017) benefitting from the strong demand of large organizations implementing their digital transformation. Operating margin was € 1,260 million, representing 10.3% of revenue, compared to 10.8% in 2017 at constant scope and exchange rates. In 2018, the Group did not record one off related to pension schemes optimization plan in operating margin while in 2017 it had a positive effect of € 28 million representing 20 basis points on operating margin. The commercial dynamism of the Group was particularly high in 2018 with order entry reaching € 13.7 billion, representing a book to bill ratio of 112% in 2018 compared to 109% in 2017 at constant rate. During the fourth quarter, the book to bill reached 124%.

Net income was € 703 million, +5.8% compared to 2017 and net income Group share reached € 630 million, +5.0% compared to 2017. Therefore, basic and diluted EPS reached respectively € 5.95 (€ 5.72 in 2017) and € 5.95 (€ 5.70 in 2017). Normalized basic and diluted EPS reached respectively € 8.56 (€ 8.24 in 2017) and € 8.56 (€ 8.21 in 2017). Free cash flow reached € 720 million in 2018, excluding 62 million of acquisition costs on Syntel and SIX Payment Services and upfront financing fees on Syntel, representing a cash conversion of 57.1%. Net debt was €-2.9 billion at the end of 2018 reflecting the amount paid for the acquisition of Syntel during the year, the cash component and the contingent consideration related to the acquisition of SIX Payment Services.

G.5.8.6 Purchase or sale by the Group of its own shares

The Group purchased or sold its own shares in 2018 as described within the section G.5.7.6 Treasury stock and liquidity contract. At December 31, 2018, the Group held 54,842 shares as treasury stock, 25,000 of which were held through the liquidity contract.

H

Appendix

H.1 Definitions

Financial terms and Key Performance Indicators	Business Key Performance Indicators
Operational Capital Employed	External revenue
CAGR	Organic growth
Current and non-current	Book-to-bill
DSO	TCV (Total Contract Value)
Net debt	Backlog/Order cover
Gross margin and indirect costs	Order entry/bookings
Operating margin	Pipeline
EBITDA	Legal staff
Gearing	Full Time Equivalent (FTE)
Interest cover ratio	Subcontractors
Leverage ratio	Interims
Operating income	Direct staff
Normalized net income	Indirect staff
EPS	Permanent staff
Cash flow from operations	Temporary staff
Free Cash Flow	Turnover
Change in net debt	Utilization rate and non-utilization rate
	Attrition rate

Business terms	Market terms
BPO	Consensus
CRM	Dilutive instruments
ERP	Dividends
WAN	Enterprise Value (EV)
SEPA	Free float
	Market capitalization
	PER (Price Earnings Ratio)
	Volatility

H.1.1 Financial terms

Operational capital employed: Operational capital employed comprises net fixed assets and net working capital, but excludes goodwill and net assets held for sale.

Current and non-current assets or liabilities: A current and non-current distinction is made between assets and liabilities on the balance sheet. Atos has classified as current assets and liabilities those that Atos expects to realize, use or settle during its normal cycle of operations, which can extend beyond 12 months following the period-end. Current assets and liabilities, excluding the current portion of borrowings and financial receivables, represent the Group's working capital requirement.

CAGR: Thes Compound Annual Growth Rate reflects the mean annual growth rate over a specified period of time longer than one year. It is calculating by dividing the value at the end of the period in question by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result. As an example:

Atos 2019-2021 revenue CAGR = (Revenue 2021e/Revenue 2018)$^{(1/3)}$ -1

DSO: (Days' Sales Outstanding). DSO is the amount of trade accounts receivables (including work in progress) expressed in days' revenue (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

Net debt: Net debt comprises total borrowings (bonds, finance leases, short and long-term bank loans, securitization and other borrowings), short-term financial assets and liabilities bearing interest with a maturity of less than 12 months, less cash and cash equivalents (transferable securities, cash at bank and in hand).

Gross margin and indirect costs: Gross margin is composed of revenue less the direct costs of goods sold. Direct costs relate to the generation of products and/or services delivered to customers, while indirect costs include all costs related to indirect staff (defined hereafter), which are not directly linked to the realization of the revenue. The operating margin comprises gross margin less indirect costs.

Operating margin: Operating margin comprises operating income before major capital gains or losses on the disposal of assets, major reorganization and rationalization costs, impairment losses on long-term assets, net charge to provisions for major litigations and the release of opening balance sheet provisions no longer needed.

EBITDA: (Earnings Before Interest, Tax, Depreciation and Amortization). For Atos, EBITDA is based on Operating margin less non-cash items and is referred to as OMDA (Operating Margin before Depreciation and Amortization).

OMDA (Operating Margin before Depreciation and Amortization) is calculated as follows:

Operating margin:

- less - Depreciation of fixed assets (as disclosed in the "Financial report");
- less - Operating net charge of provisions (composed of net charge of provisions for current assets and net charge of provisions for contingencies and losses, both disclosed in the "Financial report");
- less - Net charge of provisions for pensions (as disclosed in the "Financial report").

Gearing: The proportion, expressed as a percentage of net debt to total shareholders' equity (Group share and minority interests).

Interest cover ratio: Operating margin divided by the net cost of financial debt, expressed as a multiple.

Leverage ratio: Net debt divided by OMDA.

Operating income: Operating income comprises net income before deferred and income taxes, net financial expenses, share of net income from associates and the results of discontinued operations.

Normalized net income: Net income (Group share) before unusual, abnormal and infrequent items, net of tax.

EPS (earnings per share): Basic EPS is the net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS is the net income divided by the diluted weighted-average number of common shares for the period (number of shares outstanding + dilutive instruments with dilutive effect). Normalized EPS is based on normalized net income.

Cash flow from operations: Cash flow coming from the operations and calculated as a difference between the OMDA (Operating Margin DA), the net capital expenditures and the change in working capital.

Free cash flow: Represents the change in net cash or net debt, excluding equity changes, dividends paid to shareholders, net acquisitions/disposals. Starting January 1, 2018, dividends paid to non-controlling interests are not anymore a **Free Cash Flow** item but reported in line 'Dividends paid' Starting from January 1, 2019, the Group applies IFRS 16 standard. To remain consistent with the pre-IFRS 16 Group **Free Cash Flow** definition, the post IFRS 16 Group Free Cash Flow definition as of 2019 excludes new Lease commitments.

Change in net debt (cash): Change in net debt or net cash.

H.1.2 Business KPI's (Key Performance Indicators)

H.1.2.1 Revenue

External Revenue: External Revenue related to Atos' sales to third parties (excluding VAT and pass-through sales with low margin).

Organic growth: Organic growth represents the percent growth of a unit based on a constant scope and exchange rates basis of which is excluded revenue from acquisitions and cessions of the year.

Book-to-bill: A ratio expressed in percentage terms based on order entry in the period divided by revenue of the same period.

TCV (Total Contract Value): The total value of a contract at signature (prevision or estimation) over its duration. It represents the firm order and contractual part of the contract excluding any clause on the decision of the client, as anticipated withdrawal clause, additional option or renewal.

Order entry/bookings: The TCV, orders or amendments signed during a defined period. When an offer is won (contract signed), the total contract value is added to the backlog and the order entry is recognized.

Backlog/Order cover: The value of signed contracts, orders and amendments that remain to be recognized over their contract lives.

Pipeline: The value of revenues that may be earned from outstanding commercial proposals issued to clients. Qualified pipeline applies an estimated percentage likelihood of proposal success.

H.1.2.2 Human Resources

Legal staff: The total number of employees under Atos employment contracts at the end of the period. Legal staff includes those on long sickness or long absence, apprentices, trainees, and employees on maternity leave, but excludes subcontractors and interims.

FTE (Full-time equivalent staff): The total number of staff calculated using information from time sheets on the basis of working time divided by standard contractual workable time per employee. In general, a person working on a full time contract is considered as one FTE, whereas a person working on a part time contract would be less considered than one FTE.

Calculations are based on contractual working time (excluding overtime and unpaid holidays) with potential workable time (in hours or days) = nominal time + overtime balance – unpaid vacation. For subcontractors and interim staff, potential workable hours are based on the number of hours billed by the supplier to Atos.

Subcontractors: External subcontractors are third-party suppliers. Outsourced activities (e.g. printing or call center activities) and fixed price subcontracting are excluded from the recorded number of subcontractors or interims.

Interims: Staff from an agency for temporary personnel. Interims are usually used to cover seasonal peaks or for situations requiring staff for a short period of time.

Direct Staff: Direct staff includes permanent staff and subcontractors, whose work is billable to a third party.

Indirect staff: Indirect staff includes permanent staff or subcontractors, who are not billable to clients. Indirect staff is not directly involved in the generation of products and/or services delivered to clients.

Permanent staff: Permanent staff members have a contract for an unspecified period of time.

Temporary staff: Temporary staff has a contract for a fixed or limited period of time.

Staff turnover and attrition rate (for legal staff): Turnover and attrition rates indicate the proportion of legal staff that has left the Group (voluntary and/or involuntary) in a defined period:

- turnover measures the percentage of legal staff that has left the business in a defined period;
- attrition measures the percentage of legal permanent staff that has voluntarily left the business in a defined period. Attrition rate is a ratio based on total voluntary leavers in the period on an annual basis divided by the average number of permanent staff in the period.

Utilization rate and non-utilization rate: Utilization rate + non-utilization rate = 100% of workable time for direct FTE, which excludes legal vacations, long-term sickness, long-term sabbaticals and parental leave. Workable time is composed of billed time, inactivity that is billable but not billed (exceptional holidays, sickness, on the bench which is between two assignments, other inactivity as delegation), and non-billable time (pre-sales, training, management meetings, research and development and travel). Utilization rate measures the proportion of workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is billed to customer. The ratio is expressed in percentage terms based on billed hours divided by workable hours excluding vacations. Non-utilization rate measures the workable time (hours or days) of direct FTE (own staff excluding subcontractors) that is not billed or is non-billable to clients.

H.1.3 Business terms

BPO (Business Process Outsourcing): Outsourcing of a business function or process. e.g. administrative functions such as accounting, HR management, call centers, etc.

CRM (Customer Relationship Management): Managing customer relationships (after-sales service, purchasing advice, utilization advice, customer loyalty) has become a strategic component of a company's successful operation. Not only does CRM facilitate efficiency, it also leads to higher sales by building customer loyalty.

ERP (Enterprise Resource Planning): An ERP system is an integrated management software system built in modules, which is capable of integrating sales, manufacturing, purchasing, accounting and human resources systems into an enterprise-wide management information system.

WAN (Wide Area Network): A long-distance network that generally comprises several local networks and covers a large geographical area.

SEPA (Single Euro Payments Area): Regulating initiative from European countries involving the creation of a specific zone where all transactions will be considered as domestic in terms of billing (no longer cross-border electronic payments surcharge).

H.1.4 Market terms

Consensus: Opinion that emerges from the financial community, in which financial analysts play a prominent role. Consensus can relate to earnings outlook (individual stock consensus) or to a group of companies in the same sector (market consensus).

Dilutive instruments: Financial instruments such as bonds, warrants, stock subscription options, free shares, which could be converted into shares and have therefore a potential dilutive impact on common stock.

Dividends: Cash or stock payments from a company's profits that are distributed to stockholders.

Enterprise Value (EV): Market capitalization + debt.

Free float: Free float is the proportion of a company's share capital that is regularly traded on the stock exchange. It excludes shares in the six categories listed below (source Euronext):

- shares held by Group companies: Shares of the listed company held by companies that it controls within the meaning of article 233/3 of the French Commercial Code;
- shares held by founders: shares held directly or indirectly by the founders (individuals or family group) when these founders have managerial or supervisory influence (management positions, control by voting rights, influence that is a matter of public knowledge, etc.);
- shares held by the State: Interests held directly by the State, or by public sector or other companies which are themselves controlled by the State;
- shares within the scope of a shareholders' agreement: Shares subject to a shareholders' agreement within the meaning of article 233/10 and 11 of the French Commercial Code, and other than those held by founders or the State;
- controlling interest: Shares held by juridical persons (other than founders or the State) exercising control within the meaning of article 233/3 of the French Commercial Code;
- interests considered stable: Interests exceeding 5%, which have not declined by one percentage point or more, excluding the impact of dilution, in the three preceding years. This category also includes shareholders that, in addition to or in association with the link represented by share ownership, have recently entered into significant industrial or strategic agreements with the Group.

Market capitalization: The share price of a company multiplied by the number of its shares in issue.

PER (Price Earnings Ratio): Market capitalization divided by net income for a trailing (or forward) 12-month period.

Volatility: The variability of movements in a share price, measured by the standard deviation of the ratio of two successive prices.

H.2 AMF cross-reference table

H.2.1 Cross reference table for the Registration Document

This document is a full free translation of the original French text. The original document has been filed with the Autorité des Marchés Financiers (AMF) on February 22, 2019, in accordance with article 212-13 of the AMF's General Regulations. After filing, this document as a Reference Document could be used to support a financial operation if accompanied by a prospectus duly approved by the AMF.

The cross-reference table identifies the main information required by Regulation No. 809/2004 of the European Commission dated April 29, 2004 (the "Prospectus Regulation"). The table indicates the pages of this Reference Document where is presented the information related to each item.

N°	Items of the Annex I of the Prospectus regulation	Sections	Pages
1.	**Persons Responsible**		
1.1	**Indication of persons responsible**	**A.4.1**	**10**
1.2	**Declaration by persons responsible**	**A.4.2**	**10**
2.	**Statutory auditors**		
2.1	**Names and addresses of the auditors**	**A.4.3**	**10**
2.2	**Indication of the removal or resignation of auditors** **Information regarding changes of statutory auditors during the period**	**A.4.3**	**10**
3.	**Selected financial information**		
3.1	**Historical financial information**	**A.5.1; E.4**	**11-12; 156-163**
3.2	**Financial information for interim periods**	**N/A**	
4.	**Risk Factors**	**F.1 to F.5**	**266-283**
5.	**Information about the issuer**		
5.1.	**History and Development of the issuer**		
5.1.1	The legal and commercial name of the issuer	G.1.2	286
5.1.2	The place and the number of registration	G.1.2	286
5.1.3	The date of incorporation and the length of life of the issuer	G.1.2	286
5.1.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office	G.1.2	286
5.1.5	The important events in the development of the issuer's business	A.5.2; A.6.1	13-16; 16-17
5.2.	**Investments**	**E.4.3.3** **E.5.7.3 - Note 1**	**163; 181-184**
6.	**Business overview**		
6.1.	**Principal Activities**		
6.1.1	Nature of the issuer's operations and its principal activities	A.1; A.2; B1; C	4-5; 5-8; 24-27; 38-56
6.1.2	New products or services developed	C	38-56
6.2.	**Principal Markets**	**A.1; A.2; B.3**	**4-5; 5-8; 30-32**
6.3.	**Exceptional factors**	**N/A**	
6.4.	**Dependence on patents or licenses, industrial, commercial o financial contracts or new manufacturing processes**	**F.2.6.5; F.3.6.5**	**271; 275**
6.5.	**Basis for statements made by the issuer regarding its competitive position**	**B.3**	**30-32**
7.	**Organizational Structure**		
7.1.	**Brief description of the Group**	**E.6.4; G.1.2**	**246-263; 286**
7.2	**List of significant subsidiaries**	**E.5.7.3 - Note 15**	**229-235**

N°	Items of the Annex I of the Prospectus regulation	Sections	Pages
8.	Property, Plants and Equipment		
8.1.	Material tangible fixed assets	E.5.7.3 - Note 8.3	215-216
8.2	Environmental issues that pay affect the utilization of the tangible fixed assets	D.5	113-126
9.	Operating and Financial Review		
9.1.	Financial Condition	E.1; E.4	142-155; 156-163
9.2.	Operating Results		
9.2.1	Significant factors materially affecting the issuer's income from operations	E.1; E.4	142-155; 156-163
9.2.2	Disclosure of material changes in net sales or revenues	E.1; E.4	142-155; 156-163
9.2.3	Information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	E.1; E.4	142-155; 156-163
10.	Capital Resources		
10.1.	Issuer's capital resources	E.4; G.5	156-163; 337-352
10.2.	Sources and amounts of the issuer's cash flows	E.4.2	160-161
10.3.	Information on the borrowing requirements and funding structure	E.4.3	161-162
10.4.	Restrictions on the use of capital resources	N/A	
10.5.	Anticipated sources of funds to fulfill commitments	E.4.3	161-162
11.	Research and Development, Patents and Licenses	C.6	55-56
12.	Trend Information		
12.1	The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year	B; C; E.1	24-36; 38-56; 142-155
12.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects	B; C; E.1	24-36; 38-58; 142-155
13.	Profit Forecasts or Estimates	N/A	
14.	Administrative, Management, and Supervisory bodies and senior management		
14.1.	Composition – statements	A.6.2; G.2.3	17-22; 291-311
14.2.	Conflicts of interests	G.2.3.9	309-311
15.	Remuneration and Benefits		
15.1.	Remuneration and benefits in kind	G.3	321-335
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16.	Board Practices		
16.1.	Current term office	G.2.3	291-311
16.2.	Contracts providing benefits upon termination of employment	G.2.3.7; G.2.3.8	309; 309
16.3.	Information about audit and Remuneration Committee	G.2.4.3; G.2.4.4	314-316; 316-317
16.4.	Statement related to corporate governance	G.2.1	289
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N°	Items of the Annex I of the Prospectus regulation	Sections	Pages
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18.2.	**Voting rights**	**G.5.1.2**	**338**
18.3.	**Ownership and control**	**G.5.1; G.5.2; G.5.7**	**337; 338; 339-346**
18.4.	**Arrangements which may result in a change in control of the issuer**	**G.5**	**337-352**
19.	**Related party transactions**	**E.5.7.3 - Note 14**	**229**
20.	**Financial Information concerning the issuer's assets and liabilities, financial position and profits and losses**		
20.1.	**Historical Financial Information**	**A.5; E.1; E.4; E.5**	**11-16; 142-155; 156-163; 164-236**
20.2.	**Pro forma financial information**	**N/A**	
20.3.	**Financial statements**	**E.5**	**164-236**
20.4.	**Auditing of historical annual financial information**		
20.4.1	Statement indicating that the historical financial information has been audited	E.5.1	164-170
20.4.2	Indication of other information which has been audited	N/A	
20.4.3	Source of the data when financial data in the Registration Document is not extracted from the issuer's audited financial statements	N/A	
20.5.	**Age of latest financial information**	**E1**	**142-155**
20.6.	**Interim and other financial information**	**N/A**	
20.7	**Dividend policy**	**G.1.3; G.5.3**	**287-288; 338**
20.7.1	Amount of dividends	G.5.3	338
20.8.	**Legal and arbitration proceedings**	**F.4**	**277-278**
20.9.	**Significant change in the issuer's financial or trading position**	**E.4**	**156-163**
21.	**Additional Information**		
21.1.	**Share Capital**		
21.1.1	Amount of issued capital	G.5	337-352
21.1.2	Shares not representing capital	N/A	
21.1.3	Shares held by or on behalf of the issuer itself	G.5	337-352
21.1.4	Convertible securities, exchangeable securities or securities with warrants	G.5.7.7	345-346
21.1.5	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital	N/A	
21.1.6	Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	G.5	337-352
21.1.7	History of share capital	G.5	337-352
21.2.	Memorandum and Articles of Association		
21.2.1	Description of issuer's objects and purposes	G.1.2	286
21.2.2	Provisions of the issuer's Articles of Association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies	G.1; G.2.2	286-288; 290
21.2.3	Description of the rights, preferences and restrictions attaching to each class of the existing shares	G.1.3.2; G.5.3	288; 338
21.2.4	Description of actions to change the rights of holders of the shares	G.1	286-288
21.2.5	Description of the conditions governing the manner in which Annual General Meetings and Extraordinary General Meetings of Shareholders are called	G.1	286-288
21.2.6	Description of any provision that would have an effect of delaying, deferring or preventing a change in control of the issuer	G.1	286-288
21.2.7	Description of the conditions governing the ownership threshold above which shareholder ownership must be disclosed	G.1	286-288

N°	Items of the Annex I of the Prospectus regulation	Sections	Pages
21.2.8	Description of the conditions governing changes in the capital	N/A	
22.	**Material Contracts**	**E.1.5; F.2**	**154; 268-272**
23.	**Third party information and statement by experts and declarations of any interest**		
23.1	**Statement or report attributed to a person acting as an expert**	**N/A**	
23.2	**Information sourced from third parties**	**N/A**	
24.	**Documents on Display**	**G.1; G.5**	**286-288; 337-352**
25.	**Information on holdings**	**E.5.7.3 – Note 15**	**229-235**

H.2.2 Cross reference table for the Financial report

In order to facilitate the reading of this document, the cross-reference table hereafter, identifies within this Reference Document the information which constitutes the Annual Financial report having to be published by the listed companies in accordance with article L. 451-1-2 of the French Monetary and Financial Code and article 222-3 of the French Financial Market Authority' General Regulations.

Information	Sections
Company financial statements	E.6.3
Consolidated financial statements	E.5
Management report	B.1; B.3; C.6; D; E.5.7.3 Note 16; E.6.4 Note 2; E.6.5; E.6.6; F; G.
Certificate of the Annual Financial report responsible	A.4.2
Statutory auditors' report on the Company financial statements	E.6.1
Statutory auditors' report on the consolidated financial statements	E.5.1
Statutory auditors fees	E.5.7.3 - Note 17
Board of Directors' report on corporate governance	G.2.6
Statutory auditors' report, pursuant to the provisions of article L. 225-35 of the French Commercial Code, on the Board of Directors' report on corporate governance	E.6.1

In accordance with the requirements of article 28 of the prospectus regulation, the following elements are enclosed by reference:

- the consolidated accounts for the year ended December 31, 2017 under IFRS, the related statutory auditors' reports and the Group management report presented within the Registration Document ("document de reference") n° D.18-0074 filed with the Autorité des Marchés Financiers (AMF) on February 26, 2018;
- the consolidated accounts for the year ended December 31, 2016 under IFRS, the related statutory auditors' reports and the Group management report presented within the Registration Document ("document de reference") n° D.17-0274 filed with the Autorité des Marchés Financiers (AMF) on March 31, 2017.

I

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I.2 Locations

[GRI 102-3]

Atos is present in main cities to support customers. The addresses and phone numbers of the Group main offices can be found on the Locations page on website atos.net. Details of current job opportunities can be found in Careers pages. An email address for general questions and comments about the Atos' Internet site can be found at the bottom of the page.

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Europe

Andorra
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Czech Republic
Denmark
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Finland
France
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Hungary
Italy
Ireland
Lithuania
Luxembourg
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India
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Ivory-coast
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Mali
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2018 registration document

This document is a full free translation of the original French text. In case of discrepancies, the French version shall prevail.

The original document has been filed with the Autorité des Marchés Financiers (AMF) on February 22, 2019, in accordance with article 212-13 of the AMF's General Regulations. This document can be used for a specific financial operation, if completed by a prospectus approved by the AMF. This document has been issued by the Company and commits its signatories.

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