

Financial annex 2019



Designing solutions for a positive life

Foreword

Frédéric Abbadie

DEPUTY OF ADMINISTRATION
& FINANCE DEPARTMENT

frederic.abbadie@arteliagroup.com

The purpose of this document is to give an overview of the 2019 consolidated accounts of the Artelia Group. It does not follow any standardised presentation. In no circumstances can it take the place of the financial documents required by law, and in particular the appendix to the accounts attached to the management report.

We have the pleasure to inform you that our auditors have certified the group accounts without reserve. The Administration and Finance Department is at your disposal to provide any further information that you may require.

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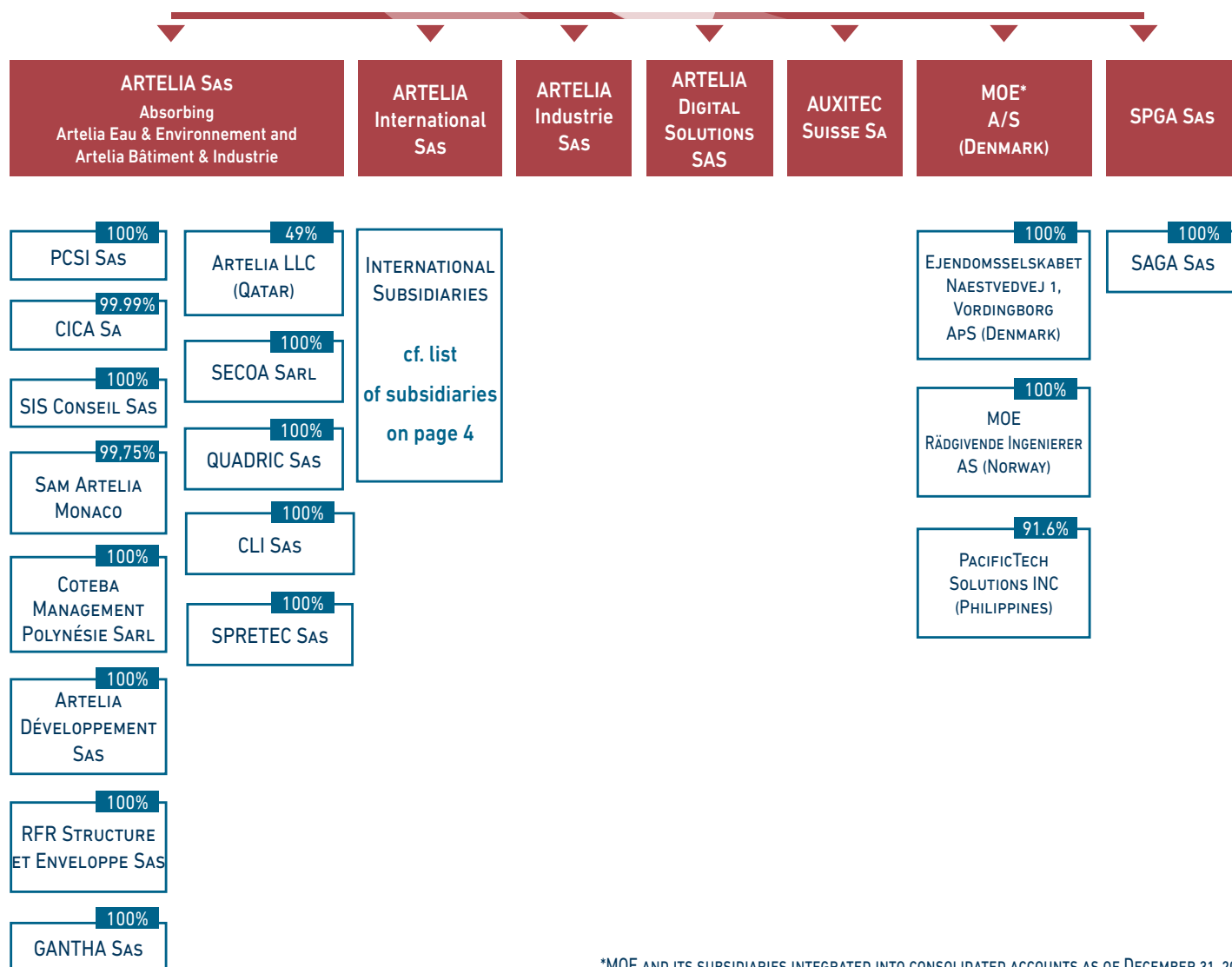
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Organisation chart

AT 31 DECEMBER 2019

ARTELIA HOLDING SAS

100%



*MOE AND ITS SUBSIDIARIES INTEGRATED INTO CONSOLIDATED ACCOUNTS AS OF DECEMBER 31, 2019

Consolidated balance sheet

IN K EUROS - AT 31 DECEMBER 2019

ASSETS	2019			2018
	Gross value	Amortisations and provisions	Net value	Net value
Goodwill	171 872	-22 680	149 192	87 973
Intangible assets	19 878	-16 123	3 755	3 463
Tangible assets	76 252	-50 650	25 602	22 769
Long term investments	5 305	-648	4 657	3 339
Equity investments	121	-	121	226
FIXED ASSETS	273 428	-90 101	183 326	117 770
Inventories & work in progress	10	-	10	17
Prepayments to suppliers	353	-	353	549
Trade notes & accounts receivables ⁽¹⁾	306 172	-15 575	290 597	260 655
Other receivables ⁽²⁾	57 784	-105	57 679	52 666
Short term investments	29 028	-	29 028	15 164
Cash and cash equivalents ⁽³⁾	72 272	-	72 272	73 145
Prepaid expenses	10 355	-	10 355	8 673
CURRENT ASSETS	475 974	-15 680	460 294	410 871
TOTAL ASSETS	749 402	-105 782	643 620	528 641
⁽¹⁾ of which trades notes booked as agent or principal			5 326 k€	2 279 k€
⁽²⁾ of which others trades notes booked as agent or principal			11 900 k€	11 763 k€
⁽³⁾ of which cash managed on behalf of third party			11 582 k€	8 062 k€

Equity & Liabilities	2019	2018
Capital	76 583	76 583
Retained earnings	34 334	23 508
Foreign exchange translation adjustment	823	652
Consolidated net income of the year	10 673	10 827
PARENT SHAREHOLDERS' EQUITY (Group share)	112 413	111 569
Minority interest	126	40
PROVISIONS FOR CONTINGENCIES AND ACCRUALS	62 906	58 477
Mid- and long-term borrowing	88 232	49 991
Advance payables	16 863	14 318
Trade payables ⁽⁴⁾	52 881	59 197
Other payables ⁽⁵⁾	216 054	147 701
Deferred income and prepaid expenses	84 145	87 350
LIABILITIES	458 175	358 556
TOTAL EQUITY & LIABILITIES	643 620	528 641
⁽⁴⁾ of which trade payables booked as agent or principal	303 k€	0 k€
⁽⁵⁾ of which debts booked as agent or principal	28 505 k€	22 104 k€

Consolidated income statement

IN K EUROS - AT 31 DECEMBER 2019

	2019	2018
SALES	580 834	550 477
Other operating income	5 219	4 323
Purchases and other production costs	-215 463	-197 371
Wages and salaries	-312 618	-299 775
Other operating expenses	-6 477	-4 782
Taxes	-16 116	-15 919
Amortisation and net change in provisions and depreciation	-10 632	-14 518
OPERATING INCOME	24 747	22 436
Financial gains and losses	-1 377	-452
CURRENT INCOME FROM FULLY CONSOLIDATED COMPANIES	23 370	21 984
Extraordinary gains and losses	-571	-517
Income tax	-7 847	-6 562
NET INCOME FROM FULLY CONSOLIDATED COMPANIES	14 951	14 904
Equity income	52	38
Amortisation of goodwill	-4 248	-4 094
NET CONSOLIDATED INCOME	10 756	10 849
Minority interest	-83	-22
NET INCOME (GROUP PART)	10 673	10 827

Cash flow statement

IN K EUROS - AT 31 DECEMBER 2019

	2019	2018
Integrated companies net result	10 673	10 827
Minority interests	83	22
Restatement of non-cash items:		
. Depreciation and amortisation	15 154	14 989
. Variance in deferred tax	546	1 680
. Capital gain/loss on disposal of fixed assets	-97	-1 648
. Equity income	-53	-38
GROSS CASH FLOW	26 306	25 832
Variance working capital requirements	-11 264	2 286
NET OPERATING CASH FLOW	15 043	28 118
Capital expenditures	-9 619	-7 739
Disposal of fixed assets (selling price)	331	580
Group perimeter variances	-61 924	-2 091
Change in liabilities to fixed assets suppliers	27 499	-17
NET CASH FLOW USED IN INVESTING ACTIVITIES	-43 713	-9 267
Dividends paid to shareholders	-	-2 412
Dividends paid to minority interests	-119	-214
New financial debts	86 097	43
Repayment of financial debts	-48 115	-11 406
NET CASH FLOW RELATED TO FINANCING ACTIVITIES	37 863	-13 989
Variances related to currency exchange rate	171	225
NET INCREASE/DECREASE IN CASH	9 363	5 087
Cash and cash equivalents beginning of the year	80 032	74 945
Cash and cash equivalents end of the year	89 395	80 032

International SUBSIDIARIES

AT 31 DECEMBER 2019

AFRICA

ALGERIA	Co.TE.BA EL DJAZAIR SARL	99%
	SOGREAH ALGÉRIE EURL	100%
EGYPT	SOGREAH MIDDLE EAST SA	88%
	ARTELIA EGYPT LLC	99%
IVORY COAST	ARTELIA CÔTE D'IVOIRE SASU	100%
MADAGASCAR	ARTELIA MADAGASCAR SRL U	100%
MOROCCO	ARTELIA MAROC S.A.	99.87%
RWANDA	SHER CONSULT LTD **	100%

AMERICA

MEXICO	ARTELIA CAL Y MAYOR S.A. DE C.V.	70%
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ASIA | OCEANIA

CHINA	GUANGZHOU ARTELIA ENVIRONMENTAL PROTECTION CONSULTANCY CO.LTD	100%
INDIA	ARTELIA (INDIA) PRIVATE LIMITED	75%
OMAN	ARTELIA MUSCAT ENGINEERING CONSULTANCY LLC	65%
SINGAPORE	ARTELIA SINGAPORE PTE. LTD	100%
MYANMAR	↓ ARTELIA MYANMAR COMPANY LIMITED	100%
CAMBODIA	↓ ARTELIA (CAMBODIA) Co., LTD.	100%
PHILIPPINES	ARTELIA ASIANTECHNICON INC.	75%
THAÏLAND	ARTELIA CORNESTONE LTD	60%
U.A.E.	SOGREAH GULF FZE	100%
VIETNAM	ARTELIA VIETNAM COMPANY LIMITED	100%
INDONESIA	PT ARTELIA ISOPLAN INDONESIA	67%
	THE FIDJI ISLANDS COTEBA (FIDJI) LIMITED	100%

EUROPE

AUSTRIA	ARTELIA AUSTRIA GMBH	100%
BELGIUM	ARTELIA BELGIUM S.A.	99.92%
	SHER S.A.	100%
	↓ JVL CONSULTING S.A. **	100%
CYPRUS	ARTELIA CYPRUS LIMITED	51%
CZECH REPUBLIC	ARTELIA S.R.O. *	100%
DENMARK	ARTELIA DENMARK AP5	100%
GERMANY	ARTELIA GMBH	100%
GREAT BRITAIN	ARTELIA PROJECTS UK LIMITED	100%
	↓ APPELYARDS LIMITED	100%
GREECE	COTEBA HELLAS PROJECT MANAGEMENT SA	100%
ITALY	ARTELIA ITALIA S.P.A	99%
NETHERLANDS	ARTELIA NEDERLAND B.V.	100%
POLAND	ARTELIA SP. ZO.O. *	100%
SPAIN	ARTELIA SPAIN, S.L.U.	100%
SWITZERLAND	ARTELIA SUISSE S.A.	99,80%
TURKEY	ARTELIA MUHENDISLIK VE DANISMANLIK HIZMETLERI A.S.	100%

* SUBSIDIARIES OF ARTELIA AUSTRIA GMBH

** SUBSIDIARIES OF SHER S.A



MAZARS GOURGUE

42 bis rue de la Tuilerie
38170 SEYSINNET PARISET
SAS au capital de 256 114,35 €
334 213 790 RCS Grenoble

DELOITTE & ASSOCIES

Immeuble Higashi
106 cours Charlemagne
69002 LYON
SAS au capital de 2 188 160 €
572 028 041 RCS Nanterre

ARTELIA HOLDING

Société par actions simplifiée

First Part-Dieu
2 avenue Lacassagne
69003 LYON

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2019

To the sole shareholder of ARTELIA HOLDING,

Opinion

In compliance with the engagement entrusted to us by your decisions, we have audited the accompanying consolidated financial statements of ARTELIA HOLDING for the year ended 31 December 2019. These financial statements were approved by the president on 09 June 2020 on the basis of the information available at that date in the evolving context of the Covid-19 health crisis.

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 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (*code de déontologie*) for statutory auditors.

Justification of Assessments

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 following assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

- Notes 2.9.2 and 2.9.3 disclose the accounting methods relating accounting policies for amortization and/or depreciation of Goodwill in ARTELIA Group. Furthermore, note 2.15 presents the procedures applied for Impairment testing of the goodwill. As part of our assessments of the accounting policies implemented by your Company, we have verified the appropriateness of the accounting principles applied. We have reviewed the procedures of the management to assess their evaluation of goodwill and we have assured that impairment testing of these goodwill was implemented in accordance with implementation policy described in note 2.15.
- Note 2.23 to the financial statements presents the recognition method of revenues resulting from long term contracts. Our procedures consisted in assessing data and assumptions used for determining estimated margin at the project completion dates, reviewing calculations prepared by the Company and in comparing prior periods' estimates with the related actual results.
- Your Company books provisions for post-employment benefits as described in the notes 2.21, 6.9 and 6.10 to the financial statements. Our procedures mainly consisted in assessing data and assumptions used to determine these estimates, in reviewing calculations prepared by the Company and in examining the approval procedures of these estimates by the Management. We have evaluated the reasonableness of these accounting estimates.

Specific Verifications

We have also performed in accordance with professional standards applicable in France the specific verifications required by law and regulations of the information pertaining to the Group presented in the management report of president approved on 09 June 2020.

With regard to the events which occurred and the facts known after the date the financial statements were approved by president relating to the impact of the Covid-19 crisis, the management indicated to us that they will be communicated to sole shareholder of ARTELIA HOLDING called to approve the financial statements.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

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 French accounting principles, 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 consolidated financial statements were approved by the President.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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 financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, 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.

Seyssinet-Pariset and Lyon, 19 June 2020

The statutory auditors

MAZARS GOURGUE

DELOITTE & ASSOCIES

Christophe SUSZYLO

Nathalie LORENZO CASQUET

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the ARTELIA HOLDING issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information specifically 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 sole shareholder.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For identification purpose, we also confirm that the consolidated financial statements of ARTELIA HOLDING for the year ended 31 December 2019 show:

- sales of 580 834 303 euros;
- operating income of 24 747 274 euros;
- group net income of 10 672 693 euros;
- shareholder's equity of 122 412 882 euros;
- total assets and liabilities of 643 620 314 euros.

Seyssinet-Pariset and Lyon, 19 June 2020

The statutory auditors

MAZARS GOURGUE

DELOITTE & ASSOCIÉS

Christophe SUSZYLO

Nathalie LORENZO CASQUET

