Registered number: 03302507

ALTRAN UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

ALTRAN UK LIMITED

COMPANY INFORMATION

Directors	J Glew C D Hart A Lebel
Company secretary	J Mangan
Registered number	03302507
Registered office	1 Forge End Woking England GU21 6DB
Independent auditors	Mazars LLP Chartered Accountants and Statutory Auditor 30 Old Bailey London EC4M 7AU

ALTRAN UK LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their strategic report for Altran UK Limited ("the Company") for the year ended 31 December 2022. The Company's immediate parent company is Altran UK Holding Ltd itself a wholly owned subsidiary of Altran Technologies S.A.S., incorporated in France.

Capgemini SE is the parent of both the smallest and largest groups for which consolidated financial statements which include the results of the Company are drawn up. Copies of the annual report and financial statements of Capgemini SE can be obtained by writing to Capgemini SE, 11 Rue de Tilsitt, 75017 Paris, France.

Business Review

On the 1 January 2022 the Company's trade and associated assets were acquired by Capgemini UK plc for consideration of £73,300,000. Going forward the Company will operate as an intermediary holding company. The acquisition resulted in 609 employees and 72 assignees being transferred to Capgemini UK plc; all employees were transferred under TUPE (Transfer of Undertakings Protection of Employment) regulations.

The consideration for the acquisition of the Company by Capgemini UK was paid to the Company in February 2022. This consideration of £73,300,000 will enable the company to maintain sufficient liquidity. The Company also has immediate access to funds via the Group Cash Pool.

In addition to the above there was a seperately identifiable contract and the associated assets that were sold to Capgemini Certifications UK Limited. The transaction took place on the 1 January 2022 for consideration of £654,253.

Principal activities

The principal activity of the Company is that of a non-trading intermediate holding company, and accordingly it does not trade in its own right.

Future developments

The Company is expected to continue in operation as an investment holding company.

Principal risks and uncertainties

As the Company no longer has any active trade it is not exposed to any significant risks or uncertainties.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company during the year was that of an investment holding company. The Company had no employees.

Results and dividends

The profit for the year, after taxation, amounted to £46,109,950 (2021 - £105,142).

The directors recommended an interim dividend for 2022 for the amount of £20,000,000 (2021:£NIL), which was paid on the 14th September 2022.

Directors

The directors who served during the year were:

J Glew
C D Hart
A Lebel

Future developments

The Company is expected to continue in operation as an investment holding company.

Research and development

The Company, as an investment holding company, does not itself undertake any research and development activity.

Going concern

Going forward the Company will continue in existence as an intermediary holding company. Given the associated consideration received on the sale the Company has sufficent cash reserves to enable it to continue operating for the foreseeable future; the directors therefore consider it appropriate to continue to adopt the going concern basis of preparation.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There has been no significant events affecting the Company since the year end.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 5 May 2023 and signed on its behalf.

DocuSigned by:

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C D Hart
Director

10 May 2023 | 16:41 CEST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRAN UK LIMITED

Opinion

We have audited the financial statements of Altran UK Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRAN UK LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regularions might have a material effect on the financial statements: UK tax legislation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRAN UK LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Claire Larquetoux

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Claire Larquetoux (Senior Statutory Auditor)

for and on behalf of
Mazars LLP

Chartered Accountants and Statutory Auditor

30 Old Bailey
London
EC4M 7AU
Date: 11 May 2023 | 00:15 CEST

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	3	-	64,439,968
Cost of sales		-	(51,851,521)
Gross profit		-	12,588,447
Distribution costs		-	(4,998,246)
Administrative expenses		(236,105)	(4,305,644)
Exceptional administrative expenses	12	(2,000,000)	(2,077,211)
Operating (loss)/profit	5	(2,236,105)	1,207,346
Other Operating Income	4	48,042,322	-
Profit on ordinary activities before interest		45,806,217	1,207,346
Interest receivable and similar income	9	321,562	-
Interest payable and expenses	10	(17,829)	(1,075,023)
Profit before tax		46,109,950	132,323
Tax on profit	11	-	(27,181)
Profit for the financial year		46,109,950	105,142
Total comprehensive income for the year		46,109,950	105,142

The notes on pages 11 to 28 form part of these financial statements.

ALTRAN UK LIMITED
REGISTERED NUMBER: 03302507

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	13		-		11,044,954
Tangible assets	14		-		307,730
Investments	15		6,743,403		8,743,403
			6,743,403		20,096,087
Current assets					
Debtors	16	17,156,654		26,336,941	
Bank and cash balances	17	-		488,912	
		17,156,654		26,825,853	
Creditors: amounts falling due within one year	18	(21,944)		(24,488,856)	
Net current assets			17,134,710		2,336,997
Total assets less current liabilities			23,878,113		22,433,084
Creditors: amounts falling due after more than one year	19		-		(24,665,926)
Provisions for liabilities					
Deferred tax	21	-		412,416	
Other provisions	22	-		(411,411)	
			-		1,005
Net assets/(liabilities)			23,878,113		(2,231,837)
Capital and reserves					
Called up share capital	23		1,000,002		1,000,002
Share premium account	24		376,337		376,337
Other reserves	24		9,994,500		9,994,500
Profit and loss account	24		12,507,274		(13,602,676)
			23,878,113		(2,231,837)

The financial statements were approved on ..5..May..2023.......... and authorised for issue by the board and were signed on its behalf.

C D Hart
Director

DocuSigned by:
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10 May 2023 | 16:41 CEST

The notes on pages 11 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	1,000,002	376,337	9,994,500	(13,707,818)	(2,336,979)
Profit for the year	-	-	-	105,142	105,142
Total comprehensive income for the year	-	-	-	105,142	105,142
At 31 December 2021	1,000,002	376,337	9,994,500	(13,602,676)	(2,231,837)
Profit for the year	-	-	-	46,109,950	46,109,950
Total comprehensive income for the year	-	-	-	46,109,950	46,109,950
Dividends: Equity capital	-	-	-	(20,000,000)	(20,000,000)
At 31 December 2022	1,000,002	376,337	9,994,500	12,507,274	23,878,113

The notes on pages 11 to 28 form part of these financial statements.

1. General information

The Company is a private company limited by shares incorporated in England and Wales. The registered office is 1 Forge End, Woking, England, GU21 6DB. The principal activity of the Company is that of an investment holding company .

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 401 of the Companies Act 2006 on the basis the the Company's ultimate parent undertaking, Capgemini SE, includes the Company in its consolidated financial statements. The consolidated financial statements of Capgemini SE are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Capgemini SE, 11 Rue de Tilsitt, 75017 Paris, France.

The following principal accounting policies have been applied:

2.2 Going concern

On 1 January 2022 the Company's trade and assets were purchased by Capgemini UK plc for consideration of £73,300,000. The Company will continue to operate as an intermediary holding company. Given the consideration received on the sale, the Company is expected to have sufficent cash reserves to enable it to continue operating for the foreseeable future, the directors therefore consider it appropriate to continue to adopt the going concern basis

2.3 Disclosure exemptions

The Company is a "qualifying company" for the purposes of FRS 102 and has taken advantage of the disclosure exemption relating to the provision of a cash flow statement in accordance with FRS 102 paragraph 1.12 (b) and the disclosure of the total compensation paid to key management personnel in accordance with FRS 102 paragraph 1.12 (e).

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2. Accounting policies (continued)

2.5 Revenue

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods. Revenue from the sale of services is recognised when the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

2.6 Research and development

Research expenditure is written off in the year in which it is incurred.
Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangile asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

2. Accounting policies (continued)

2.7 Judgements and key sources of estimation uncertain

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed below:

Impairment of investments

Annually, the Company considers whether investments are impaired. This requires estimation of future cash flows and also a selection of the appropriate discount rates in order to calculate the net present value of those cash flows.

The directors are of the view that there are no estimates or assumptions in addition to the above which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2. Accounting policies (continued)

2.10 Exceptional costs

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.
Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

2. Accounting policies (continued)

2.16 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs. At subsequent reporting periods, the basic financial assets receivable within one year are measured at the undiscounted amount of the cash or other consideration that the company expects to receive.

Basic financial assets that constitute financing transactions, in accordance with FRS 102 paragraph 11.13, are measured at the present value of the future receipts discounted at a market rate of interest. Basic financial assets that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Basic financial liabilities
Basic financial liabilities, including trade and other payables and loans from fellow group companies that are payable within one year or less, other than those that constitute a financing transaction in accordance with FRS 102 paragraph 11.13, are initially recognised at the transaction price and, except for those financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b),are subsequently measured at the undiscounted amount of the cash or other consideration that the company expects to pay.

Basic financial liabilities that constitute a financing transaction in accordance with FRS 102 paragraph 11.13 are measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

2.17 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

2. Accounting policies (continued)

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Total turnover	-	64,439,968
	-	64,439,968

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	-	57,210,977
Rest of Europe	-	6,277,195
Rest of the world	-	951,796
	-	64,439,968

4. Other operating income

	2022 £	2021 £
Gain on disposal	48,042,322	-
	48,042,322	-

On the 1 January 2022 substantially all of the Company's trade and assets were acquired by Capgemini UK plc for consideration of £73,300,000. Additionally a single, separable, business was sold to Capgemini Certifications UK Limited for a total consideration of £654,243. As a result of these transactions, the Company recorded a gain for the amount of £48,042,322 (see note 29).

5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Amortisation of intangible assets	-	1,346,796
Exchange differences	232,256	136,672
Other operating lease rentals	-	1,350,278
Depreciation of tangible assets	-	144,117
Defined contribution plans expense	-	1,122,797
RDEC tax credit	-	(1,545,424)
Government grant	-	(275,000)
Exceptional costs (See note 12)	2,000,000	2,077,211

Exceptional cost relates to impairment of investment in Information Risk Management Ltd, a subsidiary undertaking of the Company.

6. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	-	33,330

The fee for statutory audit services in 2022 was borne by Capgemini UK plc, a fellow group company.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	2021 £
Wages and salaries	-	38,027,325
Social security costs	-	4,532,926
Staff pension costs - defined contribution schemes	-	1,122,797
	-	43,683,048

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Management and administration	-	65
Technical	-	614
	0	679

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	-	1,080,008
Amounts receivable under long-term incentive schemes	-	142,010
Company contributions to defined contribution pension schemes	-	28,587
Restructuring costs	-	431,858
	-	1,682,463

During the year retirement benefits were accruing to no directors (2021 - 4) in respect of defined contribution pension schemes.

9. Interest receivable

	2022 £	2021 £
Interest receivable from group companies	321,562	-
	321,562	-

10. Interest payable

	2022 £	2021 £
Bank interest payable	-	479,429
Loan interest payable to group undertakings	17,829	595,594
	17,829	1,075,023

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	-	290,238
Adjustments in respect of previous periods	-	(165,341)
Total current tax	-	124,897
Deferred tax		
Origination and reversal of timing differences	-	1,632
Effect of tax rate change on opening balance	-	(99,348)
Total deferred tax	-	(97,716)
Taxation on profit on ordinary activities	-	27,181

11. Taxation (continued)

Factors affecting tax charge for the year

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of corporation tax to the profit before tax is as follows:

	2022 £	2021 £
Profit on ordinary activities before tax	46,109,950	132,323
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	8,760,891	25,141
Effects of:		
Remeasurement of deferred tax for changes in tax rates	-	(99,938)
Effect of expenses not deductible for tax purposes and depreciation	380,000	266,450
Adjustments to tax charge in respect of prior periods	-	(165,341)
R&D tax credits	(12,849)	869
Non-taxable income	(9,128,042)	-
Total tax charge for the year	-	27,181

The UK Government intend to increase corporation tax rates to 25% from the current 19% with effect from 1st April 2023. The closing deferred tax assets and liabilities at 31 December 2022 were calculated at 25% on the basis that this is the rate at which those assets and liabilities are expected to unwind.

12. Exceptional items

	2022 £	2021 £
Retention bonuses	-	269,689
Stock options costs	-	420,855
Restructuring costs	-	1,386,667
Impairment of investment (See note 15)	2,000,000	-
	2,000,000	2,077,211

13. Intangible assets

	Development expenditure £	Goodwill £	Total £
Cost			
At 1 January 2022	17,398,515	16,191,541	33,590,056
Disposals	(17,398,515)	(16,191,541)	(33,590,056)
At 31 December 2022	-	-	-
Amortisation			
At 1 January 2022	17,398,515	5,146,587	22,545,102
On disposals	(17,398,515)	(5,146,587)	(22,545,102)
At 31 December 2022	-	-	-
Net book value			
At 31 December 2022	-	-	-
At 31 December 2021	-	11,044,954	11,044,954

14. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2022	283,984	493,201	777,185
Disposals	(283,984)	(493,201)	(777,185)
At 31 December 2022	-	-	-
Depreciation			
At 1 January 2022	179,183	290,272	469,455
Disposals	(179,183)	(290,272)	(469,455)
At 31 December 2022	-	-	-
Net book value			
At 31 December 2022	-	-	-
At 31 December 2021	104,801	202,929	307,730

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	8,743,403
At 31 December 2022	8,743,403
Impairment	
Charge for the period	2,000,000
At 31 December 2022	2,000,000
Net book value	
At 31 December 2022	6,743,403
At 31 December 2021	8,743,403

The impairment loss arose as a result of the write down of the investment in Information Risk Management Limited. The write down represents the value in use based on a discounted cash flow model.

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Information Risk Management Limited	1 Forge End, Woking, England, GU21 6DB	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	hare capital serves £	Profit and loss £
Information Risk Management Limited	(4,125,756)	(927,644)

16. Debtors

	2022 £	2021 £
Due after more than one year		
Amounts owed by group undertakings	303,000	-
Other debtors	-	1,633,498
	303,000	1,633,498
Due within one year		
Trade debtors	-	7,946,063
Amounts owed by group undertakings*	16,737,246	7,778,294
Other debtors	116,408	2,726,493
Prepayments and accrued income	-	531,604
Amounts recoverable on long term contracts	-	4,868,310
Tax recoverable	-	852,679
	17,156,654	26,336,941

*Amounts owed by group undertakings due within one year are amounts placed on deposit through the ultimate parent company, Capgemini SE and represents excess cash which is pooled and managed centrally.

17. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	-	488,912
	-	488,912

18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	21,944	-
Trade creditors	-	1,036,702
Amounts owed to group undertakings	-	13,011,750
Other taxation and social security	-	2,616,662
Other creditors	-	3,230,812
Accruals and deferred income	-	4,592,930
	21,944	24,488,856

19. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to group undertakings	-	24,665,926
	-	24,665,926

20. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	17,156,654	26,532,462

Financial assets measured at amortised cost comprise trade debtors, intercompany balances and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, intercompany trading balances and other creditors.

21. Deferred taxation

	2022 £	2021 £
At beginning of year	412,416	314,700
Charged to profit or loss	-	97,716
Transferred on business combinations	(412,416)	-
At end of year	-	412,416

The deferred tax balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	-	411,296
Pension surplus	-	1,120
	-	412,416

22. Provisions

	Other provision £
At 1 January 2022	411,411
Transferred on business combinations	(411,411)
At 31 December 2022	-

23. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,000,002 (2021 - 1,000,002) Ordinary shares of £1.0 each	1,000,002	1,000,002

24. Reserves

Share premium account

Being the cumulative premium of the issue price of share capital above its nominal value.

Other reserves

The other reserve represents a capital contribution arising on a loan received from Altran UK Holding Limited.

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Defined Contribution plans

The Company has made no payments to the defined contribution plan as on the 1 January 2022 all employees were transferred to Capgemini UK plc under TUPE regulations.

26. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	-	1,135,106
Later than 1 year and not later than 5 years	-	2,064,153
Later than 5 years	-	787,500
	-	3,986,759

27. Related party transactions

In accordance with Financial Reporting Standard FRS102 (section 33), the Company has taken advantage of the exemption for subsidiary undertakings, whose 100% voting rights are controlled within a group, from the requirement to disclose related party transactions.

28. Post balance sheet events

There has been no significant events affecting the Company since the year end.

29. Business combinations

On the 1 January 2022 substantially all of the Company's trade and assets were acquired by Capgemini UK plc for consideration of £73,300,000. Additionally a single, separable, business was sold to Capgemini Certifications UK Limited for a total consideration of £654,243. As a result of these transactions, the Company recorded a gain for the amount of £48,042,322.

	2022 £
Disposal of trade and assets to Capgemini UK Plc:	
Consideration	73,300,000
Less: net book value of assets and liabilities disposed of	(25,414,768)
Profit on disposal	47,885,232

	2022 £
Disposal of seperable business to Capgemini Certifications Limited:	
Consideration	654,243
Less: net book value of assets and liabilities disposed of	(497,243)
Profit on disposal	157,000

30. Controlling party

The Company's immediate controlling party is Altran UK Holding Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Capgemini SE, incorporated in France. Capgemini SE is the parent of both the smallest and largest groups for which consolidated financial statements which includes the results of Altran UK Limited are drawn up. Copies of the annual report and financial statements of Capgemini SE can be obtained by writing to Capgemini SE, 11 Rue de Tilsitt, 75017 Paris, France.

Capgemini

December 31, 2022

ANNUAL REPORT
Consolidated financial statements

Contents

Financial highlights

Consolidated financial statements

(in millions of euros)	2018	2019 [1]	2020 [2]	2021	2022
Revenues	**13,197**	**14,125**	**15,848**	**18,160**	**21,995**
Operating expenses	(11,600)	(12,384)	(13,969)	(15,820)	(19,128)
Operating margin*	**1,597**	**1,741**	**1,879**	**2,340**	**2,867**
% of revenues	*12.1%*	*12.3%*	*11.9%*	*12.9%*	*13.0%*
Operating profit	**1,251**	**1,433**	**1,502**	**1,839**	**2,393**
% of revenues	*9.5%*	*10.1%*	*9.5%*	*10.1%*	*10.9%*
Profit for the year attributable to owners of the Company	**730**	**856**	**957**	**1,157**	**1,547**
% of revenues	*5.5%*	*6.0%*	*6.1%*	*6.4%*	*7.0%*
Earnings per share					
Average number of shares outstanding during the period	*167,088,363*	*166,171,198*	*167,620,101*	*168,574,058*	*170,251,066*
Basic earnings per share *(in euros)*	4.37	5.15	5.71	6.87	9.09
Normalized earnings per share* *(in euros)*	[3] 6.06	[3] 6.76	[3] 7.23	[3] 9.19	[3] 11.52
Dividend per share for the year *(in euros)*	1.70	1.35	1.95	2.40	3.25 [4]
Goodwill at December 31	**7,431**	**7,662**	**9,795**	**10,633**	**11,090**
Equity attributable to owners of the Company at December 31	**7,480**	**8,424**	**6,103**	**8,467**	**9,727**
(Net debt)/net cash and cash equivalents* at December 31	**(1,184)**	**(600)**	**(4,904)**	**(3,224)**	**(2,566)**
Organic free cash flow* at December 31	**1,160**	**1,288**	**1,119**	**1,873**	**1,852**
Average number of employees	**204,904**	**216,104**	**251,525**	**292,690**	**347,758**
Number of employees at December 31	**211,313**	**219,314**	**269,769**	**324,684**	**359,567**

(1) 2019 data reflects the application of IFRS 16, Leases, using the modified retrospective method.

(2) 2020 data reflects the consolidation of Altran from April 1, 2020.

(3) Excluding an income tax expense of €73 million, €36 million, €60 million and €53 million, respectively, in 2022, 2021, 2019 and 2018 and income tax income of €8 million in 2020, due to the transitional impact of the US tax reform in 2017.

(4) Subject to approval by the Shareholders' Meeting of May 16, 2023.

* The alternative performance measures monitored by the Group (operating margin, normalized earnings per share, net debt/net cash and cash equivalents and organic free cash flow) are defined in Note 3 – Alternative performance measures and broken down in Note 11 – Earnings per share, Note 22 – Net debt/net cash and cash equivalents and Note 23 – Cash flows.

Statutory auditors' report on the consolidated financial statements

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 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.

For the year ended December 31, 2022

To the Annual General Meeting of Capgemini SE,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Capgemini SE ("the Group") for the year ended December 31, 2022.

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, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk 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 requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory auditors, for the period from January 1st, 2022 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.

Revenue recognition on a percentage-of-completion basis for long-term contracts on deliverable-based, services-based or multi-deliverable contracts

Risks identified	Our audit approach

Capgemini is present in the consulting, digital transformation, technology and engineering services market and notably provides long-term services.
 	
As described in Note 6 to the consolidated financial statements, the method used to recognize revenue related to long-term contracts depends on the nature of the services rendered, as follows:
 	
▪ Revenue from deliverable-based contracts is usually recognized over time by using the "cost-to-cost" method to measure progress to completion. The percentage of completion is based on costs incurred to date relative to the total estimate of cost at completion of the contract;
▪ Revenue on services-based contracts is usually recognized as rights to bill arise;
▪ Revenue on multi-deliverable contracts is usually recognized depending on the performance obligations identified.
 	
The amount of revenue to be recognized for the period depends upon the Group's ability to:
 	
• identify all the performance obligations in multi-year and multi-delivrable contracts and determine their related accounting treatment;
• measure the costs incurred for deliverable-based contracts or the total services rendered for services-based contracts;
• estimate the costs to be incurred until the end of those contracts.
 	
Considering the judgments and estimates made by the Management to determine how revenue should be recognized on a percentage-of-completion basis, we deemed the recognition of revenue related to long-term contracts on deliverable-based, services-based or multi-deliverable contracts to be a key matter in our audit.
	We have updated our understanding of the process related to recognizing various revenue flows, notably long-term contracts on deliverable-based, services-based or multi-deliverable contracts.
	
	Our approach took into account the information systems used in recognizing revenue on a percentage-of-completion basis by testing, with the assistance of our IT specialists, the effectiveness of the automatic controls for systems impacting revenue recognition.
	
	Our work notably involved:
	
	▪ assessing internal control procedures, identifying the most relevant manual or automatic controls for our audit and testing their design and operational efficiency;
	▪ carrying out analytical audit procedures, and notably analyzing material changes in revenue and margin from one period to another;
	▪ based on a sample of contracts selected by using a multi-criteria analysis:
	  o assessing the performance obligations identified within the context of the contract;
	  o assessing the method used to recognize revenue for each identified performance obligation;
	  o comparing the accounting data against the operational monitoring of projects and assessing the reasonableness of the estimates used, particularly as regards to measuring costs to be incurred until the end of the contract;
	▪ assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

Measurement of recoverable amount of goodwill

Risks identified	Our audit approach
As part of its business development, the Group makes targeted acquisitions in order to expand its service offering. In the context of the purchase price allocation, the Group estimates the fair value of identifiable assets acquired, liabilities and contingent liabilities assumed for entities newly acquired, and recognizes goodwill as an asset in the consolidated financial statements. Goodwill corresponds to the difference between the purchase price and the net amount of identifiable assets acquired and liabilities and contingent liabilities assumed. Goodwill is allocated to the relevant cash generated units. As of December 31, 2022, goodwill amounts to €11,090m (net value) and represents 44% of the total assets At least once a year, Management ensures that the net carrying amount of goodwill recognized as an asset is not greater than the recoverable amount. Indeed, an adverse change in the business activities to which goodwill has been allocated, due to internal or external factors such as the financial and economic environment in markets where Capgemini operates, may have a significant adverse effect on the recoverable amount of goodwill and require the recognition of impairment. In such a case, it is necessary to reassess the relevance and reasonableness of the assumptions used to determine the recoverable amounts and the reasonableness and consistency of the calculation method. The impairment testing methods and details of the assumptions used are described in Note 16 to the consolidated financial statements. We believe that measurement of recoverable amount of goodwill is a key audit matter, due to the significant amount of goodwill reported in the financial statements and its sensitivity to the assumptions made by Management.	Our work entailed: ▪ gaining an understanding of and assessing the impairment testing process implemented by Management; ▪ assessing the appropriateness of the model used to calculate value in use; ▪ analyzing the consistency of cash flow forecasts with Management's latest estimates presented to the Board of Directors; ▪ comparing 2022 earnings forecasts used for prior year impairment testing with actual results; ▪ comparing the cash flow forecasts for financial years 2023 to 2027 with the business plans used for prior year impairment testing; ▪ interviewing financial and/or operational staff responsible for the main geographic areas to analyze the main assumptions used in the strategic plan and corroborate the assumptions with the explanations obtained; ▪ assessing the methods used to calculate discount rates applied to the estimated cash flows expected, as well as long-term growth rates used to project the latest prior year expected cash flows to infinity; comparing these rates with market data and external sources and recalculating the rates based on our own data sources; ▪ assessing the sensitivity of value in use to a change in the main assumptions used by Management; ▪ assessing the appropriateness of the financial information provided in Note 16 to the consolidated financial statements. Our valuation specialists were involved in this work.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their 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 (Code de commerce) is included in the Group's management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of the presentation of the consolidated financial statements intended to be included in the Annual Financial Report

We also verified, in accordance with professional standards for statutory audit procedures to be carried out on parent company and consolidated financial statements presented in the single electronic reporting format, that the presentation of consolidated financial statements included in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer, complies with the format specified in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018. With regard to consolidated financial statements, our work includes verifying that the tagging in the statements complies with the format specified in the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material aspects, with the single electronic reporting format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

It is not our responsibility to verify that the consolidated financial statements that will be effectively included by your company in the annual financial report filed with the AMF correspond to those on which we have performed our work.

Appointment of the Statutory auditors

We were appointed as Statutory auditors of Capgemini SE by the Annual General Meeting held on May 24, 1996 for PricewaterhouseCoopers audit and on May 20, 2020 for Mazars.

As at December 31, 2022, PricewaterhouseCoopers audit and Mazars were in the 27th year and third year of total uninterrupted engagement respectively.

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 (IFRS) 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 and Risk 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 and Risk Committee

We submit a report to the Audit and Risk 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 and Risk 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 and Risk 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 and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, February 27, 2023

Courbevoie, February 27, 2023

The Statutory auditors

PricewaterhouseCoopers Audit

Mazars

Itto El Hariri
Partner

Romain Dumont
Partner

Dominique Muller
Partner

Anne-Laure Rousselou
Partner

Consolidated Income Statement

(in millions of euros)		2021		2022	
	Notes	**Amount**	**%**	**Amount**	**%**
Revenues	4 and 6	**18,160**	**100.0**	**21,995**	**100.0**
Cost of services rendered		(13,368)	(73.6)	(16,163)	(73.5)
Selling expenses		(1,196)	(6.6)	(1,518)	(6.9)
General and administrative expenses		(1,256)	(6.9)	(1,447)	(6.6)
Operating expenses	7	**(15,820)**	**(87.1)**	**(19,128)**	**(87.0)**
Operating margin [(1)]		**2,340**	**12.9**	**2,867**	**13.0**
Other operating income and expenses	8	(501)	(2.8)	(474)	(2.1)
Operating profit		**1,839**	**10.1**	**2,393**	**10.9**
Net finance costs	9	(117)	(0.6)	(67)	(0.3)
Other financial income and expense	9	(42)	(0.2)	(62)	(0.3)
Net financial expense		**(159)**	**(0.8)**	**(129)**	**(0.6)**
Income tax expense	10	**(526)**	**(2.9)**	**(710)**	**(3.3)**
Share of profit of associates		**5**	**-**	**(4)**	**-**
PROFIT FOR THE YEAR		**1,159**	**6.4**	**1,550**	**7.0**
Attributable to:					
Owners of the Company		*1,157*	*6.4*	*1,547*	*7.0*
Non-controlling interests		*2*	*-*	*3*	*-*
EARNINGS PER SHARE					
Average number of shares outstanding during the period		168,574,058		170,251,066	
Basic earnings per share *(in euros)*	11	6.87		9.09	
Diluted average number of shares outstanding		173,899,033		176,019,736	
Diluted earnings per share *(in euros)*	11	6.66		8.79	

(1) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 – Alternative performance measures.

Consolidated Statement of Comprehensive Income

(in millions of euros)	Notes	**2021**	**2022**
Actuarial gains and losses on defined benefit pension plans, net of tax [(1)]	25	342	195
Remeasurement of cash flow and net investment hedging instruments, net of tax [(2)]	24	160	(66)
Other, net of tax [(1)]		1	4
Translation adjustments [(2)]	12	524	112
OTHER ITEMS OF COMPREHENSIVE INCOME		**1,027**	**245**
Profit for the year (reminder)		1,159	1,550
Total comprehensive income for the period		2,186	1,795
Attributable to:			
Owners of the Company		*2,184*	*1,792*
Non-controlling interests		*2*	*3*

(1) Other items of comprehensive income that will not be reclassified subsequently to profit or loss.

(2) Other items of comprehensive income that may be reclassified subsequently to profit or loss.

Consolidated Statement of Financial Position

(in millions of euros)	Notes	**December 31, 2021**	**December 31, 2022**
Goodwill	13 and 16	10,633	11,090
Intangible assets	13	1,003	906
Property, plant and equipment	14	880	876
Lease right-of-use assets	15	823	721
Deferred tax assets	17	881	708
Other non-current assets	19	814	836
Total non-current assets		**15,034**	**15,137**
Contract costs	20	117	140
Contract assets	20	1,380	1,784
Trade receivables	20	3,109	3,329
Current tax receivables		141	106
Other current assets	21	738	795
Cash management assets	22	385	386
Cash and cash equivalents	22	3,129	3,802
Total current assets		**8,999**	**10,342**
TOTAL ASSETS		**24,033**	**25,479**

(in millions of euros)	Notes	**December 31, 2021**	**December 31, 2022**
Share capital		1,379	1,389
Additional paid-in capital		3,609	3,706
Retained earnings and other reserves		2,322	3,085
Profit for the year		1,157	1,547
Equity (attributable to owners of the Company)		**8,467**	**9,727**
Non-controlling interests		12	16
Total equity		**8,479**	**9,743**
Long-term borrowings	22	6,654	5,655
Deferred tax liabilities	17	294	308
Provisions for pensions and other post-employment benefits	25	655	365
Non-current provisions	26	341	339
Non-current lease liabilities	15	627	533
Other non-current liabilities	27	466	471
Total non-current liabilities		**9,037**	**7,671**
Short-term borrowings and bank overdrafts	22	87	1,102
Accounts and notes payable	28	4,361	4,749
Contract liabilities	20	1,405	1,470
Current provisions	26	140	103
Current tax liabilities		75	68
Current lease liabilities	15	274	257
Other current liabilities	27	175	316
Total current liabilities		**6,517**	**8,065**
TOTAL EQUITY AND LIABILITIES		**24,033**	**25,479**

Consolidated Statement of Cash Flows

(in millions of euros)	Notes	2021	2022
Profit for the year		**1,159**	**1,550**
Depreciation, amortization and impairment of fixed assets and lease right-of-use assets		672	719
Change in provisions		(146)	(77)
Losses/(Gains) on disposals of assets and other		33	13
Expenses relating to share grants		125	164
Net finance costs	9	117	67
Income tax expense/(income)	10	526	710
Unrealized (gains) losses on changes in fair value and other financial items		6	15
Cash flows from operations before net finance costs and income tax (A)		**2,492**	**3,161**
Income tax paid (B)		**(440)**	**(451)**
Change in trade receivables, contract assets net of liabilities and contract costs		(197)	(490)
Change in accounts and notes payable		351	115
Change in other receivables/payables		375	182
Change in operating working capital (C)		**529**	**(193)**
NET CASH FROM (USED IN) OPERATING ACTIVITIES (D=A+B+C)		**2,581**	**2,517**
Acquisitions of property, plant and equipment and intangible assets	13 and 14	(266)	(290)
Proceeds from disposals of property, plant and equipment and intangible assets		4	7
Acquisitions of property, plant and equipment and intangible assets, net of disposals		**(262)**	**(283)**
Cash (outflows) inflows on business combinations net of cash and cash equivalents acquired		(369)	(204)
Cash outflows in respect of cash management assets		(25)	(19)
Other cash (outflows) inflows, net		(22)	(153)
Cash outflows from other investing activities		**(416)**	**(376)**
NET CASH FROM (USED IN) INVESTING ACTIVITIES (E)		**(678)**	**(659)**
Proceeds from issues of share capital		587	507
Dividends paid		(329)	(409)
Net payments relating to transactions in Capgemini SE shares		(197)	(826)
Proceeds from borrowings		137	468
Repayments of borrowings		(1,498)	(482)
Repayments of lease liabilities	15	(320)	(311)
Interest paid		(153)	(136)
Interest received		27	65
NET CASH FROM (USED IN) FINANCING ACTIVITIES (F)		**(1,746)**	**(1,124)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (G=D+E+F)		**157**	**734**
Effect of exchange rate movements on cash and cash equivalents (H)		134	(58)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (I)	22	**2,828**	**3,119**
CASH AND CASH EQUIVALENTS AT END OF PERIOD (G+H+I)	22	**3,119**	**3,795**

Consolidated Statement of Changes in Equity

(in millions of euros)	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Income and expense recognized in equity		Equity (attributable to owners of the Company)	Non-controlling interests	Total equity
						Translation adjustments	Other			
At December 31, 2021	**172,391,524**	**1,379**	**3,609**	**(79)**	**4,233**	**(120)**	**(555)**	**8,467**	**12**	**8,479**
Impact of the first-time application of the IFRS Interpretation Committee (IFRIC) decision published in April 2021 on SaaS type contracts	-	-	-	-	(2)	-	-	(2)	-	(2)
At January 1, 2022	**172,391,524**	**1,379**	**3,609**	**(79)**	**4,231**	**(120)**	**(555)**	**8,465**	**12**	**8,477**
Dividends paid out for 2021	-	-	-	-	(409)	-	-	(409)	-	(409)
Incentive instruments and employee share ownership	3,500,000	28	479	218	(19)	-	-	706	-	706
Elimination of treasury shares	-	-	-	(827)	1	-	-	(826)	-	(826)
Share capital reduction by cancellation of treasury shares	(2,309,411)	(18)	(382)	400	-	-	-	-	-	-
Transactions with non-controlling interests and others	-	-	-	-	(1)	-	-	(1)	1	-
Transactions with shareholders and others	**1,190,589**	**10**	**97**	**(209)**	**(428)**	**-**	**-**	**(530)**	**1**	**(529)**
Income and expense recognized in equity	**-**	**-**	**-**	**-**	**-**	**112**	**133**	**245**	**-**	**245**
Profit for the year	**-**	**-**	**-**	**-**	**1,547**	**-**	**-**	**1,547**	**3**	**1,550**
At December 31, 2022	**173,582,113**	**1,389**	**3,706**	**(288)**	**5,350**	**(8)**	**(422)**	**9,727**	**16**	**9,743**

(in millions of euros)	Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Income and expense recognized in equity		Equity (attributable to owners of the Company)	Non-controlling interests	Total equity
						Translation adjustments	Other			
At December 31, 2020	**168,784,837**	**1,350**	**3,050**	**(39)**	**3,444**	**(644)**	**(1,058)**	**6,103**	**12**	**6,115**
Dividends paid out for 2020	-	-	-	-	(329)	-	-	(329)	-	(329)
Incentive instruments and employee share ownership	3,606,687	29	559	158	(1)	-	-	745	-	745
Elimination of treasury shares	-	-	-	(198)	1	-	-	(197)	-	(197)
Finalization of the Altran Technologies purchase price allocation	-	-	-	-	(46)	-	-	(46)	(2)	(48)
Transactions with non-controlling interests and others	-	-	-	-	7	-	-	7	-	7
Transactions with shareholders and others	**3,606,687**	**29**	**559**	**(40)**	**(368)**	**-**	**-**	**180**	**(2)**	**178**
Income and expense recognized in equity	**-**	**-**	**-**	**-**	**-**	**524**	**503**	**1,027**	**-**	**1,027**
Profit for the year	**-**	**-**	**-**	**-**	**1,157**	**-**	**-**	**1,157**	**2**	**1,159**
At December 31, 2021	**172,391,524**	**1,379**	**3,609**	**(79)**	**4,233**	**(120)**	**(555)**	**8,467**	**12**	**8,479**

Notes to the consolidated financial statements for the year ended December 31, 2022

Note 1 Accounting basis

The consolidated financial statements for the year ended December 31, 2022 of Capgemini SE, a European company headquartered at 11 rue de Tilsitt, 75017, Paris, France and the notes thereto were adopted by the Board of Directors on February 20, 2023. The consolidated financial statements will be presented for approval to the Shareholders' Meeting scheduled for May 16, 2023.

A) IFRS standards base

Pursuant to European Commission Regulation no. 1606/2002 of July 19, 2002, the 2022 consolidated financial statements have been prepared in accordance with international accounting standards (IFRS, International Financial Reporting Standards) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The Group, a responsible and multicultural global leader partnering with companies to transform and manage their business by harnessing the power of technology, also takes account of the positions adopted by Numeum (merger of Syntec Numérique and TECH IN France), an organization representing major consulting and computer services companies in France, regarding the application of certain IFRS.

The main accounting policies are presented at the beginning of each note to the consolidated financial statements.

B) New standards and interpretations applicable in 2022

a) New standards, amendments and interpretations of mandatory effect at January 1, 2022

The accounting policies applied by the Capgemini Group are unchanged on those applied for the preparation of the December 31, 2021 consolidated financial statements.

The standards, amendments, and interpretations which entered into mandatory effect on January 1, 2022 did not have a material impact on the Group financial statements.

In the consolidated financial statements for the year ended December 31, 2022, the Group finalized and applied the IFRS Interpretation Committee (IFRIC) decision published in April 2021, Configuration or Customisation Costs in a Cloud Computing Arrangement, relating to IAS 38, Intangible Assets, on the recognition of configuration or customization costs for software used internally and made available in the Cloud in a Software as a Service (SaaS) arrangement. The Group therefore recognized an amount net of deferred tax assets of €2 million in equity at January 1, 2022, in respect of the retrospective adjustment relating to this new interpretation. As the impact on the Group's financial indicators is not material, comparable periods were not adjusted retrospectively.

b) Other new standards not yet in effect at January 1, 2022 and not adopted early

The Group did not adopt early any new standards not yet in effect at January 1, 2022.

C) Use of estimates

The preparation of consolidated financial statements involves the use of estimates and assumptions which may have an impact on the reported values of assets and liabilities at the period end or on certain items of either net profit or the income and expenses recognized directly in equity for the year. Estimates are based on economic data and assumptions which are likely to vary over time and interpretations of local regulation when necessary. They have notably been made in an ongoing uncertain economic, geopolitical and health context in certain geographies. These estimates are subject to a degree of uncertainty and mainly concern revenue recognition on a percentage-of-completion basis, provisions, measurement of the amount of intangible assets and deferred tax assets, provisions for pensions and other post-employment benefits, the fair value of derivatives and the calculation of the tax expense.

Climate change risks result from both increasingly frequent exposure to extreme weather events and transition to a low energy business model. The Group considers the financial consequences of damage directly related to extreme weather events to be limited. The Group has also taken the effects of its sustainable development policy into account in the main closing estimates.

Note 2 Consolidation principles and Group structure

Consolidation methods

The accounts of companies directly or indirectly controlled by the parent company are fully consolidated. The parent company is deemed to exercise control over an entity when it has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Companies in which the parent company directly or indirectly exercises significant influence over their management, without however exercising full or joint control, are accounted for by the equity method. This method consists of recording the Group's share in profit for the year of the associate in the Income Statement. The Group's share in net assets of the associate is recorded under "other non-current assets" in the Consolidated Statement of Financial Position.

Details of the scope of consolidation are provided in Note 33 – List of the main consolidated companies by country.

All consolidated companies prepared their accounts to December 31, 2022 in accordance with the accounting policies adopted by the Group.

Inter-company transactions are eliminated on consolidation, as well as inter-company profits.

Business combinations

Business combinations are accounted for using the acquisition method. Under this method, the identifiable assets acquired and liabilities assumed are recognized at fair value at the acquisition date and may be adjusted during the 12 months following this date.

Foreign currency translation

The consolidated accounts presented in these consolidated financial statements have been prepared in euros.

The Consolidated Statements of Financial Position of subsidiaries denominated in foreign currencies are translated into euros at year-end rates of exchange with the exception of equity accounts, which are carried at their historical values. Income statements denominated in foreign currencies are translated into euros at the average rates of exchange for the year. However, for certain material transactions, it may be relevant to use a specific rate of exchange. Differences arising from translation at these different rates are recognized directly in equity under "Translation reserves" and have no impact on the Income Statement.

Exchange differences arising on monetary items which form an integral part of the net investment in foreign subsidiaries are recognized in equity. The qualification of monetary items as a net investment is reviewed at each closing by the Group.

Exchange differences on receivables and payables denominated in a foreign currency are recorded in operating profit or net financial expense, depending on the type of transaction concerned.

The exchange rates used to translate the financial statements of the Group's main subsidiaries into euros are as follows:

	Average rate		Closing rate	
	2021	2022	2021	2022
Australian dollar	0.63513	0.65956	0.64041	0.63723
Brazilian real	0.15687	0.18432	0.15848	0.17735
Canadian dollar	0.67442	0.73052	0.69478	0.69252
Chinese renminbi yuan	0.13109	0.14131	0.13899	0.13590
Indian rupee	0.01143	0.01210	0.01187	0.01134
Norwegian krone	0.09842	0.09906	0.10011	0.09511
Polish zloty	0.21912	0.21353	0.21754	0.21364
Pound sterling	1.16302	1.17321	1.19008	1.12749
Swedish krona	0.09858	0.09413	0.09756	0.08991
US dollar	0.84538	0.95092	0.88292	0.93756

Exchange gains and losses on inter-company transactions

The results and financial position of a foreign subsidiary are included in the Group's consolidated financial statements after the elimination of inter-company balances and transactions. However, a foreign exchange gain or loss arising on an inter-company monetary asset or liability (e.g. an inter-company receivable denominated in a currency different from the functional currency of the subsidiary) cannot be eliminated. Such foreign exchange gains and losses are recognized in the Income Statement or in Income and expense recognized directly in equity, if the underlying forms an integral part of the net investment in the foreign operation (e.g. a loan with no fixed maturity).

The fair values of inter-company hedging instruments relating to inter-company operating transactions performed as part of the centralized management of currency risk in the parent company are eliminated.

In 2022, the Group made a number of targeted acquisitions in France, the United Kingdom, Central Europe and Asia. The contribution of these transactions to Group financial indicators in 2022 is not material.

Moreover, the war in Ukraine did not have any material impact on the Group's performance. All protection, safety and business continuity measures then the cessation of activities of the Russian subsidiary in accordance with employee rights and in full compliance with applicable legislation, generated non-recurring costs that are not material at Group level.

Note 3 Alternative performance measures

The alternative performance measures monitored by the Group are defined as follows:

- **Organic growth**, or like-for-like growth, in revenues is the growth rate calculated at constant Group scope and exchange rates. The Group scope and exchange rates used are those for the reported period;
- **Growth at constant exchange rates** in revenues is the growth rate calculated at exchange rates used for the reported period;
- **Operating margin** is equal to revenues less operating expenses. It is calculated before "Other operating income and expenses" which include amortization of intangible assets recognized in business combinations, the charge resulting from the deferred recognition of the fair value of shares granted to employees (including social security contributions and employer contributions), and non-recurring revenues and expenses, notably impairment of goodwill, negative goodwill, capital gains or losses on disposals of consolidated companies or businesses, restructuring costs incurred under a detailed formal plan approved by the Group's management, acquisition costs, costs of integrating companies acquired by the Group, including earn-outs comprising conditions of presence, and the effects of curtailments, settlements and transfers of defined benefit pension plans;
- **Normalized earnings per share** are calculated by dividing normalized profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. Normalized net profit or loss is equal to profit for the year attributable to owners of the Company corrected for the impact of items recognized in "Other operating income and expense" (see Note 8 – Other operating income and expense), net of tax calculated using the effective tax rate;
- **Net debt** (or net cash and cash equivalents) comprises (i) cash and cash equivalents, as presented in the Consolidated Statement of Cash Flows (consisting of short-term investments and cash at bank) less bank overdrafts, (ii) cash management assets (assets presented separately in the Consolidated Statement of Financial Position due to their characteristics), less (iii) short- and long-term borrowings. Account is also taken of (iv) the impact of hedging instruments when these relate to borrowings, inter-company loans and own shares;
- **Organic free cash flow** calculated based on items in the Statement of Cash Flows is equal to cash flow from operations less acquisitions of property, plant, equipment and intangible assets (net of disposals) and repayments of lease liabilities and adjusted for flows relating to the net interest cost.

Note 4 Operating segments

Group Management analyzes and measures activity performance in the geographic areas where the Group is present.

The geographic analysis enables management to monitor the performance:

- of commercial development: it focuses on trends in major contracts and clients in Group markets across all its businesses. This monitoring seeks to coordinate the service offering of the different businesses in the countries, given their considerable interaction and to measure the services rendered;
- at operational and financial level: management of treasury and support services, the operating investment and financing policies and the acquisition policy are decided and implemented by geographic area.

Accordingly, the Group presents segment reporting for the geographic areas where it is located.

The Group segments are defined as geographic areas (e.g. France) or groups of geographic areas (Rest of Europe). Geographic areas are grouped together based on an analysis of the nature of contracts, the typology of customer portfolios and the uniformity of operating margins*.

Costs relating to operations and incurred by Group holding companies on behalf of geographic areas are allocated to the relevant segments either directly or on the basis of an allocation key. Items not allocated correspond to headquarter expenses.

Inter-segment transactions are carried out on an arm's length basis.

The performance of operating segments is measured based on the operating margin*. This indicator enables the measurement and comparison of the operating performance of operating segments, irrespective of whether their business results from internal or external growth.

The operating margin* realized by the main offshore delivery centers (India and Poland) is reallocated to the geographic areas managing the contracts to enable a better understanding of the performance of these areas.

* Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

The Group communicates segment information for the following geographic areas: North America, France, United Kingdom and Ireland, the Rest of Europe, Asia-Pacific and Latin America.

2022 *(in millions of euros)*	**North America**	**France**	**United Kingdom and Ireland**	**Rest of Europe**	**Asia-Pacific and Latin America [1]**	**HQ expenses**	**Elimina-tions**	**Total**
Revenues								
- external	6,737	4,276	2,561	6,437	1,984	-	-	21,995
- inter-geographic area	246	454	281	594	2,777	-	(4,352)	-
TOTAL REVENUES	**6,983**	**4,730**	**2,842**	**7,031**	**4,761**	**-**	**(4,352)**	**21,995**
OPERATING MARGIN [2]	**1,051**	**518**	**462**	**746**	**210**	**(120)**	**-**	**2,867**
% of revenues	*15.6*	*12.1*	*18.0*	*11.6*	*10.6*	*-*	*-*	*13.0*
OPERATING PROFIT	**922**	**407**	**432**	**628**	**124**	**(120)**	**-**	**2,393**

(1) The Asia-Pacific and Latin America area includes the following countries: India, Australia, Brazil and Mexico and other Asian-Pacific and Latin American countries.
(2) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 – Alternative performance measures.

2021 *(in millions of euros)*	**North America**	**France**	**United Kingdom and Ireland**	**Rest of Europe**	**Asia-Pacific and Latin America [1]**	**HQ expenses**	**Elimina-tions**	**Total**
Revenues								
- external	5,251	3,799	2,127	5,563	1,420	-	-	18,160
- inter-geographic area	181	366	256	480	1,986	-	(3,269)	-
TOTAL REVENUES	**5,432**	**4,165**	**2,383**	**6,043**	**3,406**	**-**	**(3,269)**	**18,160**
OPERATING MARGIN [2]	**835**	**389**	**383**	**684**	**164**	**(115)**	**-**	**2,340**
% of revenues	*15.9*	*10.2*	*18.0*	*12.3*	*11.5*	*-*	*-*	*12.9*
OPERATING PROFIT	**701**	**247**	**341**	**578**	**87**	**(115)**	**-**	**1,839**

(1) The Asia-Pacific and Latin America area includes the following countries: India, Australia, Brazil and Mexico and other Asian-Pacific and Latin American countries.
(2) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

Note 5 Consolidated Income Statement

Income and expenses are presented in the Consolidated Income Statement by function. Operating expenses are broken down into the cost of services rendered (corresponding to costs incurred for the execution of client projects), selling expenses, and general and administrative expenses.

These three captions represent operating expenses which are deducted from revenues to obtain the operating margin*, one of the main Group business performance indicators. Certain types of operating expense may be reclassified in previous periods in accordance with the presentation adopted in the reported fiscal year; these reclassifications are without impact on operating margin, net profit nor cash flows.

Operating profit is obtained by deducting other operating income and expenses from the operating margin.

Other operating income and expenses include amortization of intangible assets recognized in business combinations, the charge resulting from the deferred recognition of the fair value of shares granted to employees (including social security contributions and employer contributions), and non-recurring revenues and expenses, notably impairment of goodwill, negative goodwill, capital gains or losses on disposals of consolidated companies or businesses, restructuring costs incurred under a detailed formal plan approved by the Group's management, acquisition costs, costs of integrating companies acquired by the Group including earn-outs comprising conditions of presence and the effects of curtailments, settlements and transfers of defined benefit pension plans.

Profit for the year attributable to owners of the Company is then obtained by taking into account the following items:

- net finance costs, including net interest on borrowings calculated using the effective interest rate, less income from cash, cash equivalents and cash management assets;
- other financial income and expense, which primarily correspond to the impact of remeasuring financial instruments to fair value when these relate to items of a financial nature, disposal gains and losses and the impairment of investments in non-consolidated companies, net interest costs on defined benefit pension plans, exchange gains and losses on financial items, and other financial income and expense on miscellaneous financial assets and liabilities calculated using the effective interest rate, as well as the interest expense on lease liabilities;
- current and deferred income tax expense;
- share of profit of associates;
- share of non-controlling interests.

* Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

Note 6 Revenues

The method for recognizing revenues and costs depends on the nature of the services rendered:

Deliverable-based contracts

Deliverable-based contracts typically include fixed price projects, for example, system integration or design and development of customized IT systems and related processes. Contract terms typically range from 6 months to 2 years. Contract prices might be subject to incentives and penalties, based on achievement of specified performance targets or levels of benefits delivered to the customer.

For deliverable-based contracts, revenue is generally recognized over time, because at least one of the following conditions is met: (i) the Group's performance enhances an asset that the customer controls as the Group performs or (ii) the Group builds an asset that has no alternative use (e.g. it is customer-specific) and the Group has an enforceable right to payment for performance to date in case of termination by the customer.

The Group applies the "cost-to-cost" method to measure progress to completion. The percentage of completion is based on costs incurred to date relative to the total estimate of cost at completion of the contract.

Estimates of total contract costs are revised when new elements arise. Changes in estimates of cost at completion and related percentage of completion are recorded in the Income Statement as catch-up adjustments in the period in which the elements giving rise to the revision are known.

The related costs on deliverable-based contracts are expensed as incurred.

The Group earns contractually the right to bill upon achievement of specified milestones or upon customer acceptance of work performed. The difference between cumulative billings and cumulative revenue recognized is reflected in the Consolidated Statement of Financial Position as Contract assets (revenue in excess of billings) or Contract liabilities (billings in excess of revenue).

Resources-based contracts

Revenue from Resources-based contracts is recognized as the Group earns the right to bill the customer as the amount invoiced corresponds directly to the value to the customer of the performance completed to date. Each performance obligation is satisfied over time as the client continuously receives and consumes the benefits of the services. The services are priced based on the number of hours spent on the contract. The amount to be billed is representative of the value of the service delivered to the customer and therefore, applying the right-to-bill practical expedient, revenue is recognized over time based on the hours spent.

The related costs on resources-based contracts are expensed as incurred.

Services-based contracts

Services-based contracts include infrastructure management, application management and Business Services activities. Contract terms typically range from 3 to 5 years. Fees are billable on a monthly basis, based on a fixed-price per work unit consumed, or based on monthly fixed fees subject to adjustment mechanisms for volume changes or scope changes. Contracts generally provide for service-level penalties.

Recurring services are generally considered to be one single performance obligation, comprised of a series of distinct daily units of service satisfied over time. Contract modifications are recorded on a prospective basis. Revenue on services-based contracts is recognized as rights to bill arise, except in specific cases where invoicing terms do not reflect the value to the customer of services rendered to date relative to the value of the remaining services (for example, in case of significant front-loaded or backloaded fees or discounts). Service-level penalties or bonuses, if any, are accrued in full in the period when the performance targets are failed or achieved, as appropriate.

Upfront fees received from customers, if any, are deferred and recognized over the service period, even if non-refundable. Upfront amounts payable to customers, if in excess of the fair value of assets transferred from the customer, are capitalized (presented in Contract assets) and amortized over the contractual period, as a deduction to revenue.

Resale activities

As part of its operational activities, the Group may resell hardware equipment, software licenses, maintenance and services purchased from third-party suppliers. When the asset or service is distinct from the other services provided by the Group, the Group needs to assess whether it is acting as an agent or a principal in the purchase and resale transaction. The Group acts as a "principal" when it obtains control of the hardware, software or services before transferring them to the customer. In such case, the transaction is presented on a gross basis in the Income Statement (amounts charged by suppliers are presented in operating expenses). If the Group acts as an "agent", the transaction is recorded on a net basis (amounts charged by suppliers are recorded as a deduction to revenue). For example, transactions are recorded on a net basis when the Group does not have the primary responsibility for the fulfillment of the contract and does not bear inventory and customer acceptance risk.

Royalties

Under product engineering partnership agreements granting the Group licenses over software, the Group receives royalties for the use of these licenses calculated using contractually-defined rates.

Multi-deliverable contracts

These contracts are long-term complex contracts with multiple phases which may include design, transition, transformation, build and service delivery (run).

The Group may be required to perform initial transition or transformation activities under certain recurring service contacts. Initial set-up activities, mainly transition phases, necessary to enable the ongoing services, are not considered to be performance obligations. Any amount received in connection with those activities are deferred and recognized in revenue over the contractual service period. The other activities performed during the initial phase, such as design, transformation and build, are treated as a separate performance obligation if they transfer to the customer the control of an asset or if the customer can benefit from those initial activities independently from the ongoing service. In such cases, the corresponding revenues are generally recognized over time.

When multiple Performance Obligations are identified within a single contract, the Group allocates the total contract price to the Performance Obligations based on their relative Standalone Selling Price ("SSP"). In the absence of directly observable prices for similar services sold separately to similar customers, SSPs are estimated based on expected costs plus a margin rate commensurate with the nature and risk of the service.

Variable remuneration

Estimates of incentives, penalties, and any other variable revenues are included in the transaction price, but only to the extent that it is highly probable that the subsequent resolution of the price contingency will not result in a significant reversal of the cumulative revenue previously recognized. To make such an estimate, the Group considers the specific facts and circumstances of the contract and its experience with similar contracts. Changes in estimates of variable consideration are recorded as cumulative catch-up adjustments to revenue.

Costs to obtain and fulfill contracts

Sales commissions incurred to obtain multi-year service contracts are capitalized and amortized over the contract period. Commissions are not capitalized if the amortization period is one year or less.

Costs incurred prior to the signature of an enforceable contract are capitalized only if they are directly attributable to the design or set-up phase of a specifically identified contract, if the signature of the contract is probable, and if the costs are expected to be recoverable from the contract.

Costs incurred to fulfill the contracts are expensed as incurred with the exception of certain initial set-up costs, such as transition and transformation costs that do not represent a separate performance obligation, which are capitalized if they create a resource that the Group will use to perform the promised service.

Reimbursements received from customers are recognized as revenue, as costs are incurred.

A provision for onerous contracts is recorded if all the costs necessary to fulfil the contract exceed the related benefits.

Presentation in the Consolidated Statement of Financial Position

Contract assets are presented separately from trade receivables. Contract assets reflect revenue recognized for which the corresponding rights to receive consideration are contingent upon something other than the passage of time, such as the Group's future performance, achievement of billing milestones, or customer acceptance. When customer contract assets are no longer contingent, except for the passage of time, they convert into trade receivables. The majority of contract assets relate to deliverable-based contracts (see above).

Contract liabilities represent consideration received or receivable in advance of performance. Contract assets and liabilities are presented on a net basis for each individual contract.

Financing components

If the expected time lag between revenue recognition and client payments is greater than 12 months, the Group assesses if a financing facility has been accorded or received by the client, and if the impact is significant, the financial component is recorded separately from revenues.

In 2022, revenues grew 21.1% year-on-year at current Group scope and exchange rates. Revenues grew 16.6% at constant exchange rates [(1)], while organic growth [(1)] was 15.3%.

(in millions of euros)	**2021**	**Change**		**2022**
		reported	**at constant exchange rates [(1)]**	
North America	5,251	28.3%	15.0%	6,737
France	3,799	12.6%	12.5%	4,276
United Kingdom and Ireland	2,127	20.4%	19.4%	2,561
Rest of Europe	5,563	15.7%	16.1%	6,437
Asia-Pacific and Latin America	1,420	39.7%	30.6%	1,984
TOTAL	**18,160**	**21.1%**	**16.6%**	**21,995**

(1) Organic growth and growth at constant exchange rates, alternative performance measures monitored by the Group, are defined in Note 3 – Alternative performance measures.

Firm bookings taken in 2022 total €23,719 million.

Note 7 Operating expenses by nature

(in millions of euros)	2021		2022	
	Amount	**% of revenues**	**Amount**	**% of revenues**
Personnel expenses	12,192	67.1%	14,969	68.1%
Travel expenses	123	0.7%	290	1.3%
Purchases and sub-contracting expenses	2,718	15.0%	3,049	13.9%
Rent and local taxes	154	0.8%	196	0.9%
Charges to depreciation, amortization, impairment and provisions and proceeds from asset disposals	633	3.5%	624	2.8%
OPERATING EXPENSES	15,820	87.1%	19,128	87.0%

Breakdown of personnel expenses

(in millions of euros)	Note	2021	2022
Wages and salaries		9,884	12,312
Payroll taxes		2,225	2,590
Pension costs related to defined benefit pension plans and other post-employment benefit expenses	25	83	67
PERSONNEL EXPENSES		12,192	14,969

Note 8 Other operating income and expenses

(in millions of euros)	2021	2022
Amortization of intangible assets recognized in business combinations	(122)	(136)
Expenses relating to share grants	(163)	(176)
Restructuring costs	(101)	(82)
Integration costs for companies acquired	(105)	(76)
Acquisition costs	(15)	(8)
Other operating expenses	(31)	(36)
Total operating expenses	**(537)**	**(514)**
Other operating income	36	40
Total operating income	**36**	**40**
OTHER OPERATING INCOME AND EXPENSES	(501)	(474)

Expenses relating to share grants

The expense relating to share grants is €176 million, compared with €163 million in 2021, mainly due to changes in the share price during the period impacting the IFRS expense and new plans.

Restructuring costs

Fiscal year 2022 restructuring costs primarily concern workforce reduction measures and real estate restructurings.

Integration costs for companies acquired

Integration costs for companies acquired total €76 million, including €41 million in respect of the integration of Altran in 2022.

Note 9 Net financial expense

(in millions of euros)	**Note**	**2021**	**2022**
Income from cash, cash equivalents and cash management assets		24	65
Net interest on borrowings		(126)	(119)
Net finance costs at the nominal interest rate		**(102)**	**(54)**
Impact of amortized cost on borrowings		(15)	(13)
Net finance costs at the effective interest rate		**(117)**	**(67)**
Net interest cost on defined benefit pension plans	25	(18)	(9)
Interest on lease liabilities		(19)	(16)
Exchange (losses) gains on financial transactions		(5)	(27)
(Losses) Gains on derivative instruments		3	(1)
Other		(3)	(9)
Other financial income and expense		**(42)**	**(62)**
NET FINANCIAL EXPENSE		**(159)**	**(129)**

Net interest on borrowings (€119 million) and the impact of amortized cost on borrowings (€13 million) total €132 million and mainly comprise:

- coupons on the 2015 bond issue of €25 million, plus an amortized cost accounting impact of €1 million;
- coupons on the 2018 bond issues of €15 million, plus an amortized cost accounting impact of €6 million;
- coupons on the 2020 bond issues of €75 million, plus an amortized cost accounting impact of €6 million.

Exchange losses on financial transactions and losses on derivative instruments primarily concern inter-company loans denominated in foreign currencies and the impacts of the related hedging arrangements.

Note 10 Income tax expense

The income tax expense is the sum of the current tax expense and the deferred tax expense. It is recognized in the Income Statement, except where it relates to a business combination or items recognized in equity or in income and expense recognized in equity.

Current income taxes

The current income tax expense is the estimated amount of tax payable (or receivable) in respect of the taxable profit (or loss) for a period and any adjustment to the current tax amount in respect of prior periods. The tax payable (or receivable) is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred taxes

Deferred taxes are recorded to take account of temporary differences between the carrying amounts of certain assets and liabilities and their tax basis. See Note 17 - Deferred tax.

Current and deferred income taxes

The income tax expense for fiscal year 2022 breaks down as follows:

(in millions of euros)	**2021**	**2022**
Current income taxes	(426)	(621)
Deferred taxes	(100)	(89)
INCOME TAX (EXPENSE) INCOME	**(526)**	**(710)**

Effective tax rate

The difference between the French standard rate of income tax and the effective Group tax rate can be analyzed as follows:

	2021		**2022**	
(in millions of euros)	**Amount**	**%**	**Amount**	**%**
Profit before tax	**1,680**		**2,264**	
Standard tax rate in France ***(%)***	**28.41**		**25.83**	
Tax expense at the standard rate	**(477)**	**28.41**	**(585)**	**25.83**
Difference in tax rates between countries	17	(1.0)	(20)	0.9
Impact of:				
Deferred tax assets not recognized on temporary differences and tax loss carry-forwards arising in the period	(17)	1.0	(8)	0.4
Net recognition of deferred tax assets on temporary differences and tax loss carry-forwards arising prior to January 1	(15)	1.0	3	(0.1)
Utilization of previously unrecognized tax loss carry-forwards	7	(0.4)	17	(0.9)
Prior year adjustments	7	(0.4)	(13)	0.6
Taxes not based on taxable profit	(27)	1.6	(40)	1.8
Permanent differences and other items	15	(1.0)	9	(0.4)
Income tax expense and effective tax rate before the tax expense due to the transitional impact of the 2017 US tax reform	**(490)**	**29.2**	**(637)**	**28.1**
Tax expense due to the transitional impact of the 2017 US tax reform	(36)	2.1	(73)	3.2
Income tax expense and effective tax rate after the tax expense due to the transitional impact of the 2017 US tax reform	**(526)**	**31.3**	**(710)**	**31.3**

The 2022 income tax expense is €710 million. Compared with a profit before tax of €2,264 million, the effective tax rate (ETR) is 31.3% stable on 2021.

The effective tax rate (ETR) is stable year on year, due to a more favorable geographic mix, with, in particular, a reduction in the income tax rate in France, offset by a rise in the tax expense of the transitional impact of the 2017 US tax reform (expense of €73 million in 2022 compared to €36 million in 2021), resulting from "technical corrections" to GILTI published by the US Internal Revenue Services (IRS) in July 2022.

"Taxes not based on taxable profit" primarily consist of:

- in France, the Corporate Value-Added Contribution (*Cotisation sur la Valeur Ajoutée des Entreprises*, CVAE);
- in the United States, certain State taxes;
- in Italy, the regional tax on productive activities (IRAP).

The tax expense of €73 million in 2022 due to the transitional impact of the 2017 US tax reform, comprises:

- the Base Erosion and Anti-abuse Tax (BEAT): this alternative tax is applicable since 2018. The tax rate of 10% is applied to a tax base distinct from the corporate income tax base that includes certain payments to non-US Group entities, normally deductible for tax purposes. The resulting tax amount is compared with the standard income tax expense calculated at the standard rate after allocating tax loss carry-forwards, and the higher of the two amounts is payable;
- the tax on Global Intangible Low-Taxed Income (GILTI): inclusion in the taxable profits of US companies earnings of the taxable profits of foreign subsidiaries in excess of 10% of the fiscal value of the tangible assets of those subsidiaries. The applicable tax rate is around 26%. Except where available tax losses carried forward are offset in full, a 50% deduction is applied to the tax base and foreign tax credits can be deducted. The publication of administrative comments in 2020 enabled the Group to eliminate most of the GILTI tax expense relating to the years 2018, 2019 and 2020, resulting in a positive effect in 2020 and a negligible impact in 2021. Following the publication of "technical corrections" by the US Internal Revenue Service (IRS) in July 2022, the US companies retroactively recalculated the conditions for excluding their foreign subsidiaries from the GILTI scope and recorded an additional GILTI impact of €26 million in 2022 in respect of fiscal year 2020.

The effective income tax rate used to calculate normalized earnings per share (see Note 11 – Earning per share) at December 31, 2022 is 28.1%, compared with 29.2% at December 31, 2021.

Note 11 Earnings per share

Earnings per share, diluted earnings per share and normalized earnings per share are measured as follows:

- **basic earnings per share** are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. The weighted average number of ordinary shares outstanding is calculated based on the number of ordinary shares outstanding at the beginning of the period, after deduction of treasury shares, adjusted on a time-apportioned basis for shares bought back or issued during the period;
- **diluted earnings per share** are calculated by dividing profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year as used to calculate basic earnings per share, both items being adjusted on a time-apportioned basis for the effects of all potentially dilutive financial instruments corresponding to (i) performance shares and (ii) free share grants until fully vested;
- **normalized earnings per share** are calculated by dividing normalized profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding, excluding treasury shares. Normalized net profit or loss is equal to profit or loss for the year attributable to owners of the Company corrected for the impact of items recognized in "Other operating income and expenses", net of tax calculated using the effective tax rate (see Note 8 – Other operating income and expenses and Note 10 – Income tax expense).

Basic earnings per share

	2021	2022
Profit for the year attributable to owners of the Company *(in millions of euros)*	1,157	1,547
Weighted average number of ordinary shares outstanding	168,574,058	170,251,066
BASIC EARNINGS PER SHARE *(in euros)*	**6.87**	**9.09**

Diluted earnings per share

Diluted earnings per share are calculated by assuming conversion into ordinary shares of all dilutive instruments outstanding during the year.

In 2022, instruments considered dilutive for the purpose of calculating diluted earnings per share include:

- shares delivered in October 2022 to non-French employees under the performance share plan approved by the Board of Directors on October 3, 2018 representing a weighted average of 594,364 shares;
- shares delivered in October 2022 to French employees and shares to be delivered in October 2023 to non-French employees, under the performance share plan approved by the Board of Directors on October 2, 2019, representing a weighted average of 1,235,454 shares;
- shares available for grant under the performance share plan approved by the Board of Directors on October 7, 2020, representing a weighted average of 1,723,312 shares and whose related performance conditions will be definitely assessed in October 2023;
- shares available for grant under the performance share plan approved by the Board of Directors on October 6, 2021, representing a weighted average of 1,746,265 shares and whose related performance conditions will be definitely assessed in October 2024;
- shares available for grant under the performance share plan approved by the Board of Directors on December 1, 2021, representing a weighted average of 12,532 shares and whose related presence conditions will be definitely assessed in December 2024;
- shares available for grant under the performance share plan approved by the Board of Directors on October 3, 2022, representing a weighted average of 453,570 shares and whose related performance conditions will be definitely assessed in October 2025;
- shares available for grant under the performance share plan approved by the Board of Directors on October 3, 2022, representing a weighted average of 3,173 shares and whose related presence conditions will be definitely assessed in October 2025.

(in millions of euros)	2021	2022
Profit for the year attributable to owners of the Company	1,157	1,547
Weighted average number of ordinary shares outstanding	168,574,058	170,251,066
Adjusted for:		
Performance shares and free shares available for exercise	5,324,975	5,768,670
Weighted average number of ordinary shares outstanding (diluted)	173,899,033	176,019,736
DILUTED EARNINGS PER SHARE *(in euros)*	6.66	8.79

Normalized earnings per share

(in millions of euros)	2021	2022
Profit for the year attributable to owners of the Company	1,157	1,547
Other operating income and expenses, net of tax calculated at the effective tax rate (1)	355	340
Normalized profit for the year attributable to owners of the Company	1,512	1,887
Weighted average number of ordinary shares outstanding	168,574,058	170,251,066
NORMALIZED EARNINGS PER SHARE *(in euros)*	8.97	11.09

(1) See Note 10 – Income tax expense.

In fiscal year 2022, the Group recognized an income tax expense of €73 million in respect of the transitional impact of the 2017 US tax reform, reducing normalized earnings per share by €0.43.

Excluding these amounts, 2022 normalized earnings per share would have been €11.52:

(in millions of euros)	2021	2022
NORMALIZED EARNINGS PER SHARE *(in euros)*	8.97	11.09
Tax expense due to the transitional impact of the 2017 US tax reform	36	73
Weighted average number of ordinary shares outstanding	168,574,058	170,251,066
Impact of the tax expense due to the transitional impact of the 2017 US tax reform	0.22	0.43
NORMALIZED EARNINGS PER SHARE – excl. the tax expense due to the transitional impact of the 2017 US tax reform	9.19	11.52

Note 12 Equity

Incentive instruments and employee share ownership

a) Instruments granted to employees

Shares subject to performance and presence conditions

Performance shares are granted to a certain number of Group employees, subject to performance (internal and external) and presence conditions. Share grants become definitive after a vesting period of at least three years since July 2016 or four years, depending on the tax residence of the beneficiary.

The shares are measured at fair value, corresponding to the value of the benefit granted to the employee at the grant date.

The fair value of shares subject to external performance conditions is calculated using the "Monte Carlo" model, which incorporates assumptions concerning the share price at the grant date, implicit share price volatility, the risk-free interest rate, the expected dividend yield and market performance conditions.

The fair value of shares subject to internal performance and/or presence conditions is calculated using a model in compliance with IFRS 2, which incorporates assumptions concerning the share price at the grant date, share transfer restrictions, the risk-free interest rate and the expected dividend yield.

The expense recognized also takes into account staff attrition rates for eligible employee categories, which are reviewed each year and internal performance conditions (non-market conditions).

This amount is recognized in "Other operating income and expense" in the Income Statement on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

b) Instruments proposed to employees

Employee savings plan

Leveraged employee share ownership plans offering the possibility to subscribe for shares at a discounted preferential rate have been set up by the Group. When determining the IFRS 2 expense measuring the benefit granted to employees, the Group adjusts the amount of the discount granted to employees on the subscription price based on the cost of the non-transferability of shares granted to employees during a period of five years. This cost is measured taking account of the locking period and corresponds to the cost of a two-stage strategy under which the market participant enters into a forward sale effective at the end of the five-year lock-in period and simultaneously borrows the amount necessary to buy a share available for immediate transfer. The loan is financed by the forward sale of this share and the dividend paid during the blocking period.

In certain countries where the set-up of a leveraged plan through an Employee Savings Mutual Fund (*fonds commun de placement entreprise*) or directly in the name of the employee is not possible, the employee share ownership plan (ESOP) includes a Stock Appreciation Rights (SAR) mechanism. The benefit offered by the Group corresponds to the amount of the discount on the share subscription price.

Treasury shares

Capgemini SE shares held by the Company or by any consolidated companies are shown as a deduction from consolidated equity, at cost. Any proceeds from sales of treasury shares are taken directly to equity, net of the tax effect, such that the gain or loss on the sale, net of tax, does not impact the Income Statement for the period.

Derivative instruments on own shares

When derivative instruments on own shares satisfy IAS 32 classification criteria for recognition in equity, they are initially recognized in equity in the amount of the consideration received or paid. Subsequent changes in fair value are not recognized in the financial statements, other than the related tax effect.

Where these instruments do not satisfy the aforementioned criteria, the derivative instruments on own shares are recognized in assets or liabilities at fair value. Changes in fair value are recognized in profit or loss. The fair value remeasurement of these instruments at the year-end is recognized based on external valuations.

Incentive instruments and employee share ownership

A) Share subscription plans

The Group no longer grants stock options since the plan authorized in 2005. The last grant under this plan was performed in June 2008.

B) Performance share plans

The Shareholders' Meetings of May 23, 2018, May 23, 2019, May 20, 2020, May 20, 2021 and then May 19, 2022 authorized the Board of Directors to grant shares to a certain number of Group employees, on one or several occasions and within a maximum period of 18 months, subject to performance and/or presence conditions. On October 3, 2018, October 2, 2019, October 7, 2020, October 6, 2021, December 1,2021 and October 3, 2022, the Board of Directors approved the terms and conditions and the list of beneficiaries of these plans.

The main features of plans active in 2022 are set out in the tables below:

	October 2018 Plan
Maximum number of shares that may be granted	1,688,170 shares
% of share capital at the date of the Board of Directors' decision	1%
Total number of shares granted	1,384,530 (2)
Date of Board of Directors' decision	October 3, 2018
Performance assessment period	Three years for the two performance conditions
Vesting period	3 years as from the grant date (France) or 4 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	2 years
Main market conditions at the grant date	
Volatility	*23.29%*
Risk-free interest rate	*-0.109%/0.2429%*
Expected dividend rate	*1.60%*
Other conditions	
Performance conditions	*Yes (see below)*
Employee presence within the Group at the vesting date	*Yes*
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions
Range of fair values *(in euros)*	
Free shares (per share and in euros)	*96.86 - 104.92*
Performance shares (per share and in euros)	*63.95 - 104.92*
of which corporate officers	*80.32*
Number of shares at December 31, 2021	
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	792,032
of which corporate officers	-
Change during the period	
Number of shares subject to performance and/or presence conditions granted during the year	-
of which corporate officers	-
Number of shares forfeited or canceled during the year	48,398
Number of shares vested during the year	743,634 (3)
Number of shares at December 31, 2022	
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	-
Weighted average number of shares	594,364
Share price at the grant date *(in euros)*	112.35

	October 2019 Plan
Maximum number of shares that may be granted	1,672,937 shares
% of share capital at the date of the Board of Directors' decision	1%
Total number of shares granted	1,523,015 [4]
Date of Board of Directors' decision	October 2, 2019
Performance assessment period	Three years for the two performance conditions
Vesting period	3 years as from the grant date (France) or 4 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	2 years
Main market conditions at the grant date	
Volatility	*23.14%*
Risk-free interest rate	*-0.478%/-0.458%*
Expected dividend rate	*1.60%*
Other conditions	
Performance conditions	*Yes (see below)*
Employee presence within the Group at the vesting date	*Yes*
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions
Range of fair values *(in euros)*	
Free shares (per share and in euros)	*99.57*
Performance shares (per share and in euros)	*52.81 - 99.57*
Of which corporate officers	*74.12*
Number of shares at December 31, 2021	
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	1,365,662
of which corporate officers	*47,000* [1]
Change during the period	
Number of shares subject to performance and/or presence conditions granted during the year	-
of which corporate officers	-
Number of shares forfeited or canceled during the year	67,150
Number of shares vested during the year	407,550 [5]
Number of shares at December 31, 2022	
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	890,962 [6]
Weighted average number of shares	1,235,454
Share price at the grant date *(in euros)*	107.35

	October 2020 Plan
Maximum number of shares that may be granted	2,033,396 shares
% of share capital at the date of the Board of Directors' decision	1.2%
Total number of shares granted	1,900,000 [7]
Date of Board of Directors' decision	October 7, 2020
Performance assessment period	Three years for the two performance conditions
Vesting period	3 years as from the grant date (France) or 4 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	1 year
Main market conditions at the grant date	
Volatility	*29.61%*
Risk-free interest rate	*-0.499% / -0.4615%*
Expected dividend rate	*1.60%*
Other conditions	
Performance conditions	*Yes (see below)*
Employee presence within the Group at the vesting date	*Yes*
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions
Range of fair values *(in euros)*	
Free shares (per share and in euros)	*97.54 - 99.4*
Performance shares (per share and in euros)	*61.29 - 99.4*
of which corporate officers	*79.2*
Number of shares at December 31, 2021	
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	1,775,855
of which corporate officers	*25,000* [1]
Change during the period	
Number of shares subject to performance and/or presence conditions granted during the year	-
of which corporate officers	-
Number of shares forfeited or canceled during the year	97,365
Number of shares vested during the year	500
Number of shares at December 31, 2022	
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	1,677,990 [8]
Weighted average number of shares	1,723,312
Share price at the grant date *(in euros)*	107.55

	2021 Plan	
Maximum number of shares that may be granted	2,025,418	
% of share capital at the date of the Board of Directors' decision	1.2%	
Total number of shares granted	1,834,500 (9)	14,325 (11)
Date of Board of Directors' decision	October 6, 2021	December 1, 2021
Performance assessment period	Three years for the two performance conditions	Presence conditions only
Vesting period	3 years as from the grant date (France) or 4 years as from the grant date (other countries)	3 years as from the grant date (other countries)
Mandatory lock-in period effective as from the vesting date (France only)	1 year	-
Main market conditions at the grant date		
Volatility	*30.967%*	*30.967%*
Risk-free interest rate	*-0.4246% / -0.2605%*	*-0.4246% / -0.2605%*
Expected dividend rate	*1.60%*	*1.60%*
Other conditions		
Performance conditions	*Yes (see below)*	*No*
Employee presence within the Group at the vesting date	*Yes*	*Yes*
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	-
Range of fair values *(in euros)*		
Free shares (per share and in euros)	*161.73 - 166.68*	*200.82*
Performance shares (per share and in euros)	*99.41 - 166.68*	-
of which corporate officers	*129.68*	-
Number of shares at December 31, 2021		
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	1,796,730	14,325
of which corporate officers	*18,500 (1)*	-
Change during the period		
Number of shares subject to performance and/or presence conditions granted during the year	-	-
of which corporate officers	-	-
Number of shares forfeited or canceled during the year	93,720	3,330
Number of shares vested during the year	510	-
Number of shares at December 31, 2022		
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	1,702,500 (10)	10,995
Weighted average number of shares	1,746,265	12,532
Share price at the grant date *(in euros)*	175.65	207.30

	2022 Plan	
Maximum number of shares that may be granted	2,068,697	
% of share capital at the date of the Board of Directors' decision	1.2%	
Total number of shares granted	1,982,000 (12)	13,750 (14)
Date of Board of Directors' decision	October 3, 2022	October 3, 2022
Performance assessment period	Three years for the two performance conditions	Presence conditions only
Vesting period	3 years as from the grant date (France) or 4 years as from the grant date (other countries)	3 years as from the grant date
Mandatory lock-in period effective as from the vesting date (France only)	1 year	-
Main market conditions at the grant date		
Volatility	*31.244%*	*31.244%*
Risk-free interest rate	*2.8360% / 2.9520%*	*2.8360% / 2.9520%*
Expected dividend rate	*1.60%*	*1.60%*
Other conditions		
Performance conditions	*Yes (see below)*	*No*
Employee presence within the Group at the vesting date	*Yes*	*Yes*
Pricing model used to calculate the fair value of shares	Monte Carlo for performance shares with external (market) conditions	-
Range of fair values *(in euros)*		
Free shares (per share and in euros)	*143.27 – 151.48*	*154.75*
Performance shares (per share and in euros)	*99.83 – 151.48*	-
of which corporate officers	*113.63*	-
Number of shares at December 31, 2021		
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	1,982,000	13,750
of which corporate officers	*21,000 (1)*	-
Change during the period		
Number of shares subject to performance and/or presence conditions granted during the year	-	-
of which corporate officers	-	-
Number of shares forfeited or canceled during the year	16,530	-
Number of shares vested during the year	-	-
Number of shares at December 31, 2022		
that may vest under the plan in respect of shares previously granted, subject to conditions (performance and/or presence)	1,965,470 (13)	13,750
Weighted average number of shares	453,570	3,173
Share price at the grant date *(in euros)*	163.15	163.15

(1) Grant subject to performance conditions only.

(2) Grant subject to performance conditions only, except for 124,955 shares subject to presence conditions only.

(3) In respect of the "non-French" plan only: these amounts include a 20% discount on the external performance condition.

(4) Grant subject to performance conditions only, except for 8,852 shares subject to presence conditions only.

(5) In respect of the French plan only.

(6) In respect of the "non-French" plan only.

(7) Grant subject to performance conditions only, except for 39,800 shares subject to presence conditions only.

(8) Of which 534,125 shares in respect of the French plan and 1,143,865 shares in respect of the "non-French" plan.

(9) Grant subject to performance conditions only, except for 3,600 shares subject to presence conditions only.

(10) Of which 467,735 shares in respect of the French plan and 1,234,765 shares in respect of the" non-French" plan.

(11) Grant subject to presence conditions only.

(12) Grant subject to performance conditions only, except for 3,100 shares subject to presence conditions only.

(13) Of which 504,845 shares in respect of the French plan and 1,460,625 shares in respect of the "non-French" plan.

(14) Grant subject to presence conditions only.

a) **Shares vested in 2022 under the 2018 and 2019 plans**

The assessment of performance conditions under the October 2018 plan concluded that the internal performance condition was 100% attained and the external performance condition was 80% attained, given the performance of the Capgemini SE share, which, while above the comparison basket, was below the 110% threshold enabling the maximum allocation. Satisfaction of the presence condition at the end of September 2022 led to the vesting of 743,634 shares in October 2022 to non-French beneficiaries. A total of 1,075,788 shares have vested under the October 2018 plan, representing 77.7% of shares initially granted.

The assessment of performance conditions under the October 2019 plan concluded that the internal performance condition and the CSR performance conditions were 100% attained and the external performance condition was 100% attained, given the performance of the Capgemini SE share, which exceeded the comparison basket and the 110% threshold enabling the maximum allocation. Satisfaction of the presence condition at the end of September 2022 led to the vesting of 407,550 shares in October 2022 to French beneficiaries.

b) **Performance conditions of the plans**

In accordance with the AMF recommendation of December 8, 2009 regarding the inclusion of an internal and external performance condition when granting performance shares, the Board of Directors decided as from the 2010 plan to add an internal condition to the external condition initially planned.

The following internal and external performance conditions apply:

Under the 2012 to 2017 plans, the external performance condition accounts for 50% of the grant calculation as does the internal performance condition.

External performance condition

The terms of the external performance condition were tightened for the 2016 to 2018 plans, compared with the preceding plans under which shares began to vest from a Capgemini SE share performance of at least 90% of the basket.

Accordingly, since 2016, under these plans:

- no shares are granted if the performance of the Capgemini SE share during the period in question is less than the performance of the basket of securities over the same period;
- the number of shares ultimately granted:
  - is equal to 50% of the number of shares initially allocated if the performance of the Capgemini SE share is at least equal to 100% of the basket,
  - is equal to 100% of the number of shares initially allocated if the relative performance of the Capgemini SE share is higher than or equal to 110% of the basket,
  - varies on a straight-line basis between 50% and 100% of the initial allocation, based on a pre-defined schedule, where the performance of the Capgemini SE share is between 100% and 110% of the basket.

Moreover, in 2019, an outperformance condition was added applicable to all beneficiaries except corporate officers, such that if the relative performance of the share reaches or exceeds 120% of the basket, the allocation may amount to 110% of the external performance portion (but the final grant may not exceed 100% of the initial grant).

The basket is unchanged since 2017 and comprises the following companies: Accenture/Indra/Atos/Tieto/CGI Group/Infosys/Sopra Steria/Cognizant and two indices, the CAC 40 index and the Euro Stoxx 600 Technology index.

The fair value of shares subject to external performance conditions is adjusted for a discount calculated in accordance with the Monte Carlo model, together with a discount for non-transferability for the shares granted in France.

Internal performance condition

The internal performance condition is based on the generation of organic free cash flow[1] (OFCF) over a three year period encompassing fiscal years 2018 to 2020 for the 2018 plan, fiscal years 2019 to 2021 for the 2019 plan, fiscal years 2020 to 2022 for the 2020 plan, fiscal years 2021 to 2023 for the 2021 plan and fiscal years 2022 to 2024 for the 2022 plan. Accordingly:

- no shares will be granted in respect of the internal performance condition if the cumulative increase in organic free cash flow over the reference period is less than €3,000 million for the 2018 plan, €3,100 million for the 2019 plan, €3,400 million for the 2020 plan, €3,900 million for the 2021 plan and €5,300 million for the 2022 plan;
- 100% of the initial internal allocation will be granted if organic free cash flow is equal to or exceeds €3,250 million for the 2018 plan, €3,400 million for the 2019 plan, €3,700 million for the 2020 plan, €4,200 million for the 2021 plan and €5,700 million for the 2022 plan for beneficiaries other than corporate officers and €6,100 for corporate officers. The trigger threshold for the application of the outperformance bonus is €3,700 million for the 2019 plan, €3,900 million for the 2020 plan, €4,500 million for the 2021 plan and €6,100 million for the 2022 plan (but the final grant may not exceed 100% of the initial grant for these plans).

The fair value of shares subject to internal performance conditions is calculated assuming 100% realization and will be adjusted where necessary in line with effective realization of this condition. A discount for non-transferability is also applied for the shares granted to French beneficiaries.

Inclusion of a new CSR performance condition since 2018

The Board of Directors' meeting of March 13, 2018 wished to align the performance conditions with the Group's strategic priorities by proposing the inclusion of a performance condition based on diversity and sustainable development objectives reflecting the Group's corporate, social and environmental responsibility strategy. This provision was retained in 2022 and in view of the inclusion of an outperformance condition, the following table summarizes the applicable performance conditions, under the 2022 plan, for each of the three conditions:

[1] Organic free cash flow, an alternative performance measure monitored by the Group, is defined in Note 3 – Alternative performance measures and Note 23 – Cash flows.

Summary of performance conditions applicable to beneficiaries of the 2022 plan

Performance conditions	Weighting applied for managers [(1)]	Weighting applied for other beneficiaries	Percentage of the grant determined by each performance condition [(2)]
Market condition: Performance of the Capgemini share over a three-year period	35%	15%	• 0% if Capgemini share performance < 100% of the average performance of the basket • 50% if equal to 100% • 100% if equal to 110% • 110% if at least equal to 120% of the average performance of the basket (for beneficiaries other than Executive Corporate Officers)
Financial condition: Organic free cash flow for the three-year cumulative period from January 1, 2022 to December 31, 2024	50%	70%	**For Executive Corporate Officers** • 0% if organic free cash flow generated over the reference period < €5,300 million • 50% if equal to €5,300 million • 80% if equal to €5,700 million • 100% if at least equal to €6,100 million **For beneficiaries other than Executive Corporate Officers** • 0% if organic free cash flow generated over the reference period < €5,300 million • 50% if equal to €5,300 million • 100% if equal to €5,700 million • 110% if at least equal to €6,100 million
CSR condition comprising two objectives:			
Diversity: increase in the number of women in the Vice-President inflow population over a three year period (2022-2024)	7.5%	7.5%	• 0% if the % of women in the Vice-President inflow population through recruitment or internal promotion is < 28% • 30% if equal to 28% • 100% if equal to 30% • 110% if at least equal to 31.5% (for beneficiaries other than Executive Corporate Officers)
Carbon footprint reduction in 2024 compared with 2019	7.5%	7.5%	• 0% if the reduction in GHG emissions in 2024 compared with the reference period < 70% • 30% if equal to 70% • 100% if equal to 85% • 110% if at least equal to 100% (for beneficiaries other than Executive Corporate Officers)

(1) Chief Executive Officer, members of the Group Management team and key executive managers of the Group.

(2) For each performance condition: calculation of the number of shares that will ultimately vest between the different levels of performance on a straight-line basis, it being understood that the total percentage of shares that will ultimately vest after determination of all performance conditions, may under no circumstances exceed 100% of the Initial Grant.

C) International employee share ownership plan – ESOP 2017

The Group set up an employee share ownership plan (ESOP 2017) in the second-half of 2017. On December 18, 2017, the Group issued 3,600,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €320 million net of issue costs. The total cost of this employee share ownership plan in 2017 was €2.2 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*fonds commun de placement entreprise*, FCPE) was not possible or relevant. This plan expired on December 18, 2022.

D) International employee share ownership plan – ESOP 2018

The Group set up an employee share ownership plan (ESOP 2018) in the second-half of 2018. On December 18, 2018, the Group issued 2,500,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €230 million net of issue costs. The total cost of this employee share ownership plan in 2018 was €1.3 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*fonds commun de placement entreprise*, FCPE) was not possible or relevant.

E) International employee share ownership plan – ESOP 2019

The Group set up an employee share ownership plan (ESOP 2019) in the second-half of 2019. On December 18, 2019, the Group issued 2,750,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €253 million net of issue costs. The total cost of this employee share ownership plan in 2019 was €1.6 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*fonds commun de placement entreprise*, FCPE) was not possible or relevant.

F) International employee share ownership plan – ESOP 2020

The Group set up an employee share ownership plan (ESOP 2020) in the second-half of 2020. On December 17, 2020, the Group issued 3,000,000 new shares reserved for employees with a par value of €8 each, representing a share capital increase of €278 million net of issue costs. The total cost of this employee share ownership plan in 2020 was €1.8 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*fonds commun de placement entreprise*, FCPE) was not possible or relevant.

G) International employee share ownership plan – ESOP 2021

The Group set up an employee share ownership plan (ESOP 2021) in the second-half of 2021. On December 16, 2021, the Group issued 3,606,687 new shares reserved for employees with a par value of €8 each, representing a share capital increase of €588 million net of issue costs. The total cost of this employee share ownership plan in 2021 was €4.2 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*fonds commun de placement entreprise*, FCPE) was not possible or relevant.

H) International employee share ownership plan – ESOP 2022

The Group set up an employee share ownership plan (ESOP 2022) in the second-half of 2022. On December 15, 2022, the Group issued 3,500,000 new shares reserved for employees with a par value of €8, representing a share capital increase of €507 million net of issue costs. The total cost of this employee share ownership plan in 2022 was €3.5 million, attributable to the Stock Appreciation Rights (SAR) mechanism for employees in countries where the set-up of an Employee Savings Mutual Fund (*fonds commun de placement entreprise*, FCPE) was not possible or relevant.

Impact of incentive instruments and employee share ownership plans

The following table presents the expense recognized in "Other operating income and expense" (including payroll taxes and employer contributions) for incentive instruments and employee share ownership plans and the residual amount to be amortized in future periods:

		2021		2022	
(in millions of euros)	**Note**	**Expense of the period**	**Residual amount to be amortized in future periods**	**Expense of the period**	**Residual amount to be amortized in future periods**
EXPENSE ON INCENTIVE INSTRUMENTS AND EMPLOYEE SHARE OWNERSHIP PLANS	8	163	438	176	492

Treasury shares and management of share capital and market risks

The Group does not hold any shares for financial investment purposes and does not have any interests in listed companies.

At December 31, 2022, treasury shares were deducted from consolidated equity in the amount of €288 million. These consist of (i) 1,576,988 shares purchased under the share buyback program and (ii) 126,957 shares held under the liquidity agreement (for which the cash and UCITS balances are around €16 million at December 31, 2022) and the contractual holding system for key employees of American and British activities.

In view of the small number of treasury shares held, the Group is not therefore exposed to significant equity risk. Finally, as the value of treasury shares is deducted from equity, changes in the share price do not impact the Consolidated Income Statement.

The Group's capital management strategy is designed to maintain a strong capital base in view of supporting the continued development of its business activities and delivering a return to shareholders, while adopting a prudent approach to debt. At December 31, 2022, the Group had net debt[2] of €2,566 million (compared with €3,224 million at December 31, 2021). In order to best manage the structure of its capital, the Group can notably issue new shares, buy back its own shares, adjust the dividend paid to shareholders or enter into derivative instruments on its own shares.

Currency risk and translation gains and losses on the accounts of subsidiaries with a functional currency other than the euro

Regarding risks arising on the translation of the foreign currency accounts of consolidated subsidiaries, the Group's consolidated financial statements are particularly impacted by the appreciation of the US dollar closing exchange rate at December 31, 2022, generating a positive impact on foreign exchange translation reserves and the depreciation of the Indian rupee closing exchange rate at December 31, 2022, generating a negative impact on foreign exchange translation reserves.

The Group does not hedge risks arising on the translation of the foreign currency accounts of consolidated subsidiaries whose functional currency is not the euro. The main exchange rates used for the preparation of the financial statements are presented in Note 2 – Consolidation principles and Group structure.

2 Net debt, an alternative performance measure monitored by the Group, is defined in Note 22 – Net debt/net cash and cash equivalents.

Note 13 Goodwill and intangible assets

Goodwill

Goodwill is equal to the excess of the acquisition price (plus, where applicable, non-controlling interests) over the net amount recognized in respect of identifiable assets acquired and liabilities assumed. Where an acquisition confers control with remaining non-controlling interests (acquisition of less than 100%), the Group elects either to recognize goodwill on the full amount of revalued net assets, including the share attributable to non-controlling interests (full goodwill method) or on the share in revalued net assets effectively acquired only (partial goodwill method). This choice is made for each individual transaction.

Goodwill balances are allocated to the different cash-generating units (as defined in Note 16 – Cash-generating units and asset impairment tests) based on the value in use contributed to each unit.

When a business combination with non-controlling interests provides for the grant of a put option to these non-controlling interests, an operating liability is recognized in the Consolidated Statement of Financial Position in the amount of the estimated exercise price of the put option granted to non-controlling interests, through a reduction in equity. Subsequent changes in this put option resulting from any changes in estimates or the unwinding of the discount are also recognized through equity. Any additional acquisitions of non-controlling interests are considered a transaction with shareholders and, as such, identifiable assets are not remeasured and no additional goodwill is recognized.

When the cost of a business combination is less than the fair value of the assets acquired and liabilities assumed, the negative goodwill is recognized immediately in the Income Statement in "Other operating income and expense".

Acquisition-related costs are expensed in the Income Statement in "Other operating income and expense" in the year incurred.

Goodwill is not amortized but tested for impairment at least annually, or more frequently when events or changes in circumstances indicate that it may be impaired.

Customer relationships

On certain business combinations, where the nature of the customer portfolio held by the acquired entity and the nature of the business performed should enable the acquired entity to continue commercial relations with its customers as a result of efforts to build customer loyalty, customer relationships are valued in intangible assets and amortized over the estimated term of contracts held in the portfolio at the acquisition date.

Licenses and software

Licenses and software include:

- software and user rights acquired on an unrestricted ownership basis,
- software and solutions developed as Software as a Service (SaaS),
- software and solutions developed internally.

Capitalized costs, where applicable, relate directly to production and have a positive, lasting and quantifiable effect on future results.

Licenses and software are amortized over 3 to 5 years.

Some licenses acquired through product engineering partnerships were valued by discounting expected future operating cash flow projections and are amortized on a straight-line basis over periods not exceeding 10 years.

(in millions of euros)	Goodwill	Customer relationships	Licenses and software	Other intangible assets	Total
GROSS					
At January 1, 2021	9,873	1,208	567	275	11,923
Translation adjustments	424	54	11	9	498
Acquisitions/Increase	-	-	23	5	28
Internal developments	-	-	-	24	24
Disposals/Decrease	-	(5)	(98)	(13)	(116)
Business combinations	415	6	-	5	426
Other movements	-	-	26	22	48
At December 31, 2021	10,712	1,263	529	327	12,831
Impact of the first-time application of the IFRS Interpretation Committee (IFRIC) decision published in April 2021 on SaaS type contracts	-	-	(8)	-	(8)
At January 1, 2022	10,712	1,263	521	327	12,823
Translation adjustments	290	44	1	(3)	332
Acquisitions/Increase	-	-	31	2	33
Internal developments	-	-	-	28	28
Disposals/Decrease	-	(4)	(66)	(7)	(77)
Business combinations	172	29	-	-	201
Other movements	-	-	34	(6)	28
AT DECEMBER 31, 2022	11,174	1,332	521	341	13,368
ACCUMULATED AMORTIZATION AND IMPAIRMENT					
At January 1, 2021	78	401	407	142	1,028
Translation adjustments	1	28	7	3	39
Charges and provisions	-	113	55	19	187
Reversals	-	(5)	(93)	(11)	(109)
Business combinations	-	-	-	3	3
Other movements	-	-	26	21	47
At December 31, 2021	79	537	402	177	1,195
Impact of the first-time application of the IFRS Interpretation Committee (IFRIC) decision published in April 2021 on SaaS type contracts	-	-	(6)	-	(6)
At January 1, 2022	79	537	396	177	1,189
Translation adjustments	4	20	1	-	25
Charges and provisions	1	128	49	24	202
Reversals	-	(4)	(66)	(3)	(73)
Business combinations	-	-	-	-	-
Other movements	-	-	34	(5)	29
AT DECEMBER 31, 2022	84	681	414	193	1,372
NET					
At December 31, 2021	10,633	726	127	150	11,636
At January 1, 2022	10,633	726	125	150	11,634
AT DECEMBER 31, 2022	11,090	651	107	148	11,996

The amounts recorded in “Business combinations” for Goodwill and Customer relationships primarily concern acquisitions of the relevant period (see Note 2 – Consolidation principles and Group structure).

Intangible assets by geographic area

(in millions of euros)	December 31, 2021 Net carrying amount	December 31, 2021 Acquisitions during the period	December 31, 2022 Net carrying amount	December 31, 2022 Acquisitions during the period
North America	459	23	425	28
France	182	13	161	22
United Kingdom and Ireland	72	2	64	2
Rest of Europe	176	11	149	4
Asia-Pacific and Latin America	114	3	107	5
INTANGIBLE ASSETS	**1,003**	**52**	**906**	**61**

Note 14 Property, plant and equipment (PP&E)

Property, plant and equipment

The carrying amount of property, plant and equipment is recorded in assets in the Consolidated Statement of Financial Position and corresponds to the historical cost of these items, less accumulated depreciation and any impairment. No items of property, plant and equipment have been revalued. Buildings owned by the Group are measured based on the components approach.

Subsequent expenditure increasing the future economic benefits associated with assets (costs of replacing and/or bringing assets into compliance) is capitalized and depreciated over the remaining useful lives of the relevant assets. Ongoing maintenance costs are expensed as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the relevant assets. It is calculated based on acquisition cost less any residual value.

Property, plant and equipment are depreciated over the following estimated useful lives:

Buildings	20 to 50 years
Fixtures and fittings	10 to 30 years
IT equipment	3 to 5 years
Office furniture and equipment	5 to 10 years
Vehicles	5 years
Other equipment	5 years

Residual values and estimated useful lives are reviewed at each period end.

The sale of property, plant and equipment gives rise to disposal gains and losses corresponding to the difference between the selling price and the net carrying amount of the relevant asset.

(in millions of euros)	Land, buildings and fixtures and fittings	IT equipment	Other PP&E	Total
GROSS				
At January 1, 2021	973	577	403	1,953
Translation adjustments	38	22	17	77
Acquisitions/Increase	48	117	49	214
Disposals/Decrease	(60)	(50)	(42)	(152)
Business combinations	-	16	-	16
Other movements	37	18	5	60
At December 31, 2021	1,036	700	432	2,168
Translation adjustments	(18)	(12)	(12)	(42)
Acquisitions/Increase	40	137	52	229
Disposals/Decrease	(81)	(81)	(38)	(200)
Business combinations	2	11	1	14
Other movements	9	48	(28)	29
AT DECEMBER 31, 2022	**988**	**803**	**407**	**2,198**
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At January 1, 2021	442	455	251	1,148
Translation adjustments	14	15	11	40
Charges and provisions	58	69	40	167
Reversals	(56)	(49)	(38)	(143)
Business combinations	-	15	-	15
Other movements	15	18	28	61
At December 31, 2021	473	523	292	1,288
Translation adjustments	(6)	(8)	(8)	(22)
Charges and provisions	62	109	42	213
Reversals	(78)	(79)	(37)	(194)
Business combinations	1	8	1	10
Other movements	6	37	(16)	27
AT DECEMBER 31, 2022	**458**	**590**	**274**	**1,322**
NET				
At December 31, 2021	563	177	140	880
AT DECEMBER 31, 2022	**530**	**213**	**133**	**876**

Property, plant and equipment by geographic area

	December 31, 2021		December 31, 2022	
(in millions of euros)	**Net carrying amount**	**Acquisitions during the period**	Net carrying amount	**Acquisitions during the period**
North America	56	17	53	19
France	180	46	180	33
United Kingdom and Ireland	76	13	75	15
Rest of Europe	129	39	142	57
Asia-Pacific and Latin America	439	99	426	105
PROPERTY, PLANT AND EQUIPMENT	880	214	876	229

Note 15 Lease right-of-use assets

The Group assesses whether a contract is or contains a lease at inception of the contract.

Leases are recognized in the Consolidated Statement of Financial Position from the lease commencement date.

These contracts are recognized in "Lease liabilities" and "Lease right-of-use assets" in the Consolidated Statement of Financial Position.

The lease liability is initially measured at the present value of future lease payments, discounted over the estimated lease period using the lessee's incremental borrowing rate per currency. This is estimated in each currency using available market data and taking account of the average lease term. Lease payments may include fixed payments and variable payments that depend on an index or a rate known at inception of the contract. The lease liability is generally calculated over the firm lease term unless the Group is reasonably certain to extend or terminate the lease.

The lease liability is subsequently measured at amortized cost using the effective interest rate.

The initial value of the lease right-of-use asset comprises the amount of the initial measurement of the lease liability, initial direct costs and any obligation to restore the asset. For the vehicle fleet, the Group has elected not to separate non-lease components from lease components and to account for the entire contract as a single lease component. The lease right-of-use asset is depreciated over the period adopted for the calculation of the lease liability.

In the Consolidated Income Statement, depreciation is recorded in the operating margin and interest is recorded in net financial expenses.

The linked tax impact is recognized in deferred tax in accordance with applicable tax legislation in the countries where the leases are recognized.

Leases of assets with a low unit value, other than IT equipment, and short-term leases are expensed directly in the operating margin.

Description of lease activities

Real estate leases

The Group leases land and buildings for its offices, as well as for its delivery centers. Terms and conditions are negotiated on an individual case basis and contain numerous different clauses. These leases are generally entered into for terms of 5 to 20 years and may contain extension options providing operational flexibility.

Vehicle leases

The Group leases vehicles for certain employees in France and internationally. These leases are generally entered into for terms of 3 to 5 years.

IT and other leases

Finally, the Group also leases some of its IT equipment (computers, servers, printers). Terms and conditions are negotiated on an individual case basis and contain numerous different clauses. These leases are generally entered into for terms of 3 to 5 years.

Lease right-of-use assets

(in millions of euros)	Land, buildings and fixtures and fittings	Vehicles	IT equipment and other leases	Total
GROSS				
At January 1, 2021	**1,188**	**189**	**122**	**1,499**
Translation adjustments	32	1	3	36
Acquisitions/Increase	194	59	22	275
Disposals/Decrease	(149)	(49)	(41)	(239)
Business combinations	-	-	-	-
Other movements	52	8	3	63
At December 31, 2021	**1,317**	**208**	**109**	**1,634**
Translation adjustments	(10)	(2)	-	(12)
Acquisitions/Increase	154	69	14	237
Disposals/Decrease	(138)	(54)	(28)	(220)
Business combinations	9	-	-	9
Other movements	(14)	(2)	1	(15)
AT DECEMBER 31, 2022	**1,318**	**219**	**96**	**1,633**
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At January 1, 2021	**478**	**76**	**58**	**612**
Translation adjustments	15	-	2	17
Charges and provisions	218	64	36	318
Reversals	(117)	(42)	(40)	(199)
Business combinations	-	-	-	-
Other movements	52	8	3	63
At December 31, 2021	**646**	**106**	**59**	**811**
Translation adjustments	(5)	(1)	-	(6)
Charges and provisions	214	64	26	304
Reversals	(102)	(51)	(28)	(181)
Business combinations	-	-	-	-
Other movements	(14)	(2)	-	(16)
AT DECEMBER 31, 2022	**739**	**116**	**57**	**912**
NET				
At December 31, 2021	**671**	**102**	**50**	**823**
AT DECEMBER 31, 2022	**579**	**103**	**39**	**721**

Lease right-of-use assets by geographic area

	December 31, 2021	December 31, 2022
(in millions of euros)	Net carrying amount	Net carrying amount
North America	79	78
France	266	240
United Kingdom and Ireland	96	79
Rest of Europe	266	206
Asia-Pacific and Latin America	116	118
LEASE RIGHT-OF-USE ASSETS	**823**	**721**

Lease liabilities

The contractual cash flows presented below are the undiscounted value of future contractual repayments, broken down by average remaining maturity of Group leases.

(in millions of euros)	Carrying amount	Contractual cash flows				
At December 31, 2022		**Total**	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Beyond 5 years**
Lease liabilities	790	838	270	186	274	108

Note 16 Cash-generating units and asset impairment tests

Cash-generating units

The cash-generating units identified by the Group represent the nine geographic areas detailed below.

Asset impairment tests

Intangible assets, property, plant and equipment with a definite useful life and lease right-of-use assets are tested for impairment when there is an indication at the reporting date that their recoverable amount may be less than their carrying amount. Goodwill and assets with an indefinite useful life are tested for impairment at least once a year.

The impairment test consists of assessing the recoverable amount of each asset or group of assets generating its own cash flows (cash-generating units or CGU).

The recoverable amount is defined as the higher of the fair value less costs to sell of the cash-generating unit and its value in use:

- fair value is the amount obtainable in an arm's length transaction and is determined with reference to the price in a binding agreement or the market price in recent and comparable transactions;
- value in use is based on the discounted future cash flows to be derived from these cash-generating units.

The value in use of each cash-generating unit is measured using the discounted future cash flow method based on the various assumptions in the three-year strategic plan extrapolated over a period of two years, including growth and profitability rates considered reasonable, representing a total five-year business plan. Long-term growth rates and discount rates are determined taking account of the specific characteristics of each of the Group's geographic areas. Discount rates reflect the weighted average cost of capital, calculated notably based on market data and a sample of sector companies. When the recoverable amount of a cash-generating unit is less than its net carrying amount, the impairment loss is deducted from goodwill to the extent possible and charged under "Other operating income and expenses".

Goodwill per cash-generating unit

The allocation of goodwill to cash-generating units breaks down as follows:

	December 31, 2021			December 31, 2022		
(in millions of euros)	**Gross value**	**Impairment**	**Net carrying amount**	**Gross value**	**Impairment**	**Net carrying amount**
North America	3,608	(8)	3,600	3,766	(8)	3,758
France	2,096	(1)	2,095	2,212	(1)	2,211
United Kingdom and Ireland	1,252	-	1,252	1,319	-	1,319
Benelux	1,158	(12)	1,146	1,177	(12)	1,165
Southern Europe	377	-	377	382	-	382
Nordic countries	478	-	478	479	-	479
Germany and Central Europe	656	(31)	625	731	(32)	699
Asia-Pacific	987	-	987	998	-	998
Latin America	100	(27)	73	110	(31)	79
GOODWILL	**10,712**	**(79)**	**10,633**	**11,174**	**(84)**	**11,090**

Goodwill was tested for impairment at December 31, 2022 in line with the Group valuation procedure for such assets.

The main underlying assumptions were as follows:

	December 31, 2022	
	Long-term growth rate	Discount rate
North America	3.3%	8.8%
Latin America	4.9%	12.7%
United Kingdom and Ireland	2.8%	8.7%
Continental Europe	2.5%	8.3%
Asia-Pacific	4.3%	13.5%

No impairment losses were recognized at December 31, 2022 as a result of these impairment tests.

Furthermore, an analysis of the calculation's sensitivity to a combined change in the following key assumptions:

- +/-2 points in the revenue growth rate for the first five years;
- +/-1 point in the operating margin [1] rate for the first five years;
- +/-0.5 points in the discount rate;
- +/-0.5 points in the long-term growth rate,

did not identify any recoverable amounts below the carrying amount for cash-generating units.

(1) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

Note 17 Deferred taxes

Deferred taxes are:

- recorded to take account of temporary differences between the carrying amounts of certain assets and liabilities and their tax basis;
- recognized in income or expenses in the Income Statement, in income and expense recognized in equity, or directly in equity in the period, depending on the underlying to which they relate;
- measured taking account of known changes in tax rates (and tax regulations) enacted or substantively enacted at the year-end. Adjustments for changes in tax rates to deferred taxes previously recognized in the Income Statement, in income and expense recognized in equity or directly in equity are recognized in the Income Statement, in income and expense recognized in equity or directly in equity, respectively, in the period in which these changes become effective.

Deferred tax assets are recognized when it is probable that taxable profits will be available against which the recognized tax asset can be utilized. The carrying amount of deferred tax assets is reviewed at each period end. This amount is reduced to the extent that it is no longer probable that additional taxable profit will be available against which to offset all or part of the deferred tax assets to be utilized. Conversely, the carrying amount of deferred tax assets will be increased when it becomes probable that future taxable profit will be available in the long-term against which to offset tax losses not yet recognized. The probability of recovering deferred tax assets is primarily assessed based on a 10-year plan, weighted for the probability of future taxable profits being reported.

The main deferred tax assets and liabilities are offset if, and only if, the subsidiaries have a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred taxes relate to income taxes levied by the same taxation authority.

Deferred tax assets and liabilities

(in millions of euros)	**At December 31, 2021**	**At December 31, 2022**
Deferred tax assets	881	708
Deferred tax liabilities	294	308
Net deferred taxes	**587**	**400**

Deferred tax assets by nature

Deferred tax assets and movements therein break down as follows:

(in millions of euros)	Note	Tax loss carry-forwards	Temporary differences on amortizable goodwill	Provisions for pensions and other post-employment benefits	Other deductible temporary differences	Total deferred tax assets
At January 1, 2021		**410**	**31**	**268**	**274**	**983**
Business combinations		-	-	-	13	13
Translation adjustments		27	-	9	24	60
Deferred tax recognized in the Income Statement	10	(82)	(32)	(22)	50	(86)
Deferred tax recorded in income and expense recognized in equity		(1)	-	(96)	4	(93)
Other movements, including offset with deferred tax liabilities		(4)	3	-	5	4
At December 31, 2021		**350**	**2**	**159**	**370**	**881**
Business combinations		-	-	-	-	-
Translation adjustments		22	-	1	3	26
Deferred tax recognized in the Income Statement	10	(94)	1	(9)	25	(77)
Deferred tax recorded in income and expense recognized in equity		-	-	(49)	(2)	(51)
Other movements, including offset with deferred tax liabilities		-	-	-	(71)	(71)
At December 31, 2022		**278**	**3**	**102**	**325**	**708**

Recognized tax loss carry-forwards total €278 million at December 31, 2022 (€350 million at December 31, 2021) and primarily concern the United States in the amount of €259 million.

Deferred tax liabilities by nature

Deferred tax liabilities and movements therein break down as follows:

(in millions of euros)	Note	Tax-deductible goodwill amortization	Customer relationships	Other taxable temporary differences	Total deferred tax liabilities
At January 1, 2021		56	77	97	230
Business combinations		-	1	6	7
Translation adjustments		3	3	5	11
Deferred tax recognized in the Income Statement	10	5	(10)	19	14
Deferred tax recorded in income and expense recognized in equity		-	-	1	1
Other movements, including offset with deferred tax assets		2	1	28	31
At December 31, 2021		66	72	156	294
Business combinations		-	4	-	4
Translation adjustments		3	2	(5)	-
Deferred tax recognized in the Income Statement	10	6	(10)	16	12
Deferred tax recorded in income and expense recognized in equity		-	-	26	26
Other movements, including offset with deferred tax assets		-	(1)	(27)	(28)
At December 31, 2022		75	67	166	308

Expiry dates of tax loss carry-forwards (taxable base)

	2021		2022	
At December 31 *(in millions of euros)*	**Amount**	**%**	**Amount**	**%**
Between 1 and 5 years	93	3	110	5
Between 6 and 10 years	972	39	760	34
Between 11 and 15 years	242	10	147	7
Beyond 15 years (definite expiry date)	12	-	1	-
Carried forward indefinitely	1,198	48	1,206	54
TAX LOSS CARRY-FORWARDS *(taxable base)*	**2,517**	**100**	**2,224**	**100**
o/w recognized tax losses	*1,387*	*55*	*1,075*	*48*
o/w unrecognized tax losses	*1,130*	*45*	*1,149*	*52*

Tax loss carry-forwards total €2,224 million at December 31, 2022 (€2,517 million at December 31, 2021) and primarily concern the United States in the amount of €998 million (€1,310 million at December 31, 2021), France in the amount of €242 million (€271 million at December 31, 2021), Brazil in the amount of €354 million (€314 million at December 31, 2021) and Spain in the amount of €241 million (€245 million at December 31, 2021).

Unrecognized deferred tax assets

At December 31 *(in millions of euros)*	**2021**	**2022**
Deferred tax on tax loss carry-forwards	316	321
Deferred tax on other temporary differences	21	19
Unrecognized deferred tax assets	337	340

Note 18 Financial instruments

Financial instruments consist of:

- financial assets, including other non-current assets, trade receivables, other current assets, cash management assets and cash and cash equivalents;
- financial liabilities, including long- and short-term borrowings and bank overdrafts, current and non-current lease liabilities, accounts payable and other current and non-current liabilities;
- derivative instruments.

a) Recognition of financial instruments

Financial instruments (assets and liabilities) are initially recognized in the Consolidated Statement of Financial Position at their initial fair value.

IFRS 9 provisions regarding the classification and measurement of financial assets are based on the Group's management model and the contractual terms of financial assets. Depending on their classification in the Consolidated Statement of Financial Position, financial assets and liabilities are subsequently measured at fair value through profit or loss, fair value through other comprehensive income or amortized cost.

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss if held for trading.

Amortized cost corresponds to the initial carrying amount (net of transaction costs), plus interest calculated using the effective interest rate, less cash outflows (coupon interest payments and repayments of principal and redemption premiums where applicable). Accrued interest (income and expense) is not recorded on the basis of the financial instrument's nominal interest rate, but on the basis of its effective interest rate. An expected credit loss is recognized on financial assets measured at amortized cost. Any loss in value is recognized in the Income Statement.

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments are recognized at inception and on subsequent dates in accordance with the methods described below. These methods draw on the following interest rate definitions:

- the coupon interest rate or coupon, which is the nominal interest rate on borrowings;
- the effective interest rate, which is the rate that exactly discounts the estimated cash flows through the expected term of the instrument, or, where appropriate, a shorter period to the net carrying amount of the financial asset or liability at initial recognition. The effective interest rate takes into account all fees paid or received, transaction costs, and, where applicable, premiums to be paid and received;
- the market interest rate, which reflects the effective interest rate recalculated at the measurement date based on current market parameters.

Financial instruments (assets and liabilities) are derecognized when the related risks and rewards of ownership have been transferred, and when the Group no longer exercises control over the instruments.

b) Derivative instruments

Derivative instruments mainly comprise forward foreign exchange purchase and sale contracts (in the form of tunnels, where applicable).

When operating or financial cash flow hedges are eligible for hedge accounting, changes in the fair value of the hedging instruments are recognized firstly in "Income and expense recognized in equity" and subsequently taken to operating profit or net financial expense when the hedged item itself impacts the Income Statement.

All changes in the value of hedging costs (time value of foreign exchange options and forward element of foreign exchange forward contracts) are recognized in a separate component of comprehensive income and released to profit or loss when then the hedged flow is realized.

Other derivative instruments are measured at fair value, with changes in fair value, estimated based on market rates or data provided by bank counterparties, recognized in the Income Statement at the reporting date.

c) Fair value measurement

Fair value measurement methods for financial and non-financial assets and liabilities as defined above are classified according to the following three fair value levels:

- Level 1: fair values measured based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
- Level 2: fair values measured using inputs other than quoted prices in active markets, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: fair values of assets or liabilities measured using inputs that are not based on observable market data (unobservable inputs).

As far as possible, the Group applies Level 1 measurement methods.

Financial instrument classification and fair value hierarchy

The following table presents the net carrying amount of financial assets and liabilities and the fair value of financial instruments broken down according to the three classification levels defined above (except for financial instruments where the net carrying amount represents a reasonable approximation of fair value).

		Net carrying amount				Fair value		
December 31, 2022 *(in millions of euros)*	**Notes**	**Hedge accounting**	**Fair value through profit or loss**	**Fair value through equity**	**Amortized cost**	**Level 1**	**Level 2**	**Level 3**
Financial assets								
Shares in non-consolidated companies	19		31	19				50
Long-term deposits, receivables and other investments	19				168			
Other non-current assets	19				253			
Current and non-current asset derivative instruments	19 and 21	163					163	
Trade receivables, contract assets and contract costs	20				5,253			
Other current assets	21				697			
Cash management assets	22		386			386		
Cash and cash equivalents	22		3,802			3,802		
Financial liabilities								
Bonds	22				6,721			
Lease liabilities	15				790			
Drawdowns on bank and similar facilities and other borrowings	22				29			
Liabilities related to acquisitions of consolidated companies	27				82			
Other non-current and current liabilities	27				525			
Current and non-current liability derivative instruments	27	180					180	
Accounts and notes payable	28				4,749			
Bank overdrafts	22				7			

Note 19 Other non-current assets

At December 31 *(in millions of euros)*	Notes	**2021**	**2022**
Long-term deposits, receivables and other investments		161	168
Shares in associates		117	118
Derivative instruments	24	75	65
Non-current tax receivables		259	218
Shares in non-consolidated companies		43	50
Defined benefit pension plan surplus	25	105	182
Other		54	35
Other non-current assets	23	**814**	**836**

Long-term deposits, receivables and other investments consist mainly of *aides à la construction* (building aid program) loans and security deposits and guarantees including a part relating to leases.

Derivative instruments primarily consist of the fair value of derivative instruments contracted as part of the centralized management of currency risk in the amount of €65 million (current portion of €93 million, see Note 24 – Currency, interest rate and counterparty risk management).

Non-current tax receivables at December 31, 2022 mainly consist of the tax portion required by the Indian tax authorities following tax audits challenged by the Group and certain tax credits to be utilized in more than 12 months notably in France.

Note 20 Trade receivables, contract assets and contract costs

At December 31 *(in millions of euros)*	Note	**2021**	**2022**
Trade receivables		3,133	3,346
Provisions for doubtful accounts		(24)	(17)
Contract assets		1,380	1,784
Trade receivables and contract assets, excluding contract costs	23	4,489	5,113
Contract costs	23	117	140
TRADE RECEIVABLES, CONTRACT ASSETS AND CONTRACT COSTS		4,606	5,253

Total trade receivables and contract assets net of contract liabilities can be analyzed as follows in number of days' annual revenue:

At December 31 *(in millions of euros)*	Note	**2021**	**2022**
Trade receivables and contract assets, excluding contract costs	23	4,489	5,113
Contract liabilities	23	(1,405)	(1,470)
TRADE RECEIVABLES AND CONTRACT ASSETS NET OF CONTRACT LIABILITIES		3,084	3,643
In number of days' annual revenue		61	60

Changes in contract assets and liabilities in fiscal year 2022 are mainly due to the following usual factors:

- timing differences between revenue recognition, billing and collection, leading to the recognition of trade receivables and contract assets (sales invoice accruals);
- the receipt of advances from customers, leading to the recognition of contract liabilities (advances from customers and billed in advance).

Client payments terms and conditions comply with local regulations in the countries where we operate and, where applicable, standard commercial practice and payment schedules defined contractually.

Most contract assets will convert to trade receivables in the next six months and most contract liabilities are intended to convert to revenues in the coming months.

At December 31, 2022, receivables totaling €81 million were assigned with transfer of risk as defined by IFRS 9 to financial institutions (€6 million at December 31, 2021). These receivables were therefore derecognized in the Statement of Financial Position at December 31, 2022 and December 31,2021, respectively.

Aged analysis of trade receivables

At end-2022, past due balances total €628 million (€458 million at December 31, 2021) and represent 18.9% of trade receivables less provisions for doubtful accounts (14.8% in 2021). The breakdown is as follows:

(in millions of euros)	< 30 days	> 30 days and < 90 days	> 90 days
Net trade receivables	**414**	**165**	**49**
As a % of trade receivables, net of provisions for doubtful accounts	12.5%	4.9%	1.5%

Past due balances concern client accounts which are individually analyzed and monitored.

Credit risk

The Group's three largest clients contribute around 7% of Group revenues, unchanged on fiscal year 2021. The Group's five largest clients contribute around 10% of Group revenues, compared to 11% in fiscal year 2021. The top ten clients collectively account for 16% of Group revenues. The solvency of these major clients and the sheer diversity of the other smaller clients help limit credit risk. The economic environment could impact the business activities of the Group's clients, as well as the amounts receivable from these clients. However, the Group does not consider that any of its clients, business sectors or geographic areas present a significant credit risk that could materially impact the financial position of the Group as a whole.

Note 21 Other current assets

At December 31 *(in millions of euros)*	Notes	**2021**	2022
Social security and tax-related receivables, other than income tax		312	333
Prepaid expenses		257	288
Derivative instruments	24	102	98
Other		67	76
Other current assets	23	738	795

At December 31, 2022, "Social security and tax-related receivables, other than income tax" include research tax credit receivables of €65 million, deducted from operating expenses in 2022.

Note 22 Net debt/net cash and cash equivalents

Cash and cash equivalents presented in the Consolidated Statement of Cash Flows consist of short-term investments and cash at bank less bank overdrafts.

Net debt or net cash and cash equivalents comprise cash and cash equivalents as defined above, and cash management assets (assets presented separately in the Consolidated Statement of Financial Position due to their characteristics), less short-term and long-term borrowings. Account is also taken of the impact of hedging instruments when these relate to borrowings, inter-company loans and own shares. Following the adoption of IFRS 16 at January 1, 2019, lease liabilities (including finance lease liabilities) are excluded from net debt.

(in millions of euros)	**2021**	2022
Short-term investments	1,651	2,125
Cash at bank	1,478	1,677
Bank overdrafts	(10)	(7)
Cash and cash equivalents, net of bank overdrafts	**3,119**	**3,795**
Cash management assets	**385**	**386**
Bonds	(6,637)	(5,650)
Drawdowns on bank and similar facilities and other borrowings	(17)	(5)
Long-term borrowings	**(6,654)**	**(5,655)**
Bonds	(71)	(1,071)
Drawdowns on bank and similar facilities and other borrowings	(6)	(24)
Short-term borrowings	**(77)**	**(1,095)**
Borrowings	**(6,731)**	**(6,750)**
Derivative instruments	3	3
NET DEBT (1)	**(3,224)**	**(2,566)**

(1) Net debt/net cash and cash equivalents, an alternative performance measure monitored by the Group, is defined in Note 3 – Alternative performance measures.

Short-term investments

At December 31, 2022, short-term investments mainly consist of mutual funds and term bank deposits, paying interest at standard market rates.

Cash management assets

At December 31, 2022, cash management assets notably consist of marketable securities held by certain Group companies which do not meet all the monetary UCITS classification criteria defined by ESMA (European Securities and Markets Authority) for money market mutual funds, particularly with regards to the average maturity of the portfolio. These funds may, however, be redeemed at any time without penalty.

Borrowings

A) Bonds

a) **July 1, 2015 bond issues**

On June 24, 2015, Capgemini SE performed a "triple tranche" bond issue for a total nominal amount of €2,750 million and with a settlement/delivery date of July 1, 2015:

- **2015 bond issue (July 2018)**

  The July 2018 tranche of €500 million nominal amount, was redeemed by the Group at maturity on July 2, 2018.

- **2015 bond issue (July 2020)**

  The July 2020 tranche of €1,250 million nominal amount, was redeemed early by the Group on June 2, 2020.

- **2015 bond issue (July 2023)**

  This tranche has a nominal amount of €1,000 million, comprising 10,000 bonds with a unit value of €100,000 each. The bonds mature on July 1, 2023 and pay an annual coupon of 2.50% (issue price 99.857%).

The July 2023 bond issue is callable by Capgemini SE, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

This bond issue is also subject to standard early redemption, early repayment and *pari passu* clauses.

The terms and conditions of the three bond issues performed on July 1, 2015 were set out in the prospectus approved by the AMF on June 29, 2015 under reference number no. 15-318.

b) 2016 Bond issue

On November 3, 2016, Capgemini SE performed a €500 million bond issue comprising 5,000 bonds with a unit value of €100,000 each and with a settlement/delivery date of November 9, 2016.

The bonds had a maturity date of November 9, 2021 and paid an annual coupon of 0.50% (issue price 99.769%). The bond issue was callable before this date by Capgemini SE, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

This bond issue is also subject to standard early redemption, early repayment and *pari passu* clauses.

The terms and conditions of this issue were set out in the prospectus approved by the AMF on November 7, 2016 under reference number no. 16- 518.

The bond issue was redeemed early by the Group on August 9, 2021.

c) April 2018 bond issues

On April 3, 2018, Capgemini SE performed a dual tranche bond issue for a total amount of €1,100 million, with a settlement/delivery date of April 18, 2018.

- **2024 bond issue**

  This tranche has a nominal amount of €600 million, comprising 6,000 bonds with a unit value of €100,000 each. The bonds mature on October 18, 2024 and pay an annual coupon of 1.00% (issue price 99.377%). This tranche was fully subscribed by a bank in a debt swap transaction. In exchange for the new securities issued, the bank presented 2015 bonds (July 2020) with a nominal value of €574.4 million acquired directly on the market through a Tender Offer. This bond swap was recognized as a modification to a borrowing with the same counterparty, without any substantial change to the terms of the debt.

- **2028 bond issue**

  This tranche has a nominal amount of €500 million, comprising 5,000 bonds with a unit value of €100,000 each. The bonds mature on April 18, 2028 and pay an annual coupon of 1.75% (issue price 99.755%).

These two bond issues are callable before their respective maturity dates by Capgemini SE, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

These bond issues are also subject to standard early redemption, early repayment and *pari passu* clauses.

The terms and conditions of these tranches were set out in the prospectus approved by the AMF on April 10, 2018 under reference number no. 18- 126.

d) April 2020 bond issues

On April 8, 2020, Capgemini SE performed a four tranche bond issue for a total amount of €3,500 million, with a settlement/delivery date of April 15, 2020:

- 2022 Bond issue: this tranche has a nominal amount of €500 million, comprising 5,000 bonds with a unit value of €100,000 each. The bonds had a maturity date of April 15, 2022 and paid an annual coupon of 1.25% (issue price 99.794%). The bond issue was redeemed early by the Group on December 29, 2021;
- 2026 Bond issue: this tranche has a nominal amount of €800 million, comprising 8,000 bonds with a unit value of €100,000 each. The bonds mature on April 15, 2026 and pay an annual coupon of 1.625% (issue price 99.412%);
- 2029 Bond issue: this tranche has a nominal amount of €1 billion, comprising 10,000 bonds with a unit value of €100,000 each. The bonds mature on April 15, 2029 and pay an annual coupon of 2.0% (issue price 99.163%);
- 2032 Bond issue: this tranche has a nominal amount of €1.2 billion, comprising 12,000 bonds with a unit value of €100,000 each. The bonds mature on April 15, 2032 and pay an annual coupon of 2.375% (issue price 99.003%).

These bond issues are callable before their respective maturity dates by Capgemini SE, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

These bond issues are also subject to standard early redemption, early repayment and *pari passu* clauses.

The terms and conditions of these tranches were set out in the prospectus approved by the AMF on April 9, 2020 under reference number no. 20- 138.

e) June 2020 bond issues

On June 16, 2020, Capgemini SE performed a dual tranche bond issue for a total amount of €1,600 million, with a settlement/delivery date of June 23, 2020:

- 2025 Bond issue: this tranche has a nominal amount of €800 million, comprising 8,000 bonds with a unit value of €100,000 each. The bonds mature on June 23, 2025 and pay an annual coupon of 0.625% (issue price 99.887%);
- 2030 Bond issue: this tranche has a nominal amount of €800 million, comprising 8,000 bonds with a unit value of €100,000 each. The bonds mature on June 23, 2030 and pay an annual coupon of 1.125% (issue price 99.521%).

These two bond issues are callable before their respective maturity dates by Capgemini SE, subject to certain conditions set out in the issue prospectus and particularly concerning the minimum redemption price.

These bond issues are also subject to standard early redemption, early repayment and *pari passu* clauses.

The terms and conditions of these tranches were set out in the prospectus approved by the AMF on June 18, 2020 under reference number no. 20-261.

Impact of bonds on the financial statements

At December 31, 2022	2015 BOND ISSUE	2018 BOND ISSUE		2020 BOND ISSUE				
(in millions of euros)	(July 2023)	(October 2024)	(April 2028)	(April 2026)	(April 2029)	(April 2032)	(June 2025)	(June 2030)
Debt component at amortized cost, including accrued interest	1,012	591	504	805	1,004	1,205	801	799
Effective interest rate	2.6%	2.0%	1.8%	1.8%	2.2%	2.5%	0.7%	1.2%
Interest expense recognized in the Income Statement for the period	26	12	9	14	21	30	6	10
Nominal interest rate	2.5%	1.0%	1.75%	1.625%	2.0%	2.375%	0.625%	1.125%
Nominal interest expense (coupon)	25	6	9	13	20	28	5	9

At December 31, 2021	2015 BOND ISSUE	2016 BOND ISSUE	2018 BOND ISSUE		2020 BOND ISSUE						
(in millions of euros)	(July 2023)		(October 2024)	(April 2028)	(April 2022)	(April 2026)	(April 2029)	(April 2032)	(June 2025)	(June 2030)
Debt component at amortized cost, including accrued interest	1,011	-	585	504	-	803	1,003	1,204	800	798
Effective interest rate	2.6%	0.6%	2.0%	1.8%	1.5%	1.8%	2.2%	2.5%	0.7%	1.2%
Interest expense recognized in the Income Statement for the period	26	2	12	9	10	14	21	30	6	10
Nominal interest rate	2.5%	0.5%	1.0%	1.75%	1.25%	1.625%	2.0%	2.375%	0.625%	1.125%
Nominal interest expense (coupon)	25	1	6	9	8	13	20	29	5	9

Fair value of bonds

At December 31, 2022	2015 BOND ISSUE	2018 BOND ISSUE		2020 BOND ISSUE				
(in millions of euros)	(July 2023)	(October 2024)	(April 2028)	(April 2026)	(April 2029)	(April 2032)	(June 2025)	(June 2030)
Fair value	1,010	576	460	761	919	1,079	749	668
Market rate	2.94%	3.5%	3.71%	3.6%	3.72%	3.91%	3.5%	3.8%

At December 31, 2021	2015 BOND ISSUE	2018 BOND ISSUE		2020 BOND ISSUE				
(in millions of euros)	(July 2023)	(October 2024)	(April 2028)	(April 2026)	(April 2029)	(April 2032)	(June 2025)	(June 2030)
Fair value	1,047	617	547	857	1,116	1,397	817	836
Market rate	-0.25%	0.07%	0.43%	0.22%	0.57%	0.87%	0.10%	0.65%

B) Breakdown of borrowings by currency

	At December 31, 2021			At December 31, 2022		
(in millions of euros)	Euro	Other currencies	Total	Euro	Other currencies	Total
2015 Bond issue – July 2023	1,011	-	1,011	1,012	-	1,012
2018 Bond issue – October 2024	585	-	585	591	-	591
2018 Bond issue – April 2028	504	-	504	504	-	504
April 2020 Bond issue – April 2026	803	-	803	805	-	805
April 2020 Bond issue – April 2029	1,003	-	1,003	1,004	-	1,004
April 2020 Bond issue – April 2032	1,204	-	1,204	1,205	-	1,205
June 2020 Bond issue – June 2025	800	-	800	801	-	801
June 2020 Bond issue – June 2030	798	-	798	799	-	799
Drawdowns on bank and similar facilities and other borrowings	18	5	23	13	16	29
Bank overdrafts	7	3	10	2	5	7
BORROWINGS	**6,733**	**8**	**6,741**	**6,736**	**21**	**6,757**

C) Syndicated credit facility negotiated by Capgemini SE

On February 9, 2021, the Group signed with a syndicate of 18 banks a €1 billion multi-currency credit facility, maturing on February 9, 2026, with two one-year extension options, exercisable (subject to the approval of the banks) at the end of the first and second years, respectively, extending the maturity of the new facility by a maximum of two additional years. In January 2023, Capgemini exercised the second one-year extension option, extending the maturity to February 7, 2028.

This new credit facility refinances the €750 million facility signed on July 30, 2014 and maturing on July 27, 2021, which was therefore canceled.

An upgrade or downgrade in Capgemini SE's credit rating would have no impact on the availability of this new credit facility. This new credit facility has no financial covenants. This credit facility had not been drawn at December 31, 2022.

Net debt/net cash and cash equivalents and liquidity risk

Bond issues and outstanding short-term negotiable debt securities issued by Capgemini SE are the main borrowings that could expose the Group to liquidity risk in the event of repayment.

To manage the liquidity risk that could arise from these borrowings becoming due and payable, at the contractual due date or early, the Group has implemented a conservative financing policy mainly based on:

- prudent use of debt leveraging, coupled with limited use of any clauses that could lead to early repayment of borrowings;
- the maintenance of an adequate level of liquidity at all times;
- actively managing borrowing due dates in order to limit the concentration of maturities;
- using diverse sources of financing, allowing the Group to reduce its reliance on certain categories of lenders.

Net debt/net cash and cash equivalents and credit risk

Financial assets which could expose the Group to credit or counterparty risk mainly consist of financial investments: in accordance with Group policy, cash balances are not invested in equity-linked products, but in (i) negotiable debt securities (certificates of deposit), (ii) term deposits, (iii) capitalization contracts or (iv) short-term money market mutual funds, subject to diversification and counterparty rules.

At December 31, 2022, short-term investments totaled €2,125 million and comprise mainly (i) money market mutual fund units meeting the criteria defined by ESMA (European Securities and Markets Authority) for classification in the "monetary category"; and (ii) negotiable debt securities and term deposits maturing within three months or immediately available, issued by highly rated companies or financial institutions (minimum rating of A2/P2 or equivalent). Consequently, these short-term investments do not expose the Group to any material counterparty risk.

Net debt by maturity at redemption value

The amounts indicated below correspond to the undiscounted value of future contractual cash flows. Future cash flows relating to the outstanding bond issues were estimated based on contractual nominal interest rates and assuming the bonds would be redeemed in full at maturity.

At December 31, 2022 *(in millions of euros)*	Contractual maturity	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	Beyond 5 years
Cash and cash equivalents	2022	3,795	3,795	3,795	-	-	-
Cash management assets	2022	386	386	386	-	-	-
2015 Bond issue – July 2023	2023	(1,012)	(1,025)	(1,025)	-	-	-
2018 Bond issue – October 2024	2024	(591)	(612)	(6)	(606)	-	-
2018 Bond issue – April 2028	2028	(504)	(553)	(9)	(9)	(26)	(509)
April 2020 Bond issue – April 2026	2026	(805)	(852)	(13)	(13)	(826)	-
April 2020 Bond issue – April 2029	2029	(1,004)	(1,140)	(20)	(20)	(60)	(1,040)
April 2020 Bond issue – April 2032	2032	(1,205)	(1,485)	(28)	(28)	(86)	(1,343)
June 2020 Bond issue – June 2025	2025	(801)	(815)	(5)	(5)	(805)	-
June 2020 Bond issue – June 2030	2030	(799)	(872)	(9)	(9)	(27)	(827)
Drawdowns on bank and similar facilities and other borrowings		(29)	(30)	(24)	(2)	(3)	(1)
Borrowings		(6,750)	(7,384)	(1,139)	(692)	(1,833)	(3,720)
Derivative instruments on borrowings		3					
NET DEBT		(2,566)	(3,203)	3,042	(692)	(1,833)	(3,720)

Note 23 Cash flows

The Consolidated Statement of Cash Flows analyzes the year-on-year change in cash flows from operating, investing and financing activities.

Foreign currency cash flows are translated into euros at the average exchange rate for the year. Exchange gains or losses resulting from the translation of cash flows relating to foreign currency assets and liabilities at the year-end exchange rate are shown in "Effect of exchange rate movements on cash and cash equivalents" in the Statement of Cash Flows.

At December 31, 2022, cash and cash equivalents totaled €3,795 million (see Note 22 – Net debt/net cash and cash equivalents), up €676 million on December 31, 2021 (€3,119 million). Excluding the impact of exchange rate fluctuations on cash and cash equivalents of negative €58 million, this increase is €734 million. Cash flow impacts are shown in the Consolidated Statement of Cash Flows.

Net cash from operating activities

In 2022, net cash from operating activities totaled €2,517 million (compared with €2,581 million in 2021) and resulted from:

- cash flows from operations before net finance costs and income tax in the amount of €3,161 million;
- payment of current income taxes in the amount of €451 million;
- changes in working capital requirements, generating a negative cash impact of €193 million.

Changes in working capital requirements (WCR) and the reconciliation with the Consolidated Statement of Financial Position are as follows:

		Working capital requirement components (Consolidated Statement of Financial Position)					Neutralization of items with no cash impact			Statement of Cash Flows items
(in millions of euros)	**Notes**	**December 31, 2021**	**December 31, 2022**	**Net impact**	**Non-working capital items (1)**	**Impact of WCR items**	**Net profit impact**	**Foreign exchange impact**	**Reclassifi-cations (2) and changes in Group structure**	**Amount**
Trade receivables and contract assets, excl. contract costs	20	4,489	5,113	(624)	(6)	(630)	-	14	27	(589)
Contract costs	20	117	140	(23)	-	(23)	-	-	-	(23)
Contract liabilities	20	(1,405)	(1,470)	65	7	72	-	5	45	122
Change in trade receivables, contract assets, contract liabilities and contract costs				(582)	1	(581)	-	19	72	(490)
Accounts and notes payable (trade payables)	28	(1,628)	(1,712)	84	40	124	-	(8)	(1)	115
Change in accounts and notes payable				84	40	124	-	(8)	(1)	115
Other non-current assets	19	814	836	(22)	34	12	-	1	(3)	10
Other current assets	21	738	795	(57)	(14)	(71)	(2)	(7)	(42)	(122)
Accounts and notes payable (excluding trade payables)	28	(2,733)	(3,037)	304	(19)	285	-	17	(13)	289
Other current and non-current liabilities	27	(641)	(787)	146	(91)	55	(1)	1	(50)	5
Change in other receivables/payables				371	(90)	281	(3)	12	(108)	182
CHANGE IN OPERATING WORKING CAPITAL						(176)	(3)	23	(37)	(193)

(1) Non-working capital items comprise cash flows relating to investing and financing activities, payment of the income tax expense and non-cash items.

(2) The Reclassifications heading mainly includes changes relating to the current and non-current reclassification of certain accounts and notes receivable and payable and changes in the position of certain tax and employee-related receivables and payables in assets or liabilities.

Net cash used in investing activities

The main components of net cash used in investing activities of €659 million (compared with a cash outflow of €678 million in 2021) reflect:

- cash outflows of €222 million relating to acquisitions of property, plant and equipment, net of disposals, primarily due to purchases of computer hardware for customer projects or the partial renewal of IT installations and the renovation, extension and refurbishment of office space;
- cash outflows of €61 million relating to acquisitions of intangible assets, net of disposals, mainly involving software for customer projects or for internal use and internally generated intangible assets (see Note 13 – Goodwill and intangible assets);
- cash outflows on business combinations, net of cash and cash equivalents acquired, of €204 million.

Net cash from financing activities

Net cash outflows as a result of financing activities totaled €1,124 million (compared with net cash outflows of €1,746 million in 2021) and mainly comprised:

- payment of the 2021 dividend of €409 million;
- cash outflows of €311 million to repay lease liabilities;
- cash outflows of €826 million for the buyback of own shares;

offset by:

- the €507 million share capital increase following the issue of new shares under the international employee share ownership plan (see Note 12 H - Equity).

The variation in borrowings during the fiscal year breaks down as follows:

(in millions of euros)	Note	December 31, 2021	December 31, 2022	Net impact	Proceeds from borrowings in SCF	Repayments of borrowings in SCF	Reclassification non-current / current	Changes in Group structure	Other [1]
Bonds	22	(6,637)	(5,650)	987	-	-	999	-	(12)
Drawdowns on bank and similar facilities and other borrowings	22	(17)	(5)	12	-	-	12	-	-
Long-term borrowings		**(6,654)**	**(5,655)**	**999**	**-**	**-**	**1,011**	**-**	**(12)**
Bonds	22	(71)	(1,071)	(1,000)	-	-	(999)	-	(1)
Drawdowns on bank and similar facilities and other borrowings	22	(6)	(24)	(18)	(468)	482	(12)	(14)	(6)
Short-term borrowings		**(77)**	**(1,095)**	**(1,018)**	**(468)**	**482**	**(1,011)**	**(14)**	**(7)**
Borrowings		**(6,731)**	**(6,750)**	**(19)**	**(468)**	**482**	**-**	**(14)**	**(19)**

(1) Mainly the net change in coupons during the fiscal year.

Organic free cash flow

Organic free cash flow calculated based on items in the Statement of Cash Flows is equal to cash flow from operations less acquisitions of property, plant, equipment and intangible assets (net of disposals) and repayments of lease liabilities and adjusted for flows relating to the net interest cost.

At December 31 *(in millions of euros)*	**2021**	**2022**
Cash flows from operations	**2,581**	**2,517**
Acquisitions of property, plant and equipment and intangible assets	(266)	(290)
Proceeds from disposals of property, plant and equipment and intangible assets	4	7
Acquisitions of property, plant and equipment and intangible assets (net of disposals)	**(262)**	**(283)**
Interest paid	(153)	(136)
Interest received	27	65
Net interest cost	**(126)**	**(71)**
Repayments of lease liabilities	(320)	(311)
ORGANIC FREE CASH FLOW	**1,873**	**1,852**

Note 24 Currency, interest rate and counterparty risk management

Currency risk management

A) Exposure to currency risk and currency risk management policy

a) Currency risk and hedging of operating transactions

The significant use of offshore delivery centers located in India, Poland and Latin America exposes the Group to currency risk with respect to some of its production costs.

The Group implements a policy aimed at minimizing and managing these currency risks, due in the majority to internal flows with India in respect of production costs denominated in Indian rupee. The hedging policy and the management of operational currency risk are centralized at parent company level. Currency risk is managed primarily based on periodic reporting by subsidiaries of their exposure to currency risk over principally the coming 1 to 3 years. On this basis, the parent company acting as an internal bank, grants internal currency guarantees to subsidiaries and enters into currency hedges with its bank counterparties, primarily through forward purchase and sale foreign exchange contracts.

These hedging transactions are recorded in accordance with cash flow hedge accounting rules.

The Group determines the existence of an economic link between the hedging instrument and the hedged item based on the currency, amount and timing of their respective cash flows.

b) Currency risk and hedging of financial transactions

The Group is exposed to the risk of exchange rate fluctuations in respect of:

- inter-company financing transactions, notably within the parent company; these flows are generally hedged (in particular using forward purchase and sale foreign exchange contracts), except financial flows that are an integral part of the net investment in subsidiaries;
- fees paid to the parent company by subsidiaries whose functional currency is not the euro, also hedged.

c) Sensitivity of revenues and the operating margin (1) to fluctuations in the main currencies

A 10% fluctuation in the US dollar-euro exchange rate would trigger a corresponding 2.7% change in revenues and a 2.3% change in the operating margin amount (1). Similarly, a 10% fluctuation in the pound sterling-euro exchange rate would trigger a corresponding 1.1% change in revenues and a 1.5% change in the operating margin amount (1).

(1) Operating margin, an alternative performance measure monitored by the Group, is defined in Note 3 - Alternative performance measures.

B) Hedging derivatives

Amounts hedged at December 31, 2022 principally using forward purchase and sale foreign exchange contracts, mainly concern the parent company and the centralized management of currency risk on operating transactions and inter-company financing transactions.

At December 31, 2022, the euro-equivalent nominal value of foreign exchange derivatives (forward purchase and sale foreign exchange contracts, where appropriate in the form of tunnels) breaks down by transaction type and maturity as follows:

(in millions of euros)		< 6 months	> 6 months and < 12 months	> 12 months	Total
Operating transactions		**2,831**	**2,547**	**3,767**	**9,145**
o/w:	- *fair value hedge*	*739*	*-*	*-*	*739*
	- *cash flow hedge*	*2,092*	*2,547*	*3,767*	*8,406*
Financial transactions		**1,371**	**286**	**179**	**1,836**
o/w:	- *fair value hedge*	*1,371*	*286*	*179*	*1,836*
TOTAL		**4,202**	**2,833**	**3,946**	**10,981**

Hedges contracted in respect of operating transactions mainly comprise forward purchase and sale foreign exchange contracts maturing between 2023 and 2025 with an aggregate euro-equivalent value at closing exchange rates of €9,145 million (€7,104 million at December 31, 2021). The increase in volume came notably from the growth of the Group activity during the period.

The hedges, part of the centralized management of currency risk, were chiefly taken out in respect of transactions in Indian rupee (INR 411,246 million), US dollars (USD 3,495 million) and Polish zloty (PLN 2,665 million). The maturities of these hedges range from 1 to 36 months and the main counterparty is Capgemini SE for a euro-equivalent value of €9,135 million.

Hedges contracted in respect of financial transactions concern an inter-company loan in US dollars at December 31, 2022.

The net residual exposure to currency risk on intragroup operating transactions denominated in Indian rupee with the delivery centers located in India (see A)a)) results from the Group's currency risk management policy. The net exposure at December 31, 2022 and December 31, 2021, is therefore limited.

C) Fair value of hedging derivatives

Hedging derivatives are recorded in the following accounts:

At December 31 *(in millions of euros)*		Notes	2021	2022
Other non-current assets		19	75	65
Other current assets		21	102	98
Other non-current and current liabilities		27	(85)	(180)
Fair value of hedging derivatives, net			**92**	**(17)**
Relating to:	*- operating transactions*		*89*	*(20)*
	- financial transactions		*3*	*3*

The main derivative instruments hedging operating transactions notably comprise the fair value of derivative instruments contracted as part of the centralized management of currency risk recorded in "other non-current assets" in the amount of €65 million, in "other current assets" in the amount of €93 million, in "other non-current liabilities" in the amount of €46 million and in "other current liabilities" in the amount of €132 million. The main derivative instruments hedging financial transactions notably comprise the fair value of instruments contracted to hedge an inter-company loan in US dollars at December 31, 2022.

The change in the period in derivative instruments hedging operating and financial transactions recorded in "Income and expense recognized in equity" breaks down as follows:

(in millions of euros)	2022
Hedging derivatives recorded in income and expense recognized in equity at January 1	7
Amounts reclassified to net profit at December 31, 2022	4
Changes in fair value of derivative instruments and net investment	(98)
Hedging derivatives recorded in income and expense recognized in equity at December 31	(87)

No hedging relationships were discontinued during the fiscal year. The equity balance consists only of the fair value of existing hedging instruments.

Interest rate risk management

A) Interest rate risk management policy

The Group's exposure to interest rate risk should be analyzed in light of its cash position: at December 31, 2022, the Group had €4,188 million in cash and cash equivalents, with short-term investments mainly at floating rates (or failing this, at fixed rates for periods of less than or equal to three months), and €6,757 million in gross indebtedness mainly at fixed rates (99.8%) (see Note 22 – Net debt/net cash and cash equivalents).

B) Exposure to interest rate risk: sensitivity analysis

As Group borrowings were mainly at fixed rates (99.8%) in 2022, any increase or decrease in interest rates would have had a negligible impact on the Group's net finance costs.

Based on average levels of short-term investments and cash management assets, a 100-basis point rise in interest rates would have had a positive impact of around €15 million on the Group's net finance costs in 2022. Conversely, a 100-basis point fall in interest rates would have had an estimated €15 million negative impact on the Group's net finance costs.

Counterparty risk management

In line with its policies for managing currency and interest rate risks as described above, the Group enters into hedging agreements with leading financial institutions. Accordingly, counterparty risk can be deemed not material. At December 31, 2022, the Group's main counterparties for managing currency and interest rate risk are Barclays, BNP Paribas, CA CIB, Citibank, Commerzbank, HSBC, ING, JP Morgan, Morgan Stanley, Natixis, Standard Chartered and Société Générale.

Note 25 Provisions for pensions and other post-employment benefits

Defined contribution plans

Defined contribution plans are funded by contributions paid by employees and Group companies to the organizations responsible for managing the plans. The Group's obligations are limited to the payment of such contributions which are expensed as incurred. The Group's obligation under these plans is recorded in "Accounts and notes payable". Defined contribution plans are operated in most European countries (France, the United Kingdom, the Netherlands, Germany and Central Europe, Nordic countries, Italy and Spain), in the United States and in the Asia-Pacific area.

Defined benefit pension plans

Defined benefit pension plans consist of either:

- unfunded plans, where benefits are paid directly by the Group and the related obligation is covered by a provision corresponding to the present value of future benefit payments. Estimates are based on regularly reviewed internal and external assumptions. These unfunded plans correspond mainly to retirement termination payments and healthcare assistance plans;

- funded plans, where the benefit obligation is covered by external funds. Group contributions to these external funds are made in accordance with the specific regulations in force in each country.

Obligations under these plans are determined by independent actuaries using the projected unit credit method. Under this method, each period of service gives rise to an additional unit of benefit entitlement and each of these units is valued separately in order to obtain the amount of the Group's final obligation.

The resulting obligation is discounted by reference to market yields on high quality corporate bonds, denominated in the payment currency of benefits and consistent with forecast cash outflows of the post-employment benefit obligation.

For funded plans, only the estimated funding deficit is covered by a provision.

When the calculation of the obligation produces a plan gain and the Group has an unconditional right to repayment, an asset is recognized and capped in the amount of the sum of the present value of gains available in the form of future repayments or reductions in plan contributions. In this case, the plan surplus is recognized in non-current assets.

Current and past service costs – corresponding to an increase in the obligation – are recorded in "Operating expenses" of the period.

Gains or losses on the curtailment, settlement or transfer of defined benefit pension plans are recorded in "Other operating income" or "Other operating expense".

The impact of discounting defined benefit obligations as well as the expected return on plan assets are recorded net in "Other financial expense" or "Other financial income".

Actuarial gains and losses correspond to the effect of changes in actuarial assumptions and experience adjustments (i.e. differences between projected actuarial assumptions and actual data) on the amount of the benefit obligation or the value of plan assets. They are recognized in full in "Income and expense recognized in equity" in the year in which they arise (with the related tax effect).

Breakdown of provisions for pensions and other post-employment benefits

Provisions for pensions and other post-employment benefits comprise obligations under funded defined benefit plans (particularly in the United Kingdom and Canada) and obligations primarily relating to retirement termination payments (particularly in France, Germany and Sweden).

Provision for pensions and other post-employment benefits by main countries

	Obligation		Plan assets		Net commitment in the Consolidated Statement of Financial Position	
(in millions of euros)	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
United Kingdom	3,809	2,292	(3,914)	(2,470)	(105)	(178)
Canada [1]	747	240	(585)	(220)	162	20
France	315	209	(54)	(14)	261	195
Germany	172	120	(103)	(77)	69	43
Sweden	28	20	(12)	(10)	16	10
Other	466	422	(319)	(329)	147	93
NET OBLIGATION AT DECEMBER 31	5,537	3,303	(4,987)	(3,120)	550	183

(1) In 2022, following the transfer of employees working exclusively on some Canadian client contracts, the Group also transferred the management of their pension and other post-employment benefit plans, thereby reducing the present value of its obligation in Canada at December 31, 2022.

Movements in provisions for pensions and other post-employment benefits during the last two fiscal years were as follows:

		Obligation		Plan assets		Net commitment in the Consolidated Statement of Financial Position	
(in millions of euros)	**Notes**	**2021**	2022	**2021**	2022	**2021**	2022
PRESENT VALUE OF THE OBLIGATION AT JANUARY 1		5,993	5,537	(4,921)	(4,987)	1,072	550
Expense for the period recognized in the Income Statement		165	(119)	(81)	166	84	47
Service cost	7	83	67	-	-	83	67
Plan curtailments and settlements	8	(17)	(296)	-	267	(17)	(29)
Interest cost	9	99	110	(81)	(101)	18	9
Impact on income and expense recognized in equity		(171)	(1,733)	(267)	1,460	(438)	(273)
Change in actuarial gains and losses		*(171)*	*(1,733)*	-	-	*(171)*	*(1,733)*
Impact of changes in financial assumptions		*(158)*	*(1,726)*	-	-	*(158)*	*(1,726)*
Impact of changes in demographic assumptions		*27*	*(7)*	-	-	*27*	*(7)*
Experience adjustments		*(40)*	-	-	-	*(40)*	-
Return on plan assets [(1)]		-	-	(267)	1,460	(267)	1,460
Other		(450)	(382)	282	241	(168)	(141)
Contributions paid by employees		31	6	(30)	(5)	1	1
Benefits paid to employees		(250)	(200)	181	175	(69)	(25)
Contributions paid		-	-	(131)	(60)	(131)	(60)
Translation adjustments		355	(118)	(319)	131	36	13
Business combinations		-	-	-	-	-	-
Other movements		(586)	(70)	581	-	(5)	(70)
PRESENT VALUE OF THE OBLIGATION AT DECEMBER 31		5,537	3,303	(4,987)	(3,120)	550	183
o/w Provisions		-	-	-	-	*655*	*365*
o/w Other non-current assets		-	-	-	-	*105*	*182*

(1) After deduction of financial income on plan assets recognized in the Income Statement and calculated using the discount rate.

Analysis of the change in provisions for pensions and other post-employment benefits by main country

A) United Kingdom

In the United Kingdom, post-employment benefits primarily consist of defined contribution pension plans.

A very small number of employees accrue pensionable service within a defined benefit pension plan.

In addition, certain former and current employees accrue deferred benefits in defined benefit pension plans. The plans are administered within trusts which are legally separate from the employer. Each trust is governed by a board of directors composed of an independent chairman and trustees appointed by the employer, Capgemini UK Plc, as well as trustees appointed by the members of the pension plans.

The defined benefit pension plans provide pensions and lump sums to members on retirement and to their dependents on death. Members who leave service before retirement are entitled to a deferred pension.

Employees covered by defined benefit pension plans break down as follows:

- 68 current employees accruing pensionable service (79 at December 31, 2021);
- 5,352 former and current employees not accruing pensionable service (5,627 at December 31, 2021);
- 4,243 retirees (4,032 at December 31, 2021).

The plans are subject to the supervision of the UK Pension Regulator; the funding schedules for these plans are determined by the Board of Directors of each pension plans on the proposal of an independent actuary, after discussion with Capgemini UK Plc, the employer, as part of actuarial valuations usually carried out every three years. Capgemini UK Plc., the employer, gives firm commitments to the trustees regarding the funding of any deficits identified, over an agreed period.

The responsibility to fund these plans lies with the employer. The defined benefit pension plans expose the Group to the increase in liabilities that could result from changes in the life expectancy of members, fluctuations in interest and inflation rates and, more generally, a downturn in financial markets.

The average maturity of pension plans in the United Kingdom is 15.5 years.

In accordance with local regulations, the non-renewal of certain client contracts in full or in part could require Capgemini UK Plc. to bring forward the funding of any deficits in respect of the employees concerned.

	Obligation		Plan assets		Net commitment in the Consolidated Statement of Financial Position	
(in millions of euros)	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
PRESENT VALUE OF THE OBLIGATION/(SURPLUS) AT JANUARY 1	3,681	3,809	(3,412)	(3,914)	269	(105)
Expense for the period recognized in the Income Statement	51	65	(45)	(73)	6	(8)
Service cost	2	2	-	-	2	2
Plan curtailments and settlements	-	(8)	-	-	-	(8)
Interest cost	49	71	(45)	(73)	4	(2)
Impact on income and expense recognized in equity	(87)	(1,349)	(223)	1,278	(310)	(71)
Change in actuarial gains and losses	(87)	(1,349)	-	-	(87)	(1,349)
Impact of changes in financial assumptions	*(91)*	*(1,342)*	-	-	*(91)*	*(1,342)*
Impact of changes in demographic assumptions	*28*	*(2)*	-	-	*28*	*(2)*
Experience adjustments	*(24)*	*(5)*	-	-	*(24)*	*(5)*
Return on plan assets [(1)]	-	-	(223)	1,278	(223)	1,278
Other	164	(233)	(234)	239	(70)	6
Benefits paid to employees	(91)	(86)	91	86	-	-
Contributions paid	-	-	(80)	(2)	(80)	(2)
Translation adjustments	255	(147)	(245)	155	10	8
PRESENT VALUE OF THE OBLIGATION/(SURPLUS) AT DECEMBER 31	3,809	2,292	(3,914)	(2,470)	(105)	(178)

(1) After deduction of financial income on plan assets recognized in the Income Statement and calculated using the discount rate.

a) Main actuarial assumptions

Discount rate, salary inflation rate and inflation rate

(in %)	**At December 31, 2021**	**At December 31, 2022**
Discount rate	1.9	4.8
Salary inflation rate	2.4-3.4	2.4-3.2
Inflation rate	3.4	3.2

In 2022, the benchmark indexes used to calculate discount rates were similar to those used in previous years.

Mortality tables used are those commonly used in the United Kingdom.

b) Plan assets

(in millions of euros)		**2021**		**2022**
Shares	1,663	42%	895	36%
Bonds and hedging assets	2,009	51%	1,340	54%
Other	242	7%	235	10%
TOTAL	3,914	100%	2,470	100%

Shares correspond to investments in equities or diversified growth investments, the majority of which in developed country markets.

Bonds and hedging assets mainly consist of bonds invested in liquid markets. A portion of these investments seeks to partially hedge interest rate risk on the plan liabilities; this matching portfolio consists of UK government bonds (GILT), owned directly or borrowed via sale and repurchase agreements.

c) Sensitivity analysis of the obligation

	Impact on the obligation at December 31, 2022	
(in millions of euros)	**Rate increase**	**Rate decrease**
Increase/decrease of 50 basis points in the discount rate	(155)	173
Increase/decrease of 50 basis points in the inflation rate	112	(111)
Increase/decrease of 50 basis points in the mortality rate	(38)	37

d) Future contributions

Contributions to defined benefit pension funds in the United Kingdom are estimated at €2 million for fiscal year 2023, including the funding of pension plan deficits over the period defined with the trustees as part of the regular actuarial valuations.

B) France

In France, post-employment benefits primarily consist of retirement termination plans. Payments under these plans are determined by collective bargaining agreements and based on the employee's salary and seniority on retirement. The Group provides for its commitments to employees in accordance with the provisions of the Syntec collective bargaining agreement on departures and retirement. This liability changes, in particular, in line with actuarial assumptions as presented below:

(in %)	**At December 31, 2021**	**At December 31, 2022**
Discount rate	0.8	3.6
Salary inflation rate	2.0	2.0

The average maturity of pension plans in France is between 8 and 13 years depending on the pension plan.

Note 26 Non-current and current provisions

A provision is recognized in the Consolidated Statement of Financial Position at the year-end if, and only if, (i) the Group has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (iii) a reliable estimate can be made of the amount of the obligation. Provisions are discounted when the impact of the time value of money is material.

Movements in non-current and current provisions break down as follows:

(in millions of euros)	**2021**	2022
At January 1	459	481
Allowances	61	45
Reversals (utilization of provisions)	(58)	(28)
Reversals (unused provisions)	(33)	(57)
Other	52	1
At December 31	481	442

At December 31, 2022, non-current provisions (€339 million) and current provisions (€103 million) concern risks relating to projects and contracts of €94 million (€134 million at December 31, 2021) and risks of €348 million (€347 million at December 31, 2021), mainly relating to labor and legal disputes in France and tax risks (excluding income tax) in India.

Note 27 Other non-current and current liabilities

At December 31 *(in millions of euros)*	Notes	2021	2022
Special employee profit-sharing reserve		46	57
Derivative instruments	24	85	180
Liabilities related to acquisitions of consolidated companies		124	82
Non-current tax payables		262	251
Other		124	217
OTHER NON-CURRENT AND CURRENT LIABILITIES	23	641	787

Other current and non-current liabilities mainly include the non-current tax payables on tax audit, litigation or pre-litigation proceedings in India and France, as well as the liability relating to the transfer of pensions and other post-employment benefit plans of employees working exclusively on some Canadian client contracts (see Note 25 - Provisions for pensions and other post-employment benefits).

Liabilities related to acquisitions of consolidated companies mainly comprise earn-outs granted at the time of certain acquisitions.

Note 28 Accounts and notes payable

At December 31 *(in millions of euros)*	Note	2021	2022
Trade payables		1,628	1,712
Accrued taxes other than income tax		648	765
Personnel costs		2,074	2,253
Other		11	19
ACCOUNTS AND NOTES PAYABLE	23	4,361	4,749

Note 29 Number of employees

Average number of employees by geographic area

	2021		2022	
	Number of employees	%	Number of employees	%
North America	18,627	6	20,693	6
France	36,332	13	38,598	11
United Kingdom and Ireland	11,242	4	13,218	4
Benelux	9,960	3	10,979	3
Southern Europe	20,620	7	22,766	7
Nordic countries	5,826	2	6,963	2
Germany and Central Europe	22,782	8	26,219	7
Africa and Middle East	4,229	1	5,475	2
Asia-Pacific and Latin America	163,072	56	202,847	58
AVERAGE NUMBER OF EMPLOYEES	292,690	100	347,758	100

Number of employees at December 31 by geographic area

	2021		2022	
	Number of employees	%	Number of employees	%
North America	19,588	6	20,891	6
France	37,283	12	39,479	11
United Kingdom and Ireland	12,172	4	14,182	4
Benelux	10,415	3	11,341	3
Southern Europe	21,655	7	23,646	7
Nordic countries	6,304	2	7,323	2
Germany and Central Europe	24,219	7	27,640	7
Africa and Middle East	4,640	1	6,283	2
Asia-Pacific and Latin America	188,408	58	208,782	58
NUMBER OF EMPLOYEES AT DECEMBER 31	**324,684**	**100**	**359,567**	**100**

Note 30 Off-balance sheet commitments

Off-balance sheet commitments relating to Group operating activities

A) Commitments given on client contracts

The Group has provided performance and/or financial guarantees for a number of major contracts. The clients concerned represented approximately 16% of Group revenue in 2022.

In addition, certain clients enjoy:

- limited financial guarantees issued by the Group and totaling €1,656 million at December 31, 2022 (€1,681 million at December 31, 2021);
- bank guarantees borne by the Group and totaling €230 million at December 31, 2022 (€203 million at December 31, 2021).

B) Commitments given on leases

Commitments given on leases consist primarily of the non-lease components of the Group's leases and commitments under leases with a short term or of assets with a low value (except IT equipment). These commitments total €151 million at December 31, 2022.

C) Other commitments given

Other commitments given total €91 million at December 31, 2022 (€70 million at December 31, 2021) and mainly comprise standard vendor warranties given on asset sales.

In the course of its activities, the Group may be required to contract firm purchase commitments for solutions and services with certain suppliers at market prices.

D) Other commitments received

Other commitments received total €90 million at December 31, 2022 (€30 million at December 31, 2021) and comprise in particular commitments received following takeovers and the purchase of shares held by certain minority shareholders.

Off-balance sheet commitments relating to Group financing

A) Bonds

Capgemini SE has committed to standard obligations in respect of the outstanding bond issues detailed in Note 22 – Net debt/net cash and cash equivalents, and particularly to maintain *pari passu* status with all other marketable bonds that may be issued by the Company.

B) Syndicated credit facility obtained by Capgemini SE and not drawn to date

The credit facility agreement disclosed in Note 22 – Net debt/net cash also includes covenants restricting Capgemini SE and its subsidiaries 'ability to carry out certain transactions for example, pledging assets as collateral, disposal of assets and mergers and similar transactions. Capgemini SE is also committed to standard obligations, including an agreement to maintain *pari passu* status.

Contingent liabilities

In the normal course of their activities, certain Group companies underwent tax audits, leading in some cases to revised assessments in 2022 and previous years.

Proposed adjustments were challenged and litigation or pre-litigation proceedings were in progress at December 31, 2022. This is particularly the case in India, where Group subsidiaries have received several revised assessments or proposed revised assessments for income tax in recent years, particularly concerning transfer pricing issues.

Most often, no amounts have been booked for these disputes in the consolidated financial statements in so far as the Group considers it can justify its positions that the likelihood of winning the litigation is high.

Note 31 Related-party transactions

Associates

Associates are equity-accounted companies over which the Group exercises significant influence. Transactions with these associates in 2022 were performed at arm's length and were of immaterial volume.

Other related-parties

In 2022, no material transactions were carried out with:

- shareholders holding significant voting rights in the share capital of Capgemini SE;
- members of management, including directors;
- entities controlled or jointly controlled by a member of Group Management, or over which he/she has significant influence or holds significant voting rights.

Group Management compensation

The table below provides a breakdown of the 2021 and 2022 compensation of members of management bodies comprising members of Group management present at each year-end (29 members in 2022 and 29 in 2021) and directors.

(in thousands of euros)	**2021**	**2022**
Short-term benefits excluding employer payroll taxes (1)	28,685	30,010
o/w remuneration for director duties (2) paid to salaried directors	*196*	*171*
o/w remuneration for director duties (2) paid to non-salaried directors (3) and (4)	*791*	*954*
Short-term benefits: employer payroll taxes	12,309	8,570
Post-employment benefits (5)	2,405	2,605
Share-based payment (6)	12,728	17,037

(1) Including gross wages and salaries, bonuses, profit-sharing, fees and benefits in kind.

(2) Previously known as attendance fees.

(3) Note that Paul Hermelin has waived receipt of his remuneration for director duties since 2011 (previously known as attendance fees) and Aiman Ezzat has also waived receipt of this remuneration since his nomination by the Shareholders' Meeting of May 20, 2020.

(4) 17 active directors in 2021 and 16 active directors in 2022.

(5) Primarily the annualized expense in respect of retirement termination payments pursuant to a contract and/or a collective bargaining agreement.

(6) Deferred recognition of the annualized expense relating to the grant of performance shares.

Note 32 Subsequent events

At the Shareholders' Meeting, the Board of Directors will recommend a dividend payout to Capgemini SE shareholders of €3.25 per share in respect of 2022. A dividend of €2.40 per share was paid in respect of fiscal year 2021.

Note 33 List of the main consolidated companies by country

Capgemini SE is the parent company of what is generally known as "the Capgemini group" comprising 224 companies. The main consolidated companies at December 31, 2022 are listed below.

Country	List of the main companies consolidated at December 31, 2022	% interest	Consolidation Method [1]
ARGENTINA	Capgemini Argentina S.A.	100.00%	FC
AUSTRALIA	Capgemini Australia Pty Ltd.	100.00%	FC
AUSTRIA	Capgemini Consulting Österreich AG	100.00%	FC
BELGIUM	Capgemini Belgium N.V./S.A.	100.00%	FC
BRAZIL	Capgemini Brasil S.A.	100.00%	FC
CANADA	Capgemini Canada Inc.	100.00%	FC
	Capgemini Solutions Canada Inc.	100.00%	FC
	Inergi LP	100.00%	FC
	New Horizons Systems Solutions LP	100.00%	FC
CHINA	Capgemini (China) Co., Ltd.	100.00%	FC
	Capgemini Business Services (China) Ltd.	100.00%	FC
	Capgemini Hong Kong Ltd.	100.00%	FC
DENMARK	Capgemini Danmark A/S	100.00%	FC
FINLAND	Capgemini Finland Oy	100.00%	FC
FRANCE	Capgemini Consulting S.A.S.	100.00%	FC
	Capgemini Engineering Research and Development S.A.S.	100.00%	FC
	Capgemini France S.A.S.	100.00%	FC
	Capgemini Gouvieux S.A.S.	100.00%	FC
	Capgemini Latin America S.A.S.	100.00%	FC
	Capgemini Service S.A.S.	100.00%	FC
	Capgemini Technology Services S.A.S.	100.00%	FC
	Altran Technologies S.A.S.	100.00%	FC
	Global Management Treasury Services S.N.C.	100.00%	FC
	Altran ACT S.A.S.	100.00%	FC
	Altran Technology & Engineering Center S.A.S.	100.00%	FC
	Sogeti S.A.S.	100.00%	FC
GERMANY	Capgemini Deutschland GmbH	100.00%	FC
	Capgemini Deutschland Holding GmbH	100.00%	FC
	Capgemini Outsourcing Services GmbH	100.00%	FC
	Altran Deutschland S.A.S. & Co. KG	100.00%	FC
	Sogeti Deutschland GmbH	100.00%	FC
GUATEMALA	Capgemini Business Services Guatemala S.A.	100.00%	FC
INDIA	Capgemini Technology Services India Ltd.	99.55%	FC
	Altran Technologies India Pvt. Ltd.	100.00%	FC
IRELAND	Capgemini Ireland Ltd.	100.00%	FC
ITALY	Capgemini Italia S.p.A.	100.00%	FC
JAPAN	Capgemini Japan K.K.	100.00%	FC
LUXEMBOURG	Capgemini Reinsurance International S.A.	100.00%	FC
	Sogeti Luxembourg S.A.	100.00%	FC

MALAYSIA	Capgemini Services Malaysia Sdn. Bhd.	100.00%	FC
MEXICO	Capgemini México S. de R.L. de C.V.	100.00%	FC
MOROCCO	Capgemini Technology Services Maroc S.A.	100.00%	FC
NETHERLANDS	Capgemini Educational Services B.V.	100.00%	FC
	Capgemini NV	100.00%	FC
	Capgemini Nederland BV	100.00%	FC
	Sogeti Nederland BV	100.00%	FC
NORWAY	Capgemini Norge AS	100.00%	FC
POLAND	Capgemini Polska Sp. z.o.o.	100.00%	FC
PORTUGAL	Capgemini Portugal S.A.	100.00%	FC
SINGAPORE	Capgemini Asia Pacific Pte. Ltd.	100.00%	FC
	Capgemini Singapore Pte. Ltd.	100.00%	FC
SPAIN	Capgemini España S.L.	100.00%	FC
SWEDEN	Capgemini AB	100.00%	FC
	Capgemini Sverige AB	100.00%	FC
	Sogeti Sverige AB	100.00%	FC
SWITZERLAND	Capgemini Suisse S.A.	100.00%	FC
UNITED KINGDOM	Capgemini UK Plc	100.00%	FC
	CGS Holdings Ltd.	100.00%	FC
	IGATE Computer Systems (UK) Ltd.	100.00%	FC
	Cambridge Consultants Limited	100.00%	FC
UNITED STATES	Capgemini America, Inc.	100.00%	FC
	Capgemini Government Solutions LLC	100.00%	FC
	Capgemini North America, Inc.	100.00%	FC

(1) FC = Full consolidation.

Note 34 Audit fees

Statutory audit fees for fiscal year 2022 break down as follows:

	Mazars		PwC	
(in millions of euros) (excl. VAT)	**2022**	**2021**	**2022**	**2021**
Statutory audit of the consolidated and separate financial statements	**4.6**	**4.4**	**4.8**	**4.9**
- Capgemini SE	0.6	0.4	0.7	0.6
- Fully-consolidated subsidiaries	4.0	4.0	4.1	4.3
Non-audit services [1]	**0.2**	**0.2**	**0.6**	**0.5**
TOTAL	**4.8**	**4.6**	**5.4**	**5.4**

(1) These fees mainly concern due diligence and sustainability procedures, or technical consultations.

About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fuelled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

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