UNIVERSAL
REGISTRATION
DOCUMENT
2023

OUR TRANSITIONS

To accelerate

YOUR TRANSITIONS

Séché

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UNIVERSAL REGISTRATION DOCUMENT 2023

This is a translation into English of the official version of the Universal Registration Document issued in French and which has been prepared in ESEF format and is available at www. www.groupe-seche.com.

The Universal Registration Document has been filed on March 13, 2024 with the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of that Regulation.

The Universal Registration Document may be used for the purposes of an offer of financial securities to the public or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole then formed is approved by the AMF in accordance with Regulation (EU) 2017/1129. This Universal Registration Document including the Annual Financial Report is a reproduction of the official version which has been prepared in ESEF format and is available at www. www.groupe-seche.com.

3.1 CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2023

3.1.1 CONSOLIDATED FINANCIAL POSITION

(in thousands of euros)	12/31/2022	12/31/2023	Notes
Goodwill	395,992	435,224	3.2.4.1
Concession intangible assets	30,861	26,299	3.2.4.1
Other intangible assets	44,151	37,203	3.2.4.1
Property, plant and equipment	409,251	446,897	3.2.4.2
Investments in associates	1,067	742	3.2.4.3
Other non-current financial assets	32,955	46,718	3.2.4.4
Non-current derivatives - assets	777	439	3.2.4.8
Other non-current assets	32,805	28,204	3.2.4.5 & 6
Deferred tax assets	15,475	10,584	3.2.4.11
Non-current assets	**963,335**	**1,032,310**	
Inventories	25,556	26,866	3.2.4.5
Trade and other receivables	245,727	308,006	3.2.4.5
Other current financial assets	3,306	3,099	3.2.4.4
Current derivatives - assets	-	-	
Other current assets	40,473	53,215	3.2.4.6
Cash and cash equivalents	126,166	162,215	3.2.4.7
Assets held for sale	-	-	
Current assets	**441,229**	**553,401**	
TOTAL ASSETS	**1,404,564**	**1,585,710**	
Share capital	1,572	1,572	
Additional paid-in capital	74,061	74,061	
Reserves	189,861	214,883	
Net income for the period	44,608	47,828	
Equity attributable to owners of the parent	310,102	338,343	
Equity attributable to non-controlling interests	7,286	7,974	
Total equity	**317,388**	**346,318**	**3.2.4.13**
Non-current financial debt	547,878	611,464	3.2.4.8
Non-current lease debt	44,680	48,167	3.2.4.8
Non-current derivatives - liabilities	10,341	5,926	3.2.4.8
Employee benefits	18,029	21,558	3.2.4.9
Non-current provisions	30,181	30,681	3.2.4.10
Other non-current liabilities	4,761	7,128	3.2.4.6
Deferred tax liabilities	4,893	5,111	3.2.4.11
Non-current liabilities	**660,763**	**730,036**	
Current financial debt	90,553	116,297	3.2.4.8
Current lease debt	20,882	22,687	3.2.4.8
Current derivatives - liabilities	-	-	
Current provisions	2,681	4,499	3.2.4.10
Trade payables	165,086	195,196	3.2.4.5
Other current liabilities	146,119	169,582	3.2.4.6
Tax liabilities	1,092	1,096	
Liabilities held for sale	-	-	
Current liabilities	**426,412**	**509,356**	
TOTAL LIABILITIES	**1,404,564**	**1,585,710**	

The notes are an integral part of the consolidated financial statements.

3.1.2 CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	12/31/2022	12/31/2023	Notes
Revenue	972,675	1,088,873	
Other business income	2,279	3,365	
Income from ordinary activities	**974,954**	**1,092,237**	**3.2.4.14**
Purchases consumed	(140,844)	(147,462)	
External expenses	(339,287)	(390,872)	3.2.4.15
Taxes and duties	(76,166)	(83,186)	3.2.4.15
Payroll expenses	(217,099)	(253,063)	3.2.4.15
EBITDA	**201,558**	**217,655**	
Expenses for rehabilitation and/or maintenance of sites under concession arrangements	(10,954)	(10,599)	
Depreciation, impairment, and provisions	(98,400)	(103,664)	3.2.4.16
Other operating items	(938)	(2,172)	3.2.4.16
Current operating income	**91,267**	**101,220**	
Other non-current items	(4,288)	(9,839)	3.2.4.17
Operating income	**86,979**	**91,381**	
Cost of net financial debt	(17,053)	(23,139)	3.2.4.18
Other financial income and expenses	(1,484)	900	3.3.4.18
Net financial income	**(18,537)**	**(22,240)**	
Share of net income of equity-accounted entities	(1,341)	(1,317)	3.2.4.20
Income tax	(19,232)	(17,838)	3.2.4.19
Net income for the period	**47,870**	**49,986**	
Of which attributable to non-controlling interests	(3,262)	(2,158)	
Of which attributable to owners of the parent	**44,608**	**47,828**	
Basic earnings per share (in euros)	*5.72*	*6.13*	
Diluted earnings per share (in euros)	*5.72*	*6.13*	

The notes are an integral part of the consolidated financial statements.

3.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	12/31/2022	12/31/2023
Other comprehensive income not subsequently reclassified to profit or loss:		
Revaluation of net liabilities (assets) of defined benefit plans [(1)]	3,661	(2,319)
Income tax effects	(946)	599
Amount before income tax (A)	**2,715**	**(1,720)**
o/w share of equity-accounted entities	-	-
Other comprehensive income subsequently reclassified to profit or loss:		
Change in net investments [(2)]	136	(8,908)
Change in fair value of derivatives	774	(335)
Tax effect on the items listed above	(217)	100
Translation reserve [(3)]	2,970	(76)
Amount before income tax (B)	**3,664**	**(9,220)**
o/w share of equity-accounted entities	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**6,379**	**(10,940)**
Net income for the period	47,870	49,986
TOTAL COMPREHENSIVE INCOME	**54,249**	**39,046**
Of which attributable to owners of the parent	*50,950*	*36,799*
Of which attributable to non-controlling interests	*3,298*	*2,248*

(1) At December 31, 2023, the impact was due to a lower discount rate and an experience effect compared with the actuarial data used at December 31, 2022 (see Note 3.2.4.9)
(2) At December 31, 2023, the devaluation of the South African rand had an impact of -€8.3 million on this item (see Note 3.2.4.13 c).
(3) At December 31, 2022, the impact was due to the appreciation of the Peruvian sol, and to a lesser extent the Chilean peso and the US dollar.

The notes are an integral part of the consolidated financial statements.

3.1.4 STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares	Consolidated reserves	Foreign exchange translation reserves	Fair value reserves	Attributable to owners of the parent	Attributable to non-controlling interests	Total equity
At December 31, 2021	**1,572**	**74,061**	**(3,470)**	**215,684**	**(18,370)**	**-**	**269,469**	**5,426**	**274,895**
Other comprehensive income	-	-	-	2,715	3,095	531	6,342	37	6,379
Net income for the period	-	-	-	44,608	-	-	44,608	3,262	47,870
Total comprehensive income	**-**	**-**	**-**	**47,323**	**3,095**	**531**	**50,950**	**3,298**	**54,249**
Capital increases	-	-	-	-	-	-	-	580	580
Dividends paid	-	-	-	(7,806)	-	-	(7,806)	(1,027)	(8,833)
Treasury shares	-	-	87	-	-	-	87	-	87
Business combinations	-	-	-	-	-	-	-	-	-
Transactions with non-controlling interests [1]	-	-	-	(2,600)	-	-	(2,600)	(990)	(3,591)
Other changes	-	-	-	3	-	-	3	-	3
At December 31, 2022	**1,572**	**74,061**	**(3,383)**	**252,604**	**(15,275)**	**531**	**310,102**	**7,286**	**317,388**
Other comprehensive income [2]	-	-	-	(1,720)	(9,078)	(231)	(11,029)	89	(10,940)
Net income for the period	-	-	-	47,828	-	-	47,828	2,158	49,986
Total comprehensive income	**-**	**-**	**-**	**46,108**	**(9,078)**	**(231)**	**36,799**	**2,248**	**39,046**
Capital increases	-	-	-	-	-	-	-	422	422
Dividends paid				(8,586)			(8,586)	(1,816)	(10,402)
Treasury shares	-	-	(132)	-	-	-	(132)	-	(132)
Business combinations	-	-	-	-	-	-	-	(2)	(2)
Transactions between shareholders	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	161	-	-	161	(164)	(3)
At December 31, 2023	**1,572**	**74,061**	**(3,515)**	**290,287**	**(24,352)**	**300**	**338,343**	**7,974**	**346,318**

(1) At December 31, 2022, this concerned the impact of the additional acquisition, without gain of control, of Spanish subsidiary Solarca SLU for -€2.6 million attributable to owners of the parent and -€0.2 million attributable to non-controlling interests; the balance of -€0.7 million corresponded to the loss of control of the French company Solena Valorisation.

(2) See Note 3.1.3.

The notes are an integral part of the consolidated financial statements.

3.1.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	12/31/2022	12/31/2023	Notes
Net income for the period	**47,870**	**49,986**	
Share of net income of equity-accounted entities	1,341	1,317	3.2.4.20
Dividends from joint ventures and equity-accounted entities	-	-	
Depreciation, impairment, and provisions	96,714	104,852	
Income from disposals	(55)	6,945	
Deferred taxes	4,386	5,843	3.2.4.19
Other income and expenses	6,850	606	3.2.4.22
Cash flows	**157,106**	**169,550**	
Income tax	14,845	11,995	3.2.4.19
Cost of gross financial debt before long-term investments	16,939	24,993	
Cash flows from operating activities before taxes and financing costs	**188,890**	**206,538**	
Change in working capital requirement	(24,971)	(6,306)	3.2.4.5
Taxes paid	(15,803)	(12,918)	
Net cash flows from operating activities	**148,117**	**187,315**	
Investments in property, plant and equipment and intangible assets	(99,861)	(91,829)	
Proceeds from sales of property, plant and equipment and intangible assets	4,157	3,117	
Increase in loans and financial receivables	(18,632)	(23,073)	3.2.4.22
Decrease in loans and financial receivables	2,518	935	
Takeover of subsidiaries net of cash and cash equivalents	(76,239)	(57,803)	3.2.4.22
Loss of control over subsidiaries net of cash and cash equivalents	(1,426)	(78)	
Net cash flows from investment activities	**(189,483)**	**(168,730)**	
Dividends paid to the shareholders of the parent	(7,806)	(8,586)	
Dividends paid to the non-controlling interests	(1,027)	(1,309)	
Capital increase or decrease by controlling company	580	-	
Acquisitions/disposals of non controlling interests (without acquisition or loss of control)	(3,047)	(611)	3.2.4.22
Change in treasury shares	111	(120)	
New loans and financial debt	104,804	163,520	3.2.4.8
Repayment of loans and financial debt	(60,683)	(85,199)	3.2.4.8
Interest paid	(14,580)	(19,625)	3.2.4.8
Repayment of lease debt and associated financial expenses	(23,547)	(29,310)	3.2.4.8
Net cash flows from financing activities	**(5,195)**	**18,761**	
Total cash flows from continuing operations	**(46,561)**	**37,345**	
Net cash flows from discontinued operations	-	-	
TOTAL CASH FLOWS FOR THE PERIOD	**(46,561)**	**37,345**	
Cash and cash equivalents at beginning of the period	169,901	123,451	
Closing cash and cash equivalents	123,451	159,118	
Effect of changes in foreign exchange rates	(112)	1,678	
(1) of which:			
Cash and cash equivalents	*126,166*	*162,215*	
Short-term bank borrowings and overdrafts (current financial debt)	*(2,715)*	*(3,097)*	

The notes are an integral part of the consolidated financial statements.

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Séché Environnement SA is a French limited company (société anonyme) incorporated on July 8, 1976. It is domiciled in France (Les Hêtres - CS 20020 - 53811 Changé Cedex 09). It is majority owned by Séché Group SAS.

The consolidated financial statements at December 31, 2023 reflect the accounting position of the Company and its subsidiaries (together constituting the "Group") and the Group's investments in equity-accounted associates, partnerships classified as joint arrangements, and joint ventures.

The Group specializes in waste treatment and recovery.

3.2.1 ACCOUNTING PRINCIPLES AND VALUATION METHODS

3.2.1.1 Basis for preparing and presenting the financial statements

The consolidated financial statements were approved by the Board of Directors on March 6, 2024, and submitted to the General Meeting for approval on April 26, 2024.

Information is disclosed only when it is of material importance. Figures are expressed in thousands of euros without decimal places. Figures rounded up to the nearest million may, in some cases, lead to insignificant disparities with respect to the totals and sub-totals presented in the tables.

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which are available for consultation on the European Commission's website.

a. New standards and interpretations applicable on or after January 1, 2023

The following amendments to IFRS, published by the IASB and applicable as of January 1, 2023, had no material impact on the Group's consolidated financial statements at December 31, 2023:

- Amendments to IAS 1: Disclosure of accounting policies;
- Amendments to IAS 8: Definition of accounting estimates.
- Amendments to IAS 12: Deferred tax on assets and liabilities arising from a single transaction;
- Amendments to IAS 12: Temporary exception for the recognition of deferred taxes under OECD Pillar 2 – information in the notes on current tax expenses relating to the "top-up tax".

It should be noted that the new OECD Pillar 2 rules will have little or no material impact on 2024.

b. Standards and interpretations adopted by the IASB but not yet applicable at December 31, 2023

Standard	Applicable from	Subject
Amendments to IAS 1	January 1, 2024	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	January 1, 2024	Non-current debt with covenants
Amendments to IFRS 16	January 1, 2024	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	January 1, 2024	Supplier financing agreements
Amendments to IAS 21	January 1, 2025	No possibility of exchange

An assessment of the impact of applying these amendments and improvements is under review. However, these provisions are not contrary to the Group's current accounting practices.

3.2.1.2 Use of estimates

In order to prepare interim consolidated financial statements in accordance with IFRS, Management is required to exercise its judgment and make estimates and assumptions that impact the application of the Group's accounting policies and the amounts of assets and liabilities, and income and expenses. The estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They serve as the basis for any judgment required for determining the carrying amounts of assets and liabilities when such amounts cannot be obtained directly from other sources.

These estimates and assumptions mainly concern the valuation of goodwill and other intangible assets, the calculation of the amount of provisions and retirement obligations, the impairment of trade receivables, and deferred tax assets.

These assumptions, estimates or assessments are based on information or situations existing at the date of preparing the financial statements, and are detailed in the specific notes relating to each item below. They may subsequently turn out to be different from reality.

The Russia-Ukraine crisis has no direct impact on the Group's activities.

3.2.1.3 Consolidation methods

The consolidation scope of Séché Environnement includes the consolidating parent company Séché Environnement SA and all the companies it controls, directly or indirectly, exclusively or jointly, or over which it exercises significant influence, and whatever their legal form.

Subsidiaries are consolidated as of the effective date on which control was taken and until the date on which control was lost. In determining control and in compliance with the provisions of IAS 27, potential voting rights attached to financial instruments – which, if exercised, may provide Séché Environnement or its subsidiaries with a voting right – are taken into consideration.

Companies over which the Séché Group exercises exclusive control, either directly or indirectly, are fully consolidated. In compliance with IFRS 10 Consolidated Financial Statements, control is determined based on the Group's ability to exercise power over the entities in question to influence the variable returns to which it is exposed or has rights to on the basis of its links with said entities.

In compliance with IFRS 11 Joint Arrangements, the Group classifies each of its interests in partnerships either as a joint arrangement, or as a joint venture, depending on its rights to the assets and obligations for the liabilities relating to the arrangement. When determining this, the Group takes account of the structure of the arrangement, its legal form, the terms agreed by the parties in the contractual arrangement, and, where appropriate, other facts and circumstances. Having examined these new measures, the Group has concluded that it is involved only in joint ventures. Therefore, these joint ventures are consolidated by the equity method, in accordance with IFRS 11.

3.2.1.4 Translation of the foreign currency financial statements of consolidated entities

Séché Environnement's consolidated financial statements are presented in euros.

The accounts of foreign companies are drawn up in the operational currency of each subsidiary.

In the Group's consolidated financial statements, balance sheet items are converted at the exchange rates in effect at the closing date. Income statement and cash flow statement items are converted using the average monthly rate for the period, provided there are no major fluctuations in the exchange rate.

Translation differences on both the balance sheet (difference between closing rates of the previous year and the current year) and the income statement (difference between the average rates and closing rates) are booked as follows:

- for the share attributable to the owners of the parent, in consolidated equity under "Translation differences";
- for the third-party share, under "Non-controlling interests".

When a foreign subsidiary is sold, the related translation reserve is recognized in income.

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3.2.1.5 Translation of foreign currency transactions

In accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates, transactions in foreign currencies are converted into euros at the exchange rate prevailing at the transaction date. At the closing of the accounts, all assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect on the closing date. Foreign exchange gains and losses arising from this conversion are booked in the income statement.

Foreign exchange gains and losses resulting from conversion and from the elimination of intra-Group transactions or receivables expressed in a currency different from the accounting currency are recorded in the income statement, unless they originate from intra-Group long-term financing transactions that can be regarded as equity transactions. In this case, they are recognized in consolidated equity (as a translation difference), then reclassified as profit or loss if the company is removed from the scope of consolidation or in the event of a change in the nature or purpose in financing granted.

3.2.1.6 Segment information

The CODM (chief operating decision maker) has access to financial data for each legal entity. These legal entities variously provide waste treatment services for hazardous waste (HW) and non-hazardous waste (NHW), for a highly diversified client base consisting of local authorities and industrial companies, in a variety of industrial facilities, under a single regulatory framework, principally in France.

No single type of client or treatment corresponds to a particular type of waste. No specific type of waste, waste treatment or client corresponds to a particular legal entity. The offers made by the Group to its clients take account of this diversity in the nature of waste products and in methods for dealing with them. The continuing integration of the Group's activities serves increasingly to underline this fact.

The CODM's assessment of Group performance and allocation of resources is based on an analysis of performance indicators which are not differentiated by legal entity, and which have the same economic characteristics whatever the legal entity.

The Group considers that it operates in a single sector – waste management.

3.2.1.7 Intangible assets and property, plant and equipment

a. Goodwill

On the acquisition date, goodwill is measured as the difference between:

(i) the fair value of the consideration transferred, and in a step-by-step business combination, the fair value of the purchasing entity's previously held interest in the acquired company on the acquisition date, and

(ii) the Group's share in the net balance of the identifiable assets, liabilities, and contingent liabilities acquired (generally measured at fair value).

When the option of recognizing non-controlling interests at fair value is applied, goodwill is increased by an equivalent amount.

If the goodwill is negative, it is recognized in profit or loss directly in the income statement.

Corrections or adjustments may be made to the fair value of acquired assets and liabilities within 12 months of acquisition. This results in a retrospective adjustment of goodwill.

If additional shares are purchased in a subsidiary which is already fully consolidated, no additional goodwill is recorded: such operations are considered as transactions between shareholders, and are therefore booked under shareholders' equity.

Goodwill is tested for impairment at least once a year, and whenever there is an indication of impairment. In the case of impairment, the difference between book value and recoverable value is recognized as an operating expense under "asset impairment" and is irreversible.

b. Other intangible assets

The Group's other intangible assets, booked as assets in compliance with IAS 38 Intangible Assets, consist mainly of:

- potential or actual operating rights: these represent the value paid for a site in view of its intrinsic properties, which make it particularly suitable for landfill operations;
- the intangible rights recognized in application of IFRIC 12 Service Concession Agreements. The intangible assets recognized under this heading represent the right of the operator to charge the public for use of the infrastructure;
- development costs: these correspond to studies relating to technological innovation or improvements in the efficiency of facilities, safety and environmental protection. They are booked as assets when they meet the recognition criteria prescribed by IAS 38;
- patents and software.

Intangible assets with identifiable useful lives are amortized over their expected useful life.

Intangible assets with indefinite useful lives are tested for impairment under the procedure described in Note 3.2.1.7 d "Recoverable value of tangible and intangible assets".

c. Property, plant and equipment

Property, plant and equipment are carried at their historical purchase or production cost, or at the cost of their constitutive components on their arrival in the Group, less cumulative depreciation and any impairment. When the components of property, plant and equipment have different useful lives, they are booked as separate assets.

The book value of property, plant and equipment is not revalued.

Depreciation is determined on a straight-line basis according to the useful life of each component of property, plant or equipment.

Depreciation is calculated based on the book value of the asset, where appropriate net of any residual value.

Fixed assets	Depreciation period (in years)
Buildings	5-25 years
Complex plants	1-20 years
Other equipment	1-25 years

The depreciation of landfill cells is recognized as they are filled.

Leased assets that meet the criteria of IFRS 16 are restated on the assets side of the balance sheet, and a financial liability is recognized for the amounts payable in respect of their initial value.

d. Recoverable value of tangible and intangible assets

Tangible and intangible assets must be tested for impairment in certain circumstances:

- for intangible assets with indefinite useful lives, and for intangible assets in progress, impairment testing is performed at least once a year.
- for other assets, testing is performed whenever there are indications of impairment.

Assets (tangible and intangible) which are submitted to impairment tests are booked as cash-generating units (CGU), groups of similar assets that generate independent cash flows:

- In France, due to the ever-increasing integration of the Group's activities, the development of its Comprehensive Services offering, and the corresponding increase in intra-Group transactions and flows, Séché Environnement deems it appropriate to consider all its activities in France as constituting one single CGU.
- Outside France, the interdependence of flows in the Group's international businesses is penalized by increasingly demanding regulations which complicate cross-border flows between the countries where the Group operates. For this reason, the Group has deemed it appropriate to consider that it has seven CGUs outside France, representing the seven countries in which it operates: Italy, South Africa, Spain, Mexico, Chile, Peru and Germany.

When the recoverable value of a CGU is lower than its book value, an impairment is recognized. The recoverable amount is the higher of value in use and fair value less costs to sell.

Useful value is determined on the basis of estimated discounted cash flows. It should be noted that:

- Estimated cash flows are calculated based on the consolidated business plans of each CGU, covering a period of three financial years excluding the current financial year, with years 4 and 5 being projected as identical to year 3. Like budgets, these business plans are drawn up based on the most accurate operational information available regarding past experience and trends in markets and techniques, and are reviewed by Group management to ensure consistency with existing strategy and the resulting investment policy.
- A terminal value is calculated for the sixth year, using year five flows on the basis of an annual perpetual growth rate. In Europe, the annual perpetual growth rate used was 1.5% at December 31, 2023, unchanged from December 31, 2022. For the other scopes, the growth rate used was 1.67% at December 31, 2023, unchanged from December 31, 2022.
- Different discount rates are used in each country. These discount rates are after-tax rates applied to after-tax cash flows. These rates reflect the current market assessment of the average cost of capital in each country. Their use results in the same recoverable values as those calculated by applying pre-tax rates to pre-tax cash flows, as recommended by IAS 36 Impairment of Assets:

Discount rate	2022	2023
France	8.30%	8.00%
Spain	9.90%	9.90%
Italy	10.50%	10.90%
Germany	7.70%	7.70%
Mexico	10.90%	11.30%
Chile	9.90%	10.40%
Peru	9.80%	9.90%
South Africa	14.10%	14.40%

Goodwill impairment is not reversible, unlike impairment of property plant and equipment and intangible assets. Both types of impairment are recognized in operating income, under impairment of assets.

3.2.1.8 Concession contracts

The Group is developing the portion of its business carried out as an operator of public services. The contracts concerned are currently held by Sénerval, Alcéa, and Mo'UVE.

These contracts provide for the transfer by the grantors of the right to operate certain dedicated facilities in exchange for remuneration.

- These facilities are either made available to the operator free of charge, and may be improved by the operator while the contract is in force, or are constructed and then operated by the operator.
- These assets must as a priority be used for the activities conceded by the granting authority (with no guarantee of volume or minimum remuneration). The contracts also provide for payment of a commission or indemnity to the local authority, based on the profit derived from business from other users of the service.
- The contracts set out the conditions for the transfer of the facilities to the local authority at the end of the concession period.
- The remuneration of the services provided may be subject to a price revision clause, usually based on movements in industrial price indices. When revenue from construction activities is clearly identifiable as such, and is distinct from revenue from use of the assets, the revision clauses concerning revenue from construction activities are closely correlated with changes in the cost of financing construction work.
- These contracts also generally provide for an obligation to maintain and repair the assets granted.

Concession contracts are accounted for according to the interpretation IFRIC 12 Service Concession Arrangements:

- The right to operate the facilities is recognized in the balance sheet, either as a financial asset if analysis of the contract concludes that the operator has an unconditional right to receive cash from the grantor, or as an intangible asset if analysis of the contract concludes that the operator should be considered as receiving from the grantor a right to charge users of the public service. Intangible assets recognized under the latter case are amortized on a straight-line basis over the useful life of the facilities generating the right.
- The construction or upgrading of existing facilities and operations are booked according to the provisions of IFRS 15 described in Note 3.2.1.16 "Recognition of income".
- Costs of maintenance and repair are booked under expenses. They may be booked as accrued expenses if there is a time lag between the contractual commitment and its realization.

The main features of the various contracts in operation are as follows:

Contract	Type of service	Duration	Price revision clause	Contractual revision of contract	Renewal option	Cancellation option
SÉNERVAL	Construction			No	No	Yes, in case of serious failure or public interest
	Operation	Until 2030	Monthly, according to index			
ALCÉA	Construction			No	No	Yes
	Operation	Until 2025	Annual, according to index			
MO'UVE	Construction	Until 2024		No	No	Yes
	Operation	Until 2040	Annual, according to index			

Mo'UVE is a company created at the end of 2020 whose activity consists of managing the Montauban energy recovery unit for a period of 20 years. The contract, which began on January 1, 2021, provides for the operation of the energy recovery unit, as well as modernization work (€45 million, completed by December 31, 2023, out of a projected total budget of €51 million). Commissioning is scheduled for 2024. A first amendment was registered on February 28, 2023. This amendment enabled us to update the PSD contract with regard to the work schedule and the assumption of additional costs. It also specified the conditions for discounting the cost of work and financial remuneration and for fixing the long-term credit rate in advance.

The Sénerval contract has been the subject of several amendments since November 7, 2014, when DIRECCTE, the regional competition and employment authority, closed down the plant after asbestos was detected in all the furnaces during renovation work. These amendments establish the liability of the local authority, as owner of the plant, for the extra costs and loss of business suffered by the operator during the closure period. This resulted in the payment of direct indemnities and an increase in the proportionate fee charged. Correspondingly, a receivable is recognized over the residual duration of the contract. The terms of the indemnity due to the operator are prescribed by a number of amendments, including Amendment 12, signed on December 5, 2022.

In the case of Alcéa, an amendment has been signed extending the contract to March 31, 2025.

3.2.1.9 Public subsidies

The subsidies booked by the Group are mainly related to assets. Government investment grants are deducted from the gross carrying amount of the asset and are recognized in income over the useful life of the depreciable asset as a reduced depreciation expense.

3.2.1.10 Financial assets and liabilities

Financial instruments used by the Group include:

- non-derivative financial assets;
- non-derivative financial liabilities;
- derivatives.

The Group recognizes these instruments in accordance with IFRS 9 Financial Instruments. On initial recognition, financial assets are recorded at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. According to IFRS 9, this classification is determined based on:

- the type of instrument (debt or equity);
- the characteristics of their contractual cash flows;
- the business model (the manner in which an entity manages its financial assets).

The classification and measurement rules applied to financial assets and liabilities are as follows:

IFRS 9	
Category	**Séché Environnement entities**
Assets at fair value through profit or loss	Cash and cash equivalents: demand deposits, money-market SICAV Non-consolidated, non-transferable securities UCITS units (*)
Option: assets at fair value through other comprehensive income not subsequently reclassified to profit of the period	Not applicable: irrevocable option by asset category not used by the Group
Assets at amortized cost	Receivables on non-consolidated equity investments Deposits and guarantees Trade and other receivables
Liabilities at amortized cost	Bank loans Trade and other payables
Liabilities at fair value through profit or loss	Not applicable to the Group

(*) Not meeting the criteria to qualify as cash equivalents.

a. Non-derivative financial assets

Non-derivative financial assets include equity instruments, loans and receivables on non-consolidated equity interests, operating receivables, and cash and cash equivalents.

Equity instruments

Equity instruments mainly include:

- shares in non-consolidated companies, the fair value of which is determined by taking into account the last known Group share in the equity;
- units held in UCITS invested short-term that do not meet the criteria to qualify as cash equivalents set out in IFRS 7.

By default, equity instruments are measured at fair value through profit or loss unless the Group irrevocably elects to classify them at fair value through other comprehensive income on the date of initial recognition (except instruments held for trading) without the possibility of recycling gains or losses to profit and loss. If the option is applied, dividends continue to be recognized in income.

These financial assets are measured at fair value through profit and loss and booked under "Other financial income and expenses":

- unlisted securities the fair value of which can be determined based on observable inputs, such as an assessment by an independent expert, are considered to be Level 2 assets;
- unlisted securities the fair value of which can be determined based on a pricing model (discounting of future cash flows, multiples, etc.) are considered to be Level 3 assets.

Loans and receivables

This category includes loans, deposits and guarantees, receivables on non-consolidated equity investments and operating receivables.

This asset category is recorded at fair value on initial recognition (which in most cases corresponds to their nominal value), then at amortized cost (under the effective interest rate method).

The Group exercises its judgment to measure expected credit losses over the entire expected lifetime of some of its financial assets.

Impairment of trade receivables

The Group applies the IFRS 9 simplified approach, which consists of calculating the expected credit loss based on the life of the trade receivable. Risk assessment is conducted on the basis of historical data pertaining to actual losses, the aging balance of receivables and, based on the assessment of the expected risk of default, taking due account of the guarantees and credit insurance taken out. Expected credit losses are reported in the income statement under "Net allocations to provisions and impairment".

Impairment of other loans and receivables

Impairment is measured on a case-by-case basis taking into consideration any potential deterioration of counterparty credit risk on a 12-month horizon.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits, term deposits and liquid investments in marketable securities. Callable overdrafts, which are an integral part of the Group's cash management policy, represent a portion of cash and cash equivalents for the purposes of the statement of cash flows.

Cash equivalents are predominantly comprised of money market SICAV (open-ended mutual funds). They are recorded at fair value (Level 1), and any changes in fair value are taken to income.

Term deposits are available at any time. Minimum remuneration is guaranteed in half-yearly increments. Withdrawal on demand before maturity is possible without penalty. Interest receivable on these deposits is calculated for the period between the subscription date and the maturity date.

b. Non-derivative financial liabilities

Non-derivative financial liabilities include borrowings and other forms of financing, short-term bank borrowings and overdrafts, and operating debts.

The Group's financial liabilities are recorded initially at their fair value less transaction costs, then at amortized cost using the effective interest rate method.

The fair value of financial debt can be determined based on observable data (interest rates), and is therefore considered to be Level 2.

The fair value of operating debt is almost equal to its book value given the short maturity of these instruments.

c. Derivatives

Derivatives include call options and cash flow hedging instruments.

The fair value of hedging instruments is determined on the basis of a pricing model using observable data (principally interest rates), and is therefore considered to be Level 2.

The Group uses interest rate swaps to manage its interest rate risk incurred on its financing commitments. The swaps used by the Group make it possible to switch from a variable rate to a fixed rate, or from a fixed rate to a variable rate. Gains or losses from these interest rate swaps used to hedge financial liabilities are booked symmetrically to any gains or losses from the liabilities hedged. As such, the differential between the interest payable and the interest receivable is booked as either interest income or as an interest expense over the life of the hedged liabilities.

With respect to the above-mentioned cash flow hedging transactions, the Group measures its derivative instruments at fair value.

Effectiveness is demonstrated where there is an economic relationship between the hedged item and the hedging instrument and they offset each other either partially or fully.

Only the effective portion of a hedging relationship may be taken into account for hedge accounting and it is booked as other comprehensive income. The ineffective portion is recognized in profit or loss under the heading "Gross financial borrowing costs". Variations in the time value of options are booked to other comprehensive income.

Accumulated gains or losses on hedging instruments recorded in equity are reclassified to profit or loss under "Gross financial borrowing costs", as a cost of the hedged transaction but only if the transaction occurs.

3.2.1.11 Treasury shares

Treasury shares are recorded as a reduction in equity. Profits and losses resulting from the sale of own shares, and any related dividends, net of tax, are booked directly to equity.

3.2.1.12 Inventories

In compliance with IAS 2, inventories are valued at the lower of cost and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business, minus the anticipated costs of completing the sale.

3.2.1.13 Provisions

Provisions are booked to the balance sheet when the Group has a present obligation (legal or implied) to a third party, and it is likely that the Group will have to draw on resources representing future economic benefits in order to meet said obligation.

A provision is booked to the Group's financial statements only on the condition that the amount of the resources necessary to meet the obligation can be measured in a reliable fashion. In the absence of a reliable estimate and/or where the Group believes it has strong and relevant arguments in its favor with regard to the claim in question, no provision is booked to the balance sheet. Any such information is presented in Note 3.2.4.10 "Current and non-current provisions".

The main provisions booked by the Group relate to thirty-year monitoring expenses, costs of major maintenance and the renewal of facilities under delegated management, and other risks and disputes.

a. Provisions for thirty-year monitoring

The European Parliament adopted a new European Directive on April 26, 1999 relating to the landfill of waste. Under this Directive, all costs related to the use of landfill sites must be included in the price for eliminating waste using this method, including installation and operation of the site, financial guarantees, site decommissioning and maintenance.

Furthermore, a French regulation dated September 9, 1997 requires long-term monitoring over 30 years of all facilities operating after June 14, 1999.

Accordingly, the Group books provisions for the 30-year monitoring of its final waste landfill sites.

Expenses for 30-year monitoring mostly include treatment costs for leachates and biogas and site monitoring and upkeep. The costs are estimated using an estimate of leachates to be treated (based on the tonnage of waste stored, rainfall patterns and the permeability of the storage cell) and standard average costs recommended by ADEME (the French Environment and Energy Management Agency) or actual average costs incurred.

The provision is booked progressively over the operating term and subsequently written back over the thirty-year monitoring period.

As 30-year monitoring provisions cover more than 12 months, they are recalculated using an appropriate financial discount rate recorded in "Other financial income and expenses".

b. Provisions for major maintenance and renewal of facilities under delegated management

A provision for major maintenance and renewal is recognized to cover the costs of maintenance and renewal of facilities at sites under delegated management, which are necessary for returning the facilities to working condition at the end of the contract.

c. Provisions for miscellaneous litigation

These are booked on the basis of the most likely assumptions.

In particular, in the event of a tax audit, the amount of the adjustment notified (or in the process of being notified) by the tax authorities is not the subject of a provision if both the company in question and the Group consider that the points raised are unfounded, or that its own position is reasonably likely to prevail in the course of the dispute with the authorities.

d. Employee benefits

The Group participates in certain supplementary retirement plans or other long-term benefits schemes for its employees. The Group offers these benefits either through defined contribution plans or through defined benefit plans.

Defined contribution plans

With respect to defined contribution plans, the Group's liabilities are limited to the payment of the defined contributions. Contributions paid into plans are recorded as expenses for the period.

Where applicable, provisions are recognized for any contributions still to be paid for the period.

Within the Group, defined contribution plans mainly include social insurance and medical coverage.

Defined benefit plans

Defined benefit plans are plans through which the employer guarantees its employees or certain categories of employees the future level of benefits or supplemental income defined in the collective bargaining agreement, most often based on the employee's salary and years of service (using the accrual method of accounting). Defined benefit plans may be funded by contributions to external specialist funds or managed in-house.

Within the Group, defined benefit plans include termination benefits and long-service awards.

Retirement and related obligations arising from defined benefit plans are subject to a provision using the projected unit credit method on the basis of actuarial valuations carried out on the balance sheet date each year.

Each period of service gives rise to an additional unit of benefit entitlement and each of these units is measured separately to build up the obligation to the employees. The actuarial assumptions (retirement date, career development, salary increases, the probability that the employee will still be working in the Group at his/her age of retirement) used to determined benefit liabilities vary depending on the economic conditions in the country where the plan operates. These assumptions are described in Note 3.2.4.9 "Employee benefits".

The benefit liability is discounted on the basis of the interest rates on the long-term bonds of prime issuers.

In accordance with the provisions of IAS 19 Employee Benefits (amended), the Group applies the following principles:

- Actuarial gains and losses (change in assumptions or experience adjustments) are recognized in "Other comprehensive income";
- The full impact of the new modifications to the plan is recognized in "current operating income"; Law no. 2023-270 on the reform of the French pension system was enacted on April 14, 2023. As the conditions for exercising pension rights have changed, the change is considered as a modification to the plan, the impact of which has been recognized in the income statement as past service cost for an amount of -€0.2 million.
- All post-employment benefits granted to the Group's employees are recognized in the consolidated balance sheet;
- Interest income from retirement plan assets is calculated using the same rate as the discount rate applied to liabilities under defined benefit plans.

The expense for the period includes:

- The cost of services rendered during the period and the effects of any change, reduction or liquidation of the plan are recognized in current operating income under "Net allocations to provisions and impairment";
- The impact of the accretion of actuarial liabilities and interest income from retirement plan assets is recognized in financial income under "Other financial expenses" and "Other financial income".

Entitlements under collective agreements that are defined by length of service are spread out on a straight-line basis over the last years of each employee's career eligible for new benefits.

For defined benefit plans funded by pension funds, the assets of such plans are measured at fair value.

The main retirement commitments and similar liabilities concern the Group's French subsidiaries.

Other employee and related benefits for which provision is made relate to the payment of additional bonuses to employees who have a given length of service with the company. Where previously accumulated contributions exceed the amount of the liability at the balance sheet date, a prepaid expense for the difference is recorded in the financial statements.

The liability is reported on the balance sheet net of plan assets measured at fair value.

3.2.1.14 Borrowing costs

Interest on loans is recorded in the financial year in which it was accrued, with the exception of:

- Borrowing costs directly attributable to the purchase, construction or production of assets requiring a long preparation period before they can be used or sold are incorporated directly into the costs of the assets;
- Costs directly attributable to the establishment of financing or re-financing arrangements are deducted from the loan in question and reclassified to the income statement using the effective interest rate method.

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3.2.1.15 Income tax

a. Tax consolidation

The Group first adopted its tax consolidation regime on January 1, 2000. The option for the tax consolidation regime was renewed on January 1, 2005 for a further five-year period, and is renewable automatically for further periods of five years. All French commercial companies in which Séché Environnement owns at least a 95% interest come under the scope of this regime.

b. Deferred taxes

In general, deferred taxes are computed on the timing differences that may exist between the book value of assets and liabilities and their tax base. They are calculated per company using the liability method of tax allocation. In accordance with IAS 12, no deferred taxes are booked for the timing differences generated by goodwill, for which impairment is not deductible for tax purposes.

The net balance of deferred taxes is determined based on the situation of each tax entity. A deferred tax asset is booked only if the Company is likely to recover the amount over the next few years, in light of its business outlook and the tax regulations in force.

3.2.1.16 Recognition of income

IFRS 15 Revenue from Contracts with Customers describes when revenue should be recognized, in what amount and when.

The standard recommends recognizing revenue at the time the client obtains control of the goods and services purchased. Some degree of judgment is required to determine when transfer of control occurs (at a given time or progressively).

Séché Environnement Group's client contracts are divided into contracts signed with local authorities and contracts with industrial companies:

- Contracts with local authorities:

  Contracts signed with local authorities generally cover several years (3-5 years, automatically renewable). As they cover categories of waste that remain relatively stable over time and are produced fairly recurrently, tariffs are set based on the type of waste and are weighted by volume.

  However, the portfolio of local authority clients currently includes three public service delegation agreements for the management of household waste incinerators, which have specific features and involve significant amounts (see Note 3.2.1.8 "Concession contracts").

  Exceptions to these multi-year contracts notably include remediation contracts, which are necessarily one-time contracts (generally covering a few days to a few months). They can vary in size, and are sometimes significant for the Group (ranging from several hundred thousand euros to several million euros) depending on the extent of the work required.
- Contracts with industrial companies:

  Contracts with industrial clients are generally spot or short-term contracts (less than one year). As they cover extremely varied categories of waste, tariffs depend highly on the chemical composition of the waste, how hazardous it is, the complexity of treatment methods, capacity availability, etc. Each "batch" of waste produced by an industrial client therefore has a separate tariff, since a single client may produce different types of waste at different times. The services proposed include landfill, incineration, sorting or transport, as appropriate.

  This tariff policy also applies to remediation contracts with industrial clients, which bear the same features as such contracts signed with local authorities.

Exceptions to this include:

- Waste management outsourcing agreements signed with major industrial clients, which are generally initially signed for an average of between 18 months and 5 years.
- Energy supply contracts relating to energy recovery activities, some of which fall within a regulated contractual framework, cover long periods or include multi-year contracts with variable terms.

A description of these types of contracts under IFRS 15 is provided below:

	Type of contract	Contracts and service obligations identified	Transaction cost	Revenue recognition method
Public service delegation	These contracts, entered into with local authorities, may include construction services (incinerator, platform) and the operation of facilities for the treatment of waste generated by the local authorities. They may also provide an option for the facility operator to use the facilities' residual capacities for the treatment of third-party waste and resell the final waste or any energy generated by treatment.	Contracts with local authorities sometimes including two performance obligations: • Construction • Waste treatment Facility maintenance and obligations to perform major maintenance and renewal, regarded as costs incurred to deliver the service and not as a performance obligation.	The price generally includes a fixed portion and an amount per ton of treated waste. No significant variable consideration was identified.	For the Construction portion: based on the progress of the work. For the Waste treatment portion: a fixed portion relating to the period + progress of work on the basis of treated waste tonnage.
		Contracts with third parties (use of residual capacity) including a performance obligation linked to waste treatment.	The price is generally set on the basis of an amount per ton of treated waste.	Progress of work after subtracting income paid to the local authority as required by the contract.
		Contracts with third parties including a performance obligation linked to the sale of final waste or energy.	The price is generally set on the basis of an amount relating to the quantity of final waste or energy generated.	Progress of work after subtracting income paid to the local authority as required by the contract.
Sanitation	These contracts relate to services involving leak detection, diagnosis, descaling and unblocking of pipes, emergency bleeding, cleaning of fuel tanks, fat tanks and hazardous product tanks, and emptying of septic tanks.	Contract including a performance obligation linked to the services provided and treatment.	The price is generally set on the basis of a unit amount and the tonnage pumped.	On completion of the service.
Landfills	These contracts include the storage of hazardous and non-hazardous waste.	Contract including a performance obligation linked to the storage of waste.	The price is usually set on the basis of an amount per ton of stored waste.	As work progresses on the basis of waste tonnage stored.
Incineration	These contracts cover thermal treatment (such as incineration) of hazardous and non-hazardous waste.	Contract including a performance obligation linked to the thermal treatment of waste.	The price is generally set on the basis of an amount per ton of treated waste.	As work progresses on the basis of waste tonnage treated.
Sorting/platform	These contracts provide a service to collect and pre-treat recoverable waste (mechanical/biological sorting, maturing, business waste, solid recovered fuel, wood), sorting services carried out at the Group's sorting centers and the management of destruction solutions.	Contract including a performance obligation linked to waste sorting and/or treatment.	The price is generally set on the basis of an amount per ton of treated waste.	As work progresses on the basis of waste tonnage treated.
All-inclusive offers	These contracts relate to a comprehensive service offering which may involve remediation, collection, sorting, transport and radiation protection.	Contract including a performance obligation linked to the overall remediation service.	The price is usually set on the basis of an overall flat rate for the entire service.	As work progresses based on the completion of phases of work defined contractually.

	Type of contract	Contracts and service obligations identified	Transaction cost	Revenue recognition method
Remediation - Dehydration - Asbestos removal - Pyrotechnics - Radiation protection	These contracts are entered into for soil remediation and polluted building solutions (decommissioning, removal, maintenance).	Contract including a remediation performance obligation.	The price is generally set on the basis of an amount per ton of treated waste. For remediation, asbestos removal, pyrotechnics and dehydration, the price is generally set on the basis of an overall flat rate for the entire service.	As work progresses on the basis of waste tonnage treated. As work progresses depending on completion of the service.
Transportation	These contracts are concluded for the transport of waste, residues from the purification of incineration fumes from household or industrial waste, and slag.	Contract including a performance obligation linked to the transport of waste.	The price is generally set on the basis of a rate schedule per ton and per kilometer traveled taking account of the department of departure/ arrival and the type of vehicle used.	On completion of the service.
Material recovery	These contracts are concluded for services covering the regeneration of used products, the purification of synthesis intermediates, the decontamination of metals and the treatment of gas.	Contract including a performance obligation linked to the treatment of pollutants.	The price is generally set on the basis of the amount per ton of treated product or product obtained.	On delivery on the basis of quantities produced.
Energy recovery	The purpose of these contracts is to supply electricity and steam based on biogas, solid recovered fuel, or wood.	Contract including a performance obligation linked to the sale of energy	The price is generally set on the basis of an amount of energy produced.	On delivery on the basis of quantities produced

As regards multi-year contracts, when it appears likely that total cost of the contract will be higher than the total of the products, a loss at completion is recognized as an expense for the period representing the entire difference. The onerous nature is assessed at the level of the contract according to the provisions of IAS 37. An onerous contract is one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group recognizes any impairment loss that has occurred on assets dedicated to that contract before a separate provision for the onerous contract.

Lastly, the consideration received as revenue generated in the framework of a public service concession is booked in accordance with the IFRIC 12 interpretation (See Note 3.2.1.8 “Concession contracts”).

The notion of Comprehensive Services

The notion of Comprehensive Services is, in reality, an offer of services in its own right, which is monitored separately from other services.

It includes a waste management solution offered to industrial firms that wish to receive an integrated service, generally provided on the client’s premises (for the waste generated by that client). The offering covers the collection and sorting of waste at the site as well as its transport and treatment. We consider that this offering represents a unique service obligation.

It is by nature a recurrent service (it is provided continuously, on a daily basis), over the long term and is covered by multi-year contracts with an initial term of between 18 months and 5 years.

These services are invoiced on a mixed basis:

- a flat rate for the recurrent management service (remuneration of the Group’s teams working directly at the industrial client’s site),
- and a variable amount depending on the tonnage actually treated.

In both cases, the Comprehensive Services offering is invoiced on the basis of an ongoing transfer of control of the service, based on units consumed (invoicing based on time actually spent by teams on site and a variable portion based on tonnage actually collected/removed).

As the Comprehensive Services offering is provided on an ongoing basis, revenue is recognized on the basis of progress towards completion. Insofar as invoicing reflects the rate at which the service is provided to the client, under the practical expedient available under IFRS 15 paragraph B16, revenue from the Comprehensive Services offering is recognized based on the amount it has the right to invoice.

3.2.1.17 Leases

a. Provisions of the standard

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize right-of-use assets for the duration of the lease term and a liability representing the lease payment obligation. In the income statement, the lease expense is replaced by the depreciation of the asset and by interest on the lease debt.

b. Analysis criteria

In accordance with the provisions of the standard, the Group excludes short-term leases and low value assets for the purposes of simplification.

The following assumptions are also used:

The lease term used for each contract is determined on the basis of the non-cancellable period established contractually and any option to extend or cancel the lease if the Group is reasonably certain to exercise that option. With regard to standard "3/6/9" leases, the Group takes into account the statement of findings published by the ANC on July 3, 2020.

Variable lease payments linked to the use or performance of the asset were not included in lease payments to determine the lease liability. For instance, this involves the lease of facilities invoiced per ton of waste.

3.2.1.18 Financial items on the income statement

a. Income from cash and cash equivalents

Income from cash and cash equivalents mainly covers income from financial instruments held by the Group, net of any impairment, and proceeds from the sale of cash equivalents, net of any impairment of cash equivalents booked as assets.

b. Financial borrowing costs

Gross financial borrowing costs include interest accrued on loans, calculated at the effective interest rate, and the cost of hedging interest rates on these same loans.

Net financial borrowing costs correspond to gross financial borrowing costs, minus income from cash and cash equivalents.

c. Other financial income and expenses

Other financial income and expenses correspond to income from loans and financial receivables, dividends paid by non-consolidated companies, foreign exchange gains (losses), accretion of provisions, prepayment penalties, and impairments of financial assets.

3.2.1.19 Net earnings per share

Basic earnings per share are calculated by dividing the net income for the year (attributable to owners of the parent) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net income for the year (attributable to owners of the parent) by the weighted average number of ordinary shares outstanding during the period, plus the effects of dilutive options.

3.2.1.20 Change in accounting method and accounting estimates

a. Change in accounting method and accounting estimates

There were no changes during the period.

b. Change in presentation of the accounts

There were no changes in the presentation of the accounts during the period.

In addition, the Group complies with the changes to standards set out in Note 3.2.1.1 "Basis for preparing and presenting the financial statements".

3.2.1.21 Comparability

- At December 31, 2022, All'Chem and the "industrial water management and treatment" business acquired from Veolia had been fully consolidated in the consolidated financial statements of July 1, 2022 and December 1, 2022, respectively. As a result, the impact of these acquisitions on the income statement for the 12 months to December 31, 2022 was not significant.

	All'Chem			Séché Traitement Eaux Industrielles			
(in thousands of euros)	December 31, 2022 Reported (6 months)	December 31, 2023 Reported (12 months)	Change	December 31, 2022 Reported (1 months)	December 31, 2023 Proforma [1] (12 months)	Change	Total change
Revenue	**8,832**	**15,219**	**6,387**	**2,334**	**57,658**	**55,324**	**61,711**
EBITDA	(671)	(525)	146	(1,032)	(2,819)	(1,787)	(1,640)
Current operating income	(1,018)	(1,735)	(718)	(1,032)	(4,741)	(3,709)	(4,426)
Operating income	(1,018)	(1,735)	(718)	(2,985)	(4,811)	(1,826)	(2,544)
Net financial income	(66)	(406)	(340)	(70)	(1,809)	(1,739)	(2,079)
Net income for the period	**(1,075)**	**(2,129)**	**(1,054)**	**(3,055)**	**(6,620)**	**(3,565)**	**(4,619)**
Of which attributable to non-controlling interests	-	-	-	-	-	-	-
Of which attributable to owners of the parent	**(1,075)**	**(2,129)**	**(1,054)**	**(3,055)**	**(6,620)**	**(3,565)**	**(4,619)**

[1] As the partial transfer of assets from Séché Éco-services to Séché Traitement Eaux Industrielles was retroactive to January 1, 2023 (see Note 3.2.2.1 d), the impact of this reorganization has been restated (unaudited management data).

- The companies acquired during the 2nd half of 2023, "ESSAC" and "FURIA", have the following impact on the income statement (see Note 3.2.2.1):

(in thousands of euros)	December 31, 2023 Published	Furia [1]	ESSAC [2]	Total change	December 31, 2023 Restated
Revenue	**1,088,873**	**15,855**	**1,315**	**17,170**	**1,071,702**
EBITDA	217,655	1,564	256	1,820	215,835
Current operating income	101,220	1,110	142	1,252	99,967
Operating income	91,381	1,109	129	1,238	90,143
Net financial income	(22,240)	(75)	(4)	(79)	(22,160)
Net income for the period	**49,986**	**749**	**90**	**839**	**49,147**
Of which attributable to non-controlling interests	(2,158)	-	-	-	(2,158)
Of which attributable to owners of the parent	**47,828**	**749**	**90**	**839**	**46,989**

[1] Data for Furia and its subsidiary Conteco from October 1 to December 31, 2023.
[2] Data from October 1 to December 31, 2023.

Costs relating to acquisitions impacted operating income in the amount of €0.8 million (see Note 3.2.4.17).

The consolidated statement of cash flows at December 31, 2023 is impacted on the line "Takeovers of subsidiaries net of cash acquired" for a total amount of €56.2 million (see Note 3.2.4.22).

- Furthermore, the acquisitions of Séché Assainissement Rhône Isère (see Note 3.2.2.1) and Séché Assainissement 34 have no material impact on the consolidated financial statements at December 31, 2023.
- At December 31, 2022, the line "Takeovers of subsidiaries net of cash acquired" in the consolidated statement of cash flows had been impacted in the amount of €64.8 million by the acquisitions of the "industrial water management and treatment" business from Veolia and the "sanitation" business from Sarp-Osis IDF.

3.2.2 MAIN CHANGES IN CONSOLIDATION SCOPE AND OTHER SIGNIFICANT EVENTS

The list of the Group's subsidiaries and investments in equity-accounted associates is presented in Note 3.2.3 "Scope of consolidation".

3.2.2.1 Main changes in the consolidation scope

a. Acquisition of Italian company Furia

Following the signature of a sale agreement in August 2023, Séché Italia definitively took exclusive control of 100% of the Italian company Furia and its 100%-owned subsidiary Conteco on November 16, 2023. Furia specializes in the collection, sorting, consolidation and recovery of hazardous and non-hazardous waste of industrial origin. The Company also generates 40% of its revenue from soil and site remediation activities. Furia and Mecomer complete and strengthen the Group's commercial offering on the industrial waste markets in Northern Italy, enabling them to offer comprehensive services to their large industrial clients.

By 2022, Furia will have achieved revenue of around €52 million and EBITDA of around €6.5 million.

Furia and Conteco have been fully consolidated since October 1, 2023.

The impact on income for the period ended December 31, 2023 is presented in Note 3.2.1.21.

Provisional goodwill of €34.7 million was recognized at December 31, 2023, as the estimate of the acquisition price and its allocation is under analysis. The fair value of the amount disbursed was €50 million, impacting the line item "Acquisition of subsidiaries net of cash and cash equivalents" in the statement of cash flows (see Note 3.2.4.22). The transaction is debt-financed, initially by drawing on the Group's liquidity line and then refinanced on a long-term basis.

b. Acquisition of Peruvian company ESSAC

On September 29, 2023, the French company Spill Tech Global took exclusive control of 100% of the Peruvian company ESSAC (Engineering Services S.A.C), one of the country's leading players in emergency response, specializing in fire emergencies in industrial environments. The Company also carries out a second activity of training and instructing teams on industrial risks and regulations, risk prevention and audits of industrial sites (accounting for about 12% of its revenue).

By 2022, ESSAC will have achieved revenue of around €4 million and EBITDA of around €1.2 million.

The company is fully consolidated. The impact on income for the period ended December 31, 2023 is presented in Note 3.2.1.21.

The amount of goodwill, namely €5.6 million, was provisional at December 31, 2023. Final price adjustments are provided for in the acquisition contract. An earn-out of €0.7 million linked to operating performance in 2024 has been recognized given its high probability of payment.

The fair value of the amount disbursed was €6.2 million, impacting the line item "Acquisition of subsidiaries net of cash and cash equivalents" in the statement of cash flows (see Note 3.2.4.22). The transaction was financed by the Group's cash flow.

c. Acquisition of Séché Assainissement Rhône Isère

On January 16, 2023, Séché Assainissement acquired 100% of the shares in Assainissement Rhône Isère for €0.7 million as part of its strategy of growth in the sanitation sector. The company has been renamed Séché Assainissement Rhône Isère and is fully consolidated.

Goodwill amounted to €0.7 million; this amount is definitive.

d. Legal restructuring operations

The partial transfer of assets from Séché Éco-services to Séché Traitement Eaux Industrielles took place on October 1, 2023, with retroactive effect to January 1, 2023.

The legal reorganization of Moz Environmental Limitada was finalized in the 2nd half of 2023, with Séché Holdings SA now directly owning 99% of the company. The consolidation method and percentage interest remain unchanged.

e. Creations and start-ups

Start-up of the French company Spill Tech Global, 100% owned by Séché Environnement, fully consolidated from January 1, 2023.

Creation of Spill Tech Holding Chile on June 12, 2023, 100% owned by Spill Tech Global. The company is fully consolidated.

Creation of Seche Italia on October 24, 2023, 100% owned by Séché Environnement. The company is fully consolidated.

f. Loss of control

No loss of control occurred during the year ended December 31, 2023.

Since December 31, 2022, Solena Valorisation has been consolidated by the equity method, following the acquisition of a stake by an industrial partner exercising joint control with Séché Environnement.

g. Disposals

No disposals of subsidiaries with or without loss of control were made in 2023 or 2022.

The following companies, being non-material or qualified as "dormant", have been deconsolidated at December 31, 2023, with no material impact on the consolidated financial statements:

- Darkenstein Energy Pty;
- East Gauteng Energy Pty;
- Envirowaste SA Pty Ltd;
- Interwaste Industrial Cleaning Pty Ltd;
- Interwaste Properties Pty Ltd;
- IWE Fleet Sales Pty;
- M53 Investments;
- Mayenne Investments;
- Solarca South Africa;
- Solarca Maroc;
- Solarca Chile Colectiva Civil;
- Solarca Russia.

3.2.2.2 Other significant events of the year

There were no other significant events during the year ended December 31, 2023.

3.2.3 CONSOLIDATION SCOPE

Company name	City	Country	% interest 12/31/2022	% interest 12/31/2023	Consolidation method 12/31/2022	Consolidation method 12/31/2023
PARENT COMPANY						
Séché Environnement entities	Changé	France	Parent	Parent	Parent	Parent
CONSOLIDATED SUBSIDIARIES						
Alcéa	Changé	France	100.00	100.00	Full	Full
All'Chem	Montluçon	France	100.00	100.00	Full	Full
Boleng Waste (Pty) LTD	Gauteng	South Africa	40.76	40.76	Full	Full
Ciclo	Quilicura	Chile	70.00	70.00	Full	Full
Conteco [1]	Milan	Italy	-	100.00	-	Full
Drakenstein Energy Pty [6]	Gauteng	South Africa	83.17	-	Full	-
Drimm	Montech	France	100.00	100.00	Full	Full
East Gauteng Energy Pty Ltd [6]	Gauteng	South Africa	83.17	-	Full	-
Ecosite de la Croix Irtelle	Changé	France	100.00	100.00	Full	Full
Engineering Services S.A.C. [2]	Lima	Peru	-	100.00	-	Full
Enviroserv Polymer Solutions Pty Ltd [8]	Durban	South Africa	83.17	83.17	Full	Full
Envirosure Underwriting Managers Pty Ltd [8]	Brighton Beach	South Africa	70.69	70.69	Full	Full
Envirowaste SA Pty Ltd [6]	Gauteng	South Africa	83.17	-	Full	-
Furia [1]	Milan	Italy	-	100.00	-	Full
Gabarre Energies	Les Abymes	France	51.00	51.00	Full	Full
Gerep	Paris	France	50.00	50.00	Equity	Equity
Greens Scrap Recycling Pty Ltd	Germiston South	South Africa	83.17	83.17	Full	Full
IberTrédi Medioambiental	Barcelona	Spain	100.00	100.00	Full	Full
Interwaste Holding Ltd	Gauteng	South Africa	83.17	83.17	Full	Full
Interwaste Industrial Cleaning Pty Ltd [6]	Gauteng	South Africa	41.59	-	Equity	-
Interwaste On-site Pty Ltd	Gauteng	South Africa	48.99	48.99	Full	Full
Interwaste Petrochemicals [7]	Gauteng	South Africa	48.99	48.99	Full	Full
Interwaste Properties Pty Ltd [6]	Gauteng	South Africa	83.17	-	Full	-
Interwaste Pty	Gauteng	South Africa	83.17	83.17	Full	Full
IWE Fleet Sales Pty [6]	Gauteng	South Africa	83.17	-	Full	-
Kanay	Lima	Peru	100.00	100.00	Full	Full
Karu Energy	Baie-Mahault	Guadeloupe	24.00	24.00	Equity	Equity
La Barre Thomas	Rennes	France	40.00	40.00	Equity	Equity
M53 Investments [6]	Gauteng	South Africa	32.40	-	Equity	-
Mayenne Investment [6]	Gauteng	South Africa	100.00	-	Full	-
Masakhane Interwaste Pty Ltd	Gauteng	South Africa	48.99	48.99	Full	Full
Mecomer	Milan	Italy	90.00	90.00	Full	Full
Mo'UVE	Montauban	France	100.00	100.00	Full	Full
Moz Environmental Limitada [4]	Maputo	Mozambique	100.00	100.00	Full	Full
Namakwa Waste Pty Ltd	Gauteng	South Africa	40.76	40.76	Full	Full
Opale Environnement	Calais	France	100.00	100.00	Full	Full
Platinum Waste Resources Pty Ltd	Gauteng	South Africa	42.42	42.42	Full	Full
Sabsco Asia	Singapore	Singapore	100.00	100.00	Full	Full
Steam & Air Blowing Service Company Limited	Kent	United Kingdom	100.00	100.00	Full	Full
Solarca Taiwan Co Ltd	Taipei	Taiwan	100.00	100.00	Full	Full
Sabsco Malaysia	Petaling Jaya	Malaysia	100.00	100.00	Full	Full
SCI La Croix des Landes	Changé	France	99.80	99.80	Full	Full
SCI Les Chênes Secs	Changé	France	99.80	99.80	Full	Full
SCI Mézerolles	Changé	France	99.99	99.99	Full	Full
Séché Alliance	Changé	France	100.00	100.00	Full	Full
Séché Assainissement	Changé	France	100.00	100.00	Full	Full
Séché Assainissement 34	Villeneuve-lès-Béziers	France	100.00	100.00	Full	Full
Séché Assainissement Rhône Isère [3]	Bonnefamille	France	-	100.00	-	Full
Séché Chile Spa	Las Condes	Chile	100.00	100.00	Full	Full
Séché Développement	Changé	France	100.00	100.00	Full	Full
Séché Eco-Industries	Changé	France	100.00	100.00	Full	Full
Séché Éco-Services	Changé	France	100.00	100.00	Full	Full
Séché Environnement Ouest	Changé	France	100.00	100.00	Full	Full

Company name	City	Country	% interest	% interest	Consolidation method	Consolidation method
			12/31/2022	12/31/2023	12/31/2022	12/31/2023
Séché Holdings SA	Gauteng	South Africa	100.00	100.00	Full	Full
Séché Health Arequipa	Lima	Peru	100.00	100.00	Full	Full
Séché Healthcare	Changé	France	100.00	100.00	Full	Full
Seche Italia (5)	Milan	Italy	-	100.00	-	Full
Séché South Africa	Claremont	South Africa	83.17	83.17	Full	Full
Seche Spill Tech Holdings Pty Ltd (8)	Durban	South Africa	83.17	83.17	Full	Full
Séché Traitement Eaux Industrielles	Changé	France	100.00	100.00	Full	Full
Séché Transports	Changé	France	100.00	100.00	Full	Full
Séché Urgences Interventions	La Guerche-de-Bretagne	France	100.00	100.00	Full	Full
Sem Trédi	Mexico City	Mexico	100.00	100.00	Full	Full
Sénergies	Changé	France	80.00	80.00	Full	Full
Sénerval	Strasbourg	France	99.90	99.90	Full	Full
Metal Treatment Technology Pty Ltd	Singapore	Singapore	100.00	100.00	Full	Full
Sogad	Le Passage	France	50.00	50.00	Equity	Equity
Solarca Chile Colectiva Civil (6)	Las Condes	Chile	99.00	-	Full	-
Solarca France	Marseille	France	100.00	100.00	Full	Full
Solarca Maroc (6)	Tangier	Morocco	100.00	-	Full	-
Solarca Portugal	Setubal	Portugal	100.00	100.00	Full	Full
Solarca Qatar	Doha	Qatar	49.00	49.00	Full	Full
Solarca Russie (6)	Moscow	Russia	100.00	-	Full	-
Solarca SLU	La Selva Del Camp	Spain	100.00	100.00	Full	Full
Solarca South Africa (6)	Gauteng	South Africa	100.00	-	Full	-
Solena	Viviez	France	60.00	60.00	Full	Full
Solena Valorisation	Viviez	France	51.00	51.00	Equity	Equity
Soluciones Ambientales Del Norte	Antofagasta	Chile	100.00	100.00	Full	Full
Sotrefi	Etupes	France	100.00	100.00	Full	Full
Sovatrise	Chassieu	France	65.00	65.00	Full	Full
Speichim Processing	Saint-Vulbas	France	100.00	100.00	Full	Full
Spill Tech Holding Chile (5)	Santiago	Chile	-	100.00	-	Full
Spill Tech Pty Ltd (8)	Durban	South Africa	83.17	83.17	Full	Full
Spill Tech Specialised Projects (Pty) Ltd (8)	Durban	South Africa	83.17	83.17	Full	Full
Spill Tech Global (5)	Changé	France	-	100.00	-	Full
Spill Tech Group Holding Pty Ltd (8)	Durban	South Africa	83.17	83.17	Full	Full
Spill Tech Hire Pty Ltd (8)	Durban	South Africa	83.17	83.17	Full	Full
Spill Tech Industrial Cleaning Pty Ltd (8)	Congella	South Africa	83.17	83.17	Full	Full
Therm Service für Kraftwerke und Industrie GmbH	Seevetal	Germany	100.00	100.00	Full	Full
Trédi SA	Saint-Vulbas	France	100.00	100.00	Full	Full
Triadis Services	Etampes	France	100.00	100.00	Full	Full
Uper Retiers	Changé	France	100.00	100.00	Full	Full
Umwelt Technik Metallrecycling GmbH	Lübeck	Germany	100.00	100.00	Full	Full
Valls Quimica	Valls	Spain	100.00	100.00	Full	Full
Varenne Investments Pty Ltd	Gauteng	South Africa	100.00	100.00	Full	Full
Wisteria Environmental (Pty) Ltd	Gauteng	South Africa	48.99	48.99	Full	Full

(1) See Note 3.2.2.1 a
(2) See Note 3.2.2.1 b
(3) See Note 3.2.2.1 c
(4) See Note 3.2.2.1.d
(5) See Note 3.2.2.1.e
(6) See Note 3.2.2.1 g
(7) Through a preference share arrangement with Interwaste, all of Petrochemicals' profits and shareholders' equity are attributable to the owners of the parent (83.17% due to the Group's interest in Séché South Africa) for a specified period.
(8) Through a preference share arrangement with Séché Holdings SA, all dividends paid by Séché Spill Tech Holdings and its subsidiaries, plus 85% of dividends paid by Envirosure Underwriting Managers Pty Ltd, are attributable to the owners of the parent without taking into account the 16.83% attributable to non-controlling interests for a specified period.

3.2.4 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.2.4.1 Intangible assets

a. Goodwill

Goodwill by CGU breaks down as follows:

(in thousands of euros)	France	Germany	Spain	Chile	Peru	South Africa	Italy	Total
				Gross value				
At December 31, 2022	**326,249**	**3,582**	**12,051**	**9,547**	**23,236**	**19,167**	**28,947**	**422,778**
Change in consolidation scope	1,898	-	-	-	5,622	-	34,683	42,203
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(528)	(324)	(2,119)	-	(2,971)
Other	-	-	-	(0)	0	(0)	-	-
At December 31, 2023	**328,147**	**3,582**	**12,051**	**9,019**	**28,534**	**17,048**	**63,630**	**462,010**
				Impairment				
At December 31, 2022	**(20,220)**	**-**	**(5,674)**	**-**	**(893)**	**-**	**-**	**(26,786)**
Change in consolidation scope	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
At December 31, 2023	**(20,220)**	**-**	**(5,674)**	**-**	**(893)**	**-**	**-**	**(26,786)**
				Net value				
At December 31, 2022	**306,030**	**3,582**	**6,377**	**9,547**	**22,343**	**19,167**	**28,947**	**395,992**
Change in consolidation scope	1,898	-	-	-	5,622	-	34,683	42,203
Impairment	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	(528)	(324)	(2,119)	-	(2,971)
Other	-	-	-	(0)	0	(0)	-	-
At December 31, 2023	**307,927**	**3,582**	**6,377**	**9,019**	**27,641**	**17,048**	**63,630**	**435,224**

The "Changes in scope of consolidation" line primarily corresponds to the provisional goodwill of Furia and Essac, acquired in the 2nd half of 2023 (see Note 3.2.2.1 a and b) for €34.7 million and €5.6 million respectively. Goodwill on Séché Assainissement Rhône Isère amounts to €0.7 million and is definitive (see Note 3.2.2.1 c).

During the 2nd half of 2023, Séché Environnement finalized the transfer of a portfolio of industrial water management activities acquired from the Veolia Group on November 30, 2022. The acquired assets include contracts signed with more than 120 manufacturers and a network of 20 branches in France. The purchase price and its components are now definitive. Goodwill is valued at €30.1 million at December 31, 2023, compared with €28.9 million at December 31, 2022.

The goodwill of All'Chem, acquired in June 2022, remains unchanged and is definitive at December 31, 2023 in the amount of €0.9 million.

b. Other intangible assets

(in thousands of euros)	Software, patents	Concession intangible assets	Other intangible assets	Total
		Gross value		
At December 31, 2022	**13,047**	**63,746**	**64,354**	**141,147**
Acquisitions	4,642	(0)	1,755	6,397
Disposals	(1,116)	-	(7,084)	(8,200)
Change in consolidation scope	354	-	433	786
Currency translation differences	(49)	(1)	(785)	(835)
Change in accounting method	-	-	-	-
Other	6,556	-	(6,563)	(7)
At December 31, 2023	**23,433**	**63,745**	**52,110**	**139,288**
		Depreciation and impairment		
At December 31, 2022	**(10,360)**	**(32,886)**	**(22,890)**	**(66,136)**
Allocations	(3,227)	(4,560)	(3,095)	(10,882)
Impairment	-	-	-	-
Disposals	1,116	-	(0)	1,116
Change in consolidation scope	(298)	-	(342)	(640)
Currency translation differences	45	-	710	756
Other	(29)	-	29	0
At December 31, 2023	**(12,752)**	**(37,446)**	**(25,588)**	**(75,786)**
		Net value		
At December 31, 2022	**2,688**	**30,861**	**41,464**	**75,012**
At December 31, 2023	**10,681**	**26,299**	**26,522**	**63,502**

Acquisitions made in 2023 mainly concerned IT projects valued at €4.6 million.

The net impact of the "Disposals" lines is due to the non-utilization of developments carried out as part of the implementation of the French ERP following tests carried out by pilot companies during the 2nd half (see Note 3.2.4.17).

c. Impairment test

The impairment test carried out at December 31, 2023, in accordance with the procedures set out in Note 3.2.1.7.d, concluded that there was no impairment to be recorded on any of the cash-generating units.

With regard to the CICLO project planned by the Chile cash-generating unit, the Supreme Court issued an initial refusal for the operating license on July 21, 2021, delaying the implementation of the project by the subsidiary CICLO. The company had undertaken additional environmental impact studies and submitted a new application for authorization in financial year 2022. In the 1st half of 2023, a new appeal was filed following the rejection of the application by one of the public bodies. Cash flows are based on the assumption that the operating license will be granted.

The most significant assumptions made in the evaluation of impairment tests are the discount rate and the perpetual growth rate on the one hand, and the revenue growth rate on the other. A 0.5 basis point increase in the discount rate would reduce the fair value of the Group's cash flow by €124.9 million. This would not lead the Group to recognize an impairment. The neutralization of the perpetual growth rate would reduce the fair value of the Group's cash flow by €239.1 million. A 1 point annual decrease in the revenue growth rate would reduce the fair value of the Group's goodwill by €7 million. No impairment would be booked in this respect.

Furthermore, the sensitivity analysis did not reveal any other scenarios under which the recoverable value of the CGUs would fall below the net book value.

3.2.4.2 Property, plant and equipment

(in thousands of euros)	Land	Buildings	Tech. Fac.	Transportation equipment	Fixtures & Office equipment	Fixed assets under construction	Lease debt	Total
				Gross value				
At December 31, 2022	**50,129**	**237,739**	**511,329**	**56,676**	**124,837**	**46,617**	**120,307**	**1,147,635**
Acquisitions	3,656	4,298	35,159	5,062	5,326	37,316	29,115	119,931
Disposals	(49)	(1,300)	(13,425)	(2,455)	(612)	(930)	(5,636)	(24,406)
Change in consolidation scope	242	8,234	5,850	3,521	2,519	583	5,683	26,632
Currency translation differences	(1,363)	(1,239)	(1,589)	(3,549)	(704)	(957)	(2,589)	(11,989)
Other	332	5,961	10,442	3,644	373	(13,912)	(4,625)	2,216
At December 31, 2023	**52,946**	**253,694**	**547,767**	**62,898**	**131,739**	**68,717**	**142,256**	**1,260,019**
				Depreciation and impairment				
At December 31, 2022	**(12,773)**	**(161,462)**	**(387,008)**	**(37,180)**	**(86,465)**	**(72)**	**(53,424)**	**(738,384)**
Allocations	(1,658)	(17,165)	(33,735)	(4,955)	(7,993)	-	(21,731)	(87,237)
Impairment	-	-	-	-	-	-	-	-
Disposals	-	1,300	13,061	2,003	580	-	5,432	22,376
Change in consolidation scope	-	(3,593)	(4,243)	(3,098)	(2,208)	-	(1,573)	(14,715)
Currency translation differences	553	454	1,122	2,290	527	-	850	5,795
Other	93	(575)	(1,024)	(1,853)	(107)	-	2,510	(957)
At December 31, 2023	**(13,786)**	**(181,040)**	**(411,827)**	**(42,793)**	**(95,666)**	**(72)**	**(67,938)**	**(813,121)**
				Net value				
At December 31, 2022	**37,356**	**76,277**	**124,321**	**19,496**	**38,372**	**46,546**	**66,883**	**409,251**
At December 31, 2023	**39,160**	**72,654**	**135,940**	**20,105**	**36,073**	**68,646**	**74,319**	**446,897**

"Changes in the scope of consolidation", for a net amount of €11.9 million, are mainly due to the provisional recognition at fair value of the assets of Furia and Essac (see Note 3.2.2.1 a and b) for €10.3 million and €1 million respectively.

The net impact of translation adjustments of -€6.2 million is mainly due to the depreciation at December 31, 2023 of the South African rand and, to a lesser extent, the Chilean peso.

Lease contracts break down as follows:

(in thousands of euros)	Land	Buildings	Tech. Fac.	Transportation equipment	Fixtures and fittings	Total leases
			Gross value			
At December 31, 2022	**1,826**	**42,737**	**25,389**	**49,224**	**1,131**	**120,307**
Acquisitions	373	9,061	6,413	13,224	44	29,115
Disposals	(91)	(309)	(2,154)	(3,049)	(32)	(5,636)
Change in consolidation scope	555	1,657	737	2,358	376	5,683
Currency translation differences	(5)	(581)	(316)	(1,622)	(65)	(2,589)
Other	0	(19)	(155)	(4,367)	(84)	(4,625)
At December 31, 2023	**2,658**	**52,545**	**29,914**	**55,768**	**1,371**	**142,256**
			Depreciation and impairment			
At December 31, 2022	**(1,001)**	**(20,201)**	**(15,049)**	**(16,773)**	**(400)**	**(53,424)**
Allocations	(299)	(6,262)	(5,808)	(9,094)	(269)	(21,731)
Impairment	-	-	-	-	-	-
Disposals	91	309	1,991	3,008	32	5,432
Change in consolidation scope	-	-	(113)	(1,322)	(138)	(1,573)
Currency translation differences	0	315	113	400	21	850
Other	(0)	(10)	518	1,908	94	2,510
At December 31, 2023	**(1,208)**	**(25,848)**	**(18,349)**	**(21,873)**	**(660)**	**(67,938)**
			Net amounts			
At December 31, 2022	**825**	**22,537**	**10,340**	**32,450**	**731**	**66,883**
At December 31, 2023	**1,450**	**26,697**	**11,565**	**33,895**	**711**	**74,319**

The “Change in consolidation scope” line mainly concerns the provisional recognition of leases following the acquisition of Furia (see Note 3.2.2.1 a).

Lease expenses are analyzed in Note 3.2.4.15 a.

3.2.4.3 Investments in associates

a. Summary of investments in equity-accounted associates

At December 31, 2023, investments in equity-accounted associates correspond mainly to the investment in the French company Solena Valorisation for €0.7 million.

The negative shares of other equity interests are reclassified as a deduction from other financial assets in the amount of €2.5 million at December 31, 2023, compared with €0.5 million at December 31, 2022 (see Note 3.2.4.4 b). In addition, the balance of the negative shares is provisioned in the amount of €2.1 million at December 31, 2023, compared with €3.1 million at December 31, 2022 (see Note 3.2.4.10).

b. Changes to investments in associates

(in thousands of euros)	December 31, 2022	December 31, 2023
Balance at start of period	**50**	**1,067**
Changes in consolidation scope	1,020	-
Impairment	-	-
Share in profit of the period	(1,341)	(1,317)
Change in other comprehensive income	-	-
Dividends received / paid	-	-
Other	1,338	992
Balance at end of period	**1,067**	**742**

The "Other" line relates to the reclassification as financial assets of the negative share of investments (see Note 3.2.4.10).

c. Financial information on investments in associates

The information summarized below represents the full financial position and income statements of associate companies.

In accordance with IAS 28 Investments in Associates and Joint Ventures, the summary statement of financial position and income statement at December 31, 2023 correspond to the most recent accounts available.

(in thousands of euros)	La Barre Thomas	Gerep (*)	Sogad	Solena Valorisation
Non-current assets	2	-	2,169	10,134
Current assets	2,269	325	1,064	1,207
Total assets	**2,271**	**325**	**3,232**	**11,341**
Shareholders' equity	69	(8,572)	(390)	4,251
Non-current liabilities	-	-	511	-
Current liabilities	2,202	8,897	3,111	7,090
Total liabilities and shareholders' equity	**2,271**	**325**	**3,232**	**11,341**
Revenue	5,998	1	-	124
EBITDA	(52)	(2,168)	-	(294)
Current operating income	(54)	3,739	-	(294)
Operating income	(54)	(1,487)	-	(294)
Net income for the period	**(52)**	**(1,563)**	**-**	**(448)**

(*) the site was sold during the 2023 financial year, generating a capital loss of €1.5 million following additional restoration costs.

d. Transactions with associates

The Group did not carry out any significant transactions with associated companies.

3.2.4.4 Other non-current and current financial assets

(in thousands of euros)	December 31, 2022			December 31, 2023		
	Non-current	Current	Total	Non-current	Current	Total
Equity instruments	**568**	**-**	**568**	**1,636**	**-**	**1,636**
Deposits and guarantees	*3,218*	*360*	*3,578*	*3,211*	*252*	*3,462*
Loans	*5,341*	*81*	*5,422*	*5,697*	*156*	*5,852*
Concession operating receivables	*23,828*	*2,866*	*26,694*	*36,175*	*2,692*	*38,866*
Financial loans and receivables	**32,387**	**3,306**	**35,694**	**45,082**	**3,099**	**48,181**
Other financial assets	**32,955**	**3,306**	**36,262**	**46,718**	**3,099**	**49,817**

a. Equity instruments

(in thousands of euros)	December 31, 2022	Acquisitions	Disposals / redemptions	Impairment	Change in consolidation scope	Other	December 31, 2023
Tredi Argentina	297	-	-	-	-	-	297
Rent A Drum	-	604	-	-	-	-	604
Other investments	23	57	-	-	12	-	92
Non-consolidated securities (1)	**320**	**661**	**-**	**-**	**12**	**-**	**993**
Emertec (2)	13	-	-	(12)	-	-	1
Stade Lavallois F.C (1)	125	375	-	-	-	-	500
La grande bleue (1)	40	40	-	-	-	-	80
Other UCITS (1)	70	-	(1)	-	-	(7)	62
UCITS	**248**	**415**	**(1)**	**(12)**	**-**	**(7)**	**643**
Equity instruments	**568**	**1,076**	**(1)**	**(12)**	**12**	**(7)**	**1,636**

(1) Level 2
(2) Level 3

Séché Holdings SA Pty acquired 80% of the shares in Rent a Drum on August 31, 2023, with the balance forming part of a call option between the parties. Rent-A-Drum is Namibia's leading non-hazardous waste treatment and circular economy company. This transaction had no material impact on the consolidated financial statements at December 31, 2023; it will be fully consolidated from 2024. The company has forecast revenue of around €7.5 million in 2022, with EBITDA of around €0.9 million.

b. Financial loans and receivables at amortized cost

(in thousands of euros)	December 31, 2022	Increases	Write-backs	Change	Change in consolidation scope	Currency translation differences	Other	December 31, 2023
Deposits and guarantees	3,578	161	(322)	(1)	68	(22)	0	3,462
Loans	5,422	2,719	0	-	(0)	(289)	(2,000)	5,852
Concession operating receivables	26,694	12,735	(614)	-	-	-	51	38,866
Financial loans and receivables	**35,694**	**15,615**	**(935)**	**(1)**	**68**	**(311)**	**(1,949)**	**48,181**

The increase in concession operating receivables was mainly due to by the work carried out as part of the modernization of the energy recovery plant owned by French company Mo'UVE (see Note 3.2.1.8 and Note 3.2.4.22 b).

The negative share of the equity-accounted investee Gerep impacts the "Other" column by €2 million (see Note 3.2.4.3 a), up to the amount of the loan granted in fiscal 2023.

The impact of the discounting of concession receivables is recorded in "Other".

3.2.4.5 Working capital requirement items

a. Net change in working capital requirement (WCR)

At December 31, 2023:

(in thousands of euros)	December 31, 2022	Change in WCR	Change in consolidation scope	Translation differences	Other	December 31, 2023
Inventories	25,556	1,570	75	(244)	(92)	26,866
Trade and other receivables	245,727	35,979	27,828	(2,705)	1,177	308,006
Of which trade receivables	215,273	25,628	16,568	(2,467)	(1,348)	253,655
Impairment of trade receivables	*(7,461)*	*892*	*(246)*	*76*	*(70)*	*(6,810)*
Other current assets	40,473	8,893	3,152	(166)	864	53,215
Other non-current assets	32,805	(34)	56	(31)	(4,592)	28,204
Other assets excluding WCR	*(4,478)*	*476*	*(1,167)*	*80*	*34*	*(5,055)*
Asset items	**340,083**	**46,884**	**29,944**	**(3,066)**	**(2,611)**	**411,235**
Trade payables	165,086	19,216	14,672	(1,493)	(2,285)	195,196
Other current liabilities	146,119	21,827	3,594	(941)	(1,018)	169,582
Other liabilities excluding WCR	*(30,265)*	*(465)*	*-*	*301*	*(437)*	*(30,866)*
Liability items	**280,939**	**40,579**	**18,267**	**(2,133)**	**(3,740)**	**333,912**
WCR	**59,144**	**6,305**	**11,677**	**(933)**	**1,129**	**77,323**

At December 31, 2023, the Group made use of a factoring solution, as it did at December 31, 2022 (see Note 3.2.4.5 b).

The "Change in consolidation scope" column in the amount of €11.7 million corresponds mainly to the impact of working capital assets and liabilities identifiable at the takeover dates of Furia and Essac for a total amount of €10.7 million (see Notes 3.2.2.1 a and b).

At December 31, 2022:

(in thousands of euros)	December 31, 2021	Change in WCR	Change in consolidation scope	Translation differences	Other	December 31, 2022
Inventories	17,321	4,591	3,668	2	(26)	25,556
Trade and other receivables	186,035	58,194	638	655	205	245,727
Of which trade receivables	183,613	6,330	798	847	23,685	215,273
Impairment of trade receivables	*(6,013)*	*(1,167)*	*(184)*	*(107)*	*10*	*(7,461)*
Other current assets	36,220	3,978	1,282	282	(1,289)	40,473
Other non-current assets	29,516	58	-	(27)	3,259	32,805
Other assets excluding WCR	*(2,976)*	*(487)*	*(245)*	*(128)*	*(643)*	*(4,478)*
Asset items	**266,116**	**66,335**	**5,342**	**784**	**1,506**	**340,083**
Trade payables	137,343	22,432	4,466	760	85	165,086
Other current liabilities	105,940	29,797	5,101	239	5,041	146,119
Other liabilities excluding WCR	*(19,406)*	*(10,865)*	*142*	*5*	*(141)*	*(30,265)*
Liability items	**223,877**	**41,363**	**9,708**	**1,005**	**4,985**	**280,939**
WCR	**42,239**	**24,971**	**(4,366)**	**(221)**	**(3,479)**	**59,144**

The increase in WCR was mainly due to the rise in trade receivables, primarily linked to the acquisition of Séché Assainissement, the start-up of the South African subsidiary Boleng Waste (Pty) Ltd, and the high level of activity of certain subsidiaries in France.

Non-current assets primarily include the amounts payable to Sénerval by Eurométropole Strasbourg in respect of amendments to the public service delegation agreement and the major maintenance and renewal contract (see Note 3.2.1.8). These amounts are recoverable over the remaining term of the delegation contract, scheduled to end in June 2030. They cover payment for services provided and shortfalls incurred during the periods when the waste treatment and steam generation facilities were unavailable.

b. Trade and other receivables

Factoring

On December 28, 2023, the Group sold, without recourse, receivables of €49.1 million, with accompanying insurance. It completed a similar transaction for €33.3 million on December 28, 2022. Since the sale of some trade receivables was completed before the closing date, the transaction enabled the Group to deconsolidate a net amount from these receivables of €40 million at December 31, 2023, compared with €26.3 million at December 31, 2022.

Credit risk

Credit risk is the risk of financial loss incurred by the Group in the event a client or counterparty fails to meet its contractual payment obligations. The Group has put in place procedures and systems for monitoring its accounts receivable and issuing reminders for past due payments.

The breakdown of trade receivables by payment due date is as follows:

(in thousands of euros)	December 31, 2023				
	Net value	**Of which not due**	**0-6 months**	**Of which due 6 months-1 year**	**More than 1 year**
Non-current trade and other receivables	27,972	27,972	-	-	-
Current trade and other receivables	308,006	246,486	46,792	10,276	4,450
Trade and other receivables	**335,977**	**274,458**	**46,792**	**10,276**	**4,450**

	December 31, 2022				
	Net value	**Of which not due**	**0-6 months**	**Of which due 6 months-1 year**	**More than 1 year**
Non-current trade and other receivables	30,911	30,911	-	-	-
Current trade and other receivables	245,727	198,786	38,318	4,466	4,157
Trade and other receivables	**276,638**	**229,697**	**38,318**	**4,466**	**4,157**

The Group considers that it is not exposed to any material credit risk or significant economic dependence on a particular client. The receivables listed above due in more than 12 months were tested for impairment on an individual basis.

Furthermore, the Group has taken out credit insurance to cover the credit risks of its principal subsidiaries.

3.2.4.6 Other assets and liabilities

(in thousands of euros)	December 31, 2022			December 31, 2023		
	Non-current	Current	Total	Non-current	Current	Total
Tax receivables	-	27,722	27,722	232	34,754	34,986
Income tax receivables	-	3,327	3,327	-	4,678	4,678
Prepayments given	-	2,497	2,497	-	2,168	2,168
Social security receivables	-	554	554	-	1,362	1,362
Disposals of fixed assets receivables	957	0	958	-	(0)	(0)
Other receivables	938	6,225	7,163	-	6,417	6,417
Current accounts	-	147	147	-	3,838	3,838
Other assets	**1,895**	**40,473**	**42,368**	**232**	**53,215**	**53,447**

The "Tax receivables" line primarily represents VAT receivables in France.

Other receivables and receivables on disposals of fixed assets mainly comprise insurance indemnities. In addition, the factoring security deposit, corresponding to 5% of the amount of assigned receivables, totaled €2.6 million at December 31, 2023 compared with €1.7 million at December 31, 2022.

Current accounts receivable mainly comprise advances to associates of €3.2 million.

(in thousands of euros)	December 31, 2022			December 31, 2023		
	Non-current	Current	Total	Non-current	Current	Total
Debts on acquisitions of fixed assets	4,735	30,266	35,000	7,109	30,369	37,478
Prepayments received	-	3,758	3,758	-	4,471	4,471
Social security payables	-	41,071	41,071	-	48,632	48,632
Tax payables (excluding income tax)	-	50,272	50,272	-	63,385	63,385
Current accounts	-	1,687	1,687	-	1,996	1,996
Expenses payable	-	2,404	2,404	-	1,549	1,549
Other debts	-	13	13	-	908	908
Other equity	26	-	26	19	-	19
Liabilities for renewal of assets under concession arrangements	-	8,153	8,153	-	8,815	8,815
Prepaid income	-	8,495	8,495	-	9,458	9,458
Other liabilities	**4,761**	**146,119**	**150,879**	**7,128**	**169,582**	**176,710**

At December 31, 2023, debts on acquisitions of fixed assets comprised €5.6 million in earnouts relating to the acquisitions of Ciclo (€4.1 million, non-current), ESSAC (€0.7 - million, non-current – see Note 3.2.4.1 a), and Veolia's industrial water business (€0.8 million, current).

The balance of €31.9 million corresponds mainly to debts on acquisitions of intangible assets and property, plant and equipment, primarily related to investment projects in France.

The €13.1 million increase in the "Tax payables (excluding income tax)" line is due to a €7 million increase in VAT debts, mainly in France, as well as a €3.6 million increase in the contribution aimed at capping the inframarginal revenue of electricity producers.

3.2.4.7 Net cash position

(in thousands of euros)	December 31, 2022	December 31, 2023
Cash	*126,008*	*162,138*
Cash and cash equivalents	*158*	*77*
Cash and cash equivalents	**126,166**	**162,215**
Bank overdrafts	**2,715**	**3,097**
Net cash position	**123,451**	**159,118**

At December 31, 2023, the net cash managed by Séché Environnement amounted to €159 million, mainly deriving from surplus cash from the French subsidiaries through a cash pooling arrangement. The excess cash of foreign subsidiaries, whose cash management is not centralized, must comply with the Group's guidelines.

At December 31, 2023, cash equivalents were mainly held by Séché Environnement and corresponded to money market UCITS.

The passive cash position consists of bank credit balances and interest accrued but not due on temporary overdrafts.

Counterparty risk

The Group is exposed to counterparty risk for the investment of its cash surpluses. The investment vehicles used by the Group are investment securities (money market UCITS, interest-bearing accounts, term deposits or negotiable debt securities), consisting of liquid instruments of short maturity, subscribed with senior counterparties and easily convertible into a known amount of cash. Counterparty risk is limited.

3.2.4.8 Financing and financial risk management

(in thousands of euros)	December 31, 2022	Change	New	Repayments	Change in consolidation scope	Currency translation differences	Other	December 31, 2023
Bank loans	210,845	0	96,583	(78,224)	3,809	(377)	20	232,656
Bonds [1]	415,774	-	-	-	-	-	5,367	421,141
Lease debts	65,393	(0)	29,114	(25,673)	3,824	(1,728)	(202)	70,727
Derivatives	9,564	(0)	-	-	-	-	(4,077)	5,487
Other financial debts (including interest accrued but not due)	2,312	1,732	57,775	(12)	0	(6)	31	61,832
Factoring debt	6,956	-	9,162	(6,956)	-	-	0	9,162
Short-term bank borrowings	2,715	(554)	-	-	941	(5)	(0)	3,097
Gross debt	**713,558**	**1,178**	**192,634**	**(110,866)**	**8,574**	**(2,115)**	**1,141**	**804,103**
Cash and cash equivalents	126,166	36,081	-	-	1,651	(1,683)	0	162,215
Net debt	**587,392**	**(34,904)**	**192,634**	**(110,866)**	**6,923**	**(432)**	**1,141**	**641,888**

(1): See Note 3.2.4.8 a

In July 2023, Séché Environnement raised €57.8 million over 8 years under a "Relance" equity loan, aiming to finance the investment plan. This loan has a fixed annual rate of 4.85%. It can be amortized over 4 years after a 4-year grace period. It impacts the "Other financial debt (including accrued interest)" line.

Derivative instruments impact the "Other" column under "Bonds" and "Derivative instruments" (see Note 3.2.4.8 g).

The "Change in consolidation scope" column is mainly impacted by the acquisition of Furia (see Note 3.2.2.1 a).

a. Maturity of gross debt:

(in thousands of euros)	December 31, 2023	Less than 1 year	1-5 years	More than 5 years
Bank loans	232,656	100,132	97,372	35,151
Bonds (1)	421,141	-	376,608	44,533
Lease debt	70,727	22,560	36,892	11,275
Derivatives	5,487	-	-	5,487
Other financial debts (including interest accrued but not due)	61,832	4,033	14,446	43,353
Factoring debt	9,162	9,162	-	-
Short-term bank borrowings	3,097	3,097	-	-
Total	**804,103**	**138,984**	**525,318**	**139,801**

Financial debt is 95% contracted in euros.

(1): The information relating to bonds is as follows:

Type of debt *(in thousands of euros)*	Nominal	Maturity	Interest rate	December 31, 2023 after amortized cost and hedging derivatives
EUR 2021 bond	300,000	11/15/2028	2.25%	291,589
EUR 2021 bond	50,000	03/26/2029	2.90%	49,704
EUR 2019 bond	60,000	05/22/2026	2.90%	59,924
EUR 2019 bond	20,000	05/24/2027	3.05%	19,924
	430,000			**421,141**

The €300 million EUR 2021 bond is the first bond meeting the criteria of a "Sustainability-Linked Bond" issued by Séché Environnement. The bond is linked to two ESG (Environment, Social, Governance) performance criteria relating to its strategy to reduce its own greenhouse gas emissions and increase the greenhouse gas emissions avoided by its clients due to its recycling activities. The contract provides for an adjustment to the interest rate if these two ESG criteria are not met.

Bonds are redeemable at maturity.

b. Exposure to liquidity risk

Liquidity risk is the risk that the Group may have difficulty honoring its debts when they become due.

The Group manages its financing centrally. Cash management reporting is in place with the aim of providing an up-to-date overview of the Group's short-, medium- and long-term financing requirements. Nearly all the Group's financing is managed centrally, as is the balancing of its sources of financing (capital markets, banks).

At December 31, 2023, the remaining contractual maturities of the Group's financial liabilities broke down as follows:

	December 31, 2023							
(in thousands of euros)	Balance sheet value	Non-discounted contractual cash flows	2024	2025	2026	2027	2028	> 2028
Bank loans								
Share capital	232,656	233,484	101,974	33,947	25,707	19,834	11,726	40,296
Interest	-	12,993	3,476	2,430	1,642	965	491	3,988
Bonds								
Share capital	421,141	430,000	-	-	60,000	20,000	300,000	50,000
Interest	-	47,047	10,450	10,450	9,396	8,344	8,100	307
Other financial debt (including accrued interest) [(1)]								
Share capital	57,775	57,775	-	-	-	-	14,444	43,331
Interest	3,931	17,756	2,833	2,841	2,841	2,841	2,681	3,719
Factoring debts	9,162	9,162	9,162	-	-	-	-	-
Short-term bank borrowings	3,097	3,097	3,097	-	-	-	-	-
Gross debt (excluding lease debt and hedging derivatives)	**727,762**	**735,783**	**128,159**	**46,827**	**96,746**	**49,143**	**320,317**	**94,591**
Cash and cash equivalents	162,215	162,215	162,215	-	-	-	-	-
Net debt (excluding lease debt and hedging derivatives)	**565,546**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

[(1)] *Including equity loan. See Note 3.2.4.8.*

For the sake of comparison, the remaining contractual maturities relating to the Group's financial liabilities broke down as follows at December 31, 2022:

	December 31, 2022							
(in thousands of euros)	Balance sheet value	Non-discounted contractual cash flows	2023	2024	2025	2026	2027	> 2027
Bank loans								
Share capital	210,845	210,844	78,771	35,765	29,470	21,085	15,661	30,092
Interest	-	10,384	3,398	2,536	1,741	1,236	757	716
Bonds								
Share capital	415,774	430,000	-	-	-	60,000	20,000	350,000
Interest	-	56,394	10,450	10,450	10,450	9,387	8,341	7,316
Other financial debts (including interest accrued but not due)	2,142	2,142	2,142	-	-	-	-	-
Factoring debts	6,956	6,956	6,956	-	-	-	-	-
Short-term bank borrowings	2,715	2,715	2,715	-	-	-	-	-
Gross debt (excluding lease debt and hedging derivatives)	**638,432**	**719,435**	**104,432**	**48,751**	**41,661**	**91,708**	**44,759**	**388,124**
Cash and cash equivalents	126,166	126,166	126,166	-	-	-	-	-
Net debt (excluding lease debt and hedging derivatives)	**512,266**							

c. Financial ratios

Following the €300 million high yield bond issue in November 2021, two financial ratios must be respected each time the company incurs additional debt:

- the Fixed Charge Coverage Ratio (FCCR): the ratio of proforma consolidated EBITDA to the proforma cost of debt, including the impacts of IFRS 16 Leases, must be equal to at least two for the two most recent half-years for which consolidated financial statements are available; and
- the Cap on Structurally Senior Debt: a limit of 30% of consolidated net debt over the two most recent half-years for which consolidated financial statements are available.

In addition, the bond has a number of restrictive clauses to be met in the case of specific transactions (restricted payments, guarantees, asset sales, reductions in share capital, etc.). These clauses, which have a number of qualifying elements and exceptions, limit the capacity of Group companies to:

- Incur or secure additional debt.
- Grant sureties and guarantees.
- Proceed with the redemption and/or reduction of their share capital, with certain exceptions.
- Enter into agreements that limit their ability to pay dividends.
- Sell assets or equity interests, excluding those authorized by the contract.
- Undertake mergers, spin-offs or restructuring operations.

Some of these restrictive clauses will be lifted when the credit agreement receives an investment grade rating from two rating agencies (that is, a minimum rating of Baa3 from Moody's, or BBB- from Standard & Poor's or Fitch).

Non-compliance with these restrictive clauses may constitute a default event. The Group does not anticipate any risk of non-compliance with its financial ratios in the next 12 months.

Additional ratios must be complied with on other loans, including the following syndicated credit facility:

Amount (in millions of euros)	Subscription date	Maturity date	Amortization	Interest	Covenants	Special clauses
200	03/31/2022	03/31/2027 with 2 one-year extension options	N/A	0.50% to 2% depending on leverage	Leverage < 4x (4.5x if acquisition) + ESG criteria (5 bp bonus)	ESG criteria 2024 review clause (redefinition of objectives)

Participating loans include in their financial commitments a leverage ratio of less than 4 (or 4.5 including acquisitions).

d. Exposure to interest rate risk

The fixed-rate gross debt attributable to owners of the parent was €689.1 million (86%) and the variable-rate gross debt was €115 million (14%) before hedging derivatives.

After recognition of hedging derivatives, the fixed-rate gross debt attributable to owners of the parent was €595.8 million (74%) and the variable-rate gross debt was €208.3 million (26%). The fixed-rate net debt attributable to owners of the parent was €595.8 million (93%) and the variable-rate net debt was €46.1 million (7%).

Sensitivity analysis consists of calculating the impact of a rise or fall in the interest rate in effect at the balance sheet date.

An increase of 1% in interest rates on the nominal amount of gross debt would increase the cost of financial debt by €1.1 million; a 1% decrease in interest rates would generate additional income of €1.1 million.

An increase of 1% in interest rates on the nominal amount of net debt would increase the cost of financial debt by €0.4 million; a 1% decrease in interest rates would generate additional income of €0.4 million.

The €300 million bond provides for interest rate step-up clauses based on compliance with the ESG criteria. However, these clauses are only applicable from 2026.

During the year ended December 31, 2023, the Group used the same interest rate derivatives as at December 31, 2022 (see Note 3.2.4.8 g).

e. Exposure to exchange rate risk

The exchange rate risk to which the Group is exposed stems from:

- The translation in its balance sheet and income statement of the contributions from foreign subsidiaries outside the eurozone, mainly in Peru and South Africa. However, this risk is limited.
- Bank debt denominated almost exclusively in euros being used to finance the investments of its foreign subsidiaries in local currencies (for subsidiaries not considered as long-term foreign investments).

Foreign exchange rate gains and losses changed as follows:

	December 31, 2022	December 31, 2023
Europe	143	(104)
Americas	(54)	(182)
Africa	(27)	33
Rest of the world	(39)	(40)
Total	**22**	**(293)**

To date, this risk has not been subject to separate hedging at the Group level.

f. Financial debt rating

Séché Environnement's long-term credit rating by Standard & Poor's Global Ratings and Fitch Ratings is shown below. These ratings acknowledge Séché Environnement's credit quality and financial strength:

Rating agency	Type of debt	Rating	Outlook
Standard & Poor's	Unsecured long-term debt	BB	Positive
Fitch Ratings	Unsecured long-term debt	BB	Stable

g. Derivatives

In France, the Group has two interest rate derivatives (swaps) of €50 million each maturing in November 2028, to apply a variable rate to part of the €300 million bond issued in November 2021.

In addition, a swap set up within the Italian subsidiary "Mecomer" is backed by a variable-rate loan, thus hedging the risk of interest-rate fluctuations. .

(in thousands of euros)	December 31, 2022			December 31, 2023		
	Non-current	Current	Total	Non-current	Current	Total
Derivatives - Assets	777	-	777	439	-	439
Derivatives - Liabilities	10,341	-	10,341	5,926	-	5,926

The derivatives used by the Group are intended to hedge the cash flows related to its financing. These instruments, which are traded on organized markets, are managed by the Group's Finance Department.

(in thousands of euros)	December 31, 2022		December 31, 2023	
	Nominal	Fair value	Nominal	Fair value
Swaps	107,837	(9,564)	106,662	(5,488)
Total	**107,837**	**(9,564)**	**106,662**	**(5,488)**

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At December 31, 2023, the maturity of the cash flow hedging instruments was the following:

(in thousands of euros)	Less than 1 year	1-5 years	More than 5 years	Total
Swaps	-	100,000	6,662	106,662
Total	**-**	**100,000**	**6,662**	**106,662**

Gains and losses recorded in other comprehensive income before deferred tax amounted to -€0.3 million over the year. The cumulative amount before deferred taxes at December 31, 2023 impacting other comprehensive income is €0.4 million. The ineffective portion of these hedges was booked as gross financial borrowing costs in the amount of -€0.3 million at December 31, 2023.

No other comprehensive income was recycled and booked in the income statement for the period.

3.2.4.9 Employee benefits

The average actuarial assumptions used to measure the actuarial liabilities of retirement plans and other post-employment benefits in France are the following:

	December 31, 2022	December 31, 2023
Discount rate (*)	3.75%	3.15%
Wage increases	2.50%	2.50%
Mortality table	INSEE 2016-2018 by gender	INSEE 2017-2019 by gender
Retirement age:		
Executives	*depending on date of birth aged between 60 and 67*	*depending on date of birth aged between 60 and 67*
Non-executives		
Mobility rate	depending on age: 10% to 0% from 60 years old with executive/non-executive distinction	depending on age: 9% to 0% from 60 years old with executive/non-executive distinction
Social security contributions:		
Executives	*47%*	*46%*
Non-executives	*38%*	*39%*

(*) The discount rate used is set with reference to the issue rate of high-quality euro-denominated corporate bonds (meaning AA or AAA rated companies) for terms equivalent to the term of the commitments. At December 31, 2023, the maturity of the commitments was 13.6 years.

The main collective bargaining agreements applicable to France are the following:

- national collective agreement for the chemical and related industries;
- national collective agreement for the waste handling industry;
- national collective agreement for the sanitation and industrial maintenance industries.

(in thousands of euros)	December 31, 2022	December 31, 2023
Actuarial liabilities at year-end (a)	*19,669*	*22,147*
Fair value of plan assets (b)	*(4,184)*	*(3,525)*
Net retirement obligations – France (a) + (b)	***15,485***	***18,622***
Retirement obligations – International	***1,621***	***2,008***
Retirement obligations	**17,106**	**20,630**
Long-service awards	**923**	**929**
Total net obligations at year-end	**18,029**	**21,558**
Provision recognized under balance sheet liabilities	*18,029*	*21,558*
Overfunded plans recognized under balance sheet assets	-	-

The tables below give the details of provisions for retirement and other post-employment benefits for France:

a. Change in the amount of retirement obligations

The change in actuarial liabilities and plan assets for France is the following:

(in thousands of euros)	December 31, 2022	December 31, 2023
Actuarial liabilities at start of year	**19,804**	**19,668**
Service costs	1,551	1,369
Interest on actuarial liabilities	197	714
Plan amendments	-	(387)
Reductions/Terminations of plans	(513)	(404)
Contributions paid	-	-
Benefits paid	(613)	(1,063)
Changes in consolidation scope	3,221	-
Actuarial gains (losses)	(3,980)	2,297
Other	-	(48)
Actuarial liabilities at year-end (a)	**19,668**	**22,146**
Fair value of plan assets at start of year	**(5,013)**	**(4,183)**
Interest income from plan assets	(45)	(157)
Reductions/Terminations of plans	-	-
Contributions received	-	-
Benefits paid	556	794
Management fees	-	-
Acquisitions/Disposals of subsidiaries	-	-
Actuarial gains (losses)	318	22
Fair value of plan assets at year-end	**(4,183)**	**(3,525)**
Net retirement liabilities (a) + (b)	**15,484**	**18,621**

The change in the "Actuarial gains (losses)" line is the result of the decrease in the discount rate.

Details of the Mexican and Italian subsidiaries' retirement obligations are not provided in the Notes to the financial statements as they are not material.

A 0.5% increase in the discount rate would reduce actuarial liabilities by €1 million. A 0.5% decrease in the discount rate would increase actuarial liabilities by €1.1 million.

b. Change in long-service award liabilities

The Group's liabilities related to long-service awards have changed as follows:

(in thousands of euros)	December 31, 2022	December 31, 2023
Amount of commitment at start of year	**961**	**923**
Service costs	121	152
Interest on actuarial liabilities	9	34
Benefits paid	(123)	(152)
Changes in consolidation scope	137	-
Actuarial gains (losses)	(160)	(8)
Other	(22)	(19)
Amount of commitment at year-end	**923**	**929**

The impact on the statement of comprehensive income is:

(in thousands of euros)	December 31, 2022	December 31, 2023
Cost of services	99	132
Interest on actuarial liabilities	9	34
Interest income from plan assets	-	-
Management fees	-	-
Actuarial gains (losses)	15	22
Changes in assumptions	(175)	(30)
Net cost of benefits in the income statement	**(52)**	**158**
Net cost of benefits in the comprehensive income	**(52)**	**158**

3.2.4.10 Current and non-current provisions

Current and non-current provisions break down as follows:

(in thousands of euros)	December 31, 2022	Allocations	Write-backs used	Write-backs not used	Change in consolidation scope	Other comprehensive income	Currency translation differences	Other	December 31, 2023
Employee benefits(1)	18,029	1,730	(282)	(432)	192	2,319	3	0	21,558
Other non-current provisions (2)	30,181	6,966	(309)	(1,008)	200	-	(654)	(4,694)	30,681
NON-CURRENT PROVISIONS	**48,210**	**8,696**	**(591)**	**(1,440)**	**392**	**2,319**	**(651)**	**(4,694)**	**52,239**
Provisions for litigation (3)	873	-	(243)	(614)	-	-	(15)	-	(0)
Provisions for other costs(4)	1,808	1,144	(59)	(171)	-	-	(9)	1,786	4,499
CURRENT PROVISIONS	**2,681**	**1,144**	**(303)**	**(785)**	**-**	**-**	**(24)**	**1,786**	**4,499**
TOTAL	**50,890**	**9,840**	**(894)**	**(2,225)**	**392**	**2,319**	**(675)**	**(2,908)**	**56,738**

(1) See Note 3.2.4.9.
(2) The "Other non-current provisions" line breaks down as follows:
- *Provisions for thirty-year monitoring: €19.4 million at December 31, 2023 versus €22.2 million at December 31, 2022, including €0.6 million of additional allocations, €0.9 million of write-backs and -€2.3 million of discounting.*
- *Provisions for other risks: €9.5 million at December 31, 2023, compared with €6.3 million euros at December 31, 2022, mainly comprising €5 million of additional risk of non-recovery of "Major maintenance and repairs" expenses, €2.8 million of negative shares of investments in equity-accounted associates reclassified as current assets for €1.8 million and as other financial assets for €1 million (see Note 3.2.4.3 a), and €0.7 million of vacation pay risk (*).*
- *Provisions for employee disputes: €1.5 million at December 31, 2023, compared with €1.7 million at December 31, 2022.*

(3) Corresponded to tax litigation, mainly in France, which ended during the period.
(4) Mainly comprises commercial disputes, mainly in France; also includes €1.8 million in negative shares of investments in equity-accounted associates (see Note 3.2.4.3 a).

(*): Following a ruling by the French Court of Cassation on September 13, 2023, employees who are on medical leave, regardless of the cause or duration, accrue vacation time. A provision of €0.6 million has therefore been booked in respect of vacation pay for employees present in the company at December 31, 2023, over an adjustment period of 3 years, in accordance with the ordinary limitation period set out in Article L.3245-1 of the French Labor Code. For employees who left the company after January 1, 2021, a provision has been estimated at €0.1 million, with a discount applied on the basis of the best estimate.

The allocations and write-backs shown above are broken down as follows in the consolidated income statement:

(in thousands of euros)	(Write-backs)/Allocations December 31, 2022	Net (write-backs)/Allocations December 31, 2023
Current operating income	5,972	6,226
Operating income	-	494
Other financial expenses	510	(2,255)
TOTAL	**6,482**	**4,465**

Other financial expenses correspond to the discounting of provisions for thirty-year monitoring (see Note 3.2.4.18 b).

3.2.4.11 Deferred taxes

Breakdown of deferred taxes by type:

(in thousands of euros)	**December 31, 2022**	**December 31, 2023**
Tax loss carryforwards	15,061	7,645
Employee benefits	3,706	4,545
Provisions for tax purposes	(1,905)	(1,369)
Difference between the tax and accounting values of fixed assets	(2,094)	(673)
Fair value measurement of assets	(3,544)	(3,035)
Restated provision for thirty-year monitoring	(724)	(1,487)
Industrial repairs and maintenance	(3,611)	(4,492)
Provisions not deducted	4,781	5,700
Other	(1,088)	(1,361)
TOTAL	**10,582**	**5,473**
Of which deferred tax assets	*15,475*	*10,584*
Of which deferred tax liabilities	*4,893*	*5,111*

Deferred taxes on tax loss carryforwards are recognized in the amount of €7.6 million, of which €3.1 million in France and €4.5 million in the International scope, including:

- **France:** €2.8 million for capitalization deficits arising from the tax consolidation, dating back to 2012 and 2013, linked to the full provisioning of Séché Environnement's exposure to HIME. The amount of this tax receivable takes into account the probability of using the tax consolidation deficit. Moreover, as at December 31, 2023, the tax consolidation deficit was used again and recorded as a basic amount of €27.9 million and deferred tax of €7.2 million. Séché Environnement's tax consolidation deficit is expected to be fully offset in 2024;
- **International:** €4.5 million, the principal amounts of which are: €2.1 million for capitalization of 50% of the losses initiated in 2020 by the Chilean subsidiary Soluciones Ambientales Del Norte, €1 million for capitalization of losses in Spain, €0.8 million for Enviroserv Polymer Solutions, a subsidiary of the Spill Tech Group, and to a lesser extent €0.4 million in Mexico.

At December 31, 2023, unrecognized deferred tax assets relating to tax loss carryforwards amounted to €7.9 million, compared with €7 million a year earlier. These mainly concern Chile for €3.7 million (€2.1 million for the subsidiary Soluciones Ambientales Del Norte and €1.6 million for the subsidiary CICLO), South Africa for €2.5 million, and French subsidiaries not consolidated for tax purposes for €0.6 million. The good performance in Peru enabled us to make up for all losses carried forward to December 31, 2023.

Changes in deferred tax assets can be analyzed as follows:

(in thousands of euros)	Deferred tax assets	Deferred tax liabilities	Total
At December 31, 2021	**21,446**	**5,383**	**16,064**
Net income	(2,432)	1,954	(4,386)
Change in fair value of other comprehensive income	(1,485)	(323)	(1,163)
Change in consolidation scope	823	186	637
Currency translation differences	110	(42)	152
Other	(1)	2	(2)
Offsetting of deferred taxes	(2,985)	(2,266)	(719)
At December 31, 2022	**15,475**	**4,893**	**10,582**
Net income	3,032	8,874	(5,842)
Change in fair value of other comprehensive income	67	(635)	702
Change in consolidation scope	144	-	144
Currency translation differences	(215)	(116)	(100)
Other	(2)	0	(2)
Offsetting of deferred taxes	(7,916)	(7,905)	(10)
At December 31, 2023	**10,584**	**5,111**	**5,473**

3.2.4.12 Off-balance sheet commitments

(in thousands of euros)	December 31, 2022	December 31, 2023
Commitments given in the ordinary course of business	190,470	231,165
Commitments given in connection with Group debt	44,003	38,144
Commitments given	**234,473**	**269,309**
Commitments received	**-**	**-**
Off-balance sheet commitments	**234,473**	**269,309**

a. Off-balance sheet commitments arising from normal operations

(in thousands of euros)	December 31, 2022	December 31, 2023
Financial guarantees [1]	91,732	112,044
Guarantees and bonds (given)	72,929	88,691
Lease commitments on contracts not restated for IFRS 16	22,651	25,773
Other commitments arising from normal operations	3,158	4,658
Commitments given in the ordinary course of business	**190,470**	**231,165**

(1) Sureties pledged to a financial institution on the setting up of guarantees granted by it under the Ministerial Order of February 1, 1996. The increase is in France.

b. Off-balance sheet commitments given or received in connection with Group debt

(in thousands of euros)	December 31, 2022	December 31, 2023
Sureties and letters of intent - Other liabilities	35,858	30,823
Property, plant and equipment and intangible assets pledged as guarantees and collateral	8,144	7,321
Commitments given in connection with Group debt	**44,003**	**38,144**

As part of its asset financing operations, the Company signed commitments not to sell the shares it holds in Sénergies and Séché Éco-Industries.

Undrawn credit facilities at December 31, 2023 amounted to €150 million, compared with €167 million at December 31, 2022.

All the off-balance sheet commitments shown above cover liabilities recorded in the balance sheet.

In connection with its public service delegation contracts, Séché Environnement issues a performance guarantee to the contracting authorities.

c. Other off-balance sheet commitments

This breakdown of the Group's off-balance sheet commitments includes all significant off-balance sheet commitments in line with current accounting standards.

3.2.4.13 Shareholders' equity

a. Breakdown of share capital

The share capital of Séché Environnement is composed of 7,857,732 shares with a par value of €0.20 each, fully paid up as at December 31, 2023 and 2022.

The number of shares with a double voting right at December 31, 2023 was 4,689,144, compared with 3,971,820 at December 31, 2022.

b. Additional paid-in capital

Additional paid-in capital is made up exclusively of additional paid-in capital from the different capital increases, net of charges.

c. Translation reserve

The translation reserve changed by €-9 million, of which -€0.1 million resulting from the conversion of equity of subsidiaries outside the eurozone, and €-8.9 million reflecting the impact of changes in net investments (see Note 3.1.3).

The main exchange rates used (euro/currency) for the translation of balance sheet items (closing rate) and income statement items (average rate) are the following:

For 1 euro	ZAR	PEN	CLP
2022.12			
Average rate	17.21	4.04	918.27
Closing rate	18.10	4.05	914.79
2023.12			
Average rate	19.96	4.05	907.95
Closing rate	20.35	4.09	968.38

d. Treasury shares

By virtue of the authorizations granted by the General Meetings of April 27, 2018 and 2017, the Board of Directors repurchased Group shares in 2018 as part of a liquidity contract, the management of which was entrusted to an independent organization. The Director is recorded as making an initial contribution of €1.4 million and owns 4,862 shares.

Share buybacks (for the whole year) broke down as follows:

	December 31, 2022	December 31, 2023
Number of treasury shares held [1]	52,913	53,975
Percentage of treasury shares held	0.67%	0.69%
Net book value of treasury shares held (€)	2,753,020	2,918,829
Market value of treasury shares held at the end of the period (€)	4,751,587	5,937,250
based on the closing price of Séché Environnement's shares at the end of December (€)	89.80	110.00

(1) Including treasury shares acquired under previous buyback programs.

e. Earnings per share

The earnings and the shares used for calculating basic earnings per share and dilution per share are presented below:

Earnings per share	December 31, 2022	December 31, 2023
Profit of the period attributable to ordinary shareholders used to calculate basic earnings per share	**44,608**	**47,828**
Weighted average number of ordinary shares used to calculate basic earnings per share	7,857,732	7,857,732
Weighted average number of treasury shares used to calculate basic earnings per share	52,913	53,975
Weighted average number of shares used to calculate basic earnings per share	7,804,819	7,803,757
Earnings per share (€)	**5.72**	**6.13**
Diluted earnings per share (€)	**5.72**	**6.13**

The Group has no dilutive instruments, so diluted EPS is equal to net EPS.

f. Dividends

In 2023, Séché Environnement paid dividends of €8,643,505.20, representing a dividend of €1.10 per share, regardless of the type of share. Payment was made in July 2023.

On March 6, 2024, the Board of Directors decided to propose a dividend of €9,429,278.40 to the next General Meeting, representing a dividend of €1.20 per share.

3.2.4.14 Income from ordinary activities

a. Breakdown of revenue by type

(in thousands of euros)	December 31, 2022	December 31, 2023
Services	405,872	464,783
Circular economy and decarbonization	285,939	341,038
Hazard management	203,486	207,706
Contributed revenue	**895,296**	**1,013,527**
IFRIC 12 revenue	*21,719*	*15,587*
TGAP revenue	*55,660*	*59,758*
Total revenues	**972,675**	**1,088,873**
Other business income	2,279	3,365
Income from ordinary activities	**974,954**	**1,092,237**

The company Mo'UVE holds the public service concession granted by the Sirtomad waste treatment joint venture in Montauban for a period of 20 years (2021-2040). The financial fee received by the company for construction work was recognized as work in progress, in accordance with the IFRIC 12 interpretation, in the amount of €16 million.

b. Breakdown of contributed revenue by type of waste

(in thousands of euros)	December 31, 2022	December 31, 2023
Hazardous waste treatment	568,713	686,355
Non-hazardous waste treatment	326,583	327,172
Contributed revenue	**895,296**	**1,013,527**

c. Breakdown of contributed revenue by geographic region

(in thousands of euros)	December 31, 2022	December 31, 2023
France [(1)]	629,244	748,599
Europe (outside France)	104,631	118,380
South America	28,995	43,806
South Africa	124,859	95,306
Rest of the world	7,566	7,436
Contributed revenue	**895,296**	**1,013,527**

(1) IFRIC 12 non-contributed revenue and the TGAP tax on polluting activities are generated exclusively in France.

d. Performance obligations remaining to be satisfied

Performance obligations remaining to be satisfied represent the amount of the transaction price allocated to performance obligations not yet satisfied or partially satisfied on the balance sheet date (the "order book"). At December 31, 2023, total revenue not yet recognized from the Group's long-term contracts was around €327.8 million. The Group believes that most of this revenue should be booked in the next 12 to 36 months.

e. Contract assets and liabilities

Under IFRS 15, the amounts of contract assets and liabilities included in "Other current assets" and "Other current liabilities" in the consolidated financial structure must be detailed.

The €36 million increase in contract assets is mainly concentrated in France and Italy, following the acquisition of the Italian company Furia (see Note 3.2.2.1 a), for €16 million respectively.

(in thousands of euros)	December 31, 2022	December 31, 2023
Contract assets	52,584	88,553
Contract liabilities	8,495	9,458

3.2.4.15 EBITDA

a. External expenses

(in thousands of euros)	December 31, 2022	December 31, 2023
Subcontracting	(201,352)	(232,641)
Lease expenses	(23,572)	(26,736)
Maintenance and repairs	(42,718)	(46,586)
Insurance	(12,946)	(14,565)
Other external expenses	(58,700)	(70,344)
External expenses	**(339,287)**	**(390,872)**

The increase in external expenses is the result of improved activity and the acquisitions made during the year to December 31, 2022 (mainly including the effect of the acquisition of the "industrial water management and treatment" business from Veolia - see Note 3.2.1.21).

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Lease expenses break down as follows:

(in thousands of euros)	December 31, 2022	December 31, 2023
Depreciation of right-of-use assets [1]	*(18,280)*	*(21,732)*
Interest on lease liabilities	*(2,476)*	*(3,563)*
Expenses on lease payments restated under IFRS 16	**(20,756)**	**(25,295)**
Variable, short-term and/or low value lease payments	*(23,572)*	*(26,736)*
Lease payments recorded as external expenses	**(23,572)**	**(26,736)**
Total	**(44,327)**	**(52,030)**

(1) See Note 3.2.4.2.

b. Taxes and duties

(in thousands of euros)	December 31, 2022	December 31, 2023
Tax, duties and related payments	(14,690)	(17,369)
TGAP	(58,966)	(63,841)
Property ownership tax	(1,812)	(1,176)
Other	(699)	(800)
Taxes and duties	**(76,166)**	**(83,186)**

The €2.7 million increase in “Taxes, duties and related payments” is mainly due to the contribution aimed at capping inframarginal revenue of electricity producers. This contribution represents €9.4 million at December 31, 2023, compared with €5.8 million at December 31, 2022.

The €4.9 million increase in the “TGAP” item is due in particular to an increase in rates compared with 2022.

c. Payroll expenses

(in thousands of euros)	December 31, 2022	December 31, 2023
Wages and salaries (including social security expenses)	(212,750)	(247,847)
Profit-sharing and incentive schemes	(4,376)	(5,216)
Contributions towards end-of career payments	26	-
Payroll expenses	**(217,099)**	**(253,063)**

The increase in employee expenses is mainly due to acquisitions made in the year ended December 31, 2023 (see Note 3.2.2.1) as well as the acquisitions of the “industrial water management and treatment” business from Veolia and All’Chem in financial year 2022 (see Note 3.2.1.21).

3.2.4.16 Current operating income

a. Operating income and expenses

(in thousands of euros)	December 31, 2022	December 31, 2023
Losses on bad debts	(33)	(981)
Other	(935)	(1,265)
Operating expenses	**(968)**	**(2,246)**
Operating income	**30**	**75**
Other operating items	**(938)**	**(2,172)**

The “Other” line of operating expenses at December 31, 2023 corresponds mainly to expenses that were covered by provisions at December 31, 2022, and for which the provisions were written back, as at December 31, 2023 (see Note 3.2.4.10).

b. Net allocations to depreciation, provisions and impairment

(in thousands of euros)	December 31, 2022	December 31, 2023
Depreciation of intangible assets	(10,749)	(10,882)
Depreciation of property, plant and equipment	(62,671)	(65,506)
Depreciation of right-of-use assets	(18,280)	(21,732)
Depreciation of deferred expenses	-	-
Net allocations to depreciation	**(91,699)**	**(98,119)**
Net impairment of fixed assets	337	-
Net impairment of inventories, trade receivables and other assets	(1,065)	682
Net change in current and non-current provisions	(5,972)	(6,226)
Net allocations to provisions and impairment	**(6,700)**	**(5,544)**
Depreciation, impairment, and provisions	**(98,400)**	**(103,664)**

The line "Net impairment on inventories, trade receivables and other assets" corresponds mainly to the impairment of trade receivables, mainly in France.

The "Net change in current and non-current provisions" is explained in Note 3.2.4.10.

3.2.4.17 Operating income

(in thousands of euros)	December 31, 2022	December 31, 2023
Intangible assets	140	(7,084)
Property, plant and equipment	672	142
Consolidated securities	(236)	(306)
Non-consolidated securities	-	-
Income on disposal of fixed assets	**577**	**(7,248)**
Impairment	(0)	-
Business combination effects	(4,514)	(1,486)
Other	**(351)**	**(1,105)**
Other non-current items	**(4,288)**	**(9,839)**

At December 31, 2023, the "intangible assets" line is impacted by the non-utilization of developments carried out as part of the implementation of the French ERP following the tests carried out by the pilot companies during the 2nd half (see Note 3.2.4.1 b).

The effects of business combinations at December 31, 2023 relate to the acquisition of targets (see Note 3.2.2.1), both acquired and unacquired.

At December 31, 2022, the effects of business combinations corresponded to the amounts incurred for acquisitions made during the period ended December 31, 2022, including €3.4 million in registration fees following the acquisition of the "sanitation" and "industrial water management and treatment" activities.

3.2.4.18 Net financial income

a. Breakdown of the cost of net financial debt

(in thousands of euros)	December 31, 2022	December 31, 2023
Income from cash and cash equivalents	**744**	**2,920**
Interest expenses on borrowings [1]	(18,153)	(24,018)
Income from derivatives [2]	356	(2,041)
Cost of gross financial debt	**(17,797)**	**(26,059)**
Cost of net financial debt	**(17,053)**	**(23,139)**

(1) Of which an interest expense of €14.2 million at Séché Environnement (compared with €11 million at December 31, 2022).
(2) See Note 3.2.4.8 g.

b. Breakdown of other financial income and expenses

(in thousands of euros)	December 31, 2022	December 31, 2023
Net income on sales of financial fixed assets	(19)	-
Accretion of 30-year provisions [1]	(510)	2,255
Fair value of equity instruments	(137)	(12)
Other net impairment losses and provisions	0	0
Foreign exchange gain (loss)	22	(293)
Other [2]	(841)	(1,050)
Other financial income and expenses	**(1,484)**	**900**

(1) See Note 3.2.4.10.
(2) At both December 31, 2023 and December 31, 2022, these mainly comprise fees relating to setting up the confirmed syndicated credit facility.

3.2.4.19 Taxes

(in thousands of euros)	December 31, 2022	December 31, 2023
Income tax payable	**(14,845)**	**(11,995)**
France	*(6,551)*	(6,897)
Rest of the world	*(8,294)*	(5,098)
Deferred tax	**(4,386)**	**(5,843)**
France	*(5,613)*	(7,863)
Rest of the world	*1,227*	2,020
Total	**(19,232)**	**(17,838)**

The Group's effective tax rate stood at 25.8% in 2023, compared with 28.1% in 2022.

The difference between the level of tax resulting from the application of the standard tax rate in force in France and the amount of tax actually recognized during the year can be analyzed as follows:

(in thousands of euros)	**December 31, 2022**	**December 31, 2023**
Profit before tax and income from equity-accounted investees	68,442	69,141
Theoretical tax rate in force in France	25.83%	25.83%
Expected theoretical tax	**(17,679)**	**(17,859)**
Re-estimate of deferred taxes due to changes in tax rates	-	(78)
Impact of differences in subsidiaries' tax rates	32	305
Tax assets not recognized in losses for the period	(1,670)	(1,744)
Use of previous losses not carried forward	688	547
Tax assets recognized on past losses and timing differences	422	536
Cancellation of previously recognized losses	-	(341)
Impact of permanent differences between parent company results and tax results and other	(522)	801
Impact of permanent differences between parent company results and consolidated income	(503)	(5)
Tax actually recognized	**(19,232)**	**(17,838)**
Effective tax rate	**28.1%**	**25.8%**

The Group's tax rate excluding social security contributions stands at 25%. Including social security contributions on income, the Group's tax rate is 25.83 %.

In 2023, the tax loss carryforwards recognized at December 31, 2022 were not adjusted. Within Séché Environnement's tax consolidation scope (comprising 23 subsidiaries), a cap of €7.1 million in net opening deferred tax assets was recorded following the recognition of a share of previous losses.

Deferred tax assets on new deficits observed in 2023 were not recognized for an overall amount of €1.7 million, including €1.5 million internationally (mainly in South Africa and South America) and €0.2 million in France.

3.2.4.20 Share of net income of equity-accounted entities

(in thousands of euros)	**December 31, 2022**	**December 31, 2023**
Gerep	(1,239)	(992)
Karu Energy	-	-
La Barre Thomas	(2)	(21)
Sogad	(100)	-
Solena Valorisation MEE	-	(304)
Total	**(1,341)**	**(1,317)**

See Note 3.2.4.3.c.

3.2.4.21 Breakdown by region

a. Non-current assets by geographical region

At December 31, 2023:

(in thousands of euros)	France	Europe (outside France)	Rest of the world	Total
Goodwill	307,927	73,588	53,708	435,224
Concession intangible assets	26,275	-	25	26,299
Other intangible assets	27,609	9,255	339	37,203
Property, plant and equipment	310,426	54,929	81,542	446,897
Investments in associates	742	-	-	742
Non-current financial assets	42,881	215	3,622	46,718
Non-current derivatives - assets	-	439	-	439
Other non-current assets	27,972	232	-	28,204
Deferred tax assets	2,213	1,855	6,517	10,584
Total	**746,044**	**140,514**	**145,752**	**1,032,310**

At December 31, 2022:

(in thousands of euros)	France	Europe (outside France)	Rest of the world	Total
Goodwill	306,030	38,905	51,057	395,992
Concession intangible assets	30,835	-	26	30,861
Other intangible assets	32,213	10,746	1,193	44,151
Property, plant and equipment	291,052	41,623	76,576	409,251
Investments in associates	1,067	-	0	1,067
Non-current financial assets	29,854	74	3,028	32,955
Non-current derivatives - assets	-	777	-	777
Other non-current assets	30,855	-	1,950	32,805
Deferred tax assets	8,880	1,906	4,689	15,475
Total	**730,785**	**94,031**	**138,519**	**963,335**

3.2.4.22 Additional notes to the consolidated statement of cash flows

a. Other income and expenses

At December 31, 2022, other income and expenses were mainly impacted by target acquisition costs.

b. Increase and decrease in loans and financial receivables

The €23.1 million increase is primarily due to the increase in the concession operating receivable relating to Mo'UVE, for which investments to modernize the energy recovery plant were disbursed in the period ending December 31, 2023. The decrease of €0.9 million is mainly due to the collection of Alcéa's concessionary operating receivable from the local authority (see Note 3.2.4.4 b).

c. Takeovers of subsidiaries net of cash and cash equivalents

The impact of €57.8 million recorded at December 31, 2023 mainly corresponds to:

- Acquisition of the Italian company Furia -€50 million, including €0.8 million of positive cash acquired (see Note 3.2.2.1 a).
- Acquisition of Peruvian company Essac -€6.2 million, including €0.8 million of positive cash acquired (see Note 3.2.2.1 b).
- Acquisition of French company Assainissement Rhône Isère -€0.7 million (see Note 3.2.2.1 c).
- And fees relating to these acquisitions -€0.8 million.

At December 31, 2022, the cash outflow of -€76.2 million primarily concerned the acquisition of the "industrial water management and treatment" business from Veolia and the "sanitation" business from Sarp-Osis IDF.

c. Cash and cash equivalents with loss of control

The impact of €1.4 million at December 31, 2022 corresponded mainly to the loss of control of Solena Valorisation.

d. Acquisitions/disposals of non controlling interests

At December 31, 2022, the impact of -€3 million corresponded mainly to the disbursement of the additional purchase price for 9% of the shares in the Spanish company Solarca SLU.

3.2.4.23 Disputes and contingent liabilities

The Group's companies are occasionally parties to disputes in connection with their activities. The related risks were assessed by Séché Environnement and the subsidiaries concerned based on their knowledge of the issues and were subject, if warranted, to appropriate provisions. The Group believes that the provisions recognized on the balance sheet for these known or ongoing disputes on the closing date are of an amount that would not impact the consolidated financial structure in a material manner in the event of an unfavorable outcome.

- Ongoing tax audits for which a proposed adjustment has been received:
  - None.
- Ongoing tax audits for which no proposed adjustment has been received:
  - Senerval (France): an accounting audit of all tax declarations relating to the years 2018 to 2020 was completed in 2023. A VAT reassessment of €4.1 million is currently under discussion with the tax authorities. There will be no impact, as the delegating authority will be re-reinvoiced accordingly under the terms of the public service delegation contract.

In addition, the subsidiary Moz Environmental Limitada underwent a tax audit in 2022, for which no adjustment has been proposed by the tax authorities to date. Following this audit, the subsidiary paid a sum corresponding to a corporate income tax adjustment. In 2022, the subsidiary contested the balance of the unprovisioned claim (approximately €1.3 million), mainly relating to VAT and the deductibility of unrealized foreign exchange losses, as it considers these amounts to be unfounded. Since then, no response has been received from the tax authorities.

There are no other government, legal or arbitration procedures, including any procedures of which the Company is aware, which are pending or threatened, that are likely to have or, during the last twelve months, have had significant impacts on the financial structure or the profitability of the Company and/or the Group.

3.2.4.24 Related-party transactions

The Group maintains relations with the following related parties:

- non-consolidated Group subsidiaries, equity-accounted investees, Séché Group SAS and its subsidiaries:

A commercial lease with Séché Group SAS was authorized by the Board of Directors on April 28, 2016. This lease has been concluded for a period of 9 years with Séché Group SAS

An administrative services agreement with Séché Group SAS was authorized by the Board of Directors on April 28, 2016. This agreement was entered into for a period beginning on May 2, 2016 and ending on December 31, 2019, automatically renewable for three years.

Séché Group SAS provides the company and its subsidiaries with services in a number of areas (strategy, sales, finance, legal).

The expense recognized for these agreements in 2023 was €3.35 million.

The Group has no other significant relationship with these related parties.

- The compensation of senior managers and directors (and benefits of any kind) is presented in Note 3.2.4.26.

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3.2.4.25 Average headcount

The Group's average headcount (excluding equity-accounted subsidiaries) breaks down as follows:

By region	December 31, 2022	December 31, 2023
France	2,337	2,908
Europe (outside France)	320	487
South Africa	1,979	2,013
Rest of the world	820	761
Total	**5,456**	**6,169**

3.2.4.26 Executive compensation

The short-term benefits of senior managers and directors amounted to €1,721,433 at December 31, 2023. These benefits totaled €1,647,589 at December 31, 2022.

3.2.4.27 Post-balance sheet events

At the time of writing, the Group was not aware of any other post-balance sheet events likely to have a significant impact on its assets, financial structure or operating income.

3.2.4.28 Fees paid to the Statutory Auditors

Fees paid by the Group to its Statutory Auditors and members of their networks:

(in thousands of euros)	MAZARS		KPMG	
	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023
Certification of the financial statements and limited half-year review of the individual and consolidated financial statements				
Séché Environnement entities	128	132	143	152
Fully consolidated subsidiaries	561	536	194	210
Services other than certification of financial statements [(1)]				
Séché Environnement entities	-	-	229	125
Fully consolidated subsidiaries	48	47	29	51
Total	**737**	**715**	**595**	**539**

[(1)] *Services other than the certification of accounts include services required by regulations and services provided at the request of certain entities.*