

Consolidated Financial Statements
Financial Year Ending 12/31/2022



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Audit report

To the Shareholders of
Foundever Group

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Foundever Group (the "Company") and its subsidiaries (the "Group") as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated balance sheet as at 31 December 2022;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the consolidated financial statements and our audit report thereon.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Electronically signed by
Tiphaine Gruny

A handwritten signature in blue ink, appearing to read "Gruny", enclosed within a blue oval.

Tiphaine Gruny

Luxembourg, 20 April 2023

1. FINANCIAL STATEMENTS

1.1 Consolidated statement of profit or loss

Sections - in K€	Notes	12/31/2022	12/31/2021
Continuing operations			
Revenue from contracts with customers	6	3,739,476	2,624,340
External expenses and other taxes	7	(531,639)	(363,718)
Staff costs and other expenses	7	(2,596,989)	(1,867,505)
Net impairment losses on financial and contract assets		(7,952)	(2,056)
Depreciation and amortization costs	8	(90,763)	(50,849)
Amortization and depreciation of assets acquired as part of a business combination	8	(74,022)	(40,049)
Depreciation costs - Right of use asset	8	(90,220)	(63,634)
Other operating income and expenses	9	(60,902)	(26,438)
Operating profit		286,989	210,091
Interest and other financial income	10	2,288	243
Interest on lease liabilities	10	(15,326)	(8,912)
Interest and other financial expenses	10	(134,868)	(48,239)
Finance cost - net		(147,906)	(56,908)
Other income and expenses	11	8,414	(3,864)
Net profit or loss from companies consolidated by equity method		23,875	(1,370)
Profit before income tax		171,372	147,949
Income tax expense	12	(70,742)	(71,461)
Profit from continuing operations		100,630	76,488
Profit from discontinued operations		—	—
Profit for the year		100,630	76,488
Owners of Foundever Group		100,430	76,544
Non-controlling interests		200	(56)
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company (in Euro):	22	0.9	1,100.1
Earnings per share for profit attributable to the ordinary equity holders of the company (in Euro):	22	0.9	1,100.1
Diluted earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company (in Euro):	22	0.9	1,010.1
Diluted earnings per share for profit attributable to the ordinary equity holders of the company (in Euro):	22	0.9	1,010.1

The lower earnings per share in 2022 compared to 2021 is mainly explained by the decrease of the nominal value of the stocks described in the Note 22 SHARE CAPITAL AND SHARE PREMIUM.

1.2 Consolidated statement of comprehensive income for the period

Sections - in K€	Notes	12/31/2022	12/31/2021
Profit for the year		100,630	76,488
<u>Items that may be reclassified to profit or loss</u>		(9,765)	67,005
Exchange differences on translation of foreign operations	1.5	(24,970)	78,589
Unrealized gains / (losses) on derivatives	20	16,739	(15,548)
Income tax relating to these items		(1,534)	3,964
<u>Items that will not be reclassified to profit or loss</u>		5,966	4,047
Post-employment benefit obligations remeasurement		5,977	4,236
Income tax relating to these items		(11)	(189)
Other comprehensive income or loss for the year, net of tax		(3,799)	71,052
Total comprehensive income for the year		96,831	147,540

1.3 Consolidated balance sheet

Assets - in K€	Notes	12/31/2022	12/31/2021
Goodwill	13	990,117	1,029,884
Intangible assets	13	946,512	1,032,742
Property, plant and equipment	14	197,008	206,894
Right of use assets	15	234,494	266,676
Other non-current assets	16	93,129	67,149
Derivative financial instruments	20	5,947	59
Deferred tax assets	17	55,789	19,302
Total non-current assets		2,522,996	2,622,706
Trade receivables	18	666,684	706,401
Income tax	12	31,867	13,977
Other current assets	19	120,661	100,450
Derivative financial instruments	20	10,194	1,216
Cash and cash equivalent	21	423,509	267,962
Total current assets		1,252,915	1,090,006
Total Assets		3,775,911	3,712,712
Liabilities and Equity - in K€	Notes	12/31/2022	12/31/2021
Share capital	22	1,113	1,113
Other equity, reserves, share premium and retained earnings		545,568	440,675
Profit or loss of the current year		100,429	76,544
Equity attributable to owners of Foundever Group		647,110	518,332
Non-controlling interests		5,117	41
Total of Equity		652,227	518,373
Borrowings	23	2,237,451	2,171,949
Lease liabilities	23	180,782	198,253
Deferred tax liabilities	17	86,385	144,251
Provisions	24	12,668	12,250
Employee benefit obligations	25	23,362	32,396
Income tax	12	32,332	22,960
Other non-current liabilities	27	6,285	20,438
Non-current liabilities		2,579,265	2,602,497
Trade and other payables	26	339,387	365,233
Borrowings (including overdraft)	23	13,284	18,476
Lease liabilities	23	76,053	75,778
Derivative financial instruments	20	10,683	13,170
Provisions	24	19,881	14,143
Income tax	12	16,250	25,640
Other current liabilities	27	61,014	71,984
Employee benefit obligations	25	7,867	7,418
Current liabilities		544,419	591,842
Total Liabilities and Equity		3,775,911	3,712,712

1.4. Consolidated statement of cash flows

1.4.1 Breakdown of cash generated from operations

The calculation of the cash generated from operation presented in the cash flow statement is detailed below:

Sections in - K€	Notes	12/31/2022	12/31/2021
<u>Profit before Income tax from:</u>			
Continuing operations		171,372	147,881
<u>Adjustments for:</u>			
Depreciation and amortization	13/14/15	262,579	159,690
Impairment, including goodwill	13	37,805	42
Net (gain) / loss on sale of non-current assets	2.2	(22,928)	7,720
Fair value adjustments		1,571	319
(Gain) or loss on derecognition of liabilities		—	8,997
Net exchange differences		(8,079)	3,348
Share based compensation	25.3	30,573	23,722
Amortization of debt costs and Original Interest Discount (OID)	10	8,610	3,777
Other (*)		4,843	6,922
<u>Variation of working capital from:</u>			
(Increase)/decrease in current assets and liabilities (**)		(23,711)	(44,181)
(Increase)/decrease in non-current assets and liabilities		(31,082)	(17,868)
<u>Financing costs</u>			
Cost of the net debt		137,284	44,574
Cash generated from operation		568,837	344,943

(*) Other: Other non-cash impacts mainly include: €2.9M of net impact of early termination of lease contracts. In 2021 audited financial statements, the share based compensation was presented in this line. It is separately presented in 2022 for €30.6M versus €23.7M in 2021.

(**) Working capital: Working capital was mainly impacted by:

- for the current assets and liabilities: increase in prepaid accounts, fair value of derivatives, VAT accounts, and accrued payroll taxes;
- for the non-current assets and liabilities: a reclassification from non-current to current liability of the payment due in January 2023 and employee benefit obligations.

1.4.2 Consolidated statements of cash flows

Sections - In K€	Notes	12/31/2022	12/31/2021
Cash generated from operations		568,837	344,943
Cash paid taxes	12	(116,274)	(78,290)
Net cash inflow from operating activities		452,563	266,653
Purchase of tangible, intangible and other non-current assets	13/14/15	(61,832)	(41,576)
Proceeds from the sale of tangible, intangible, and other non-current assets	13/14/15	—	3,752
Payment for acquisition of subsidiary, net of cash acquired		—	(1,776,407)
Proceeds from sales of subsidiaries, net of cash and cash equivalent transferred to the acquirer	2.2	12,381	—
Net cash (outflow) from investing activities		(49,451)	(1,814,231)
Proceeds from borrowings	23	158	2,248,166
Repayment of borrowings	23	(19,675)	(575,235)
Repayment of lease principal	23	(87,610)	(62,765)
Cost of the net debt	10	(137,284)	(44,574)
Other financial variations (*)		—	(72,892)
Net cash (outflow) from financing activities		(244,411)	1,492,700
Effects of exchange rate changes on cash and cash equivalents		(2,315)	11,332
Net increase (decrease) in cash and cash equivalents		156,386	(43,546)
Cash and cash equivalents at the beginning of the financial year	21	267,035	310,581
Cash and cash equivalents at end of year	21	423,420	267,035

(*) Other financial variations were mainly related to the payment of debt issue costs and OID related to the new credit agreement.

1.5 Consolidated statement of changes in equity

Sections - in K€	Notes	Share capital and share premium	Other equity and reserves including retained earnings and OCI	Profit or loss of the period	Total of Equity	Capital and reserves attributable to owners of Foundever Group	Non-controlling interests
Equity at December 31, 2020		1,113	244,702	101,197	347,012	347,880	(869)
Allocation of the consolidated profit or loss 2020		—	101,197	(101,197)	—	—	—
Consolidated profit or loss for the year 2021		—	—	76,488	76,488	76,544	(56)
Exchange differences on translation of foreign operations		—	78,589	—	78,589	78,589	—
Unrealized (loss) gain on derivative valuation	20	—	(11,584)	—	(11,584)	(11,584)	—
Post-employment benefit obligations remeasurement	25.1	—	4,047	—	4,047	4,047	—
Equity plans - IFRS 2			23,722		23,722	23,722	—
Other variations		—	99	—	99	(866)	965
Equity at December 31, 2021		1,113	440,772	76,488	518,373	518,332	41
Allocation of the consolidated profit or loss 2021		—	76,488	(76,488)	—	—	—
Consolidated profit or loss for the year 2022		—	—	100,630	100,630	100,430	200
Exchange differences on translation of foreign operations		—	(24,970)	—	(24,970)	(24,970)	—
Unrealized (loss) gain on derivative valuation	20	—	15,196	—	15,196	15,196	—
Post-employment benefit obligations remeasurement	25.1	—	5,777	—	5,777	5,777	—
Equity plans - IFRS 2	25.3	—	43,862	—	43,862	43,862	—
Other variations		—	(6,640)	—	(6,640)	(11,516)	4,876
Equity at December 31, 2022		1,113	550,485	100,630	652,228	647,111	5,117

2. GENERAL INFORMATION & PRINCIPAL ACCOUNTING POLICIES

2.1 Reporting entity

Foundever Group, formerly known as Sitel Group, is the parent company (hereafter "the Company") and entity producing the consolidated financial statements of the Group, and a "société anonyme" (corporation) under Luxembourgish law, incorporated in October 2012 for an unlimited duration under the RCS (Trade and Companies Register) number 171740 and whose registered office is at 33, Boulevard du Prince Henri - L 1724 Luxembourg - Grand Duchy of Luxembourg.

Foundever Group is subject to the laws of Luxembourg and is not listed on a regulated market.

The main activity of the Company is the acquisition of shares in companies dedicated to Customer Relations, as well as the management, control, and development of these companies. The Company also provides its subsidiaries with various financial, marketing, strategic, and IT services.

The DNA of the Group is based on the continuous innovation and development of new solutions aiming to transform Customer Relations into truly personalized experience for the customer. To help clients retain their customers and increase their satisfaction, the Group designs and deploys multi-channel, innovative solutions adapted to each business and each stage of the customer's journey, enabling end-to-end management of the Customer Experience.

The Group rebranded in March 1, 2023 as a natural next step in its journey, first with the acquisition of Sitel in 2015, then with integration of diverse capabilities across subsidiaries and most recently with the acquisition of Sykes Enterprises in August 2021.

About Foundever™

Foundever™ is a global leader in the customer experience (CX) industry. With 170,000 associates across the globe, we are the team behind the best experience for +750 of the world's leading and digital first brands. Our innovative CX solutions, technology and expertise are designed to support operational needs for our clients and deliver a seamless experience to customers in the moments that matter.

Supporting +9 million customer conversation every day in +60 languages across 45 countries, Foundever Group combines global strength and scale with the agile, entrepreneurial approach of our founder-led culture, enabling companies of all sizes and industries to transform their CX.

Get to know us at www.foundever.com and connect on Facebook, LinkedIn and Twitter.

2.2 Highlights of the financial year

As a reminder, the Group acquired Sykes Enterprises Inc on August 26, 2021. The 2021 figures reflected in the Profit or Loss statement reflect only 4 months of legacy Sykes activity. In compliance with IFRS 3, the purchase price allocation has been finalized within the 1 year period following the acquisition, see Note 2.6 Business combinations.

Merger discussions with Majorel

In line with our growth strategy, we began early 2022 discussions to merge with our competitor Majorel (around \$2 billion in revenue and joint subsidiary of the Bertelsmann and Saham groups) to form a global giant in our sector.

While the creation of strategic, commercial, geographical and human value of this project was confirmed as the negotiations and diligence process progressed, the very uncertain global economic environment as well as the particular context of one of Majorel's shareholders did not allow for an agreement to be reached.

Therefore, we terminated discussions with Majorel's shareholders in September 2022. In the future, depending on the evolution of the general situation, we remain open to future opportunities for external growth that creates value for the Group.

Integration of SYKES

During 2022, we continued our integration project of SYKES, acquired at the end of August 2021. More than 75% of expected synergies and savings related to this acquisition were achieved by the end of 2022. It is important to note that no significant dysssynergy was encountered.

All the teams are now operationally integrated, within a single brand. It becomes therefore difficult to further track remaining synergies and savings.

The 2022 performance of the Group is reflected in the key trends and figures snapshot below (amounts expressed in millions of Euro):

- Another year with revenue and profitability growth;
- Profitability targets hit at Global level.

Revenue:	€	3,739.5 M up 43% compared to 2021.
Operating profit:	€	287.0 M up 37% compared to 2021.
Consolidated Net income (Group share):	€	100.4 M versus €76.6M in 2021.
Net cash flow generation:	€	156.4 M up -460% compared to 2021.
Total consolidated Assets:	€	3,775.9 M versus €3712.8M in 2021.

The comparison 2022 - 2021 proforma basis is presented below:

Comparison 2022 - 2021 Proforma (in M€)	2022	2021 - proforma - unaudited
Revenue	3,739.5	3,644.6
Operating profit	287.0	178.4
Consolidated Net income (Group share):	100.4	39.2

- Other information:

In February 2022, the Group sold his minority ownership in Xsell company for \$30M in the form of an interest bearing note. An initial payment of \$10M was received in 2022 and the remaining \$20M is due in 2025.

2.3 Basis for the preparation of the consolidated financial statements

The Group prepares its consolidated financial statements on a going concern basis under IFRS (International Financial Reporting Standards) as adopted by the European Union. IFRS includes IFRS and IAS (International Accounting Standards) standards, as well as their SIC (Standing Interpretations Committee) and IFRS IC (International Financial Reporting Standards Interpretations Committee - ex IFRIC) interpretations.

The accounting methods used have been applied on an ongoing basis to all the financial years presented.

The consolidated financial statements have been prepared under the historical cost convention except for financial assets and liabilities including derivatives instruments measured at fair value.

The Group's consolidated financial statements are presented in thousands of euro, without decimal places. The rounding of numbers to the nearest thousand euro may, in some cases, lead to non-material deviations in terms of the totals and sub-totals included in the tables.

2.4 Changes in presentation of the consolidated financial statements

The presentation of the financial statements is the same basis as 2021 except for the footnote presenting the "Classification of financial instruments and other assets and liabilities" in the Note 29. The 2021 data has been modified to reflect the split between current and non-current portions related to the derivatives.

2.5 Consolidation principles

The consolidated financial statements include the accounts of the companies controlled, directly or indirectly, by the Parent company of the Group. The closing dates of the various entities are consistent with those of the Group, i.e. December 31 except for India that closes on March 31.

The scope of consolidation is presented in the Note 5.1 Scope of consolidation.

Subsidiaries

The Group has control when it:

- holds power over the entity;
- is exposed, or has rights, to variable returns due to its involvement with the transmitting entity;
- has the ability to use its power to affect the amount of returns it obtains.

The Group shall reassess if it controls the transmitting entity when facts and circumstances indicate that one or more of the three elements of control listed above has changed.

If the Group does not hold a majority of the voting rights in a transmitting entity, but has rights that are sufficient to give it the practical ability to unilaterally manage the relevant activities of the transmitting entity. The Group takes into consideration all the facts and circumstances when assessing whether the voting rights that it holds in the transmitting entity are sufficient to give it power, including:

- the number of voting rights that the Group holds compared to the number of rights held respectively by the other holders of voting rights and to their dispersion;
- potential voting rights held by the Group, the other holders of voting rights (including right to appoint board members, and operation oversight management), or other parties;
- rights arising from other contractual agreements;
- the other facts and circumstances, if any, indicating that the Group has, or does not have, the current ability to manage the relevant activities when the decisions need to be made, including voting trends at previous shareholders' meetings.

The Group must consolidate the subsidiary from the date on which it obtains control, and cease consolidation when it loses control of it. Specifically, income and expenses of a subsidiary which was acquired or disposed of during the year are included in the consolidated statement of net income and of other elements from the comprehensive income from the date the Group acquired control of the subsidiary and until the date on which it ceased to control it.

The net income and each component of other elements of the comprehensive income are attributed to the owners of the Group and to holdings that do not confer control, even if this results in a negative balance for the latter.

If necessary, adjustments are made to the financial statements of subsidiaries so that their accounting methods are consistent with the accounting methods of the Group.

Beyond the one-year time limit allowed by the standard, subsequent variations in holdings in a subsidiary that do not result in a loss of control are accounted for directly in the equity of the Group.

2.6 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The counterpart funding transferred in a business combination is measured at fair value, which is calculated as the sum of fair values on the acquisition date of the assets transferred by the Group, liabilities incurred by the Group in respect of the previous holders of the acquired company, and units of equity issued by the Group in exchange for control of the acquired company. Acquisition-related costs are generally accounted for in net income as they are incurred.

On the acquisition date, the identifiable assets acquired and the liabilities assumed are accounted for at their fair value, except for:

- deferred assets or tax liabilities and assets or liabilities related to the benefits of the staff members, which are accounted for and assessed in accordance with IAS 12, "Income Taxes", and IAS 19R "Employee Benefits", respectively;
- liabilities or equity instruments related to payment agreements based on shares of the acquired company or payment arrangements based on shares of the Group entered into to replace payment agreements based on shares of the acquired company, which are assessed in accordance with IFRS 2 on the acquisition date;
- assets (or Groups destined to be disposed of) classified as held for sale in accordance with IFRS 5, "Non-Current Assets Held for Sale and Discontinued Activities", which are assessed in accordance with this standard;
- the excess of the:
 - consideration transferred,
 - amount of any non-controlling interest in the acquired entity, and
 - acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent third party under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurements are recognized in profit or loss.

Goodwill from the acquisition of companies accounted for under the equity method is included in the carrying amount of the holding.

The subsequent accounting for variations in fair value of contingent counterpart funding that does not constitute measurement period adjustments depends on the classification of the contingent counterpart funding. Contingent counterpart funding classified as equity shall not be reassessed on subsequent closing dates, and its subsequent settlement shall be accounted for in equity. Contingent counterpart funding classified as an asset or a liability is reassessed on subsequent closing dates in accordance with IFRS 9 or IAS 37, "Provisions, Contingent Liabilities, and Contingent Assets", as the case may be, the gain or loss being accounted for in the net income.

In a business combination performed in stages, the Group shall reassess the holding that it held previously in the acquired company at the fair value on the acquisition date and account for any gain or loss in net income. Amounts arising from holdings in the acquired company prior to the acquisition date that have previously been accounted for in the other elements of the comprehensive income are reclassified as net income if such treatment is appropriate in the case of exiting the holding.

If the initial accounting for a business combination is incomplete by the end of the period of presentation of the financial information during which the business combination occurs, the Group shall indicate in its financial statements the provisional amounts relating to elements for which accounting is incomplete. During the measurement period, the Group shall adjust retrospectively the provisional amounts accounted for on the acquisition date in order to reflect the new information obtained about facts and circumstances that existed on the acquisition date and that, had they been known, would have affected the assessment of the amounts accounted for on that date. During the measurement period, the buyer shall also account for additional assets or liabilities if new information is obtained about facts and circumstances that existed on the acquisition date and that, had they been known, would have resulted in accounting for these assets and liabilities on that date. The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed on the acquisition date, or as soon as it learns that it is impossible to obtain additional information. However, the measurement period shall not exceed one year from the acquisition date.

As a reminder, Sykes Enterprises Incorporated was acquired by Foundever Group on August 26, 2021. As a result, the 2021 Profit or Loss statement reflects only 4 months of activity related to it versus 12 months in the 2022 Profit or Loss statement.

The temporary initial identified fair value of assets and liabilities recognized as a result of the acquisition were as follows:

Nature	Amounts in K€
Intangible assets	944,613
Property, plant and equipment	128,052
Right of use assets	129,364
Other non-current assets	41,659
Derivative financial instruments	—
Deferred tax assets	(4,526)
Total non-current assets	1,239,162
Trade receivables	334,056
Income tax	2,092
Other current assets	61,412
Derivative financial instruments	734
Cash and cash equivalent	102,464
Total current assets	500,758
Borrowings	(15,254)
Lease liabilities	(86,331)
Derivative financial instruments	(75)
Deferred tax liabilities	(148,133)
Provisions	(823)
Employee benefit obligations	(7,661)
Income tax	(4,290)
Other non-current liabilities	(59,032)
Non-current liabilities	(321,599)
Trade and other payables	(257,259)
Borrowings (including overdraft)	—
Lease liabilities	(42,181)
Derivative financial instruments	(881)
Provisions	—
Income tax	(10,510)
Other current liabilities	(6,260)
Employee benefit obligations	—
Current liabilities	(317,091)
Net identifiable asset acquired	1,101,230
Goodwill	759,455
Net assets acquired	1,860,685

As of December 31, 2021, the purchase price allocation process was not completed. In 2022, the purchase price allocation process was completed and final adjustments were recorded, resulting in changes in the trademark valuation, income taxes balances at acquisition date and deferred income taxes that were booked against goodwill. The decrease of the Sykes trademark was €(2,661)K (against goodwill). The total impact related to the deferred and current taxes decreased the goodwill by €(97,548)K.

2.7 Foreign currencies

The consolidated financial statements are presented in Euro, which is the Parent's functional currency and Group presentation currency. The financial statements of all foreign companies whose functional currency is different from the Euro are converted into Euro by applying the following method:

- the balance sheet items except for equity, which is maintained at the historical rate, are converted at the closing rate at the date of the balance sheet;
- the income statement and statement of comprehensive income are converted at the weighted average exchange rate for the period for each quarter;
- cash flows are converted at the average exchange rate for the period.

All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The following tables set forth the foreign exchanges rates to the USD against key currencies used for foreign currency translation when preparing the Consolidated Financial Statements in 2022 and 2021:

Average for year				Closing rate			
\$ per unit	2022	2021	Change %	\$ per unit	2022	2021	Change %
AUD	0.6952	0.7517	(8)%	AUD	0.6792	0.7258	(6)%
BRL	0.1941	0.1857	5 %	BRL	0.1892	0.1772	7 %
CAD	0.7693	0.7979	(4)%	CAD	0.7384	0.7825	(6)%
CNY	0.1490	0.155	(4)%	CNY	0.1445	0.157	(8)%
COP	0.0002	0.0003	(12)%	COP	0.0002	0.0003	(16)%
CRC *	0.0016	0.0016	1 %	CRC	0.0018	0.0016	12 %
EGP *	0.0533	0.0636	(16)%	EGP	0.0404	0.0637	(37)%
EUR	1.0545	1.1836	(11)%	EUR	1.0677	1.1326	(6)%
GBP	1.2382	1.3761	(10)%	GBP	1.2062	1.3492	(11)%
INR	0.0128	0.0135	(5)%	INR	0.0121	0.0135	(10)%
MAD	0.1071	0.115	(7)%	MAD	0.1077	0.1118	(4)%
MXN	0.0498	0.0493	1 %	MXN	0.0513	0.0487	5 %
NZD	0.6365	0.7077	(10)%	NZD	0.6339	0.6836	(7)%
PHP	0.0184	0.0203	(9)%	PHP	0.0180	0.0196	(8)%
RON *	0.2140	0.2332	(8)%	RON	0.2160	0.23	(6)%
SEK	0.0993	0.1167	(15)%	SEK	0.0958	0.1106	(13)%
XOF	0.0016	0.0018	(11)%	XOF	0.0016	0.0017	(5)%

*from September 1 to December 31, in 2021 only. 2022 has full year average rates.

The following table shows information concerning the rate of exchange of USD per EUR per quarter and the weighted average rate:

Quarters	Average rate per Quarter
	2022
Q1	1.1227
Q2	1.0664
Q3	1.0086
Q4	1.0203
Weighted average rate of the year	1.0558

2.8 Denominated transactions in foreign currencies

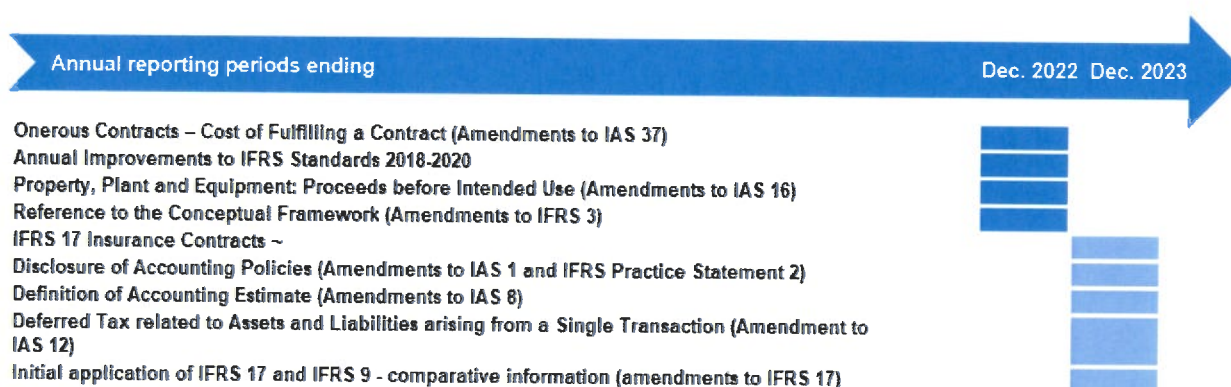
Transactions in foreign currencies are converted into the applicable entity's functional currency using the exchange rate on the date of the transaction. Denominated monetary assets and liabilities in foreign currencies on the closing date are converted using the exchange rate in force on the closing date. Exchange differences resulting from these transactions are accounted for as income or expenses.

Non-monetary elements in foreign currencies that are assessed at the historical cost are converted using the exchange rate on the transaction date. Non-monetary elements in foreign currencies that are assessed at the fair value are converted using the exchange rate on the date on which the fair value was assessed. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

3 APPLICATION OF THE NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

3.1 New and amended standards adopted by the Group

The chart below presents the list of the new standards, interpretations and amendments applicable from January 1, 2022 (only the standards potentially applicable by anticipation in 2022) endorsed by the European Union. Application of these new standards does not have a material impact for the Group.



Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

Some contracts may be loss-making from the outset or become loss-making during their life cycle. There are many potential drivers for a loss-making contract, including external factors and a company's own strategy. After the withdrawal of IAS 11, companies have to apply IAS 37 to determine if a contract is onerous or not. A contract is determined as "onerous" when the unavoidable costs of meeting the contractual obligations, (meaning the lower between the costs to fulfil the contract and the cost to terminate it) outweigh the expected economic benefits.

Before the amendment IAS 37 was not providing a detail of which costs have to be used to evaluate the necessary costs to fulfil a contract. The new amendment clarifies this and provides the following examples:

- Incremental costs (contracts tools, materials, contractors...);
- and an allocation of other direct costs, e.g. an allocation of the depreciation expense for an item of property, plant and equipment used to fulfil the contract.

The Group is not impacted by this amendment.

Annual Improvements to IFRS Standards 2018-2020

The improvements are related to the following standards:

IFRS 1 First-time adoption of IFRS:

This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards.

This amendment does not impact the subsidiaries of the Group or the financials of the Group.

IFRS 9: Financial instruments:

This amendment clarifies that – for the purpose of performing the '10 percent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

This amendment does not impact the Group 2022 financials.

IFRS 16 Leases, illustrative Example 13:

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

This removal from IFRS 16 does not impact the Group 2022 financials.

IAS 41 Agriculture:

This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

This amendment does not impact the Group 2022 financials.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognized in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of PPE is available for use; and
- costs associated with making the item of PPE available for its intended use.

Making this allocation of costs may require significant estimation and judgement. Companies in the extractive industry may need to monitor costs at a more granular level. The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin.

This amendment has no impact on the Group 2022 financials.

3.2 Standards and interpretations adopted by the IASB but not yet endorsed at the end of year

The table below summarizes the new standards, interpretations and amendments not yet endorsed by the European Union.

Description	EU effective date
<u>Standards not / not yet endorsed by the EU</u>	
Classification of liabilities as current or non-current (Amendments to IAS 1)	Not yet endorsed
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Not yet endorsed
Non-current Liabilities with Covenants (Amendments to IAS 1)	Not yet endorsed

The Group has not applied new and revised IFRS and interpretations from IFRS IC which have been issued but are not yet into effect.

3.3 Early adoption of standards

The following standards have an early adoption option in 2022. The Group did not apply them, because they are not applicable and/or do not have impacts on the Group 2022 financials:

IFRS 17 Insurance Contracts

Definition of Accounting Estimates (Amendments to IAS 8)

The following new standard has been adopted by anticipation in the Group 2022 financials and has no impact:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

4 ESTIMATES, ASSUMPTIONS AND JUDGMENTS

Preparation of consolidated financial statements requires the Group's Management to exercise judgment, to make estimates, and to formulate hypotheses that may affect the book value of certain elements of assets and liabilities, income, and expenses, as well as the information given in the notes.

As part of the consolidated financial statements, the significant estimates and judgments exercised by management to apply the Group's accounting methods include the following:

- **The assessments selected for the tests of impairment loss of tangible assets, intangible assets, and goodwill:** As part of the determination of the recoverable value of assets for impairment testing (IAS 36), estimates, assumptions, and judgments mainly relate to sales volume, production capacity, and production margins. The estimates and assumptions used by Management are determined within internal services. The discount rate is reviewed each year. Impairments of fixed assets, the method applied, and the conclusions of the annual test are presented in the Note 13 INTANGIBLE ASSETS AND GOODWILL of the consolidated financial statements at 12/31/2022;
- **Income Taxes:** The Group makes significant judgments in interpreting tax rules and regulations when calculating income tax expense. The Group makes judgments to evaluate whether we can recover a deferred tax asset based on our assessment of existing tax laws, estimates of future profitability, and tax planning strategies. Income tax policy and methods applied are described in Note 12 INCOME TAX EXPENSE and specific discussion of deferred tax assets and liabilities are included in Note 17 DEFERRED TAX ASSETS AND LIABILITIES in the consolidated financial statements as of 12/31/2022;
- **Equity and cash settlement benefits:** The Group makes significant assumptions when calculating the fair value of equity and cash benefits provided to Group employees. The assumptions and the impacts of the fair value in the financial statements are presented in Note 25 EMPLOYEE BENEFITS OBLIGATIONS;
- **Goodwill and intangible asset recognized as part of a business combination:** With respect to goodwill, the recoverable amounts of the Group's cash generating units are determined from the higher of its net selling price (fair value reduced by selling costs) or its value in use calculations, as described above. The key assumptions for the value in use calculations are those regarding the discount rates, and expected changes of revenue and profitability. Management estimates discount rates using pre-tax rates that reflect current market rates for investments of similar risk. Changes in revenue and profitability are based on historical experience and expectations of future changes. Cash flow forecasts are derived from management's five-year forecast projections. Once recognized, impairment losses recognized for goodwill are not reversed. Detailed information about the impairment test (including the sensitivity test) is provided in Note 13 INTANGIBLE ASSETS AND GOODWILL. Intangible assets recorded by the Group can include customer relationships, trademarks and domain names, content libraries, and software, acquired through business combinations that are recorded at fair value and amortized on a straight-line basis over their estimated economic useful lives. As mentioned in Note 13 INTANGIBLE ASSETS AND GOODWILL, "Clearlink" trademarks are identified as indefinite-life.

Due to management's decision to rebrand the Company, the Sitel trademark has been recategorized from indefinite-life to definite life from May 2022. This change came after a decision from the Board of Directors to rebrand. As a result an impairment test was processed in compliance with IAS 36 (separately from the CGU impairment test, and including a sensitivity test) based on 5 years of cash flow from the Clearlink trademark and 3 years for the Sitel and Sykes definite lived trademarks. If the business combination can only be provisionally calculated at the reporting date, the identifiable net assets are initially recognized at their provisional amounts. Final adjustments to acquisition fair values can be made for a period of up to twelve months after acquisition date.

In a broader sense, the Group's estimates are based on a hypothesis of continuity of operations and on experience and other market and strategic factors considered reasonable given the circumstances and information available when drawn up. Thus, Management used a 5-year business plan forecasts detailed by region and activity to form the basis of various assessments.

Estimates may be revised if the circumstances on which they were based change or because of new information.

5 SCOPE OF CONSOLIDATION

5.1 Scope of consolidation

The following entities were detailed in Foundever Group's consolidated financial statements on 12/31/2022. The annual closing date is December 31st for all companies, except for India which closes on March 31st. The country of incorporation or registration is also their principal place of business.

				12/31/2022	
Name post rebranding	Name pre-rebranding (if changed)	Country	Voting %	% Ownership interests	Method
Foundever Group S.A.	Sitel Group S.A.	Luxembourg	Parent	100 %	FC
Acticall Brasil Terceirização LTDA		Brazil	100 %	100 %	FC
Foundever Saiss	Acticall SAISS	Morocco	100 %	100 %	FC
Foundever Côte d'Ivoire	Sitel Côte d'Ivoire	Ivory Coast	100 %	100 %	FC
Acticourtage		France	100 %	100 %	FC
Acticall Maroc		Morocco	100 %	100 %	FC
Sitel NL Management B.V.		Netherlands	100 %	100 %	FC
Foundever Maroc	Acticall Maroc CRM	Morocco	100 %	100 %	FC
Learning Tribes China		China	100 %	70 %	FC
Learning Tribes Corp.		USA	100 %	70 %	FC
Saturn International Holding		Luxembourg	100 %	100 %	FC
Foundever Operating Corporation Limited	Sitel Operating Corporation Ltd	UK	100 %	100 %	FC
Foundever France	Sitel France	France	100 %	100 %	FC
Foundever France Holdings SAS	Sitel France Holdings	France	100 %	100 %	FC
Foundever Casa City	Delta Call	Morocco	100 %	100 %	FC
Sitel Honduras	Sitel Honduras	Honduras	100 %	100 %	FC
Foundever Senegal	Sitel Senegal	Senegal	100 %	100 %	FC
AKA Services	AKA Services	Luxembourg	33 %	33 %	NC
Foundever Worldwide Corporation	Sitel Worldwide Corporation	USA	100 %	100 %	FC
Foundever Portugal S.A.	Action (Portugal) Marketing Telefonica a Rede de Vendas, S.A.	Portugal	100 %	100 %	FC
B's Telemarketing Limited		UK	100 %	100 %	FC
Foundever Rabat	Sitel CRM	Morocco	100 %	100 %	FC
Foundever Access Canada Inc.	Alpine Access Canada Inc.	Canada	100 %	100 %	FC
ClientLogic (UK) Holding Limited		UK	100 %	100 %	FC

Name post rebranding	Name pre-rebranding (if changed)	Country	12/31/2022		
			Voting %	% Ownership interests	Method
ClientLogic (UK) Limited		UK	100 %	100 %	FC
ClientLogic B.V.		Netherlands	100 %	100 %	FC
ClientLogic Customer Services SARL		Morocco	100 %	100 %	FC
ClientLogic Financial Services Limited		UK	100 %	100 %	FC
ClientLogic Holding Limited		UK	100 %	100 %	FC
ClientLogic Limited		UK	100 %	100 %	FC
Financial Insurance Services Inc.		USA	100 %	100 %	FC
HDM GmbH		Germany	100 %	100 %	FC
LCS Industries Limited		UK	100 %	100 %	FC
Merit Direct Limited		UK	100 %	100 %	FC
Mitre Telesales Limited (f/k/a Sitel Kingston Limited)		UK	100 %	100 %	FC
NA Liquidating Company Inc.		USA	100 %	100 %	FC
Service Zone Holdings, LLC.		USA	100 %	100 %	FC
Sitel (BVI) International, Inc.		British Virgin Islands	100 %	100 %	FC
Sitel Agente Financiero SAU (Agente de Seguros Vinculada)		Spain	100 %	100 %	FC
Sitel ARM Corp.		USA	100 %	100 %	FC
Sitel Asia Pacific Investments Pte Limited		Singapore	100 %	100 %	FC
Foundever Sydney Pty Limited	Sitel Australia Pty Ltd.	Australia	100 %	100 %	FC
Foundever Bulgaria EOOD	Sitel Bulgaria EOOD	Bulgaria	100 %	100 %	FC
Sitel Canada Corporation		Canada	100 %	100 %	FC
Sitel Caribbean Holdings, Inc.		British Virgin Islands	100 %	100 %	FC
Sitel Consulting Limited		UK	100 %	100 %	FC
Foundever do Brasil Serviços e Tecnologia Ltda.	Sitel do Brasil Ltda.	Brazil	100 %	100 %	FC
Foundever de Colombia S.A.	Sitel de Colombia SA	Colombia	100 %	100 %	FC
Foundever Denmark ApS	Sitel Denmark ApS	Denmark	100 %	100 %	FC
Foundever Direct, S.A.U.	Sitel Direct SAU	Spain	100 %	100 %	FC
Foundever Europe Limited	Sitel Europe Limited	UK	100 %	100 %	FC
Sitel Finance Corp		USA	100 %	100 %	FC
Sitel Financial Services, Incorporated		USA	100 %	100 %	FC
Foundever B.V. & Co KG	Sitel B.V. & Co KG (ex Sitel GmbH)	Germany	100 %	100 %	FC
Foundever Spain, S.A.U.	Sitel Iberica Teleservices, S.A.U.	Spain	100 %	100 %	FC
Foundever India Private Limited	Sitel India Private Limited	India	100 %	100 %	FC
Sitel International Holding Inc.		USA	100 %	100 %	FC
Sitel International LLC		USA	100 %	100 %	FC

		12/31/2022			
Name post rebranding	Name pre-rebranding (if changed)	Country	Voting %	% Ownership interests	Method
Foundever Ireland Limited	Sitel Ireland Limited	Ireland	100 %	100 %	FC
Sitel Italy Srl		Italy	100 %	100 %	FC
Sitel Kingston (Services) Limited		UK	100 %	100 %	FC
Sitel LLC		USA	— %	— %	FC
Sitel Mexico Holdings, LLC		USA	100 %	100 %	FC
Foundever Mexico S.A. de C.V.	Sitel Mexico S.A. de C.V.	Mexico	100 %	100 %	FC
Sitel Moor Park (Services) Limited		UK	100 %	100 %	FC
Sitel Moor Park Limited		UK	100 %	100 %	FC
Foundever New Zealand Limited	Sitel New Zealand Limited	New-Zealand	100 %	100 %	FC
Foundever Nicaragua S.A.	Sitel Nicaragua, S.A.	Nicaragua	100 %	100 %	FC
Foundever Operating Corporation	Sitel Operating Corporation	USA	100 %	100 %	FC
Foundever Panama S.A.	Sitel Panama, S.A.	Panama	100 %	100 %	FC
Foundever çağrı Merkezi Hizmetleri limited Şirketi	Sitel çağrı Merkezi Hizmetleri limited Şirketi	Türkiye	100 %	100 %	FC
Sitel Personaldienstleistungen GmbH		Germany	100 %	100 %	FC
Foundever Philippines Corporation	Sitel Philippines Corporation	Philippines	100 %	100 %	FC
Foundever Polska Sp.Zo.O	Sitel Polska	Poland	100 %	100 %	FC
Foundever SBA d.o.o.	Sitel SBA d.o.o.	Serbia	100 %	100 %	FC
Foundever Services, Inc.	Sitel Services, Inc.	USA	100 %	100 %	FC
Sitel Solutions UK Limited		UK	100 %	100 %	FC
Sitel Stratford (Services) Limited		UK	100 %	100 %	FC
Foundever Teleservices Canada, Inc.	Sitel Teleservices Canada, Inc.	Canada	100 %	100 %	FC
Sitel UK Finance		UK	100 %	100 %	FC
Foundever GB Limited	Sitel UK Limited	UK	100 %	100 %	FC
Sitmex-USA, LLC		USA	100 %	100 %	FC
Soluciones Integrales de Externalización de Procesos S.A.U.		Spain	100 %	100 %	FC
SRM Inkasso GmbH		Germany	100 %	100 %	FC
Foundever Netherlands B.V.	Systems Integrated Telemarketing Netherlands BV	Netherlands	100 %	100 %	FC
The Ivy Group Limited		UK	100 %	100 %	FC
Verifica Comunicaciones, S.A.U.		Spain	100 %	100 %	FC
INNSO Corp.		USA	100 %	95 %	FC
Foundever Hellas Single Member SA	DynamisCX Single Member A.E	Greece	100 %	100 %	FC
Sitel (Shanghai) Information Services Co., Ltd.		China	50 %	50 %	FC
Sitel Netherlands Holdings B.V.		Netherlands	100 %	100 %	FC
Foundever GB Holdings Limited	Sitel UK Holding Ltd.	UK	100 %	100 %	FC

Name post rebranding	Name pre-rebranding (if changed)	Country	12/31/2022		
			Voting %	% Ownership interests	Method
Sykes Realty		USA	100 %	100 %	FC
Foundever Australia Pty Limited	Sykes Australia Pty. Ltd.	Australia	100 %	100 %	FC
Foundever Enterprises B.V.	Sitel Enterprises BV (ex Sykes Enterprises Incorporated B.V.)	Netherlands	100 %	100 %	FC
SEI Consulting Services Inc.		USA	100 %	100 %	FC
ICT Accounts Receivable Management Inc.		USA	100 %	100 %	FC
SEI Employment Services Inc		USA	100 %	100 %	FC
Sykes Acquisition Corp. II		USA	100 %	100 %	FC
Clear Link Technologies LLC		USA	100 %	100 %	FC
Local Results LLC		USA	100 %	100 %	FC
The Domain Locker LLC		USA	100 %	100 %	FC
I-Dish.com LLC		USA	100 %	100 %	FC
Clear Link Insurance Agency LLC		USA	100 %	100 %	FC
LeadAmp LLC		USA	100 %	100 %	FC
Taylor Media LLC		USA	100 %	100 %	FC
Foundever Romania S.R.L.	Sykes Enterprises Eastern Europe S.R.L.	Romania	100 %	100 %	FC
Sykes Kozep-Europa Kft	Sykes Kozep-Europa Kft	Hungary	100 %	100 %	FC
Sitel Slovakia s.r.o. (ex Sykes Slovakia s.r.o.)	Sitel Slovakia s.r.o. (ex Sykes Slovakia s.r.o.)	Slovakia	100 %	100 %	FC
Foundever Cyprus Limited	Sykes Cyprus Limited	Cyprus	100 %	100 %	FC
Foundever Italy S.R.L.	Sykes Enterprises Italy S.r.L.	Italy	100 %	100 %	FC
Foundever Mexico Contact Center Services S. DE R.L. DE C.V. (ex ICT Marketing Services of Mexico)	Sykes Mexico Contact Center Services S. DE R.L. DE C.V. (ex ICT Marketing Services of Mexico)	Mexico	100 %	100 %	FC
Foundever Egypt LLC	Sykes Egypt LLC	Egypt	100 %	100 %	FC
Foundever Norway AS	Sitel Norway AS (ex Sykes Enterprises Norway AS)	Norway	100 %	100 %	FC
Foundever Sweden AB	Sitel Sweden AB (ex Sykes Sweden AB)	Sweden	100 %	100 %	FC
Foundever Enterprises Denmark ApS	Sitel Denmark Enterprises ApS (ex Sykes Enterprises Denmark ApS)	Denmark	100 %	100 %	FC
Foundever Finland Oy	Sitel Finland Oy (ex Sykes Finland OY)	Finland	100 %	100 %	FC
Foundever Assistance Services Corporation	Sykes Assistance Services Corporation	Canada	100 %	100 %	FC
Sykes Enterprises GmbH		Germany	100 %	100 %	FC
Sykes Enterprises Management GmbH		Germany	100 %	100 %	FC
Sykes Enterprises Verwaltungs und Management GmbH		Germany	100 %	100 %	FC
Foundever Berlin GmbH & Co. KG	Sykes Enterprises Berlin GmbH & Co. KG	Germany	100 %	100 %	FC
Foundever Bochum GmbH & Co. KG	Sykes Enterprises Bochum GmbH & Co. KG	Germany	100 %	100 %	FC
Foundever Support GmbH & Co. KG	Sykes Enterprises Support Services BV & Co. KG	Germany	100 %	100 %	FC

			12/31/2022		
Name post rebranding	Name pre-rebranding (if changed)	Country	Voting %	% Ownership interests	Method
Foundever El Salvador Limitada	Sykes El Salvador Ltda	El Salvador	100 %	100 %	FC
Foundever Costa Rica S.A.	Sykes Latin America S.A.	Costa Rica	100 %	100 %	FC
Foundever Corporation Colombia S.A.S.	Sykes Colombia SAS	Colombia	100 %	100 %	FC
Sykes do Brasil Servicos de Teletendimento Ltda		Brazil	100 %	100 %	FC
Sykes India Holdings Corporation		Mauritius	100 %	100 %	FC
Foundever Business Services of India Philippines Private Limited	Sykes Business Services of India Private Limited India	India	100 %	100 %	FC
Foundever Enterprises India Private Limited	Sykes Enterprises (India) Pvt. Ltd.	India	100 %	100 %	FC
Sykes (Shanghai) Co. Ltd		China	100 %	100 %	FC
Foundever Information Technology Services (Shanghai) Co. Ltd	Sykes Information Technology Services (Shanghai) Co. Ltd	China	100 %	100 %	FC
Foundever Financial Services Pty Limited	Sykes Financial Services Pty Ltd	Australia	100 %	100 %	FC
Sykes Global Services Limited		UK	100 %	100 %	FC
LINK Network Limited		UK	100 %	100 %	FC
Symphony Ventures Ltd		UK	100 %	100 %	FC
Symphony Ventures Sp. Zo.O.O	Symphony Ventures Sp. Zo.O.O	Poland	100 %	100 %	FC
Symphony Ventures Inc.		USA	100 %	100 %	FC
SYM RPA Private Ltd		India	100 %	100 %	FC
Foundever Netherlands Group B.V.	Sitel Netherlands Group B.V. (ex Sykes Netherlands Group B.V.)	Netherlands	100 %	100 %	FC
Foundever Asia Inc.	Sykes Asia Inc.	Philippines	100 %	100 %	FC
ICT Canada Marketing Inc.		Canada	100 %	100 %	FC
Qelp B.V.		Netherlands	100 %	100 %	FC
Qelp Do Brasil Software E Conteudo Digital LTDA		Brazil	100 %	100 %	FC
Suzhou Pin Zhuo Information Technology Service Co. Ltd (*)		China	— %	100 %	FC
Shanghai Pintian Information Technology Service Co. Ltd (*)		China	— %	100 %	FC
Guangzhou Pin Duo Information Technology Service Co. Ltd (*)		China	— %	100 %	FC
McQueen International B.V.	McQueen International B.V.	Netherlands	100 %	100 %	FC
WhistleOut Pty, Limited		Australia	100 %	100 %	FC
Foundever Business Services Corporation	Sitel Business Services Corporation	Philippines	100 %	100 %	FC
Foundever Peru Contact Services S.A.C.	Sitel Peru Contact Services S.A.C.	Peru	100 %	100 %	FC

FC means Fully Consolidated; NC means Not Consolidated;

(*) 3 Chinese companies acquired in the Sykes acquisition are fully consolidated but the Group does not have a direct legal ownership of these companies. The Group has control as per IFRS 10 requirements.

Changes in the scope occurred during 2022 are listed below:

- Creations of:
 - Foundever çağrı Merkezi Hizmetleri limited Sirketi, a Turkish Lira (TRY) currency company with a EUR functional currency;
 - Foundever Business Services Corporation, a Philippine Pesos (PHP) currency company;
 - Foundever Peru Contact Services S.A.C., a Peruvian Sol (PEN) currency company.
 - Sitel NL Management B.V., a Euro (EUR) currency company.
- Out of scope of:
 - On February 18, 2022, the Group sold its 27% minority interests in XSell Technologies Inc. in exchange for a \$30M Repurchase Promissory Note maturing upon the earlier of February 18, 2024 and the consummation of a Capital Transaction. During 2022, the Group received a payment of \$10M. The outstanding capital and accrued interest balance at December 31, 2022 is \$20M;
 - Sitel Operating Panama was dissolved in 2022;
 - Learning Tribes France and INNSO France were merged with Foundever France in July 2022;
 - Learning Tribes Brazil was merged with Foundever do Brasil Serviços e Tecnologia Ltda. in August 2022;
 - Sykes Enterprises Incorporated has been merged by Foundever Operating Corp in Dec 2022;
 - Several dormant companies have also been dissolved or merged in 2022.

All out of scope entities did not have a significant impact in our financials ended on December 31, 2022.

5.2 Non-consolidated companies

The following list contains the holdings in which the Group holds more than 20% of voting rights, but which were not integrated into the consolidation as of 12/31/2022. These holdings are excluded from the consolidated financial statements because of their insignificant nature. In addition, the Group assesses holdings not included in the consolidation according to the principle of the fair value:

- AKA Services (Country: Luxembourg): 33,33% held. This company was created in 2018 and provides services to the Group (including the drawing up the Parent company financial statements and other subsidiaries). More information is provided in Note 30 INFORMATION ABOUT RELATED PARTIES. AKA Services is a joint control company.

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group generates income from contracts with its customers through a wide range of services. These services include the provision of multiple end-user services, technical support, training, and strategic advice to customer teams, software development, and digital innovation offered to the Group's customers, as well as services to help customers to acquire or retain their own customers. These services are provided through multiple communication channels (telephone, email, social media, MOOCs, face-to-face, etc.).

Revenue related to these services is accounted for only when there is convincing evidence that a binding contract exists and that collection is reasonably assured. The Group recognizes revenue over time, as the performance obligations in our contracts are satisfied, using the right to invoice expedient for output methods under IFRS 15.B16. Under this expedient, we may recognize revenue in the amounts billed provided that the amounts billed correspond directly with the value we have already transferred to the client. Accordingly, the Group recognizes revenue at the time services are performed based on the rate detailed in the client contract, such as per: minute, hour, month, employee, subscriber or user, or item basis for each transaction processed. We typically bill our clients monthly, and payment is due within 30 - 60 days. Group's contracts do not contain significant financing components.

A portion of revenues may be subject to performance standards, such as sales per hour, average handle time, occupancy rate, abandonment rate, call quality, and customer satisfaction. The Group's performance against such standards may result in bonuses or penalties, which are recognized as earned or incurred. Our contract arrangements do not require significant estimates of variable consideration.

In certain circumstances, the Group receives payment in advance of providing service. Amounts received but not earned under these contracts are excluded from revenues and included in "Trade and other payables" in the Statement of the consolidated balance sheet.

Revenue is assessed at the fair value of the compensation received or receivable. Revenue is presented including net of rebates, discounts, and intra-group sales deductions.

Due to the type of services rendered by the Group and in the absence of firm contractual commitments at the reporting date, there is no information with respect to outstanding orders as defined under IFRS 15 to report.

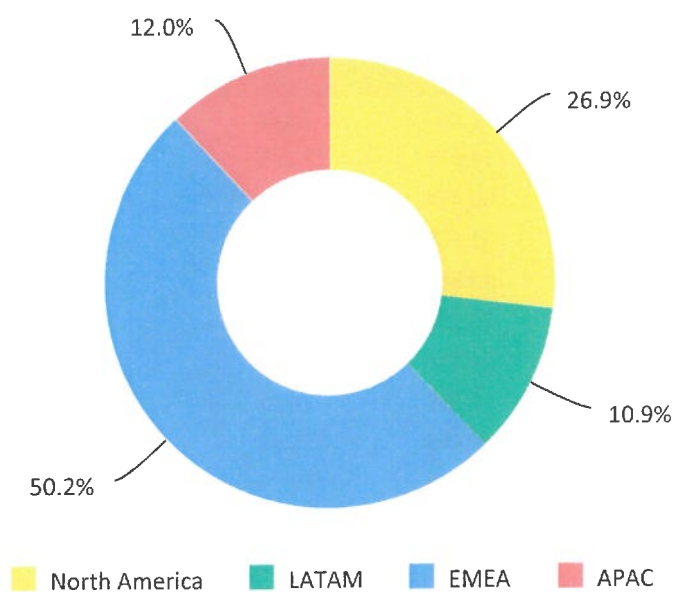
Revenue is broken down as follows:

Section - In K€	12/31/2022	12/31/2021	Variations 2022 / 2021	Variations 2022 / 2021
Revenue from customers	3,739,476	2,624,340	1,115,136	42.5 %

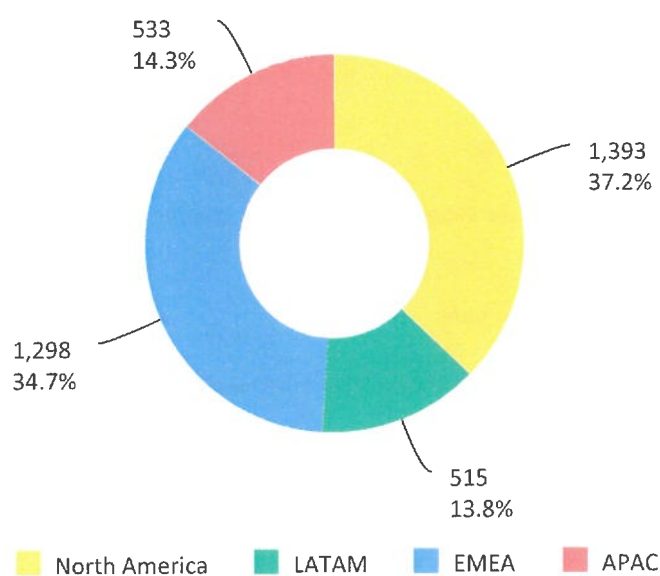
Revenue from customers in 2021 included only 4 months of Sykes' post acquisition activity.

Breakdown of revenue from contracts with customers per geographic areas:

December 31st, 2021 in %



December 31, 2022 (in M€ & %)



7 EXTERNAL EXPENSES, STAFF COSTS AND OTHER EXPENSES

External purchases and expenses, as well as staff expenses, are detailed hereinafter:

Sections - in K€	12/31/2022	12/31/2021	Variations 2022 / 2021	Variations 2022 / 2021
Computer and other equipment costs	27,398	7,847	19,551	249 %
Software costs	74,959	22,223	52,736	237 %
Facility costs	60,434	42,554	17,880	42 %
Fees	61,669	52,668	9,001	17 %
Telecom	55,888	49,837	6,051	12 %
Travel	20,937	9,448	11,489	122 %
Recruiting	32,910	23,563	9,347	40 %
Other taxes	10,758	6,211	4,547	73 %
Advertising	85,409	29,214	56,195	192 %
Programming	2,508	1,319	1,189	90 %
Financial instruments gains and losses	24,627	(705)	25,332	(3593)%
Other expenses	74,142	119,539	(45,397)	(38)%
External expenses and other taxes	531,639	363,718	167,921	46 %
Staff expenses	2,164,874	1,572,040	592,834	38 %
Benefits and payroll taxes	432,115	295,465	136,650	46 %
Staff costs and other expenses	2,596,989	1,867,505	729,484	39 %

The increase of all the costs are directly linked to the full year in 2022 versus only 4 months for the Sykes legacy companies in 2021.

The variation of Other expenses is mainly related to:

- €(20.1)M from other operating expenses linked to the reclassification of hosting and maintenance costs in the software cost line;
- €(13.1)M from staff training and development;
- €5.3M related to insurance costs (full year of impact from the Sykes legacy side versus 4 months only in 2021);
- Realized net gain of foreign exchange €(31.7)M;
- €(3.5)M from pass through expenses;
- Increase by €3.3M of the other employee licensing costs;
- €5.9M postage costs (full year of impact from the Sykes legacy side versus 4 months only in 2021).

The "financial instruments gains and losses" are related to the realized loss of €(24.6)M due to the hedging positions (versus a profit of €0.7M in 2021). Hedging is applied against all expenses incurred by the sub-contracting entities in the Group.

8 ALLOCATION FOR DEPRECIATION AND AMORTIZATION

The allocations are essentially related to the amortization of tangible and intangible assets. Allocations for amortization are related to the means of production, as well as intangible assets recognized following the allocation of the purchase price of Sitel and Sykes by the Group.

Sections - In K€	12/31/2022	12/31/2021	Variations 2022 / 2021	Variations 2022 / 2021
Allocations for depreciation and amortization of tangible and intangible assets	(90,763)	(50,849)	(39,914)	78 %
Allocations for depreciation of the right of use assets	(90,220)	(63,634)	(26,586)	42 %
Amortization and depreciation of assets acquired as part of business combinations	(74,022)	(40,049)	(33,973)	85 %
Total allocation for depreciation, amortization	(255,005)	(154,532)	(100,473)	65 %

The details of the allocations for amortization are provided in the Notes 13 INTANGIBLE ASSETS AND GOODWILL, 14 TANGIBLE ASSETS and 15 RIGHT OF USE - ASSETS.

The depreciation and amortization expense increase is directly linked to 4 months of integration of Sykes in 2021 versus the full year in 2022 (including purchase accounting impacts). The €74M presented as amortization and depreciation of assets acquired as part of business combination are related to the Sykes acquisition.

9 OTHER OPERATING INCOME AND EXPENSES

Non-routine operating elements with an impact on income and loss are detailed in the table below:

Sections - in K€	12/31/2022	12/31/2021	Variations 2022 / 2021	Variations 2022 / 2021
Loss on sale of asset	(6,886)	(4,150)	(2,736)	66 %
Impairment on intangible assets and goodwill	(37,886)	—	(37,886)	N/A
Restructuring expenses	(12,360)	(5,486)	(6,874)	125 %
Other operational expenses	(6,012)	(18,853)	12,841	(68)%
Sub-total of operating expenses	(63,144)	(28,489)	(34,655)	122 %
Other operating income	2,242	2,051	191	9 %
Sub-total of operating income	2,242	2,051	191	9 %
Total other operating income and expenses	(60,902)	(26,438)	(34,464)	130 %

Increase in restructuring costs relates to closing sites (mainly in the USA).

In 2021, the amounts integrated in "Other operational expenses" include transaction fees related to the Sykes Enterprises acquisition.

10 FINANCE COST - NET

Financial expenses and income are broken down as follows:

Sections - in K€	12/31/2022	12/31/2021	Variations 2022 / 2021	Variations 2022 / 2021
Interest expenses	(134,868)	(44,393)	(90,475)	204 %
Interest on lease liabilities	(15,326)	(8,912)	(6,414)	72 %
Other finance expenses	—	(3,847)	3,847	(100)%
Sub-total Finance expenses	(150,194)	(57,152)	(93,042)	163 %
Finance income	2,288	243	2,044	840 %
Total cost of net debt	(147,906)	(56,909)	(90,998)	160 %

During the 2022 financial year, the Group recorded interest expenses of €(134.9)M versus €(44.4)M during the previous year with regard to its bank debt, mainly broken down as follows:

In 2022, interest expense increased because of the new credit facilities related to the 2021 Sykes acquisition including:

- €74.9M related to the USD Term Loan;
- €42.4M related to the EUR Term Loan (net of hedging).

As a reminder, in 2021 the interest related to the previous debt amounted to:

- €1.7M with regard to Foundever Worldwide Corporation.'s prior debt;
- €7.0M with regard to Foundever Group S.A.'s prior debt;

An amount of €6.2M has been booked versus €1.8M of interest expense related to the factoring in 2021.

Debt costs and Original Interest Discount (thereafter OID):

The impact of the amortization of debt costs and OID in 2022 is €8.6M, versus €4.0M in 2021. The accumulated amortization increased significantly due to the full year impact of the new debt agreements in 2022 compared to a four month period in 2021.

In 2021, the "Other finance expense" reflected the derecognition of the previous SFA including non-cash impact of the unamortized debt costs and OID of the previous SFA.

11 OTHER INCOME AND EXPENSES

The Other income and expenses caption is composed of foreign exchange (unrealized) gains and losses. These amounted to €8.4M in 2022 versus €(3.9)M in 2021.

In 2022, net exchange gains are related to the variation in rates between the main currencies in which the Group operates, including, the Euro, the US Dollar, the GBP, the Philippine Peso, the Costa Rican Colón and the Canadian Dollar.

12 INCOME TAX EXPENSE

This year, the Group presents a net corporate income tax expense of €(70,742)K at 12/31/2022 versus €(71,461)K at 12/31/2021.

The tax reconciliation for the year 2022 of the Group is presented below:

Sections - in K€	12/31/2022	12/31/2021	Variations 2022 / 2021	Variations 2022 / 2021
Income tax expense				
Current tax				
Current tax on profits for the year	99,373	70,304	29,069	41 %
Adjustments for current tax of prior periods	(1,571)	(3,043)	1,472	(48)%
Total current tax expense	97,802	67,261	30,541	45 %
Deferred income tax expense				
Decrease/(increase) in deferred tax assets	(11,672)	17,898	(29,570)	(165)%
(Decrease)/increase in deferred tax liabilities	(15,388)	(13,698)	(1,690)	12 %
Total deferred tax expense/(benefit)	(27,060)	4,200	(31,260)	(744)%
Total income tax expense	70,742	71,461	(719)	(1)%
Income tax expense attributable to:				
Profit from continuing operations	70,742	71,461	(719)	(1)%
Income tax expense	70,742	71,461	(719)	(1)%

Amounts recognized directly in equity - in K€:	12/31/2022	12/31/2021
Aggregate current and deferred tax arising in the reporting period and not recognized in net profit or loss or other comprehensive income but directly debited or credited to equity, including:		
Deferred tax: Stock compensation related	14,392	—

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Sections - in K€	12/31/2022	%	12/31/2021	%
Earnings before taxes from continuing operations	171,359		147,949	
Total earning before taxes	171,359		147,949	
Consolidation rate		24.94 %		24.94 %
	Income tax impact	in %	Income tax impact	in %
Consolidated income taxes at consolidation rate	42,737	24.94 %	36,898	24.94 %
Rate differential - foreign, state	(22,427)	(13.09)%	(5,904)	(3.99)%
Losses of which benefit not recorded	17,033	9.94 %	439	0.30 %
Utilization of tax loss carryforwards not previously benefited	(5,574)	(3.25)%	(937)	(0.63)%
Foreign exchange	(517)	(0.30)%	1,371	0.93 %
Other, Specify:	39,490	23.05 %	39,594	26.76 %
Non-deductible expenses	27,420	16.00 %	40,920	27.66 %
Change in tax reserves	11,580	6.76 %	586	0.40 %
Other minimum taxes	6,895	4.02 %	4,738	3.20 %
Credits	(5,465)	(3.19)%	(3,205)	(2.17)%
Return to accrual adjustments	(1,571)	(0.92)%	(3,187)	(2.15)%
Unrepatriated Foreign Earnings	1,021	0.60 %	807	0.55 %
Other	(390)	(0.23)%	(1,065)	(0.72)%
Actual income taxes/Effective tax rate	70,742	41 %	71,461	48 %

The amounts of the actual deductible temporary differences, unused tax losses and unused tax credits amounts not yet recognized are presented below:

Periods	In K€
Expiry:	
2023	1,512
2024	2,292
2025	2,134
2026	3,709
2027	4,408
Thereafter - last year of expiry	19,549
Expiry indefinitely	47,318
Other deductible temporary differences	10,976
Total	91,898

Year	2042
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13 INTANGIBLE ASSETS AND GOODWILL

Acquired intangible assets are stated on the balance sheet at their cost minus any accumulated amortization and any accumulated impairment losses.

Amortization of definite-lived intangible asset is recognized in expense using the straight-line method over the estimated useful lives of the intangible assets or over their expected contribution. Intangible assets are amortized as soon as they are put into use.

In April 2022 the Board decided to initiate a rebranding of the Group. As a result, the Group reclassified the Sitel trademark from indefinite-lived to definite-lived, and began to amortize it over a 3 year period using the "sum-of-the-years digits method", as this most closely reflects Management's estimate of the contribution to the Group's results. The Group performed an impairment test resulting in an impairment of the Sitel trademark of €37M that is presented in the Other operating income and expenses in the statement of Profit or Loss. The Group estimated a % of attrition of revenue linked to the trademark over a period of 3 years. The calculation did not include a terminal value.

The Clearlink trademark was identified as indefinite-lived intangible assets. The Sykes trademark was identified and valued as a definitive-lived assets and is being amortized over its estimated 3 year life on a straight-line basis.

The Sykes trademark was identified with a definite useful life because it is not used in the Group's communication and business. As a result, the Group expects any benefits of the trademark to diminish over near future. The amortization duration was determined with the assistance of a third party expert.

Customer relationships that are valued as part of business consolidation are amortized over the useful lives estimated upon their initial accounting. Customer relationships identified in the Group's consolidated balance sheet related to the acquisition of Sitel by the parent company and amortized over a period of six years were fully amortized by September 2021. Customer relationships identified in the Sykes acquisition are amortized over a period of between 14 and 21 years. The amortization duration difference between Sitel and Sykes customer relationships is due to Sitel's higher churn rate when it was acquired in 2015.

The estimated useful lives and the depreciation method are reviewed at the end of each financial reporting period, and the impact of any change in estimates is accounted for prospectively. Intangible assets of indefinite useful life that are acquired separately are accounted for at the cost of acquisition minus any accumulated impairment losses.

Impairment tests were performed at each CGU level as of 12/31/2022, and no impairment loss was identified for these assets.

Net intangible assets amounted to €946.5M versus €1,032.7M on 12/31/2021.

Duration of amortization of intangible assets are provided below:

Intangible assets	Duration of amortization
Customer relationships - Sitel acquisition	6 years
Customer relationships - Sykes acquisition	14-21 years
Trademark - Sitel acquisition	3 years
Trademark - Sykes acquisition	3 years
Trademark - Clearlink	Indefinite useful life
Owned domain names	20 years
Third-party domain names	20 years
Content libraries	5 years
Software	2-5 years

In accordance with the revised IFRS 3 Business Combinations, the excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and;
- acquisition-date fair value of any previous equity interest in the acquired entity,

over the fair value of the net identifiable assets acquired is recorded as goodwill. Fair value of each CGU is estimated utilizing the Discounted Cash Flow (DCF) method. Goodwill is allocated to each CGU based upon the estimated fair value of each CGU, less net identifiable assets attributable of each CGU including deferred income tax impacts. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units (hereafter "CGU") of the Group expected to benefit from the synergies of the combination.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The CGUs defined as part of the consolidated financial statements of Foundever Group are of different natures depending on the activity of each of the holdings.

The Group's subsidiaries are grouped together to form a CGU when the following criteria are reached:

- significant inter-relationships formed by the existence of the same customers with common cash flows;
- existence of close ties of certain subsidiaries with their offshore production units;
- presence in the same geographical region, with a similar economic context and common management.

The CGUs to which goodwill has been allocated are subject to an impairment test annually, or more frequently if there is any indication that the unit may have suffered an impairment loss. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit, and is thereafter allocated to the other assets of the unit on a prorated basis of the carrying value of each asset included in the unit. Any impairment loss concerning goodwill is accounted for directly as an expense and is not subsequently reversed.

The Group identified five CGUs, 4 based upon geographical zones, and a CGU "Clearlink" based upon a distinct line of business, as follows:

- North America ("NA"), including the North America, Latin America, and Asia-Pacific regions;
- Australia and New Zealand ("ANZ");
- Brazil ("Brazil");
- Europe, the Middle East, and Africa ("EMEA");
- Clearlink and subsidiaries ("Clearlink").

The split per CGU was defined as per our accounting policy in compliance with IAS 36: "goodwill is allocated to each of the CGUs of the Group expected to benefit from the synergies of the combination".

Upon the permanent exit of a cash-generating unit, the attributable amount of goodwill is taken into account in determining the net income of the exit.

In order to identify CGUs at risk of impairment, the Group performs sensitivity analyses on all CGUs incorporating an increase of 100 base points in the discount rates selected and a reduction of 50 base points in the variation of the revenue. In the event that an impairment is identified under this test, additional sensitivity analyses are performed using further changes in operational assumptions e.g. revenue growth.

WACCs are post-tax discount rates applied to cash flows after tax, and result in the determination of recoverable amounts identical to those that would have been obtained using pre-tax rates to cash flows excluding tax.

The Group determines its discount rates by taking into account the average risk-free rates with a maturity of between 20 and 30 years observed over twelve months. The risk-free rate and the risk premium are specific to each geographical area with similar characteristics. In 2022, after performing sensitivity tests, no CGUs were identified as being at risk for impairment.

The net amount of the goodwill recognized in the consolidated financial statements as of 12/31/2022 is €990.1M. It is mainly composed of goodwill related to the 2015 acquisition of the Sitel Worldwide Corp. and its subsidiaries and the August 2021 Sykes Enterprises acquisition.

The variations between December 31, 2021 and December 31, 2022 are presented below:

Cost in K€	12/31/2021	Increase	Decrease	Scope variations	Other variations	12/31/2022
Goodwill	1,029,885	—	—	(94,887)	55,119	990,117
Trademarks	124,014	—	—	(2,661)	7,191	128,544
Other intangible assets	1,064,140	—	—	—	52,061	1,116,201
Software	93,180	8,464	(1,848)	—	6,200	105,996
Total costs	2,311,219	8,464	(1,848)	(97,548)	120,571	2,340,858
Accumulated amortization in K€	12/31/2021	Increase	Decrease	Scope variations	Other variations	12/31/2022
Trademarks	(2,173)	(21,746)	—	—	347	(23,572)
Other intangible assets	(209,084)	(66,958)	—	—	(6,211)	(282,253)
Software	(37,336)	(12,155)	1,832	—	(13,282)	(60,941)
Total accumulated amortization	(248,593)	(100,859)	1,832	—	(19,146)	(366,766)
Impairment in K€	12/31/2021	Increase	Decrease	Scope variations	Other variations	12/31/2022
Trademarks	—	(37,886)	—	—	423	(37,463)
Total impairment	—	(37,886)	—	—	423	(37,463)
Net book value in K€	12/31/2021	Increase	Decrease	Scope variations	Other variations	12/31/2022
Goodwill	1,029,885	—	—	(94,887)	55,119	990,117
Trademarks	121,841	(59,632)	—	(2,661)	7,961	67,509
Other intangible assets	855,056	(66,958)	—	—	45,850	833,948
Software	55,844	(3,691)	(16)	—	(7,082)	45,055
Total net book value	2,062,626	(130,281)	(16)	(97,548)	101,848	1,936,629

Cost in K€	12/31/2020	Increase	Decrease	Scope variations	Other variations	12/31/2021
Goodwill	233,406	—	—	759,455	37,024	1,029,884
Trademarks	73,267	—	—	42,975	7,772	124,014
Other intangible assets	176,219	—	—	854,858	33,063	1,064,140
Software	44,219	6,989	(9,459)	46,780	4,651	93,180
Total costs	527,111	6,989	(9,459)	1,704,068	82,510	2,311,218
Accumulated amortization in K€	12/31/2020	Increase	Decrease	Scope variations	Other variations	12/31/2021
Trademarks	—	(2,100)	—	—	(73)	(2,173)
Other intangible assets	(159,242)	(33,319)	—	—	(16,523)	(209,084)
Software	(34,324)	(7,617)	9,320	—	(4,715)	(37,336)
Total accumulated amortization	(193,566)	(43,036)	9,320	—	(21,311)	(248,593)
Net book value in K€	12/31/2020	Increase	Decrease	Scope variations	Other variations	12/31/2021
Goodwill	233,406	—	—	759,455	37,024	1,029,884
Trademarks	73,267	(2,100)	—	42,975	7,699	121,841
Other intangible assets	16,977	(33,319)	—	854,858	16,540	855,056
Software	9,895	(628)	(139)	46,780	(64)	55,844
Total net book value	333,545	(36,047)	(139)	1,704,068	61,199	2,062,626

The other variations are mainly related to the impact of the exchange rates.

Variance in "Scope variations" for Trademark and Goodwill are related to the final purchase accounting adjustment related to the Sykes acquisition (see Note 2.6 Business combinations).

As a reminder, the goodwill related to the Brazil and ANZ CGUs linked with the Sitel acquisition have been fully impaired since 2019, against the cost.

The goodwill split per CGU is as follows:

Net Book Value (NBV) in K€	12/31/2022	12/31/2021
North America (NA)	589,752	583,756
Australia New-Zealand (ANZ)	14,586	14,738
Europe Middle East Africa (EMEA)	165,787	150,396
Brazil	5,821	5,353
Clearlink	214,171	275,642
Total net book value	990,117	1,029,885

The application of IAS 36 sensitivity tests based on a variance of +/-1% of the discount rate regarding the trademarks is presented below:

Impact of var. of +/-1% and impacts in K€	Clearlink
-1%	5,416
+1%	-4,006

The recoverable amount of Clearlink trademark is estimated to exceed the carrying amount by €3.6M.

The Group's goodwill impairment test was performed for all CGUs. The following discount rate were applied:

CGUs	12/31/2022	12/31/2021
NA	11.8 %	10.0 %
ANZ	10.1 %	9.2 %
EMEA	10.7 %	9.8 %
Brazil	13.9 %	11.1 %
Clearlink	9.3 %	8.3 %

The conclusion of the sensitivity test are presented below by variations on the discount rate:

Impact of var. of +/-1% and impacts in K€	EMEA	NA	Brazil	ANZ	Clearlink	TOTAL
-1%	273,200	503,900	2,200	12,800	135,100	927,200
+1%	(210,600)	(401,600)	(1,900)	(9,600)	(98,000)	(721,700)

The conclusion of the sensitivity test are presented below by variations on the growth rate (included in the terminal value calculation):

Impact of var. of +/-1% and impacts in K€	EMEA	NA	Brazil	ANZ	Clearlink	TOTAL
-1%	(162,800)	(299,600)	(1,300)	(7,600)	(79,700)	(551,000)
+1%	211,400	376,300	1,500	10,100	109,900	709,200

The recoverable amounts per CGUs are estimated to exceed the carrying amounts by:

Amounts in K€	12/31/2022
EMEA	1,304,189
NA	2,445,058
Brazil	3,466
ANZ	35,044
Clearlink	247,978

14 TANGIBLE ASSETS

Tangible assets are assessed and accounted for at their cost minus the accumulation of any depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the items.

When components of tangible assets have different useful lives and therefore have different depreciation periods, they are accounted for as separate tangible assets. From the date the asset is put into use, the tangible assets are depreciated linearly, according to a components approach, over their useful life.

The estimated useful lives and the depreciation method are reviewed at the end of each financial reporting period, and the impact of any change in estimates is accounted for prospectively.

Land is not depreciated.

Maintenance and repair costs are expensed in the financial year in which they are incurred.

Depreciation periods are as follows:

Sections	Years
Equipment, office furniture, machines, and tools	3-12 years
Fixtures and fittings	5-10 years
Buildings	20-50 years

The net amount of tangible assets was €197.0M vs €206.9M on 12/31/2021. The tables below detail the main transactions performed in 2022 and 2021:

Cost in K€	12/31/2021	Increase	Decrease	Other variations	12/31/2022
Land	1,217	—	—	28	1,245
Buildings	174,528	9,422	(747)	4,854	188,057
Machinery and equipment	246,346	39,243	(15,702)	20,660	290,547
Construction in progress	3,633	5,516	(963)	(5,181)	3,005
Total of costs	425,724	54,181	(17,412)	20,361	482,854

Accumulated depreciation in K€	12/31/2021	Increase	Decrease	Other variations	12/31/2022
Land	—	—	—	—	—
Buildings	(72,288)	(15,462)	9,426	(10,542)	(88,866)
Machinery and equipment	(146,542)	(48,575)	7,008	(8,871)	(196,980)
Construction in progress	—	—	—	—	—
Total accumulated depreciation	(218,830)	(64,037)	16,434	(19,413)	(285,846)

Net book value in K€	12/31/2021	Increase	Decrease	Other variations	12/31/2022
Land	1,217	—	—	28	1,245
Buildings	102,240	(6,040)	8,679	(5,688)	99,191
Machinery and equipment	99,804	(9,332)	(8,694)	11,789	93,567
Construction in progress	3,633	5,516	(963)	(5,181)	3,005
Total net book value	206,894	(9,856)	(978)	948	197,008

Cost in K€	12/31/2020	Increase	Decrease	Scope variations	Other variations	12/31/2021
Land	1,648	—	(1,711)	1,178	102	1,217
Buildings	104,054	8,718	(16,094)	62,406	15,444	174,528
Machinery and equipment	187,054	26,266	(11,309)	61,635	(17,300)	246,346
Construction in progress	1,908	—	(1,145)	2,834	36	3,633
Total of costs	294,664	34,984	(30,259)	128,053	(1,718)	425,724

Accumulated amortization and impairment in K€	12/31/2020	Increase	Decrease	Scope variations	Other variations	12/31/2021
Land	—	—	—	—	—	—
Buildings	(61,850)	(15,743)	9,458	—	(4,153)	(72,288)
Machinery and equipment	(137,401)	(28,510)	9,880	—	9,489	(146,542)
Construction in progress	—	—	—	—	—	—
Total accumulated amortization and impairment	(199,251)	(44,253)	19,338	—	5,336	(218,830)

Net book value in K€	12/31/2020	Increase	Decrease	Scope variations	Other variations	12/31/2021
Land	1,648	—	(1,711)	1,178	102	1,217
Buildings	42,204	(7,025)	(6,636)	62,406	11,291	102,240
Machinery and equipment	49,653	(2,244)	(1,429)	61,635	(7,811)	99,804
Construction in progress	1,908	—	(1,145)	2,834	36	3,633
Total net book value	95,413	(9,269)	(10,921)	128,053	3,618	206,894

The other variations are mainly related to the impact of the exchange rates.

15 RIGHT OF USE - ASSETS

The Group's leases relate mainly to real estate property, and electronic equipment. The lease contracts typically have durations made for fixed periods of 3 to 5 years but may have extension options and early termination options exercisable at the Group's election.

If a contract contains a lease, the Group recognizes a right-of-use (RoU) asset and a corresponding lease liability at the commencement date. The initial lease liability is calculated as the net present value of the fixed and determinable lease payments, including all extension options that management deems reasonably certain to be exercised, discounted using the rate implicit within the lease. If the implicit interest rate cannot be readily determined in the lease, then the Group uses the incremental borrowing rates estimated per jurisdiction that the leased asset is in. The right-of-use asset is recorded at the initial net present value of the lease liability, plus any initial direct lease costs and any lease payments made at or before the commencement date less any lease incentives received.

Each month, the Group recognized interest expense for the accretion of the lease liability, and depreciation expense for the straight-line amortization of the right of use asset. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis. Payments associated with short-term leases and leases of low-value assets are recognized as an operating expense in profit or loss as incurred.

Short-term leases are leases with a lease term of 12 months or less.

Cash flows relating to leases are presented as follows:

- cash payments for the principal portion of the lease liabilities as cash flows from financing activities;
- cash payments for the interest portion as interest and equivalent as cash flows from financing activities, and;
- short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liabilities as cash flows from operating activities.

The variation related to the right of use assets are presented below:

Right of use - Assets - in K€	12/31/2021	Increase	Decrease	Other	12/31/2022
Total of right of use - Assets	375,957	87,737	(74,119)	(11,569)	378,006
Accumulated depreciation - in K€	12/31/2021	Increase	Decrease	Other	12/31/2022
Total accumulated depreciation	(109,281)	(90,220)	57,098	(1,109)	(143,512)
Net book value - in K€	12/31/2021	Increase	Decrease	Other	12/31/2022
Total net book value	266,676	(2,483)	(17,021)	(12,678)	234,494

Right of use - Assets - in K€	12/31/2020	Increase	Decrease	Scope variation	Other	12/31/2021
Total of right of use - Assets	216,345	74,881	(40,165)	129,364	(4,468)	375,957
Accumulated depreciation - in K€	12/31/2020	Increase	Decrease	Scope variation	Other	12/31/2021
Total accumulated depreciation	(82,504)	(70,293)	37,996	—	5,520	(109,281)
Net book value - in K€	12/31/2020	Increase	Decrease	Scope variation	Other	12/31/2021
Total net book value	133,841	4,588	(2,169)	129,364	1,052	266,676

Other movements include foreign currency translation impacts and impairments.

The decrease is related to termination and cancellation of contracts.

Right-of-use assets are comprised of the following:

Net book value of the right of use per nature - in K€	12/31/2022	12/31/2021
Buildings	227,663	265,935
Equipment	575	741
Software	6,256	—
Total of the net book value of the right of use	234,494	266,676

16 OTHER NON-CURRENT ASSETS

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss);
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are recognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see below "Trade receivables, payables, and other current debts" for further details.

The "restricted cash" line includes funds deposited in specific bank accounts as collateral against certain pension liabilities, and statutory deposit requirements related to other employee reserves.

The detail of the non-current assets are presented below:

Gross value in K€	12/31/2022	12/31/2021
Restricted Cash	4,873	5,034
Other financial assets	17,877	23,112
Prepaid and deferred costs	4,301	27,355
Other non-current assets	68,000	12,826
Total gross values	95,051	68,327
Accumulated depreciation in K€	12/31/2022	12/31/2021
Other non-current assets	(1,922)	(1,178)
Total accumulated depreciation	(1,922)	(1,178)
Net book value in K€	12/31/2022	12/31/2021
Restricted Cash	4,873	5,034
Other financial assets	17,877	23,112
Prepaid and deferred costs	4,301	27,355
Other non-current assets	66,078	11,648
Net book value	93,129	67,149

Restricted cash (non-current) is essentially related to employee benefits obligations.

Other financial assets consist mainly of loans, deposits paid.

Other non-current assets include the net unamortized debt cost of the multi-currency revolving credit facility of €3,120K.

The variance in other non-current assets is mainly linked to a reclassification from Prepaid and deferred costs to this line item in 2022.

17 DEFERRED TAX ASSETS AND LIABILITIES

Current and deferred income tax expense (benefit) is recognized in net income from continuing operations, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax liability comprises the expected tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable related to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and for tax purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Tax losses and other deferred tax assets are recognized only when it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Any reductions are reversed when the probability of future taxable profits improves.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The effect of any change in tax rates is accounted for on the income statement, except for changes relating to elements directly accounted for initially in equity.

Deferred tax assets and liabilities are offset when the deferred tax balances relate to the same taxation authority same period and there is a legally enforceable right to set off. Current taxes receivable and payable are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax asset composition, as well as their variations are presented through the below tabs:

The balances comprises temporary differences attributable to:	12/31/2022	12/31/2021
Tax losses	12,247	12,444
Accrued employee compensation and benefits	10,702	17,439
Stock compensation	28,461	—
Interest expense	17,494	6,092
<u>Other</u>		
Deferred revenue	2,068	2,946
Property, plant and equipment	3,963	4,685
Intangible assets	2,749	2,768
Leases	5,364	4,124
Tax credits	1,798	1,992
Accrued expenses	7,643	8,140
Interest rate hedge	815	2,480
Pension obligation	2,760	2,656
Other	3,938	4,268
Total deferred tax assets	100,002	70,034
Set-off deferred tax liabilities to set-off provisions	(44,212)	(50,731)
Net deferred tax assets	55,790	19,303

Sections - in K€	Tax losses	Accrued employee compensation and benefits	Stock compensation	Interest expense	Other	Total
At January 1, 2021	6,568	9,095	—	1,020	26,689	43,372
(Charged)/Credited						—
to profit or loss	(2,100)	(4,129)	(1,005)	4,775	(15,439)	(17,898)
to equity	—	—	—	—	3,945	3,945
to goodwill	7,177	11,438	1,008	—	16,491	36,114
to OCI	799	1,035	(3)	297	2,373	4,501
At December 31, 2021	12,444	17,439	—	6,092	34,059	70,034
to profit or loss	(687)	(7,812)	14,027	11,147	(5,003)	11,672
to equity	—	(72)	14,392	9	—	14,329
to goodwill	(190)	—	—	—	—	(190)
to OCI	680	1,147	42	246	2,042	4,157
At December 31, 2022	12,247	10,702	28,461	17,494	31,098	100,002

Deferred tax liability composition, as well as their variations are presented through the below tabs:

The balances comprises temporary differences attributable to:	12/31/2022	12/31/2021
Intangible assets	(96,486)	(167,459)
Prepaid expenses	(4,634)	(3,711)
Withholding tax	(9,176)	(8,046)
Property, plant and equipment	(12,719)	(9,933)
<u>Other</u>		
Leases	(1,830)	(1,876)
Unrealized foreign exchange gain/loss	(1,112)	(391)
Capitalized financing fees	(1,176)	(1,176)
Other	(3,464)	(2,390)
Total deferred tax liabilities	(130,597)	(194,982)
Set-off deferred tax liabilities to set-off provisions	44,212	50,731
Net deferred tax liabilities	(86,385)	(144,251)

Sections - in K€	Intangible assets	Prepaid expenses	Withholding tax	Property, plant and equipment	Other	Total
At January 1, 2021	(1,342)	(3,941)	(2)	(1,690)	(6,266)	(13,241)
(Charged)/Credited						—
to profit or loss	6,031	(569)	602	2,221	5,413	13,698
to equity	—	—	—	—	(294)	(294)
to goodwill	(167,142)	(3,048)	(4,166)	(10,112)	(4,922)	(189,390)
to OCI	(5,006)	(488)	(145)	(353)	237	(5,755)
At December 31, 2021	(167,459)	(8,046)	(3,711)	(9,934)	(5,832)	(194,982)
to profit or loss	15,021	(597)	(708)	(2,253)	3,925	15,388
to equity	—	—	—	—	(1,645)	(1,645)
to goodwill	64,203	—	—	(5)	(3,657)	60,541
to OCI	(8,250)	(533)	(215)	(528)	(373)	(9,899)
At December 31, 2022	(96,485)	(9,176)	(4,634)	(12,720)	(7,582)	(130,597)

18 TRADE RECEIVABLES

Trade receivables, payables, and other current debts:

Initial recognition of these financial assets and liabilities are originally recorded at their fair value and then are measured at their amortized cost, equivalent to their nominal value, insofar as this represents a reasonable estimate of their market value, given their short-term nature.

Impairment of the trade receivables:

Under IFRS 9, an expected credit loss model has to be applied. The trade receivables do not have any financing component at the end of the year from contracts with customer (as defined under IFRS 15). The Group applied the simplified approach and used the lifetime of Expected Credit Loss (hereafter "ECL"). The Group chose to adopt the provision matrix approach available under IFRS 9. The ECL rates are based on the payment profiles of sales over a period of 24 months until the date of the closing year and the corresponding historical credit losses experienced within this period.

The Group splits the trade receivables into 4 different buckets with specific risk profiles. The identified buckets and the rates are presented in the below table.

In compliance with IFRS 9, the trade receivables are reviewed for impairment throughout their lifetime. When uncertainty arises regarding the recovery of an amount, the Group analyzes and adjusts the amount of the allowance.

Adjustments to the impairment provision are presented in the P&L in the line: *Net impairment losses on financial and contract assets*.

Trade receivables (net) amounted to €666.7M on 12/31/2022, versus €706.4M on 12/31/2021.

The decrease of the trade receivable is mainly related to the expansion of the non-recourse factoring program.

The trade receivables are mainly composed of:

Section in K€	12/31/2022	12/31/2021
Trade receivables	670,003	708,547
Expected credit loss reserve	(3,035)	(2,146)
Other depreciation	(284)	—
Net book value	666,684	706,401

Expected Credit Loss

The buckets identified at 12/31/2022 are listed and described below:

Name of the bucket	Description
Bucket Bankruptcy	Every trade receivable (essentially in pre-petition) from customers in bankruptcy (or in an equivalent legal term) are classified in this bucket. The risk of expected loss is estimated as the highest for the Group.
Bucket Retail Brick and Mortar	Every trade receivable from customers identified as "Retailer" are classified in this bucket (excluding any customers in bankruptcy).
Bucket Travel	Every trade receivable from customers identified as "Travel" are classified in this bucket (excluding any customers in bankruptcy).
Bucket General	Every trade receivable from receivables not identified in a specific bucket above are in this bucket.

The average rates applied to each bucket are presented below:

Buckets	2022			2021		
	Average rates of ECL per bucket	Gross amounts in K€	Expected loss per bucket in K€	Average rates of ECL per bucket	Gross amounts in K€	Expected loss per bucket in K€
Bucket Bankruptcy	— %	—	—	— %	—	—
Bucket "Retail Brick and mortar"	3.46 %	13,460	466	4.99 %	6,333	316
Bucket "Travel"	0.42 %	31,627	132	1.10 %	12,043	132
Bucket General	0.36 %	670,003	2,437	0.33 %	521,702	1,698
Total in K€ and average rate in %	0.4 %	715,090	3,035	0.4 %	540,078	2,146

The rates applied to legacy Sitel companies are presented below:

Closing	Not Due Amount	1 - 30 days	31 - 60 days	61 - 180 days	181 - 360 days	> 360 days
2022	0.20 %	0.20 %	0.40 %	1.30 %	14.40 %	87.70 %
2021	0.10 %	0.10 %	0.20 %	0.60 %	8.00 %	77.10 %

The rates applied to legacy Sykes companies are presented below:

Closing	Not Due Amount	1 - 30 days	31 - 60 days	61 - 180 days	181 - 360 days	> 360 days
2022	0.10 %	0.10 %	0.16 %	0.43 %	9.91 %	46.11 %
2021	0.12 %	0.12 %	0.17 %	0.49 %	11.65 %	47.27 %

The roll forwards related to ECL reserve are presented below:

	December 31, 2021	Increase	Decrease	Other	December 31, 2022
Amounts in K€	2,146	3,057	(2,302)	135	3,035

	December 31, 2020	Increase	Decrease	Scope variations	Other	December 31, 2021
Amounts in K€	7,200	1,380	(7,200)	729	38	2,146

Factoring Agreements

The Group utilizes accounts receivable factoring arrangements with third-party financial institutions to assist in managing working capital. These arrangements involve the ownership transfer of eligible trade accounts receivable, without discount, to third-party financial institutions in exchange for cash. In Q1 of 2022, the last recourse factoring agreement was converted to non-recourse, in line with all other factoring agreements.

Accounts receivable sold on a non-recourse basis qualify for sale treatment and are therefore excluded from the Group's Accounts receivable balance. Transaction costs, including factoring fees based on the dollar amount of receivables sold and monthly interest charged on the outstanding receivables balance, are recognized in interest and other financial expenses on the accompanying consolidated statement of profit or loss.

For the years ended December 31, 2022 and 2021 respectively the Group sold €1,180.2M and €731.1M receivables under the terms of the non-recourse factoring agreements. At December 31, 2022 and 2021, the net amount of active trade accounts receivable sold to third-party financial institutions on a non-recourse basis was €193.2M and €86.4M, respectively. Interest expense recognized under the Group's non-recourse programs was €5,916K and €1,751K at December 31, 2022 and 2021, respectively.

Non-recourse factoring:

The following is a summary of receivables sold on a non-recourse basis to third-party financial institutions that existed at the following balance sheet dates:

Section in K€	12/31/2022	12/31/2021
Trade receivables submitted to financial institutions	196,357	90,950
Net amounts advanced from financial institutions	193,162	86,368
Amounts due from financial institutions	3,195	4,582

Recourse factoring:

Balances sold under the recourse programs remain in the trade receivables and are included within the current portion of Borrowings on the Statement of the consolidated balance sheet until collections are received from the client. The Group services the transferred receivables and bears credit and collection risk if the debt is not collected. In Q1 2022, the last recourse factoring program has been converted to a non-recourse program.

For the years ended December 31, 2022 and 2021, the Group:

- sold €—M versus €66.0M of receivables under the terms of the recourse based factoring agreements, respectively;
- received net cash advanced from financial institutions, and therefore included in the borrowings, of €—M and €5.2M, respectively;
- paid interest expense equal to €—K and €79K, respectively.

The following is a summary of receivables transferred on a recourse basis to third-party financial institutions that existed at the respective balance sheet dates:

Section in K€	12/31/2022	12/31/2021
Trade receivables submitted to financial institutions	—	5,487
Net amounts advanced from financial institutions	—	5,225
Amounts due from financial institutions	—	262

19 OTHER CURRENT ASSETS

The balances are broken down as follows:

Sections - in K€	12/31/2022	12/31/2021
Short term deposits, prepayments	15,319	12,251
Restricted cash - short term	527	69
Financial items	15,846	12,320
VAT and other receivables	45,660	44,723
Other current assets	21,416	10,317
Prepaid expenses and deferred cost	37,739	33,090
Non-financial items	104,815	88,130
Total for the period	120,661	100,450

20 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses financial instruments (swap and spot/forward) referred to as derivatives as part of the application of IFRS 9, intended to cover the Group from exposure to currency and interest rate risks (see note 28 RISK MANAGEMENT).

Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period (through profit or loss or through OCI).

The gain or loss resulting from the fair value reassessment is immediately accounted for on the income statement for undesignated derivatives and the ineffective portion of designated derivatives.

The effective portion of the gain or loss on the designated derivative financial instrument is recorded as other comprehensive income and transferred to the income statement when the hedged element itself affects the income statement; the ineffective portion is immediately accounted for on the income statement.

The Group only designates derivatives as hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges). At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Sections - in K€	12/31/2022	12/31/2021
Derivative instruments - Fair Value through OCI	16,003	996
Derivative instruments - Fair Value through P&L	138	280
Derivative instruments - current and non-current assets	16,141	1,276
Derivative instruments - Fair Value through OCI	(10,648)	(12,587)
Derivative instruments - Fair Value through P&L	(35)	(567)
Derivative instruments - current and non-current liabilities	(10,683)	(13,154)
Net impact of the fair value of the derivative instruments	5,458	(11,878)

The variances between 2022 and 2021 are linked to the changes in currencies rates and the new interest rate hedge, and fluctuations of currency rates.

The Group applied hedge accounting to the main portion of its contracts (see table below) of hedging derivative instruments. The variation of the fair value is accounted through other comprehensive income in Equity for the effective portion, and through the P&L for the ineffective portion.

All fair values of derivatives are level 2 (see note 29 RECOGNIZED FAIR VALUE MEASUREMENT).

The USD portion of the credit facility is sensitive to the USD LIBOR in 2022 and the SOFR starting July 1, 2023 (USD LIBOR will not be used as from this date). The EUR portion is sensitive to the EURIBOR. Following the increase of this rate in 2022, the EURIBOR has been hedged with 2 swaps. The notional amount hedged is €700M. €300M is still sensitive to EURIBOR fluctuations.

The derivatives used to hedge foreign currencies are composed by forward contracts. Derivative activities are checked and monitored by management. Risk management practices, including the use of derivative financial instruments, are submitted to the supervisory bodies of the Group at least once per year.

The Group's hedging reserves are disclosed as follows:

In K€	Spot component of currency forwards (Gain) / Loss	Interest rate swaps (Gain) / Loss	Total Hedge reserves
Opening Balance at January 1, 2021	(5,061)	1,448	(3,613)
Add : change in fair value of hedging instrument recognized in OCI	15,644	—	15,644
Less : Reclassified from OCI to profit or loss	1,401	(1,448)	(47)
Less : Deferred Tax	123	—	123
Closing balance at December 31, 2021	12,107	—	12,107
Opening balance at January 1, 2022	12,107	—	12,107
Add : change in fair value of hedging instrument recognized in OCI	17,369	(5,947)	11,422
Less : Reclassified from OCI to profit or loss	(29,976)	119	(29,857)
Less : Deferred Tax	(2,124)	—	(2,124)
Closing balance at December 31, 2022	(2,624)	(5,828)	(8,452)

20.1 Derivative - Interest rate

Since November 1st, 2022, the Group is hedging the EURIBOR interest rate related to the EUR Term Loan. The fair values of these interest rate swaps are disclosed below:

Maturity	Notional currency	Index	Interest Rate Swap			
			Notional in contract currency (thousands)	Fixed rate per annum	Fair value assets/ (liabilities)	Other comprehensive income, net of taxes (Profit)/Loss
10/31/24	EUR	EURIBOR	400,000	2.724 %	3,423	3,423
10/31/25	EUR	EURIBOR	300,000	2.758 %	2,524	2,524
Total			700,000		5,947	5,947

20.2 Derivative - foreign currencies

As of 12/31/2022, details of the (foreign currencies) forwards were as follows:

Currency forwards							
Maturity	Purchase currency	Selling currency	Notional (in thousands)	Fair value assets/(liabilities)	Other comprehensive income, net of taxes (Profit)/Loss	Statements of operations - Change in fair value Profit/(Loss)	Average Hedged Rate
2022 - 2023	MXN	USD	4,573	122	(122)	—	20
2021 - 2023	INR	CAD	571	8	(8)	—	61
2021 - 2023	INR	GBP	240	21	(21)	—	100
2021 - 2023	INR	EUR	103	5	(5)	—	88
2022 - 2023	INR	CAD	6,285	83	(83)	—	62
2022 - 2023	INR	GBP	1,329	53	(52)	—	101
2022 - 2023	INR	USD	5,944	61	(61)	—	84
2022 - 2023	INR	EUR	265	1	(1)	—	91
2022 - 2023	PHP	AUD	3,920	86	(86)	—	38
2022 - 2023	PHP	CAD	3,660	82	(82)	—	41
2022 - 2023	PHP	GBP	16,834	338	(338)	—	68
2022 - 2023	PHP	USD	73,134	3,167	(3,167)	—	56
2022 - 2023	PHP	EUR	1,073	2	(2)	—	61
2022 - 2023	USD	PHP	(7,522)	138	—	(139)	56
2022 - 2023	INR	GBP	72	—	—	—	102
2022 - 2023	INR	USD	537	4	(4)	—	84
2022 - 2023	PHP	AUD	5,470	122	(122)	—	38
2022 - 2023	PHP	USD	41,950	1,191	(1,191)	—	56
2022 - 2023	CRC	USD	56,655	4,665	(4,665)	—	571
2022 - 2023	COP	USD	76,912	(4,207)	4,207	—	4,953
2021 - 2023	INR	USD	2,863	(133)	133	—	83
2022 - 2023	INR	CAD	(155)	(1)	1	—	62
2022 - 2023	INR	GBP	1,618	(34)	34	—	101
2022 - 2023	INR	USD	18,728	(696)	694	2	84
2022 - 2023	INR	EUR	944	(35)	35	—	90
2022 - 2023	PHP	GBP	1,170	(23)	23	—	68
2022 - 2023	PHP	USD	79,039	(2,493)	2,493	—	56
2022 - 2023	PHP	EUR	2,399	(32)	32	—	61
2022 - 2023	USD	INR	(2,690)	(33)	—	33	83
2022 - 2023	INR	GBP	170	(4)	4	—	101
2022 - 2023	INR	USD	5,558	(137)	137	—	84
2022 - 2023	PHP	USD	74,449	(2,355)	2,355	—	56
Total			476,098	(34)	138	(104)	

Foreign currency forwards are denominated in the same currency as highly probable future transfer pricing transactions (cost plus) between Foundever's contracting and servicing entities. The Group performs quantitative hedge assessments on a monthly basis using regression analysis. The Group did not come across hedge ineffectiveness throughout the year. Hedges are settled with the bank at the time of booking cost plus invoices (hedged items).

21 CASH & CASH EQUIVALENTS

Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition. Financial instruments can only be included if they are in substance cash equivalents, e.g. debt investments with fixed redemption dates that are acquired within a short period of their maturity. Bank overdrafts are included in the consolidated cash flow statement in the same line than the cash and cash equivalents and are presented in the ST portion of borrowing in the balance sheet.

Money placed on restricted accounts is not included in cash & cash equivalent and is presented in "Other non-current assets" and in "Other current assets" on the balance sheet.

Sections - in K€	12/31/2022	12/31/2021
Cash in bank accounts and petty cash	423,276	267,759
Marketable securities	233	203
Cash and cash equivalents (Assets)	423,509	267,962
Overdraft (from the current portion of the borrowings)	(89)	(927)
Cash and cash equivalents (Cash flow statements)	423,420	267,035

22 SHARE CAPITAL AND SHARE PREMIUM

The share capital of the Group corresponds to the capital of the parent company, Foundever Group.

Sections	12/31/2021	Increase (in cash)	Increase (without cash)	Decrease (in cash)	Decrease (without cash)	12/31/2022
Number of shares	69,576	—	111,252,024	—	—	111,321,600
Capital - in K€	1,113	—	—	—	—	1,113

Sections	12/31/2020	Increase (in cash)	Increase (without cash)	Decrease (in cash)	Decrease (without cash)	12/31/2021
Number of shares	69,576	—	—	—	—	69,576
Capital - in K€	1,113	—	—	—	—	1,113

The increase without cash is related to the October 31, 2022 decrease of the nominal value of the common stock from 16 Euros to 0.01 Euro.

Reconciliation of earnings used in calculating earnings per share is presented below:

	12/31/2022	12/31/2021
Basic earnings per share		
Profit attributable to the ordinary equity holders of the company used in the calculation:		
From continuing operations	100,430	76,544
Total	100,430	76,544

Weighted average number of shares used as the denominator is summarized below:

	12/31/2022	12/31/2021
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share:	111,321,600	69,576
Adjustments for calculation of diluted earnings per share:		
Free attributed shares plans (*)	3,538,291	6,199
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	114,859,891	75,775

(*) see Note 25.3 Free attributed shares.

23 BORROWINGS & LEASE LIABILITIES

Borrowings consist mainly of bank loans, bank overdrafts, and recourse factoring (unsecured) draws. Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Lease debts are accounted for at amortized cost.

Debt costs and OID related to the subscription of the credit facilities are amortized linearly during the same period of reimbursement of the borrowing. The costs paid in 2021 related to the new credit agreement are being amortized over the seven year term of the borrowings (see Note 10 FINANCE COST - NET). The net amount is presented in diminution of the liabilities in the balance sheet.

The Group's debt on 12/31/2022, amounted to €2,250.7M, broken down as follows:

Sections - in K€	12/31/2021	New borrowings	Repayments	Amortization	Other variation	12/31/2022
Bank Facilities	2,233,036	—	(13,260)	—	75,039	2,294,815
OID and debt costs	(49,511)	—	—	7,951	(2,698)	(44,258)
Factoring (recourse)	4,822	158	(5,353)	—	373	—
Overdrafts	927	—	(894)	—	56	89
Other facilities from credit institutions	1,151	—	(1,068)	—	7	90
Total of borrowings	2,190,424	158	(20,575)	7,951	72,777	2,250,735
Current portion	18,476	—	—	—	—	18,476
Non-current portion	2,171,949	—	—	—	—	2,232,259

Sections - in K€	12/31/2020	New borrowings	Repayments	Amortization	Scope variation	Other variation	12/31/2021
Bank Facilities	484,924	2,177,600	(506,708)	—	15,357	61,863	2,233,036
OID and debt costs	(5,072)	(49,994)	—	3,947	—	1,608	(49,511)
Factoring (recourse)	3,042	69,204	(67,576)	—	—	152	4,822
Overdrafts	572	(293)	—	—	—	648	927
Other facilities from credit institutions	1,417	1,361	(951)	—	—	(676)	1,151
Total of borrowings	484,882	2,197,878	(575,235)	3,947	15,357	63,595	2,190,424
Current portion	52,780	—	—	—	—	—	52,780
Non-current portion	432,103	—	—	—	—	—	2,137,644

The breakdown of the line "Bank Facilities" is presented below:

To finance the Sykes Enterprises acquisition, Foundever Group entered into a new credit agreement on August 27, 2021 and derecognized the previous SFA during this process. The new credit agreement is composed of syndicated term loans in USD and in EUR, and a new \$250.0M multi-currency revolving credit facility. Details related to this credit agreement are provided below:

- a Euro Term of €1,000.0M (to be reimbursed in 2028), at Foundever Group S.A. level, the parent company in Luxembourg. The interest rate of this line in EURO is based on EURIBOR (0% Floor) + margin;
- a USD Term loan of €1,294.8M, (\$1,382.5M), (requires quarterly principal repayments of \$3,500K with the final reimbursement due in 2028), at the Foundever Worldwide Corp. level in the United States. The interest rate of this line in US DOLLAR is based on LIBOR (to be replaced by SOFR from January 1, 2023) including a floor of 0.5% + margin.
- a multi-currency \$250.0M, (€234.1M), revolving credit facility with potential multiple borrowers within the Group. The interest rate, depending on the used currency, is EURIBOR (0% Floor) + margin or LIBOR (SOFR) + margin.

The maturity of major loans taken out from credit institutions is as follows:

Maturity of Debts Owed to Credit Institutions (excluding leasing) - in K€	Total of Principal to be repaid	Estimated Interest expenses (before hedging)
2023	13,202	153,884
2024	13,112	152,857
2025	13,112	151,831
2026	13,112	150,804
2027	13,112	149,777
> 2028	2,229,255	99,167
Less the amount representing the discount on non-amortized debt and the debt issuing costs	(44,258)	
Total in K€	2,250,647	858,320

Borrowings taken out with variable interest rates are primarily indexed on the EURIBOR (in the European Union) and LIBOR (in the United States) - see table presented in the note 28.2 Interest rate risk management.

The estimated interest expense have been determined based upon the applicable rates at December 31, 2022.

Covenant:

The Group has to provide a covenant calculation only if it uses 40% of the multi-currency revolving credit facility. The covenant calculation is based on a net debt and adjusted EBITDA defined in the Credit Agreement. As mentioned above, the Group did not borrow against this credit facility as of 12/31/2022.

The net debt included in the covenant calculation is composed only of facilities linked to the credit agreement and the cash and cash equivalents. Lease liabilities and other facilities are not included in the net debt for covenant calculation. The US GAAP based consolidated adjusted EBITDA is calculated based upon the definition per the credit agreement.

Lease liabilities

The Group's leases relate mainly to real estate property, software, and electronic equipment. In general, the duration of real estate property leases varies between three and five years and may contain renewal options and or early termination options exercisable by the lessee. The right of use lease asset and liability are initially measured at the net present value of the scheduled lease payments including all renewable periods Management deems reasonably certain to be exercised at lease inception. The accounting policy is provided in Note 15 RIGHT OF USE - ASSETS.

- Variable payments:

Some property leases contain variable payment terms that are linked to an index like the Consumer Price Index (CPI). Variable lease payments based on an index or unspecified rate, are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

- Extension and termination option:

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The variations related to leases are presented below:

	12/31/2021	New lease liability	Repayments	Other variation	12/31/2022
Lease liability	274,031	87,736	(94,259)	(10,673)	256,835
Total of lease liabilities	274,031	87,736	(94,259)	(10,673)	256,835
Current portion	75,778	—	—	—	76,053
Non-current portion	198,253	—	—	—	180,782

December 31, 2022

	12/31/2020	New lease liability	Repayments	Scope variation	Other variation	12/31/2021
Lease liability	146,908	74,846	(65,642)	128,512	(10,593)	274,031
Total of lease liabilities	146,908	74,846	(65,642)	128,512	(10,593)	274,031
Current portion	42,583	—	(65,642)	42,181	56,657	75,778
Non-current portion	104,325	74,846	—	86,331	(67,250)	198,253

Other variations column includes foreign currency translation impacts and movements related to cancellation, termination of contracts.

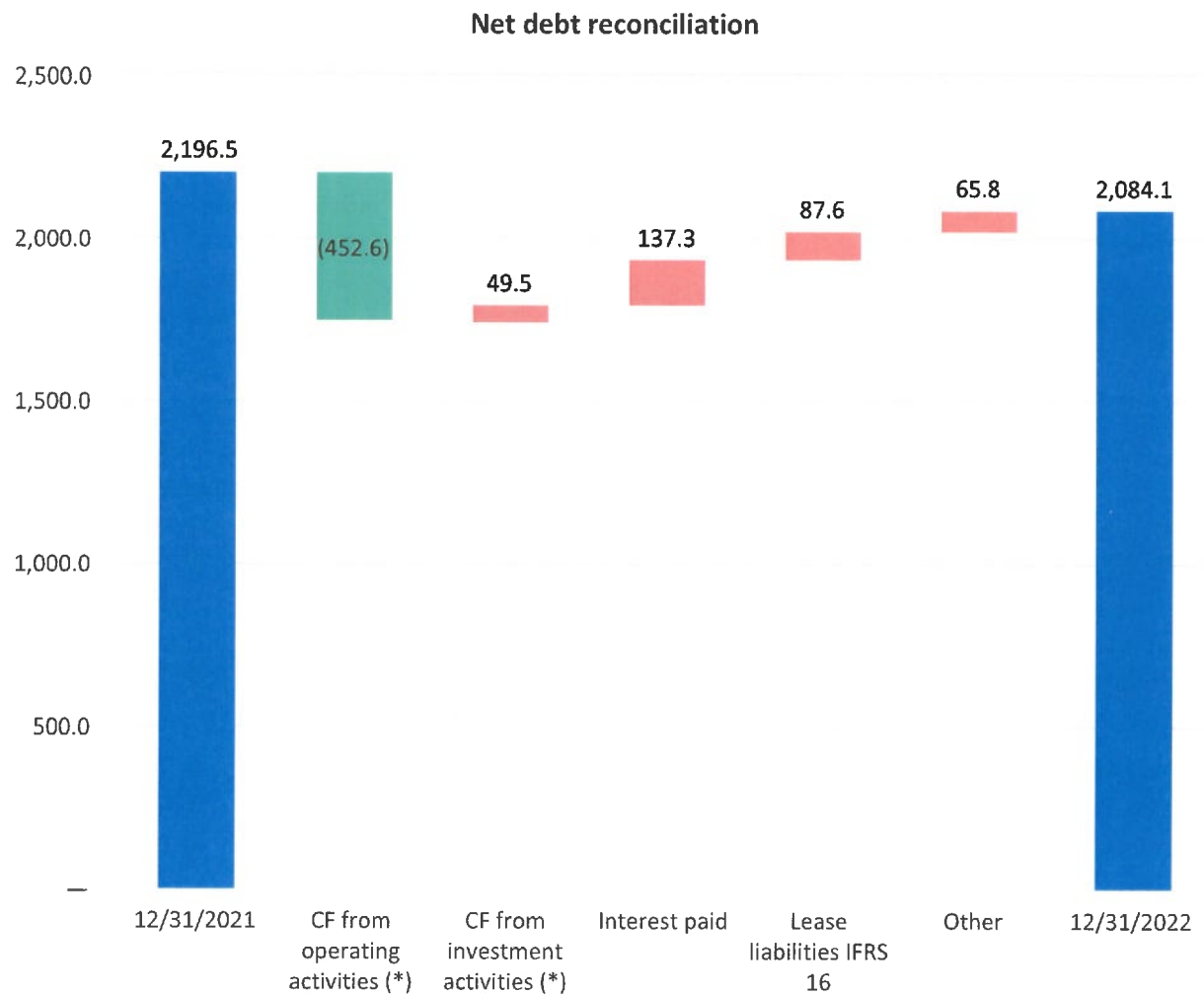
Schedule of payments :	12/31/2022	12/31/2021
2023	96,470	
2024	75,034	
2025	57,624	
2026	35,430	
2027 & after	80,003	
Total of scheduled payments	344,561	
Lease interest cost	15,326	8,916
Right of Use amortization expense	90,220	63,556
Total cost	105,546	72,472
Cash paid in 2022	108,700	66,066
Weighted Average Discount Rate / Lease Liabilities	5.72 %	4.79 %
Weighted Average Discount Rate / Remaining Lease Payments	5.35 %	4.47 %
Weighted Average Remaining Lease Term / Lease Liability (in months)	54.2	48.0

Net debt:

Sections - in K€	12/31/2022	12/31/2021
Non-current liabilities		
Borrowings and lease liabilities	2,418,233	2,370,202
Current liabilities		
Borrowings and lease liabilities	89,337	94,254
Cash & cash equivalent	423,509	267,962
Net debt	2,084,061	2,196,494

The decrease of the net debt is mainly linked to variance in cash and cash equivalent but partially erased by impact of the exchange rate USD / EUR on the USD term loan.

The variation of the net debt is explained as follows:



(*) CF means Cash flow

"Other" includes mainly non cash effects mainly linked to foreign currency impact on the US term loan.

24 PROVISIONS

Provisions are accounted for when, at the closing of the financial reporting period, the Group has an obligation toward a third party resulting from a past obligating event that is likely or certain to cause a release of an outflow of economic benefits to that third party, and whose amount can be estimated reliably. These provisions are estimated according to their nature, considering the most likely hypotheses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

As of 12/31/2022, long-term provisions amounted to €12.7M vs €12.3M in 12/31/2021.

As of 12/31/2022, short-term provisions amounted to €19.9M vs €14.1M in 12/31/2021.

The 2022 year's provisions and variations are presented below:

Sections - in K€	Restructuring	Litigation	Asset Retirement Obligations	Total
At the beginning of the year 2022	13,950	6,368	6,076	26,394
Additional provisions (against profit or loss and assets)	9,994	9,236	4,599	23,829
Amount used during the period	(14,050)	(2,157)	—	(16,207)
Amount not used during the period (reversal)	(45)	(2,387)	(1,688)	(4,120)
Other variations	880	1,631	142	2,653
At the end of the year 2022	10,729	12,691	9,129	32,549
Including non-current	3,539	—	9,129	12,668
Including current	7,190	12,691	—	19,881

The variances are mainly justified by closing of sites, new litigation and updated calculation of assets retirement obligations in EMEA.

Sections - in K€	Restructuring	Litigation	Asset Retirement Obligations	Total
At the beginning of the year 2021	5,249	6,295	4,933	16,477
Additional provisions (against profit or loss and assets)	14,779	3,493	311	18,583
Amount used during the period	(6,687)	(918)	(103)	(7,708)
Amount not used during the period	(40)	(2,678)	(356)	(3,074)
Scope variation	—	—	823	823
Other variations	649	176	468	1,293
At the end of the year 2021	13,950	6,368	6,076	26,394
Including non-current	6,175	—	6,076	12,251
Including current	7,775	6,368	—	14,143

25 EMPLOYEE BENEFITS OBLIGATIONS

Section - in K€	12/31/2022	12/31/2021
Pensions	19,553	23,174
Share Appreciation Rights (SAR)	11,676	14,834
Termination employee benefits	—	1,805
Total	31,229	39,813
Current	7,867	7,418
Non-current	23,362	32,396

25.1 Short term and long term benefits obligations

In accordance with the IAS 19R standard, "Employee Benefits", the Group identifies and records all benefits granted to staff. Thus, the Group participates, according to the laws and practices of each country, in constituting the pensions of its staff.

Short-term liabilities are assessed on an undiscounted basis and are accounted for when the corresponding service is rendered.

Post-Employment Benefits:

The Group is subject to local specific post employment obligations, especially in LATAM countries (severance type obligations based on years of services).

Short-Term Benefits:

According to the rules and practices specific to each country, the Group's employees may benefit from short-term benefit programs. Short-term benefits include medical benefits and defined contribution benefit plans (401K type plans).

■ Defined Contribution Schemes:

These schemes are characterized by periodic payments of contributions to outside trustees who are responsible for their administrative and financial management. Defined contribution benefit plans are funded monthly directly to the employees' accounts. The Group has no further obligation subsequent to the funding. Contributions to these schemes are registered as costs when they are incurred.

Long-Term Benefits:

■ Defined benefit pension:

The Group provides defined benefit plans for employees in certain subsidiaries where retirement commitments are estimated using the projected unit credit method. According to this method, each service period gives rise to an additional unit of entitlements, and each of these units is assessed separately to enhance the final obligation. This final obligation is then updated. Only the UK plans are funded with plan assets. All of the other defined benefit plans are unfunded as there are no statutory funding requirements in their jurisdictions.

The actuarial calculations incorporate demographic and financial hypotheses defined across each of the entities concerned and by considering their local macroeconomic context. Changes to the pension liability resulting from updated actuarial assumptions are accounted for in the other elements of the comprehensive income.

The provision for pensions and similar obligations amounted to €19.6M at 12/31/2022 versus €23.2M at 12/31/2021.

Defined benefit plans mainly concern the end-of-career allowances accounted for by country is presented below:

Countries - Amount in K€	12/31/2022	12/31/2021
France	8,477	9,449
UK	5,158	7,174
Philippines	11,408	12,620
Germany	797	1,162
Ivory Coast	90	80
Senegal	77	53
Total	26,007	30,538
Plan assets, at fair value	6,454	7,364
Plan (surplus) or deficit	19,553	23,174

The changes of the plan assets (at the fair value) and the accrued benefit obligation are detailed below:

Change in fair value of plan assets:

Change in Fair Value of Plan Assets - In K€	12/31/2022	12/31/2021
Opening plan assets	7,364	6,101
Actual return on plan assets less interest income	(780)	936
Interest income on plan assets	125	—
Contributions by employer	28	69
Contributions by employees / participants	—	1
Benefits paid	(120)	(140)
Administration costs and other expenses paid	(46)	(74)
Foreign currency exchange rate changes	(117)	471
Closing plan assets	6,454	7,364

Change in the accrued benefit obligation:

Sections - In K€	12/31/2022	12/31/2021
Opening benefit obligation	30,538	24,883
Current service cost	2,021	1,633
Interest expense	846	413
Contributions by employees	—	1
Benefits paid	(1,081)	(1,215)
Actuarial (gains)/losses from changes in demographic assumptions	1,348	(149)
Actuarial (gains)/losses from changes in financial assumptions	(5,600)	(1,277)
Experience adjustments	791	1,189
Foreign currency exchange rate changes	(1,202)	149
Scope variation	—	5,824
Plan Amendments (including plan settlements and curtailments)	(333)	(866)
Other	(1,321)	(48)
Closing benefit obligation	26,007	30,538

The discount rates used for calculating the provision as of 12/31/2022, are provided below:

Discount rate per country				
France	Germany	Philippines	UK	West Africa
3.25 %	Between 3.55% - 3.57%	Between 6.25% and 7%	Between 4.25% and 4.40%	6.5 %

The sensitivity tests for the discounted rate per country are presented below. A sensitivity test is realized in relation to the growth rate of salaries. Only French companies could be materially impacted.

Sensitivity test Discount rate per country					
In % and K€	+0.10%	-0.10%	In % and K€	+0.50%	-0.50%
UK	(90)	90	Germany	(56)	62
			France	(576)	637
In % and K€	+1.0%	-1.0%			
Philippines	(509)	554			
West Africa	(35)	44			

Sensitivity test growth rate of the salaries per country					
In % and K€	+1%	-1%	+0.1%	-0.1%	
Philippines	280	(269)	N/A	N/A	
France	1,329	(1,113)	N/A	N/A	
UK	N/A	N/A	90	(90)	

25.2 Long term incentive program

Foundever Group's Board has adopted Long-term incentive plan programs, designed to award performance measured over three-year cycles. These plans provide awards to key employees in the form of Stock Appreciation Right Units ("SAR") that can only be settled in cash.

Stock Appreciation Rights Units (SARs or SARUs) settled in cash are booked according to IFRS 2. At each reporting date, the Group measures the fair value of each program. The plan participants must be employed at the time the plan is settled. The plan includes a performance condition based on EBITDA growth between the grant date and the last fiscal year of the plan. Because the plans can only be settled in cash, a liability (short and long term) is recognized.

SARs vesting is based upon the actual annual EBITDA results compared to plan targets. If a plan participant leaves the Group before the end of the plan, he/she will forfeit his/her rights to get the award.

Fair value of the vested SAR units is based upon the change in EBITDA from the start of the plan until maturity.

The current portion and non-current portion are presented as Employee benefit obligations. The expense recognized is included in Staff expenses caption in the Profit or Loss statement.

The table below summarizes the roll forward related to vested and forfeited SARs per plan:

SARs program at December 31, 2022	PLAN 2020-2022	PLAN 2021-2023	PLAN 2022-2024
Estimated incremental value	253.3	330.0	96.1
SARs vested at the beginning of the year	60,528	22,053	—
SARs that vested during the current year	85,305	(5,694)	1,718
SARs vested at the end of the year	145,833	16,359	1,718
Liability (in K€) at measurement date (excluding payroll taxes liabilities)	7,867	3,262	50
TOTAL LIABILITY			11,179
Including current portion			7,867
Including non-current portion			3,312
Total cost of the year for 3 plans (in K€)		(11,267)	

The forfeited shares can be reallocated at the end of the cycle. As a result, the Group is presenting only the vesting shares as of the closing date.

25.3 Free attributed shares

The shareholders of the Parent company, Foundever Group approved a free shares plan attribution for certain key executives and key employees. This is an equity-settled share-based payment plan. Beneficiaries must remain employed in the Group for the entire duration of the plan.

The plan includes three tranches. The first tranche imposes only a service period requirement. The two other tranches include performance conditions in addition to a service-period requirement.

In accordance with IFRS 2, the Group shall recognize these services and the corresponding increase in equity as the Beneficiaries render them during the vesting period (IFRS 2 - §15). At the grant date, the fair value of the shares (estimated fair value of the shares) is definitively calculated. The grant date fair value of the shares and the estimate of number of beneficial shares at grant date and subsequently at each year end determine the benefit provided to employees (IFRS 2 §16 and 17). During the vesting period, the expense is adjusted regarding the number of definitive Beneficiaries. At the end of vesting period, the definitive attribution of the shares to employees does not have any accounting impact.

The fair value of these free shares is based on a third-party valuation using the Cox Ross Rubinstein method (binomial model).

FASs program at December 31, 2022	Plan 2022
Granted shares - Opening	6,199
Replacement granted shares	21,159,235
Number of granted shares - Closing	21,165,434
Total impact Opening Balance - K€	23,722
Impact through Profit or Loss of the year	30,573
Accumulated impact in Equity at year end	54,295

From a legal standpoint, the previous plan, approved in March 2021 and benefiting a limited number of employees, was rescinded by decision of the Board dated March 2022. A new plan, based on several tranches and performance conditions and benefiting to an extended pool of beneficiaries, was approved by the Parent Company's shareholders and implemented by the Board in October 2022.

December 31, 2022

As per IFRS 2, the legal changes were analyzed as a replacement and are reflected accordingly in the Group's financials. At replacement date, the fair value of the old plan's T1 tranche is the same as the new plan TA.1 tranche, and the fair value of the old plan T2 and T3 tranches is the same than the new plan TA.2 tranche. The vesting conditions of TA.1 and TA.2 tranches didn't change.

Plans	Tranches	Granted date	Expiry date	Exercise price	Shares at December 31, 2022	Shares at December 31, 2021
Plan 2021						
	T1	January 1, 2021	N/A	N/A	—	3,787
	T2	January 1, 2021	N/A	N/A	—	1,206
	T3	January 1, 2021	N/A	N/A	—	1,206
Plan 2022						
	TA.1	October 31, 2022	December 31, 2025	Free shares	6,059,200	—
	TA.2	October 31, 2022	December 31, 2025	Free shares	3,859,200	—
	TB	October 31, 2022	December 31, 2025	Free shares	11,247,034	—

See Note 22 SHARE CAPITAL AND SHARE PREMIUM regarding the change on the nominal value of the stocks impacting TA.1 and TA.2 granted shares versus the old plan granted shares.

At grant date the fair value per tranche and per share were as follows:

Tranches	Amounts in €
Tranche TA.1	14.01
Tranche TA.2	8.74
Tranche TB	9.71

Some of the main assumption used to calculate the fair value of the TB tranche are presented below (2022 data):

Risk free rate 2.2 %

Expected dividend yield — %

The historical volatility and probabilities linked to it are as follows:

Volatility	13.6 %	16.9 %	18.7 %	20.2 %	21.7 %	23.2 %	25.0 %	27.1 %	29.9 %	34.7 %	52.5 %
Probability	1 %	9 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	9 %

Some of the main assumption used to calculate the fair value of the TA.1 and TA.2 tranches are presented below (2021 data):

Risk free rate — %

Expected dividend yield — %

The historical volatility and probabilities linked to it are as follows:

Volatility	10.1 %	12.9 %	14.5 %	15.9 %	17.3 %	18.8 %	20.5 %	22.6 %	25.6 %	30.8 %	52.6 %
Probability	1 %	9 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	10 %	9 %

The final probability is normalized at 100% (here the sums of probabilities are equal to 99%).

26 TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables are recognized initially at their fair value, and then measured at their amortized cost, equivalent to their nominal value, insofar as this represents a reasonable estimate of their market value, given their short-term nature.

Trade and accrued payables were €339.4M at 12/31/2022 versus €365.2M at 12/31/2021.

Sections - In K€	12/31/2022	12/31/2021
Payables liabilities	61,800	55,737
Benefits and staff liabilities	219,542	250,188
Accrued expenses	45,884	52,969
Customer advances	12,161	6,339
Trade and accrued payables	339,387	365,233

The decrease is mainly related to the accrued bonuses.

27 OTHER CURRENT AND NON-CURRENT LIABILITIES

These financial liabilities are initially measured at fair value and subsequently measured at their amortized cost, equivalent to their nominal value, insofar as this represents a reasonable estimate of their market value, given their short-term nature (for current liabilities).

Other current and non-current liabilities presented on the Group's balance sheet on 12/31/2022, are listed below:

Sections - In K€	12/31/2022	12/31/2021
<u>Other non-current liabilities</u>		
Deferred revenues - non-current portion	52	49
Other liabilities - non-current	6,233	20,390
Sub total of the other non-current liabilities	6,285	20,439
<u>Other current liabilities</u>		
Tax liabilities - current	30,313	37,423
Deferred income - current	19,397	23,608
Other liabilities - current	11,303	10,953
Sub total the other current liabilities	61,013	71,984
Total of the other liabilities	67,298	92,423

Under IFRIC 23, liabilities related to the uncertainties over Income Tax are included in current and non-current tax liabilities.

The decrease of other liabilities non-current are related to reclassification from Non-current to Current.

28 RISK MANAGEMENT

The group's risk management is predominantly controlled by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The Group does not use derivative instruments for speculative purposes.

The main risks attached to the financial instruments of the Group are as follows:

Risk	Exposure arising from	Measurement	Management
Market risk - foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in the functional currency of the contracting entity	Cash flow forecasting Sensitivity analysis	Foreign currency options and swap
Market risk - interest rate	Interest on Long-term borrowings that have variable rates	Sensitivity analysis	Interest rate swaps - in discussion
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, debt investments and contract assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits, non-recourse factoring and letters of credit Investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Several type of credit lines are available

28.1 Foreign exchange risk management

The Group is exposed to currency risk arising from exchange rate fluctuations against its functional currencies in its consolidated subsidiaries. The activities of the Group are carried out in various currencies, such as the Euro, the US Dollar, the Pound Sterling, the Filipino Peso, and others.

The major currency transaction risk is the impact of exchange rate fluctuation, at the cash flow date, on the Group income statement.

The Group policy to mitigate the risk is to hedge at approximately 80% of the forecast major currency cash flows for more than 12 months.

Although the Group has implemented strategies to mitigate the foreign exchange risks, it cannot guarantee that it will not account for any gains or losses arising from our international transactions. All exposures are not or cannot be hedged. When hedges are put in place depending on the exposure to the expected currency risk, they are based on forecasts that may vary or that may later prove to be inaccurate. The inability to hedge or to correctly anticipate currency risks could have an adverse effect on our consolidated operating results.

The Group is exposed to foreign exchange risk when translating foreign subsidiaries' financial statements for consolidation purposes.

Regarding the foreign exchange impact on Group's revenue, the table below presents the split per currency of the revenue for this closing:

Revenue in M€	Amounts	%	Accumulated %
US Dollar	1,345	36.0 %	36.0 %
Euro	712	19.0 %	55.0 %
Philippine peso	387	10.3 %	65.4 %
Great Britain pound	240	6.4 %	71.8 %
Canadian dollar	139	3.7 %	75.5 %
Costa Rican Colon	129	3.4 %	78.9 %
Colombian peso	122	3.3 %	82.2 %
Moroccan dirham	94	2.5 %	84.7 %
Indian rupee	63	1.7 %	86.4 %
Nicaraguan córdoba	58	1.6 %	88.0 %
Other	450	12.0 %	100.0 %
Total	3,739	100 %	

A change of foreign exchange rates against Euro by +/- 10%, on USD vs local currencies and Euro vs local currencies, as of 12/31/2022 is expected to have the impact of lowering/increasing Foundever's income by 6.3% and 9.0%, respectively.

The below tab is presenting the contributory per main currency in the balance sheet - Asset / (Liabilities):

Amounts in M€	US Dollar	Euro	Great Britain Pound	Philippine peso	Canadian Dollar	Other	Total
Non-current assets	2,042	109	39	106	42	181	2,519
Current assets	487	317	122	30	78	223	1,257
Total Assets	2,529	426	161	136	120	404	3,776
Equity	(727)	835	(248)	(125)	(96)	(291)	(652)
Non-current liabilities	(1,402)	(990)	88	(68)	—	(122)	(2,494)
Current liabilities	(399)	(271)	(1)	58	(24)	7	(630)
Total Liabilities	(2,528)	(426)	(161)	(135)	(120)	(406)	(3,776)

The table below presents the impact of sensitivity of the USD Term Loan converted from USD to EUR.

USD Term Loan sensitivity test	Currency	Conversion at closing rate 2022 in EUR
1,382,500	USD	1,294,815
Change of USD VS EUR by:	+/-1%	1,307,763
	+/-2%	1,320,711
	+/-3%	1,333,660

The risk and impacts of changes of USD vs EUR is monitored by the Treasury Department.

28.2 Interest rate risk management

Fluctuations in interest rates may affect the interest expense of the Group in relation with its credit lines.

With the credit agreement contracted on August 27, 2021, both EUR and USD term loans are subject to the volatility of the EURIBOR and the USD LIBOR, respectively. Furthermore, USD LIBOR will be replaced by the SOFR (Secured Overnight Financing Rate) from January 1, 2023 because of benchmark reform. The SOFR is calculated and published every morning (Eastern Time) by the New York FED.

A floor is applied with the new credit agreement to the USD LIBOR (at 0.5%) and EURIBOR (0%). As described previously, the USD Term Loan is now the most significant portion of our credit facility and subject to volatility of the SOFR starting January 1, 2023. As a result, our Treasury Department is monitoring carefully the expected variances of this rate. As the EURIBOR increased significantly in 2022, Management decided to hedge 70% of the EURO Term loan through an interest rate swap. The fixed rates applied to this portion are 2.758% (for €300M) and 2.724% (for €400M). The hedging position maturities are October 31, 2025 and October 31, 2024, respectively.

The sensitivity test is performed for both USD Term Loan and EUR Term Loan.

Regarding the benchmark reform impacting the USD LIBOR, the following tab reflects the impact if the SOFR was applicable instead of the USD LIBOR at 12/31/2022:

Sensitivity test - SOFR	Impact in K€
Difference between SOFR and LIBOR at closing date	(0.02)%
SOFR - LIBOR var. impact on the expense:	(259)
Difference between SOFR and LIBOR at March 24, 2023	(0.03)%
SOFR - LIBOR var. impact on the expense:	(396)

The last payment made in December 2022 reflected a USD LIBOR (including margin) rate at 8.48%.

The SOFR rate used above was published by the Federal Reserve Bank of New York on December 31, 2022 on its website and amounted at the same date at 4.3% (same rate at December 31, 2022).

As of 12/31/2022, the impact of the changes of the LIBOR are indicated below:

Sensitivity test - LIBOR	Impact in K€
+/- 0.25%	3,237
+/- 0.5%	6,474
+/- 1%	12,948

As of 12/31/2022, the impact of the changes of the EURIBOR (portion that is not hedged) are indicated below:

Sensitivity test - EURIBOR	Impact in K€
+/- 0.25%	750
+/- 0.5%	1,500
+/- 1%	3,000

At 12/31/2022, the Group did not use the GBP facility. We do not have to present a sensitivity test regarding the variance of the SONIA rate and impact of the benchmark reform (SONIA replaced the GBP LIBOR in 2021).

The table presents the average rates per each credit facility for the comparative years:

Average rate in %	12/31/2022	12/31/2021
USD Term Loan	5.7 %	4.3 %
EUR Term Loan	4.3 %	4.1 %

The table, presented below, summarizes the main borrowings of the Group (excluding leases and factor) by type of interest rate:

Sections - in K Local Currencies	Remaining capital of debt in Euro	Original currency of the debt	Total due	< 1 year	between 1 and 5 years	> 5 years	Type of Rate	Rate or average rate for the period
Term loan	1,294,815	USD	1,294,815	13,112	52,448	1,229,255	Libor + Margin	5.7 %
Term loan	1,000,000	EUR	1,000,000	—	—	1,000,000	Euribor hedged	4.3 %
Classic credit facility	84	EUR	84	84	—	—	Fixed	0.6 %
Total	2,294,899		2,294,899	13,196	52,448	2,229,255		

28.3 Liquidity risk management

The 2021 credit agreement decreased significantly the liquidity risk of the Group by extending the maturity date up to 2028 and increasing the revolving facility up to \$250.0M.

The Group uses a factoring solution covering invoices in €, £, and \$. This solution, depending on the country, may be "recourse" or "non-recourse". The debt related to the recourse factoring has a maturity of less than 1 year and. There is no limitation for the non-recourse program.

On a daily basis, the Group aims to mitigate liquidity risk by closely managing cash generation by its operating businesses and by monitoring performance to budgets and forecasts. Capital investment is carefully controlled, with detailed authorization limits in place up to Executive level and cash payback criteria considered as part of the investment appraisal process.

Short-term cash and debt forecasts are constantly reviewed and there are regular treasury updates to the Executive members highlighting facility headroom and net debt performance.

Day-to-day cash management utilizes undrawn revolving credit facilities, factoring facilities and occasionally short-term money market deposits if there is excess cash. The undrawn credit facilities (including the outstanding letter of credit) are presented below (numbers are converted from Euro to US Dollar at the closing date of each year):

Undrawn credit facilities at	Amounts - in K€
12/31/2022	233,177
12/31/2021	220,731

Effective headroom including cash and cash equivalent is presented below:

Effective headroom of cash - in K€	Note	12/31/2022	12/31/2021
Revolver credit facility from the financial agreements	20	234,144	220,731
Outstanding letter of credit	32	(967)	—
Sub-total - Undrawn credit facilities		233,177	220,731
Cash and cash equivalents	22	423,420	267,035
Total - Effective headroom of cash		656,597	487,766

The non-recourse factoring programs, including amount used at the end of each year, are not included.

The difference between the carrying amounts and estimated contractual payments (inclusive of estimated interest) at the closing date are presented in the tab below:

Contractual maturities of financial liabilities	2023	2024	2025	2026	2027 and after	Total	Carrying amounts
Trade payables	61,800	—	—	—	—	61,800	61,800
USD and EUR term loans	166,996	165,969	164,943	163,916	2,491,311	3,153,135	2,294,815
Other bank loan	90	—	—	—	—	90	90
Lease liabilities	96,470	75,034	57,624	35,430	80,003	344,561	256,835

28.4 Credit risk management

The Group controls credit risk by closely monitoring collections, the accounts receivable agings, and days sales outstanding metrics. Action is taken promptly when payment terms are breached.

The Group has also implemented monitoring procedures for customer risk via regular verification of the financial situation of its main partners.

If a significant increase in credit risk of our customers would deteriorate, it would require the Group to increase its provision in compliance with our model of expected credit loss.

Regarding our business model, the Group has only one type of financial assets that are subject to the expected credit loss model: Trade receivables for sales.

In recent years, the company experienced a limited number of bankruptcy losses in the retail brick and mortar, and travel segments. Management feels there is a continued higher risk in the "Brick and Mortar" and "Travel" segments.

The description of the calculation of the expected loss model (simplified approach) applied by the Group in compliance with IFRS 9, is described and summarized in tables presented in the note 18 TRADE RECEIVABLES.

28.5 Other risks

Tax Risk – BEPS Pillar One and Pillar Two

During October 2021, the OECD and G20 finalized a two-pillar framework and agreement to address challenges from the digitalization of the global economy (BEPS Pillar One and Pillar Two). Pillar One establishes nexus and profit allocation rules for large multinational enterprises and Pillar Two establishes mechanisms to ensure large multinationals pay a 15 percent minimum level of tax. The implementation of the framework is subject to domestic law implementation

As the OECD continues to provide technical guidance, the company is monitoring the development and domestic implementation of these provisions. In December of 2022, the EU member states reached a unanimous agreement on Pillar Two implementation framework for member country implementation, but each EU member must implement domestic legislation.

The impact to the Group is not clear. There will be certain exceptions, safe harbors and transition periods that could minimize or eliminate any impact or delay any impact. No countries relevant to the Group have enacted implementing legislation as of this date.

Risk related to Russian's war in Ukraine

Regarding the current Ukraine-Russia war, Foundever Group is not exposed in these 2 countries.

The Group does not have operations in Ukraine, Russia or Belarus, and does not have any material revenue nor EBITDA derived from these countries.

Also, the Group does not see clients having high exposure in these countries that would have a significant impact on its financials. Nevertheless, the conflict has an overall negative impact on global economy but we do not see it having a material impact on our financials.

From a compliance point of view, the Group has concluded a sanction review of Foundever's vendors/suppliers, banks, and clients (35k+ entities). No Russia related sanction matches were found.

29 RECOGNIZED FAIR VALUE MEASUREMENT

Fair Value of Derivative Financial Instruments

The following table summarizes the fair value of derivative financial instruments and the method of assessment applied:

Sections - in K€	12/31/2022		12/31/2021		Hierarchy of Fair Values	Assessment techniques and important input data
	Assets	Liabilities	Assets	Liabilities		
Currency hedging	10,194	(10,683)	1,275	(13,171)	Level 2	Derivatives are assessed based on the current market prices for comparable instruments or, if these are not available on an assessment - or formula-based model using current hypotheses, in terms of markets and models.
Interest rate hedging	5,947	—	—	—	Level 2	
Total	16,141	(10,683)	1,275	(13,171)		

Classification of financial instruments and other assets and liabilities:

The classification of financial instruments by the measurement method is presented as follows:

Assets - Sections - in K€	Closing Balances Dec. 2022	Amortized Cost	Fair Value through the P&L	Fair Value through the OCI	Other (non-financial)
Cash and cash equivalents	423,509	423,509	—	—	—
Trade Receivables	666,684	666,684	—	—	—
Other Current Assets	152,527	17,317	—	—	135,210
Asset Derivative Instruments current	10,194	—	138	10,056	—
Asset Derivative Instruments non-current	5,947	—	—	5,947	—
Other Non-Current Assets	145,816	22,740	—	—	123,076
Total	1,404,677	1,130,250	138	16,003	258,286
Liabilities - Sections - in K€	Closing Balances Dec. 2022	Amortized Cost	Fair Value through the P&L	Fair Value through the OCI	Other (non-financial)
Trade Payables	61,800	61,800	—	—	—
Current Financial Debts	89,338	89,338	—	—	—
Other Current Liabilities	383,279	12,162	—	—	371,117
Liability Derivative Instruments current	10,683	—	35	10,648	—
Liability Derivative Instruments non-current	—	—	—	—	—
Other Non-Current Liabilities	128,126	—	—	—	128,126
Non-Current Financial Debts	2,418,233	2,418,233	—	—	—
Total	3,091,459	2,581,533	35	10,648	499,243

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Assets - Sections - in K€	Closing Balances Dec. 2021	Amortized Cost	Fair Value through the P&L	Fair Value through the OCI	Other (non-financial)
Cash and cash equivalents	267,962	267,962	—	—	—
Trade Receivables	706,401	706,401	—	—	—
Other Current Assets	114,427	14,098	—	—	100,329
Asset Derivative Instruments non-current	—	—	—	59	—
Asset Derivative Instruments current	1,275	—	280	937	—
Other Non-Current Assets	67,149	23,800	—	—	43,349
Total	1,157,214	1,012,261	280	996	143,678

Liabilities - Sections - in K€	Closing Balances Dec. 2021	Amortized Cost	Fair Value through the P&L	Fair Value through the OCI	Other (non-financial)
Trade Payables	55,737	55,737	—	—	—
Current Financial Debts	94,254	94,254	—	—	—
Other Current Liabilities	391,221	—	—	—	391,221
Liability Derivative Instruments current	13,171	—	584	12,587	—
Other Non-Current Liabilities	73,224	—	—	—	73,224
Non-Current Financial Debts	2,370,202	2,370,202	—	—	—
Total	2,997,809	2,520,193	584	12,587	464,445

Fair value of long term debt:

The following table summarizes the fair value of the long term debt, excluding leases.

Sections - in K€	12/31/2022	12/31/2021
Fair value of long-term debt (current & long-term portions)	2,240,355	2,242,247
Carrying value of long-term debt (current & long-term portions)	2,294,904	2,239,008
Net position	(54,549)	3,239

The fair value of long-term debt should represent the price that would be paid to transfer the liability to a third-party calculated in accordance with IFRS 13. The fair value represents the mark-to-market fair value provided by a third-party.

Measurement and classification of the derivatives:

		Measurement category		Carrying amount		Difference in
		12/31/2022	12/31/2021	12/31/2022	12/31/2021	Κ€
<u>Current derivative assets:</u>						
Designated	FVOCI	FVOCI		10,056	937	9,119
Non-designated	FVPL	FVPL		138	280	(142)
<u>Non-current derivative assets:</u>						
Designated	FVOCI	FVOCI		5,947	59	5,888
<u>Current derivative liabilities:</u>						
Designated	FVOCI	FVOCI		(10,648)	(12,587)	1,939
Non-designated	FVPL	FVPL		(35)	(584)	549

30 INFORMATION ABOUT RELATED PARTIES

Balances and transactions between the Company and its subsidiaries have been eliminated in consolidation and are not presented in this note.

The Group has not agreed to any loan to its direct or indirect shareholders, nor to its key management personnel as of 12/31/2022.

The parent company Foundever Group S.A. is ultimately majority-owned by the company Surcrehol SAS, registered with the RCS (Trade and Companies Register) of Lille in France, under the SIREN (business identification) number 519 087 993. No significant transaction was conducted between Foundever Group (and its subsidiaries) and Surcrehol SAS (and its subsidiaries).

The amount paid as attendance fees, net of tax, amounting to €582K in 2022 vs €284K in 2021. No loan or advance has been granted to members of the Management or to members of the governance bodies of the Group.

AKA Services S.A.S. (33 Boulevard Prince Henri L-1724 Luxembourg (Luxembourg)) - Trade registry number B224149:

The capital of the company is held (directly or indirectly) by three owners (33.33% each). AKA Services provides some administrative, legal, accounting and fiscal services to some Group companies. The company is not material and the Group does not consolidate it. AKA Services is a joint control company and if the Group changes its position, the equity method should be applied.

The transactions between Foundever Group and AKA Services amounted to €136K and between Saturn International Holding and AKA Services €24K (including VAT) related to accounting and corporate secretary fees.

The total of the net income of AKA Services amounting to €29K for the year 2022.

31 OFF-BALANCE SHEET COMMITMENTS

Shares of our companies pledged and other guarantee related to the senior facilities agreement:

Security in place in connection with the credit agreement (hereafter CA) dated August 27, 2021 entered into between, among others, Foundever Group as the Parent, Foundever Worldwide Corp. and Foundever Operating Corp, and the borrowers are presented below:

Securities pledged (in raw) owned per company (in column)	Foundever Worldwide Corporation	Foundever Operating Corporation	Sitel International Holding Inc.	Sitel International LLC
Sitel International Holding Inc.		X		
Sitel International LLC		X		
Sykes Acquisition Corp. II		X		
Foundever Operating Corporation				X
Foundever Europe Limited			X	
ClientLogic (UK) Holding Limited			X	
Foundever Teleservices Canada, Inc.				X
Foundever Spain, S.A.U.				X
Sitel (BVI) International, Inc.				X
Sitel Asia Pacific Investments Pte Limited				X
Sitel Finance Corp	X			
NA Liquidating Company Inc.		X		
Service Zone Holdings, LLC.		X		
Sitel ARM Corp.		X		
ICT Accounts Receivable Management Inc.		X		
SEI Employment Services Inc		X		
Sykes Realty		X		
SEI Consulting Services Inc.		X		
Foundever Australia Pty Limited		X		
Financial Insurance Services Inc.		X		
Sitel Services Inc.			X	

Securities pledged (in raw) owned per company (in column)	Foundever GB Holdings Limited	ClientLogic Holding Limited	ClientLogic (UK) Holding Limited	Foundever Europe Limited	Foundever Group S.A.
ClientLogic Holding Limited			X		
Foundever GB Holdings Limited					X
Sitel Solutions UK Limited		X			
Foundever Ireland Limited				X	
Foundever GB Limited				X	
Foundever Operating Corporation Limited	X				

Intercompany loan payer pledged (in raw) intercompany loan payee (in column)	Sitel International LLC	Foundever Operating Corporation
Foundever Operating Corporation Limited	\$61,848,687	
Clear Link Technologies LLC		\$37,050,000

In addition of the above, the follow elements have been pledged in 2022 in relation to the Credit Agreement:

- two bank accounts of the Parent company;
- any intercompany receivables and loans owned by the Parent company against its subsidiaries;
- any intellectual property protected under United Kingdom (UK) laws;
- all moveable tangible properties in the UK;
- all receivables and Insurance policies (superior to 10 millions GBP) owned by UK registered companies of the Group;
- its goodwill and rights in relation to its uncalled capital (if applicable);
- all accounts, chattel paper, commercial tort claims, deposits, equipment, fixtures, intangibles, goods, instruments, intellectual property, investment property, letters of credit, supporting obligations, owned by US based companies (Foundever Worldwide Corp, Foundever Operating Corp, Sitel International Holdings, Sitel International LLC, Clearlink Technologies LLC, Sykes Acquisition Corp II, Inc).

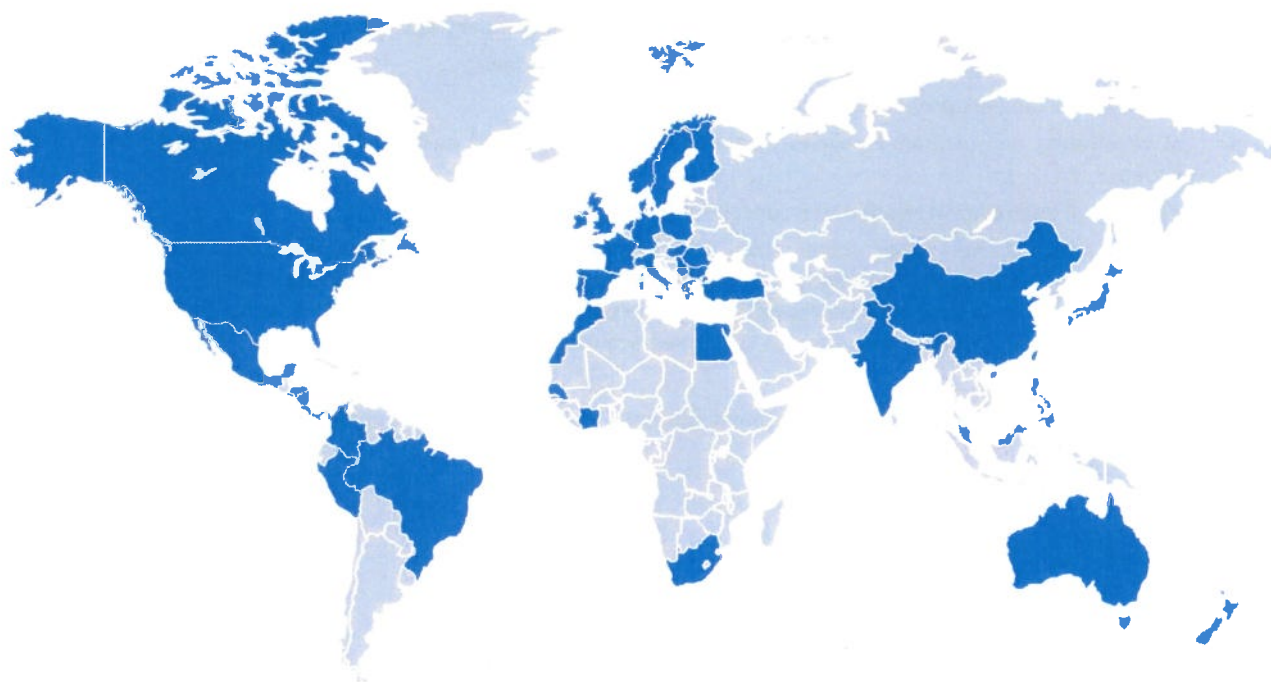
As mentioned in the 28.3 Liquidity risk management footnote, the Group has an engagement on €(967)K of letters of credit (\$1,095K).

32 WORKFORCE

The headcount of the Group is presented below:

Section	12/31/2022	12/31/2021
Employees at the end of the year	149,120	139,766
Total of employees at the end of the year	149,120	139,766

Our employees are operating in the 6 continents:



In 2022, the Group opened companies in 2 new countries: Peru and Türkiye and plan to open in South Africa and Malaysia in 2023.

33 EXECUTIVE COMPENSATION

The supervisory board divided the gross amount of €582K (versus €284K in 2021) in attendance fees among its members for the 2022 financial year. Moreover, the gross compensation of top executives amounted in total to €9.6M for the 2022 financial year versus €11.2M in 2021.

34 EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

No event after closing has been identified.

35 AUDITOR'S FEES

Auditors' (PwC) fees were as follows, in comparison to those of the previous financial year:

Sections - in K€	12/31/2022	12/31/2021
Fees for legal audit of consolidated financial statements and annual accounts	3,935	3,968
Fees for all other assurance services	556	1,369
Fees for tax advisory services	313	227
Total	4,804	5,564

About Foundever™

Foundever™ is a global leader in the customer experience (CX) industry. With 170,000 associates across the globe, we're the team behind the best experiences for +750 of the world's leading and digital-first brands. Our innovative CX solutions, technology and expertise are designed to support operational needs for our clients and deliver a seamless experience to customers in the moments that matter.

Supporting +9 million customer conversations every day in +60 languages across 45 countries, Foundever combines global strength and scale with the agile, entrepreneurial approach of our founder-led culture, enabling companies of all sizes and industries to transform their CX.

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