

**Atos to complete its transformation through the contemplated sale of Tech Foundations**

**Atos to be renamed Eviden, benefitting from a strengthened capital structure, post transaction**

**Atos to call an EGM to approve this comprehensive plan**

- **Atos contemplates to accelerate value creation and complete its strategic transformation and full separation of Eviden and Tech Foundations, as announced in June 2022**
- **Following an in-depth review of its options, Atos' Board of Directors decided to enter into exclusive negotiations with EPEI for the contemplated Sale of 100% of Tech Foundations for a net cash positive impact of €0.1bn and the transfer of €1.9bn of on-balance sheet liabilities, leading to an enterprise value of €2.0bn**
- **Atos would be renamed Eviden post transaction ("the Group"), a high-growth leader in the digital, cloud, cybersecurity and advanced computing markets with cutting-edge innovation and technologies. Eviden will hold an Investor Day prior to its Extraordinary General Meeting**
- **As part of this transaction, the Group intends to sustainably strengthen its balance sheet with planned capital increases for a total of €900m (consisting of a reserved capital increase at an agreed price of €20 per share pursuant to which the Purchaser will hold 7.5% of the share capital and a €720m rights issue for all shareholders) with the €400m new divestment plan announced last week**
- **BNP Paribas and J.P. Morgan have provided a standby underwriting for the rights issue amount (less the amount of EPEI's subscription commitment), subject to usual conditions. Atos is very confident on the granting by its bank syndicate of the necessary loan waivers. The Group will also seek to extend maturities and reduce its debt**
- **With the contemplated capital increases and the targeted transfer of its on and off-balance sheet liabilities to EPEI as part of the Sale of Tech Foundations, the Group would target a net leverage of c. 3x by 2024 year-end and at c.2x by 2025 year-end, benefitting from an improved liquidity situation**

- **In addition to its commitment to subscribe to the reserved capital increase for an amount of €180m, EPEI would also be participating for an amount of ca. €37.5m in the subsequent rights issue offered to all Eviden SE shareholders, for a total investment of €217.5m**
- **This comprehensive transformation of Atos has received unanimous support from its Board of Directors and would be submitted to shareholders' approval in an ad-hoc EGM to be announced in Q4 2023, for both the Transaction and the capital increases**
- **It is expected to be completed in Q4 2023 or by Q1 2024 subject to final agreements and certain financial and other customary conditions (including relevant shareholders' approvals, regulatory clearances, consent from its concerned creditor banks and other third-party consents)**

**Paris, August 1, 2023** - Atos SE, a global leader in digital transformation, high-performance computing and information technology infrastructure, today announces that it has entered into a put option agreement with EP Equity Investment ("EPEI"), providing for exclusive negotiations to sell to EPEI (the contemplated "Sale") 100% of Atos' subsidiary which will hold its Tech Foundations business at the end of the internal reorganization under finalization ("TFCo"). The envisioned transformative and comprehensive transaction (the "Transaction") would result in the effective separation of Eviden and TFCo and the strengthening of the Group's capital structure. The contemplated Sale would result in a net cash positive impact of €0.1bn and the transfer of €1.9bn of on-balance sheet liabilities, leading to an enterprise value of €2.0bn. TFCo will continue using Atos brand and will become its sole owner.

The Transaction is designed to give Eviden solid grounds to pursue its growth trajectory and to reinforce its unique strategic positioning while ensuring the smooth continuity of commercial operations of both perimeters.

**Bertrand Meunier, Chairman of the Atos Board of Directors**, said: *"In consistency with our announcements of June 2022, we have decided to present to our shareholders vote, the separation of the Group through the divestiture of TFCo, our legacy business, together with its liabilities. This will create value for our shareholders by both taking away the risk of TFCo's turnaround and its various liabilities and refocusing Atos on Eviden and its good future growth prospects. We will hold an Investor Day on Eviden before our shareholders' vote."*

**Atos' leadership team, Nouridine Bihmane, Diane Galbe and Philippe Oliva**, said: *"Today we are announcing a critical milestone in delivering the in-depth transformation of the Group. Following the sale of TFCo, Atos would become Eviden, a global leader in digital transformation with full strategic flexibility and enhanced capital structure to further accelerate its development. TFCo stakeholders would benefit from the backing and long-term vision of EPEI to fully implement its transformation and repositioning. We are delighted with today's announcement and are really looking forward to writing the next chapter of both TFCo and Eviden with our employees, customers and all our stakeholders. This Transaction will unlock new opportunities for the employees of both TFCo and Eviden. We welcome EPEI's full support to TFCo's management and employees."*

## **Unlocking the value potential of Eviden, a global leader in digital transformation**

With the contemplated Sale of Tech Foundations, the Group would become Eviden, a pure-play leader in high-growth digital transformation, big data and cybersecurity markets, and listed on Euronext Paris through Atos SE, the parent company of Eviden (expected to be renamed Eviden SE following the Sale):

- Operating in more than 50 countries of operations worldwide, Eviden estimates its total addressable market at around €1.8tr in 2025, encompassing high growing segments such as Digital Services, Cloud, Digital Security, HPC and Business Computing & AI;
- As of December 2022, Eviden had €5.3bn revenue, of which 72% was in Digital activities and the remainder in BDS;
- Eviden delivered strong 7.0% organic growth and 5.3% operating margin in H1 2023 and benefits from a solid commercial traction, as evidenced by the 119% book-to-bill in Q2 2023.

As a pure-play leader in its fields, Eviden will carry out its own transformation, and will position itself for growth and cash generation, in line with its strategy focused on fast-growing markets and higher-margin activities, supported by the strengthening of the Group's capital structure and at a rapid deleveraging pace.

In that respect, the 2023 outlook and medium-term ambitions specific to Eviden are the following:

- For 2023, Eviden targets an acceleration of organic growth (vs 2022) and an improvement of the operating margin (vs 2022), as communicated during H1'2023 release
- Eviden has the ambition to reach 7% annual growth over the 2022 and 2026 period and c.12% operating margin in 2026.

Shareholders, investors and the whole financial community will have the opportunity to get an update on Eviden's business activities, strategic roadmap and financial perspectives as part of a dedicated Investor Day to be scheduled prior to the dedicated EGM.

## **Sale of Tech Foundations for a net cash positive impact of €0.1bn and the transfer of €1.9bn of on-balance sheet liabilities, leading to an Enterprise Value of €2.0bn, representing 3.9 x OMDA-22**

Atos has entered into a put option agreement providing for exclusive negotiations with EPEI, a recognized and financially strong European industrial conglomerate with a long-term global vision, for the sale of 100% of the shares in Tech Foundations by a special purpose vehicle within the EPEI group and intended to be capitalized with €800m.

Tech Foundations will retain the "Atos" brand, as Atos SE, the parent company of Eviden, is expected to be renamed Eviden SE following the contemplated Sale.

Atos has been informed that EPEI intends to hold discussions with Fimalac about a potential minority participation on the acquisition of TFCo and the capital increase of Eviden.

Following the closing, Tech Foundations will pursue its operations as a standalone, private company, and wholly owned subsidiary of EPEI. Capitalizing on its long-term vision and historical track-record of performance on its diversified portfolio, EPEI would support Tech Foundations' stability and visibility needed to accelerate its turnaround strategy and its transformation plan, benefitting all the Company's stakeholders: employees, customers, and partners.

The contemplated Sale at an implied Enterprise Value of €2.0bn would allow the Group to transfer €1.9bn of on-balance sheet liabilities, and €7.6bn of off-balance sheet liabilities (Parent Company

Guarantees) and would unwind c. €1bn of intra-year working capital needs. It would represent a 3.9 x OMDA-22. It would have a positive €0.1bn net cash impact.

Tech Foundations has more than 52 000 employees globally.

As part of the Sale, the Group would retain an exposure to future performance of Tech Foundations via an upside-sharing mechanism, subject to certain subsequent liquidity events or performance targets delivered over time.

The proposed Sale was unanimously supported by the Atos' SE Board of Directors, which believed that this solution offers the best prospects for both Tech Foundations and Eviden, as part of the announced separation, and the best option to ensure the execution of its strategic plan in the best interest of all stakeholders.

As part of the Transaction, the Board of Directors has been advised by two independent expert firms. Finexsi, which has been appointed by the Board since the launch of the separation project to overview the separation process and opine on the viability of the two resulting entities, has also reviewed the potential conflicts of interest issues. Marc Sénéchal has overviewed the negotiation process with EPEI. The Board of directors and its *ad hoc* committee have also regularly followed the status and reviewed the terms of the transaction, and the Board of Directors has delegated its Chairman to participate to the discussions.

Tight procedures will continue to be implemented after this announcement, to ensure due governance.

### **Strengthening the Group's capital structure to support Eviden's strategic roadmap**

As part of today's announcement, the Group would also aim at strengthening Eviden's capital structure through the combination of the contemplated Capital increases and the divestment plan. BNP Paribas and J.P. Morgan have provided a standby underwriting for the full rights issue amount (less the amount of EPEI's subscription commitment), subject to usual conditions. Atos is very confident on the granting by its bank syndicate of the necessary loan waivers. The Group will also seek to extend maturities and reduce its debt, while the Group continues the ongoing working capital normalization.

Should the shareholders' general meeting authorize the launch of the envisaged €900m capital increases, the EPEI group is committed to subscribe to a reserved capital increase of €180m in Atos SE (renamed Eviden SE) giving EPEI 7.5% of the post-money this reserved share capital increase, to be implemented at the option of Atos' Board of Directors.

The price of this reserved capital increase has been set at €20 per share, externalizing a c.62% premium to the 1-month VWAP.<sup>1</sup> Such a commitment demonstrates the confidence of a recognized investor in the strong potential of Eviden.

In addition, the EPEI group is committed to subscribing for €37.5m to a subsequent rights issue of €720m, for a total investment by EPEI of €217.5m.

EPEI's minority shareholding in the new Group would be governed by customary terms, including a board representation right, lock-up undertakings of 9-months and 2-year standstill commitment.

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<sup>1</sup> Based on Facset data (€12.3 VWAP)

These envisaged capital increase transactions will be complemented by the Divestment of €400m of assets, announced last week, on top of the €700m plan already executed. The Group has already identified a number of potential interested parties and is confident in its ability to secure these divestments swiftly.

Pro-forma the disposal of TFCo and the deconsolidation of its liabilities, the envisaged Capital increases and the divestment proceeds, the Group would benefit from a much-improved liquidity situation with positive cash flow generation thanks to its operating performance and much lower restructuring charges. The Group's net leverage is estimated at an initial c. 4x pro forma leverage as of December 2023, accelerating the path to a target net leverage c. 3x by 2024 and a c. 2x by 2025.

The contemplated Capital increases would be subject to approval by Atos SE's shareholders at a dedicated Extraordinary General Meeting ("EGM"), to be announced in Q4 2023, and to applicable regulatory clearances.

Upon approval by the EGM of the relevant authorizations for the capital increases, and subject to market conditions, final terms and conditions of the rights issue, including the subscription price, are expected to be determined and announced in due course, for the comprehensive Transaction to close in the contemplated timeframe. A prospectus will be submitted to the approval of the French *Autorité des marchés financiers* (the "AMF").

### **Path to completion**

Atos is planning to conduct the applicable employee consultation processes and seek consent from its concerned bank creditors before entering into any final agreements at a date expected by the end of 2023.

Subject to final agreements and certain financial and other customary conditions to be provided for therein (including relevant shareholders' approvals, regulatory clearances and other third-party consents), this contemplated Transaction is expected to be completed by Q4-2023 or Q1-2024.

The exact timetable for the contemplated Transaction and the timing of the EGM, as well as all the other required detailed information, will be provided in due course.

Today's announcement would be further detailed by the Group management during a conference call to be scheduled on August 1, 2023 at 8.00 am CEST.

### **Evolution of the Group's governance**

In connection with the preparation of this new step, the Group also announced certain evolutions of its governance.

The composition of the Board of directors is evolving with the departure of Mr. Vivek Badrinath after four years of tenure. He is replaced by Mr. Carlo d'Asaro Biondo who has been coopted as new independent director for the remainder of Mr. Badrinath's term of office, i.e., until the Annual General Meeting to be held in 2024. Ratification of that decision will be submitted for approval at the next shareholders' meeting. As a former President EMEA for Strategic and Institutional Partnerships & Relationships at Google, and until 2022 founder and CEO of Noovle S.p.A (TIM-Telecom Italia's cloud activities in partnership with Google), Mr. Carlo d'Asaro Biondo brings to the Board his unique experience as a European technology leader (see detailed biography below).

In a separate Atos press release, issued today, August 01, 2023, the company has also reinforced its organization with the appointment of a new Chief Financial Officer, Mr. Paul Saleh, a seasoned financial leader within the IT services industry.

### **Biography of Carlo d'Asaro Biondo**

Having dual French and Italian nationality, Carlo d'Asaro Biondo is a recognized tech leader on the European stage. At 58, with more than 20 years spent at the crossing between technology, media and institutional relations, he cuts a unique figure in the European tech space, as he has been at the forefront of the interaction between digital technology, media and political institutions.

Serving as a Senior Advisor at the Boston Consulting Group (BCG) since 2023, Carlo d'Asaro Biondo also supports investment funds in acquisition due diligence and tech related expertise. He has been appointed member of the Board of Directors of Poste Italiane since May 2023 with whom he is a member of the risk and audit committee, and he chairs its remunerations committee.

From 2020 to 2022, he was Head of Partnerships and Alliances at TIM spa (former Telecom Italia) and CEO of Noovle spa, i.e., Tim cloud activities based on a partnership with Google.

From 2016 to 2020, he was EMEA (Europe, Middle East and Africa) President at Google (Alphabet) and developed the commercial presence and institutional relations for all group activities.

He has been a board member of retail and B2B distribution companies such as Auchan International, Darty and Manutan International.

He graduated in Economics and Business from the La Sapienza University of Rome in 1988. He taught management control at Sorbonne DESS Paris, attended the Cofigea, Finance and Business Management Course at Bocconi University in 1993 and an Advanced International Corporate Finance course at Insead in 2022.

### **Advisors**

Rothschild & Co, J.P. Morgan Securities plc and Perella Weinberg Partners. are acting as financial advisors to Atos.

Darros Villey Maillot Brochier AARPI acted as legal counsel to Atos.

### **Analyst and investor conference call**

Atos' Management invites you to an international conference call, on **Tuesday, August 1, 2023 at 08:00 am (CEST – Paris)**.

You can join the **webcast** of the conference:

- via the following link: <https://edge.media-server.com/mmc/p/riazbrk3>
- by telephone with the dial-in, 10 minutes prior the starting time. Please note that if you want to join the webcast by telephone, **you must register in advance of the conference** using the following link: <https://register.vevent.com/register/BI3cfb52ea8a8649c7a02c0bf8d9f07df4>

Upon registration, you will be provided with Participant Dial In Numbers, a Direct Event Passcode and a unique Registrant ID. Call reminders will also be sent via email the day prior to the event.

During the 10 minutes prior to the beginning of the call, you will need to use the conference access information provided in the email received upon registration.

After the conference, a replay of the webcast will be available on [atos.net](https://atos.net), in the Investors section.

## About Atos

Atos is a global leader in digital transformation with 107,000 employees and annual revenue of c. € 11 billion. European number one in cybersecurity, cloud and high-performance computing, the Group provides tailored end-to-end solutions for all industries in 69 countries. A pioneer in decarbonization services and products, Atos is committed to a secure and decarbonized digital for its clients. Atos is a SE (*Societas Europaea*) and listed on Euronext Paris.

The [purpose of Atos](#) is to help design the future of the information space. Its expertise and services support the development of knowledge, education and research in a multicultural approach and contribute to the development of scientific and technological excellence. Across the world, the Group enables its customers and employees, and members of societies at large to live, work and develop sustainably, in a safe and secure information space.

## Contacts

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## Disclaimer

This document contains forward-looking statements, estimates, opinions and projections with respect to anticipated future performance of Atos SE (the "Company") and its subsidiaries (together with the Company, the "Group"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include statements that may relate to Atos's plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical facts, including, without limitation, statements regarding the entry into final agreements in connection with the sale of TFCO and the consummation of the contemplated transaction, statements regarding market opportunities and forecasts regarding market trends, and statements regarding the anticipated performance of the Company post completion of the contemplated transaction.

Forward-looking statements are based on the current views, expectations and assumptions regarding the contemplated transaction, the business, the economy and other future conditions of the Company and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Factors that may cause actual results to differ materially from those contemplated by forward-looking statements, include, without limitation, the inability of the Company to successfully negotiate final agreements in connection with the sale of TFCO or to successfully or timely consummate the contemplated transaction, including the risk that any required regulatory approvals

are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the Company or the contemplated transaction; failure to realize the anticipated benefits of the contemplated transaction; risks relating to the ability of the Company to issue equity securities or obtain debt financing in connection with the contemplated transaction or in the future.

Any forward-looking statements made in this document are statements about Atos's beliefs and expectations and should be evaluated as such. Although the Company believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. More detailed information on the potential risks that that could cause actual results to differ materially from the results anticipated in the forward-looking statements can be found in the 2022 Universal Registration Document filed with the *Autorité des marchés financiers* (AMF) on April 21, 2023 under the registration number D.23-0321.

Any forward-looking statements included herein only speak as at the date of this press release. Atos does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law. Atos accept no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.

This document includes information on specific contemplated or envisioned transactions that shall be considered as projects only. In particular, any decision relating to the projects mentioned in this document and their terms and conditions remain conditional on general market conditions and would be subject to the financial and other customary conditions and processes, including governance bodies and shareholders' approval as well as consultation with the relevant employee representative bodies, in accordance with applicable laws and regulations.

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This press release is not a prospectus within the meaning of Regulation (UE) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as amended (the "**Prospectus Regulation**") and as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"). With respect to the member States of the European Economic Area and the United Kingdom (each a "**Relevant State**"), securities may not be offered or sold absent the publication of a prospectus in any Relevant Member State or in the United Kingdom or an exemption from such publication under the Prospectus Regulation or the UK Prospectus Regulation.

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