

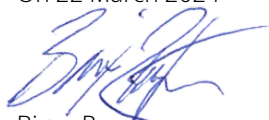
Annual report 2023

ISS Holding France A/S

Buddingevej 197
DK – 2860 Søborg
Denmark
CVR no 29 21 72 03

Annual report
1 January – 31 December 2023

Approved at the annual general meeting
On 22 March 2024



Bjørn Raasteen
Chairman of the annual general meeting

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Management review

Corporate information

ISS Holding France A/S
Buddingevej 197
DK - 2860 Søborg

Phone: +45 38 17 65 04
Fax: +45 38 17 00 11

CVR-no: 29 21 72 03
Founded: 27 December 2005
Domicile: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

Carsten Højlund (Chair)
Bjørn Raasten
Rune Christensen

Managing Director

Bjørn Raasteen

Auditors

EY Godkendt Revisionspartnerselskab
CVR-no.: 30700228
Dirch Passers Allé 36
Postboks 250
DK - 2000 Frederiksberg

Management review

Business review

ISS Holding France A/S is a directly wholly-owned subsidiary of ISS Global A/S and an indirectly wholly-owned subsidiary of ISS A/S, an international provider of facility services, listed on Nasdaq Copenhagen.

ISS Holding France A/S was founded in 2005 with the purpose of possessing shares in ISS Holding Paris SA, France, the parent company of the French business (ISS France).

Historically, financial results in ISS France have not been satisfactory and have been dilutive to the ISS Group. During the past several years, ISS has worked towards restructuring the business and establishing a solid foundation in the French market. However, the efforts have not generated the expected financial improvements and consequently on 9 August 2023, ISS announced the intention to divest the French business, excluding Key account customers, through the sale of the shares in ISS Holding Paris SA.

On 22 December 2023 ISS signed a binding agreement (put option) to divest the shares to Onet SA, a French facility services company, with expected closing in the first half of 2024.

The divestment of ISS Holding Paris SA is expected to generate total losses in ISS Holding France A/S of DKK 1,984 million including the impairment of the investment. The estimated losses are associated with uncertainty and may possibly be adjusted subsequently, cf. note 2 to the financial statements.

Financial review

Net loss was DKK 2,025 million (2022: net loss of DKK 222 million). The net loss was mainly affected by the losses of DKK 1,984 million related to the signed agreement to divest the shares in ISS Holding Paris SA and included impairment losses on the investment of DKK 995 million and intercompany loans of DKK 246 million. In addition, provisions to cover certain obligations under the agreement and transaction costs of DKK 742 million was recognised.

The net result for the year is not satisfactory.

Equity amounted to DKK (665) million (2022: DKK (71) million).

In May 2023, the equity was re-established through a capital increase of DKK 100 million. In December 2023, an additional capital increase of DKK 1,331 million was made. However, since the net loss amounted to DKK 2,025 million the equity ended negative at DKK 665 million.

ISS Global A/S has provided commitment to a recapitalisation process in respect of the equity in ISS Holding France A/S.

Subsequent events

No events have occurred subsequent to 31 December 2023, which could have a significant impact on the ISS Holding France A/S's financial position.

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Statement of profit or loss

1 January – 31 December

(DKKm)	Note	2023	2022
Other operating expenses		(0)	(0)
Operating loss		(0)	(0)
Income from investment in subsidiary	5	(1,737)	(210)
Financial income	3	19	15
Financial expenses	3	(311)	(27)
Loss before tax		(2,029)	(222)
Income tax	4	4	0
Net loss		(2,025)	(222)

Statement of comprehensive income

1 January – 31 December

(DKKm)	2023	2022
Net loss	(2,025)	(222)
Comprehensive income	(2,025)	(222)

Statement of financial position

At 31 December

(DKKm)	Note	2023	2022
Assets			
Investment in subsidiary	5	-	995
Receivables from affiliates		-	29
Non-current assets		-	1,024
Receivables from affiliates		71	63
Current assets		71	63
Total assets		71	1,087
Equity and liabilities			
Equity	6	(665)	(71)
Debt to affiliates		-	1,158
Non-current liabilities		-	1,158
Debt to affiliates		-	-
Provisions	7	736	-
Current liabilities		736	-
Total liabilities		736	1,158
Total equity and liabilities		71	1,087

Statement of changes in equity

1 January – 31 December

(DKKm)	Share capital	Retained earnings	Total
2023			
Equity at 1 January	100	(171)	(71)
Net loss	-	(2,025)	(2,025)
Comprehensive income	-	(2,025)	(2,025)
Capital increase	-	1,431	1,431
Transactions with the owner	-	1,431	1,431
Changes in equity	-	(594)	(594)
Equity at 31 December	100	(765)	(665)
2022			
Equity at 1 January	100	(749)	(649)
Net loss	-	(222)	(222)
Comprehensive income	-	(222)	(222)
Capital increase	-	800	800
Transactions with the owner	-	800	800
Changes in equity	-	578	578
Equity at 31 December	100	(171)	(71)

1 Accounting policies

The Annual Report for ISS Holding France A/S for 2023 was discussed and approved by the Managing Director and the Board of Directors on 22 March 2024 and issued for approval at the subsequent annual general meeting on 22 March 2024.

Basis of preparation

The financial statements for ISS Holding France A/S for the financial year ended 31 December 2023 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B with some additional choices of certain provisions applying to class C.

The financial statements are presented in Danish kroner (DKK), which is ISS Holding France A/S's functional currency. All amounts have been rounded to nearest DKK million (DKKm), unless otherwise stated.

In accordance with § 112 of the Danish Financial Statements Act, consolidated financial statements have not been prepared as the company and its subsidiary are included in the consolidated financial statement of the parent company ISS Global A/S and ultimate parent company ISS A/S.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

Assets are recognised in the statement of financial position when it is probable that future economic benefits attributable to the asset will flow to the company, and the value of the asset can be measured reliably. Liabilities are recognised in the statement of financial position when it is probable that future economic benefits will flow from the company, and the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each below. Recognition and measurement consider gains, losses and risks that arise before the annual report is presented and which prove or disprove matters existing at the balance sheet date.

Value adjustments of financial assets and liabilities measured at amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including impairment losses and provisions as well as reversals due to changed accounting estimates of amounts previously recognised in the income statement.

Foreign currency

Transactions denominated in currencies other than the functional currency of ISS Holding France A/S are considered transactions denominated in foreign currencies.

On initial recognition, foreign currency transactions are translated to the functional currency of ISS Holding France A/S at the exchange rates at the transaction date. Translation difference between the exchange rates at the transaction date and at the date of payment are recognised in Financial income or Financial expenses.

Monetary items denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date of transaction or the exchange rate in the latest financial statements is recognised in Financial income or Financial expenses.

Accounting policies

Profit or loss

The statement of profit or loss is presented in accordance with the "nature of expense" method.

[Other operating expenses](#) include expenses for external assistance and audit fees.

[Income from subsidiaries](#) include dividends declared during the year and impairment losses. If the dividends declared exceed the accumulated earnings, the dividends are not recognised in the income statement but is instead recognised as a reduction of cost price.

1 Accounting policies (continued)

Income from subsidiaries (continued) In addition, income from subsidiaries include divestment costs related to sale of subsidiary.

Financial income and expenses comprise interests, realised and unrealised gains and losses on foreign currency. Financial expenses also include additional charges or refunds included in the Danish tax on account scheme and impairment losses on loans to subsidiary. Financial income and expenses are recognised in the income statement irrespective of payment.

Income tax As required by Danish legislation, ISS Holding France A/S is jointly taxed with all Danish resident subsidiaries of the ISS Group. Joint taxation contributions to/from jointly taxed companies are recognised in the statement of profit or loss in Income tax and in the statement of financial position in Receivables from or in Debt to companies within the ISS Group.

Companies which utilise tax losses in other companies pay joint taxation contribution to ISS A/S (the administration company) equivalent to the tax base of the tax losses utilised. Companies whose tax losses are utilised by other companies receive joint taxation contributions from ISS A/S equivalent to the tax base of the tax losses utilised (full absorption).

Financial position

Investment in subsidiary is measured at cost, which comprises consideration transferred measured at fair value and any directly attributable transaction costs. If there is indication of impairment, an impairment test is performed. Where the recoverable amount is lower than the cost, investments are written down to this lower value. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the recoverable amount does not exceed the original cost.

Receivables from companies from affiliates are measured at amortised cost. Impairment losses are recognised when there are objective indications that the receivables are impaired. Impairment losses are recognised under Financial expenses.

Provisions are recognised at the estimated costs when the company, as a result of past events, has a legal or constructive obligation and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions comprise the estimated costs related to the divestment of subsidiary.

Debt to affiliates is measured at amortised cost.

Equity

Retained earnings is ISS Holding France A/S's free reserves, which includes share premium. Share premium comprises amounts above the nominal share capital paid by the shareholder when shares are issued.

2 Estimates and judgements

In preparing these financial statements, management made various judgements and estimates and assumptions concerning future events that affected the application of ISS Holding France A/S's accounting policies and the reported amounts of assets, liabilities, income and expenses, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The following items involve significant estimates and judgements:

Investment in subsidiary is tested for impairment when there is an indication that the investment may be impaired. The assessment of whether there is an indication of impairment is based on both internal and external sources of information such as performance of the subsidiary, significant decline in market value etc.

Provisions A binding agreement to divest the shares of the subsidiary ISS Holding Paris SA to Onet SA was signed on 22 December 2023 with expected closing in the first half of 2024. Under the agreement ISS Holding France SA is obligated to transfer funds to ISS Holding Paris SA before closing and to cover certain indemnity and warranty claims. A provision to cover these obligations and claims including transaction costs has been recognised based on management's best estimate which is associated with uncertainty and may possibly be adjusted subsequently.

3 Financial income and expenses

(DKKm)	2023	2022
Interest income from affiliates ¹⁾	18	15
Foreign exchange gains from companies within the ISS Group	1	0
Financial income	19	15
Interest expenses to affiliates ¹⁾	(64)	(27)
Impairment loss on loans to subsidiary	(247)	-
Financial expenses	(311)	(27)

¹⁾ Measurement basis amortised cost.

4 Income tax

(DKKm)	2023	2022
Current tax	4	0
Prior year adjustments, net	(0)	-
Income tax	4	0

The company has no deferred tax.

5 Staff costs

There are no employees in the company. The Managing Director and Board of Directors have received no remuneration for their duties related to ISS Holding France A/S. The Managing Director and Board of Directors are employed and receive remuneration from ISS A/S or ISS World Services A/S.

6 Investment in subsidiary

(DKKm)	2023	2022
Cost at 1 January	6,047	5,195
Additions	-	852
Cost at 31 December	6,047	6,047
Revaluation at 1 January	(5,052)	(4,842)
Impairment losses	(995)	(210)
Revaluation at 31 December	(6,047)	(5,052)
Carrying amount at 31 December	-	995

Subsidiary (DKKm)		Net profit	Equity
ISS Holding Paris SA, Paris, France	100%	(1,608)	(797)

6 Investment in subsidiary (continued)

Income from subsidiary

(DKKm)

2023

2022

Impairment losses	(995)	(210)
Provisions related to sale of subsidiary	(742)	-
Income from subsidiary	(1,737)	(210)

On 9 August 2023, ISS announced the intention to divest the French business, excluding key account customers and on 22 December 2023, ISS Holding France A/S signed a binding agreement (put option) to divest the shares in ISS Holding Paris SA to Onet SA, a French facility services company, with expected closing in the first half of 2024.

As the sales price including transaction costs is negative, the carrying amount of the investment of DKK 995 million is considered fully impaired. In addition, a provision of DKK 742 million has been recognised to cover certain commitments under the agreement including transfer of funds to ISS Holding Paris SA before closing, indemnities and warranties and transaction costs.

To facilitate completion of the sale of ISS Holding Paris SA to Onet SA, ISS Global A/S has subject to closing conditions of the sales agreement with Onet SA being met in respect of their acquisition of ISS Holding Paris SA committed to make a capital increase of at least the negative equity of ISS Holding France A/S as of 31 December 2023. Following completion of the sale, the future activities and capitalisation of ISS Holding France A/S will be decided on.

7 Share capital

At 31 December 2023, ISS France Holding A/S's share capital comprised a total of 100,3 million shares (2022: 100,1) with a nominal value of DKK 10 each, corresponding to a nominal value of DKK 100,300,000. All shares were fully paid and freely transferable.

Dividends

In 2023 and 2022, no dividends were declared or paid out.

8 Provisions

(DKKm)

2023

2022

Provisions at 1 January	-	-
Additions	742	-
Used during the year	(6)	-
Provisions at 31 December	736	-

The provisions cover certain commitments under the signed agreement to divest the shares in ISS Holding Paris SA to Onet SA including transfer of funds to ISS Holding Paris SA before closing, indemnities and warranties and transaction costs.

9 Contingent liabilities and commitments

Corporate and withholding taxes

ISS Holding France A/S is jointly taxed with all Danish resident subsidiaries of the ISS A/S Group. ISS Holding France A/S and the companies within the joint taxation have a joint and unlimited liability of Danish corporate and withholding taxes related to dividends, interests and royalties. At 31 December 2023, Danish corporate and withholding taxes within the joint taxation amounted to DKK 0 million (2022: DKK 0 million). Any subsequent adjustment to Danish withholding taxes may result in the joint and unlimited liability being higher than DKK 0 million.

VAT

ISS Holding France A/S and certain Danish Group companies are jointly registered for VAT and are jointly liable for the payment hereof.

Divestments

Under the signed agreement to sell the shares of ISS Holding Paris SA to Onet SA, ISS Holding France A/S has agreed to various indemnity and warranty claims. Management believes that these commitments will not have a material impact on ISS Holding A/S's financial position beyond the provisions recognised in the statement of financial position at 31 December 2023. However, there can be no assurance that claims will arise beyond the provisions made and thereby adversely affect the company's profit or loss and financial position.

10 Related parties

Parent and ultimate controlling party

ISS France Holding is wholly owned by ISS Global A/S. The company is included in the consolidated financial statement for ISS Global A/S (CVR no. 21 40 83 95) and ISS A/S (the ultimate parent) (CVR no 28 50 47 99), both Buddingevej 197, DK - 2860 Søborg. In 2023, there were no other transactions with ISS Global A/S apart from the transactions described below.

Related party transactions

In 2023, ISS Holding France A/S had the following transactions with related parties, which were all made on market terms:

- ISS Global A/S made two capital increases of DKK 100 million and DKK 1,331 million respectively.
- received joint taxation contribution equal to 22% of taxable income from jointly taxed Danish resident companies.
- receivables against companies within the ISS Group of DKK 71 million (2022: DKK 91 million).
- received/paid interest from/to companies within the ISS Group.

11 Subsequent events

Other than as set out elsewhere in these financial statements, we are not aware of events subsequent to 31 December 2023, which are expected to have a material impact on ISS Holding France A/S's financial position.

Management statement

Copenhagen, 22 March 2024

The Board of Directors and the Managing Director have today discussed and approved the annual report for ISS Holding France A/S for the financial year 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January – 31 December 2023.

In our opinion, the Management review includes a fair review of the development in the company's operations and financial conditions, the results for the year and financial position as well as a description of the most significant risks and uncertainty factors that the company face.

We recommend that the annual report be approved at the annual general meeting.

Managing director



Bjørn Raasteen

Board of Directors



Carsten Højlund
Chair



Bjørn Raasteen



Rune Christensen

Independent auditor's report

To: the shareholder of ISS Holding France A/S

Opinion

We have audited the financial statements of ISS Holding France A/S for the financial year 1 January - 31 December 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policy. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement of management review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 22 March 2024

EY Godkendt Revisionspartnerselskab

CVR-no.: 30700228

Claus Kronbak
State Authorised
Public Accountant
mne28675

Thomas Bruun Kofoed
State Authorised
Public Accountant
mne28677