

MAZARS

M.A.J.

Statutory Auditor's report on the annual
financial statements

Year ended December 31, 2018

MAZARS

61 RUE HENRI REGNAULT, 92075 PARIS LA DEFENSE CEDEX, FRANCE

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LIMITED LIABILITY ACCOUNTING FIRM PROVIDING ACCOUNTANCY AND AUDITING SERVICES, WITH MANAGEMENT AND SUPERVISORY
BOARDS

SHARE CAPITAL OF €8,320,000 – NANTERRE TRADE AND COMPANIES REGISTER NO. 784 824 153 – REGISTERED OFFICE: 61 RUE HENRI REGNAULT,
92400 COURBEVOIE, FRANCE

M.A.J.

Public Limited Company (*Société anonyme*) with share capital of €142,515,408

Registered office: 31 Chemin Latéral au Chemin de Fer, 93500 Pantin, France

Bobigny Trade & Companies Register: Bobigny 775 733 835

Statutory Auditor's report on the annual financial statements

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This is a translation into English of the statutory auditor's report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditor's report includes information required by French law, such as verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory Auditor's report on the annual financial statements

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we have audited the annual financial statements of M.A.J. for the year ended December 31, 2018, as attached to this report.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company and of the results of its operations for the year then ended in accordance with French accounting rules and principles.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the data we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit mission covering the period from January 1, 2018 to the date of our report in line with the rules of independence that apply to us, and, in particular, we have not provided any services prohibited by the French Code of Ethics for Statutory Auditors.

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Justification of assessments

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional opinion, were the most significant for the audit of the annual financial statements.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

- As indicated in Note “3.3. Non-current assets” of the Notes to the annual financial statements, equity investments is determined for a given investment on the basis of its contribution to consolidated net assets, profitability and future prospects. Depreciation is accounted when the value in use is lower than the net book value. We have verified the relevance of the approaches used by the company based on the information available to date, as well as the reasonable nature of the assumptions used and the resulting valuations.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by laws and regulations.

Information provided in the management report and in the other documents provided to Shareholders concerning the financial position and the annual financial statements

We have nothing to report as to the fair presentation and the consistency with the annual financial statements of the information given in the Board of Directors’ management report and in the other documents sent to the Shareholders with respect to the financial position and the annual financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information given with respect to the payment terms referred to in article D.441-4 of the French Commercial Code.

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Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code relating to remunerations and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning purchase of equity interests and controlling interests in the company have been properly disclosed in the management report.

Responsibilities of management and those persons in charge of corporate governance relating to the annual financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles 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 unless it is expected to liquidate the Company or to cease operations.

The annual financial statements were approved by the Board of Directors.

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Statutory Auditor's responsibilities relating to the audit of the annual financial statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercise professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

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- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Signed in Courbevoie, 11 March, 2019

The Statutory Auditor

MAZARS

ISABELLE MASSA

2018

ANNUAL FINANCIAL STATEMENTS

SA M.A.J.

**31 Chemin Lateral au Chemin de Fer,
93500 Pantin, France**

FISCAL YEAR ENDED 12/31/2018

I. STATEMENT OF FINANCIAL POSITION as at DECEMBER 31, 2018

A – Statement of financial position – Assets

Figures expressed in euros	Gross amount	Amort./ Depr.	Net 12/31/2018	Net 12/31/2017
Subscribed capital uncalled				
INTANGIBLE ASSETS				
Start-up costs	350	350	0	0
Development costs	2,917	2,917	0	0
Concessions, patents and other rights	5,163,477	3,736,210	1,427,266	1,481,436
Goodwill	42,643,879	13,818,932	28,824,946	28,250,381
Other property, plant and equipment	31,677,395	0	31,677,395	28,002,791
Advances and prepayments on intangible assets	0	0	0	0
PROPERTY, PLANT AND EQUIPMENT				
Land	5,306,664	0	5,306,664	5,287,425
Buildings	119,492,225	72,842,875	46,649,350	44,519,216
Fittings, machinery and equipment	257,784,563	162,704,995	95,079,568	97,489,087
Other property, plant and equipment	380,000,188	214,394,009	165,606,179	164,454,249
Property, plant and equipment in progress	7,047,057	0	7,047,057	8,808,158
Advances and prepayments	29,399	0	29,399	0
FINANCIAL ASSETS				
Equity-accounted companies	0	0	0	0
Other equity investments	1,250,356,841	246,364,127	1,003,992,715	1,060,922,415
Receivables related to investments	0	0	0	0
Other investments	5,352	1,244	4,108	4,108
Loans	46,409	0	46,409	23,251
Other financial assets	3,663,598	0	3,663,598	3,594,380
FIXED ASSETS	2,103,220,313	713,865,659	1,389,354,655	1,442,836,896
INVENTORIES AND WORK-IN-PROGRESS				
Raw materials, supplies	9,545,814	0	9,545,814	8,941,158
Goods in progress	0	0	0	0
Services in progress	0	0	0	0
Finished and semi-finished goods	255,000	0	255,000	255,000
Goods purchased for resale	30,755	0	30,755	40,109
Advances and prepayments on orders	37,864	0	37,864	20,010
RECEIVABLES				
Trade receivables and related accounts	167,273,666	14,252,517	153,021,149	144,182,827
Other receivables	247,992,373	0	247,992,373	261,059,276
Subscribed capital called but not paid	0		0	0
OTHER				
Marketable securities	116,453	0	116,453	137,222
(o/w treasury shares):	0	0	0	0
Cash and cash equivalents	8,795,573	0	8,795,573	30,237,711
ADJUSTMENT ACCOUNTS				
Prepaid expenses	3,968,971	0	3,968,971	4,245,626
CURRENT ASSETS	438,016,467	14,252,517	423,763,950	449,118,940
Deferred debt issuance costs	0		0	0
Bond redemption premiums	0		0	0
Exchange adjustments on assets	24,935		24,935	40,667
GRAND TOTAL	2,541,261,716	728,118,176	1,813,143,540	1,891,996,503

B – Statement of financial position – Equity and liabilities

Figures expressed in euros	Fiscal year 2018	Fiscal year 2017
Issued capital (o/w paid out: 142,515,408)	142,515,408	142,515,408
Additional paid-in capital	161,052,624	161,052,624
Revaluation adjustments (o/w for equity-accounted companies:)	11,159	11,159
Legal reserve	14,251,541	14,251,541
Regulatory or contractual reserves	0	0
Regulated reserves (o/w translation reserve:)	0	0
Other reserves (o/w purchases of original works of art:)	173,286,033	111,611,681
Retained earnings	0	-4,645,000
NET PROFIT (LOSS) FOR THE PERIOD	-86,957,263	66,319,352
Investment grants	144,024	196,008
Regulated provisions	179,962,071	179,675,036
EQUITY	584,265,596	670,987,808
Proceeds from issuance of equity securities	0	0
Conditional advances	0	0
OTHER EQUITY	0	0
Provisions for risks	15,042,101	15,228,129
Provisions for expenses	17,629,530	16,945,380
PROVISIONS	32,671,631	32,173,509
FINANCIAL LIABILITIES		
Convertible bond loans	0	0
Other bonds	0	0
Bank loans	3,216,625	2,201,409
Sundry loans & other borrowings (o/w Profit-sharing loans:)	1,011,509,436	1,005,491,694
Advances and prepayments on orders in progress	0	0
OPERATING LIABILITIES		
Trade payables and related accounts	43,001,322	55,420,629
Tax and employee-related liabilities	100,868,665	89,091,868
SUNDRY LIABILITIES		
Amounts due on non-current assets and related accounts	8,498,740	8,022,417
Other liabilities	2,193,709	2,005,599
ADJUSTMENT ACCOUNTS		
Deferred income	26,917,816	26,257,947
LIABILITIES	1,196,206,313	1,188,491,563
Exchange adjustments on liabilities	0	343,623
GRAND TOTAL	1,813,143,540	1,891,996,503

II. INCOME STATEMENT as at December 31, 2018

Figures expressed in euros	Fiscal year 2018			Fiscal year
	France	Exports	Total	2017
Sale of goods purchased for resale	2,235,748	134,789	2,370,537	2,695,739
Sales of goods	0		0	0
Sales of services	662,815,374	290,394	663,105,768	646,516,597
REVENUE	665,051,122	425,183	665,476,305	649,212,336
Production inventoried			0	0
Production capitalized			8,246	410
Operating grants			0	23,248
Reinvoiced expenses, reversals of prov. & accum. depr./amort. & impair			14,677,946	14,836,517
Other income			39,664,898	31,264,249
OPERATING INCOME			719,827,396	695,336,759
Purchases of goods for resale (including customs duties)			598,807	381,012
Change in inventories – goods purchased for resale			9,354	-4,053
Purchases of raw materials and other supplies			56,485,408	52,191,518
Change in inventories (raw materials and supplies)			-562,307	-826,521
Other purchases and external expenses			154,046,075	150,897,874
Taxes and duties			28,112,177	27,325,895
Salaries and wages			182,486,705	178,018,434
Social security contributions			51,151,060	48,127,433
Depreciation, amortization, impairment and provisions:				
Non-current assets: depreciation and amortization expense			109,574,399	111,548,589
Non-current assets: impairment losses			0	0
Current assets: impairment losses			10,804,903	9,116,171
Additions to provisions			688,600	1,151,871
Other expenses			5,040,562	4,776,668
OPERATING EXPENSES			598,435,742	582,704,892
OPERATING INCOME (PROFIT/LOSS)			121,391,654	112,631,866
JOINT OPERATIONS				
Net income transferred in or net loss transferred out			0	0
Net loss transferred in or net income transferred out			0	0
Financial income from equity investments			1,945,740	1,219,898
Income from other securities and receivables related to fixed assets			0	0
Other interest income			3,432,999	33,734,836
Reinvoiced expenses and reversals of provisions			706,547	5,287,000
Foreign currency translation gains			874,963	5,622,460
Net income on disposals of marketable securities			0	0
FINANCIAL INCOME			6,960,250	45,864,194
Amortization and provisions on financial assets			164,634,656	36,265,094
Interest expense			16,763,269	22,077,390
Foreign currency translation losses			379,710	269,226
Net loss on disposals of marketable securities			0	0
FINANCIAL EXPENSES			181,777,635	58,611,709
FINANCIAL PROFIT/LOSS			-174,817,385	-12,747,515
CURRENT PROFIT/LOSS BEFORE TAX			-53,425,731	99,884,351
Non-recurring income from management activities			2,833,747	1,646,622
Non-recurring income from capital transactions			9,115,978	664,172
Reinvoiced expenses and reversals of provisions			56,747,244	60,894,498
NON-RECURRING INCOME			68,696,968	63,205,292
Non-recurring expenses on management activities			-6,441,069	5,313,413
Non-recurring expenses on capital transactions			5,799,596	137,803
Non-recurring depreciation, amortization and provisions			56,339,448	63,145,863
NON-RECURRING EXPENSES			55,697,975	68,597,079
NON-RECURRING PROFIT/LOSS			12,998,994	-5,391,787
Employee profit-sharing			10,057,181	4,416,110
Income tax expense			36,473,345	23,757,103
TOTAL INCOME			795,484,614	804,406,245
TOTAL EXPENSES			882,441,877	738,086,893
PROFIT OR LOSS			-86,957,263	66,319,352

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1. COMPANY BUSINESS AND SIGNIFICANT EVENTS DURING THE FISCAL YEAR

1.1. Company's business

Rental and leasing of other personal and household goods.

1.2. Significant events in the fiscal year

The financial statements for the year cover the 12-month period from 01/01/2018 to 12/31/2018, expressing a net loss of €86,957,263.

During this period, M.A.J. concluded the following significant transactions:

- Merger-takeover of the subsidiary SOC with retrospective effect to January 1, 2018. The merger loss of €93,000 was allocated in full to property, plant and equipment.
- Partial contribution of assets of the Paris region Pest Control branch to the company Elis Prévention Nuisibles with retrospective effect to January 1, 2018.
- Universal transfer of assets of the company HTE SANITATION at 12/10/2018 which terminated the ongoing lease-management agreement.
- Universal transfer of assets of the company Big Bang at 04/30/2018.

- ***Financial interests: new acquisitions and subscriptions to capital increase***

- ⇒ Acquisition of 100% of the capital of BIG BANG for €3,108,000
- ⇒ Capital increase of the company Elis Prévention Nuisibles for €88,000 and allocation of shares at the Company following the partial contribution of the assets of the 3D branch
- ⇒ Subscription to capital increases in the Brazilian subsidiary Atmosfera for a total of €33,056,000
- ⇒ Subscription to a capital increase in the Spanish subsidiary Elis Manomatic by offsetting current account receivables for €75,000,000
- ⇒ Subscription to a capital increase of the Colombian subsidiary SIL for a total of €2,559,000
- ⇒ Subscription to a capital increase of the Chilean subsidiary Elis Chile for a total of €513,000
- ⇒ Coverage of the losses of the Italian subsidiary Elis Italia by offsetting current account receivables for €737,000

- ***Asset disposal:***

- ⇒ Disposal of securities in the company BMF for a total of €1,086,000
- ⇒ Disposal of securities in the company Hygiène Contrôle Ile de France for a total of €6,354,000
- ⇒ Sale of the Villeurbanne site for €650,000

2. SIGNIFICANT EVENTS SINCE THE END OF THE FISCAL YEAR

As at the date of presentation of the financial statements, the events since 12/31/2018 that could have a significant impact on the company's financial position are:

- acquisition of 100% of the capital of the company Blanchisserie Sud Aquitaine in February 2019

3. ACCOUNTING METHODS AND RULES

Generally accepted accounting principles have been applied, including the principle of prudence, in accordance with the following basic assumptions: going concern, consistency of accounting methods from one fiscal year to the next, independence of fiscal years, in accordance with the general rules governing the preparation and presentation of annual financial statements defined by the French General Chart of Accounts.

The basic method used to measure the items recognized in the financial statements is the historical cost method.

3.1. Changes in valuation method

None

3.2. Changes in presentation method

None

ACCOUNTING POLICIES:

3.3. Non-current assets

- *Property, plant and equipment and intangible assets*

Property, plant and equipment are valued at their acquisition cost, comprising ancillary costs incurred for their preparation for use, except for certain ancillary costs (transfer taxes, fees and commissions, and cost of deeds) which are recorded as charges for the fiscal year.

Some property, plant and equipment items was revalued (those acquired before December 31, 1976) or recognized at its contribution value when it came from certain absorbed companies.

The depreciable basis for property, plant and equipment is calculated as the acquisition cost less its residual value at the end of its useful life, which is usually zero.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the expected useful life of the item or its component parts. Component parts and their depreciation over time periods that are different from those of the structure itself are identified and implemented for buildings. The conditions of use of the other non-current asset types do not require the prior identification of component parts, except in the event of accidental failure leading to the replacement of significant items essential to the operation of the relevant non-current asset.

The depreciation periods applied by the company prior to the first fiscal year of application of French CRC Regulation no. 2002-10 were retained for the calculation of accelerated depreciation and amortization allowances, according to the rules outlined below.

Depreciation is calculated according to the expected life of the asset.
The most commonly used rates are as follows (SL = straight line, D = declining balance):

Intangible assets	Depreciation and amortization	Deprec. used for tax purposes
Goodwill		None (1)
Drawings		3 years SL
ERP		15 years SL
Software	5 years SL	12 months SL or expenses
Production software	10 years SL	5 years SL

(1) Goodwill acquired up to January 31, 1997 was amortized on a straight-line basis over five years. Those assets acquired after this date were recognized in the statement of financial position at their acquisition cost and no longer amortized, but may be depreciated.

The groups of assets to which non-amortized goodwill is allocated are tested at least once a year using the same valuation method as that used for equity securities: if the current value of the group of assets is lower than its net carrying amount, depreciation is recorded.

Property, plant and equipment	Depreciation and amortization	Deprec. used for tax purposes
Buildings		
Envelope (structure, facade, roofing)		50 years SL
Building (internal walls, partitions, painting and floor coverings)		10 years SL
Equipment and tooling		
Production equipment	10, 15 or 30 years SL	5 or 10 years D
Transportation equipment	4, 6 or 8 years SL	4 years SL
Office equipment and furniture		5 or 10 years SL
Computer equipment		5 years SL
Textile items		
Flat linen	3 years (average) SL	1.5 years D
Workwear	3.25 years (average) SL	1.5 years D
Hand towel rolls	4 years SL	1.5 years D
Carpeting	4 years SL	2 years SL
Appliances and other rented items		
Hygiene, air purification, drinks dispensers, etc.	2, 4 or 5 years SL	1 or 2 years SL

- **Financial assets**

Equity investments and other securities:

The gross amount of equity securities is comprised of the acquisition cost, including any ancillary costs since the first application of Opinion no. 2007-C issued on June 15, 2007 by the Urgent Issues Committee of the French National Accounting Board (CNC). Prior to this Opinion, transfer taxes, fees and commissions, and cost of deeds were recognized in expenses for the fiscal year. A five-year accelerated depreciation of these costs is then applied.

At the end of the financial year, an impairment loss is recognized when the value in use is less than the net carrying amount. The value in use for a given investment is determined on the basis of its contribution to the consolidated net assets, its profitability and its future prospects. If the net carrying amount of the equity securities is higher than the contribution to consolidated

net assets, the net carrying amount of the investment is compared with a value in use based on multiple financial indicators (EBITDA and EBIT), after deducting the net debt of the equity investment concerned.

3.4. Valuation of inventories

Inventories are valued using the weighted average unit cost method. The gross value of goods and supplies includes the purchase price and ancillary costs, with the exception of any added value.

- *Raw materials and goods*

Inventories of raw materials, consumables, and spare parts are recorded at acquisition cost and have high turnover.

- *Work-in-progress and finished products*

None

- *Impairment of inventories*

An impairment of inventories is recorded if the net realizable value becomes lower than the cost of the inventoried items.

3.5. Receivables and liabilities

Receivables are recorded at their face value.

An impairment is recognized when the recoverable amount of the inventory is less than the carrying amount.

3.6. Marketable securities

Marketable securities are stated in the statement of financial position at their purchase price. If their expected trading value at the end of the fiscal year is less than their purchase price, an impairment is recognized for the difference.

3.7. Translation of transactions in foreign currencies

Income and expenses denominated in foreign currencies are recorded at their equivalent amount on the transaction date.

Where applicable, liabilities, receivables, cash and cash equivalents denominated in foreign currencies are converted and accounted for in the statement of financial position based on the latest known quoted price on the reporting date.

Resulting differences are recognized in the statement of financial position under "Exchange adjustments".

The amount of unrealized foreign currency translation losses not offset by a foreign exchange hedge is recorded as a provision for risks.

3.8. Regulated provisions

Regulated provisions are reported under “Equity” in the statement of financial position and are detailed in the “Statement of provisions”. They are tax items corresponding to the provision for accelerated depreciation and amortization calculated in accordance with French tax regulations, equal to the difference between:

- the depreciation and amortization calculated over the useful lives in effect until the date of the initial application of CRC Regulation no. 2002-10, using the declining balance method for eligible assets or, alternatively, the straight-line method;
- financial depreciation recognized as assets in accordance with the principles described above.

The additions to or reversals of accumulated accelerated depreciation and amortization are recognized in non-recurring income for the fiscal year.

3.9. Other provisions for risks and expenses

They primarily comprise environmental provisions that are assessed based on an expert report and the company’s experience in this area. They correspond to the gross, undiscounted cost of studies or work that must be carried out and borne to meet its environmental obligations. They relate to sites or categories of work which are to be dealt with in the foreseeable future.

3.10. Employee benefit liabilities

Retirement benefits for employees and additional retirement benefit commitments made to a category of senior management outlined at the Ordinary General Meeting of December 10, 1981 are subject to provisions calculated and recorded in accordance with Method 2 of ANC recommendation no. 2013-02 dated 11/7/2013.

Changes in retirement benefit obligations resulting from changes in actuarial assumptions or retirement plans occurring during the fiscal year are recognized directly in non-recurring income: the provisions recorded as at the reporting date are thus equal to the actuarial obligation determined in accordance with the revised IAS 19.

Additional provisions are recorded for long-service award obligations, calculated in accordance with the Company’s internal procedures on the basis of statistical and discounting assumptions. Changes in these provisions during the fiscal year are immediately and collectively recognized in the income statement.

3.11. Financial instruments and hedging transactions

As at December 31, 2018, the company does not hold any derivative instruments not designated as hedged (no separate open positions).

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION – ASSETS

4.1. Property, plant and equipment and intangible assets

- *Acquisitions and disposals for the fiscal year*

Figures expressed in euros	As at		Reclassifications and corrections +/-	Disposals	As at	
	12/31/2017	Acquisitions			12/31/2018	
Set-up and development costs	3,267	0			3,267	
Other intangible assets	74,948,449	4,808,943	107,818	164,824	79,484,750	
Total intangible assets	74,951,716	4,808,943	107,818	164,824	79,488,017	
Land	5,287,425	84,411		65,172	5,306,664	
Buildings on own land	33,548,197	635,290	-2,083,556	382,048	35,884,996	
Buildings on leased land	33,935,340	805,298	-53,656	125,848	34,668,445	
Building fixtures and fittings	45,486,709	1,702,071	-2,028,343	278,339	48,938,784	
General installations and fittings						
Technical installations, machinery and equipment	247,783,955	9,806,781	-2,771,315	2,577,488	257,784,563	
Transportation equipment	61,611,960	6,015,089	-207,535	2,878,989	64,955,595	
Office and computer equipment, and furniture	21,985,808	1,523,677	-102,459	97,699	23,514,244	
Recyclable and other packaging	292,258,362	83,171,895	-133,569	84,033,477	291,530,349	
Total property, plant and equipment	741,897,755	103,744,512	-7,380,434	90,439,061	762,583,640	
Property, plant and equipment in progress (1)	8,808,158	5,511,516	7,272,616		7,047,057	
Total PP&E in progress	8,808,158	5,511,516	7,272,616	0	7,047,057	
Prepayments	0	29,399			29,399	
TOTAL	825,657,629	114,094,369	0	90,603,885	849,148,113	

(1) Changes in property, plant and equipment items and intangible asset items from one fiscal year to the next are due to acquisitions and disposals of assets made by the company in respect of its business.

- Remarks on fixed assets

The company holds the following goodwill:

Figures expressed in euros	Tax value	Gross amount	Accumulated impairment losses	Balance as at 12/31/2018
1953 8 rue du GI Compans PANTIN	1,524	1,829	1,829	0
1957 17 av. E. Vaillant PANTIN	9,147	11,434	11,434	0
1961 5 rue du Débarcadère PANTIN	5,946	5,946	5,946	0
1978 21 rue de Baconnes BEZANNES	1,220	1,220	1,220	0
1986 Z.I. Est -A. Engachies AUCH	76,225	76,225	76,225	0
1987 49 bd. Jean Jaurès NIMES	0	0	0	0
1987 7 rte de Morières AVIGNON	126,533	126,533	126,533	0
1987 15 av. du GI Delambre BEZONS	249,021	249,021	249,021	0
1987 20 rue des Cosmonautes CHOISY	40,856	40,856	40,856	0
1991 Leasehold COIGNIERES	47,735	45,735	45,735	0
1992 Impasse Faye BORDEAUX	934,406	934,406	934,406	0
1992 133 bd. de la Madeleine NICE	3,722,455	3,722,455	3,722,455	0
1994 BLEU DE FRANCE NICE	749,439	749,439	749,439	0
1995 ZI 33 4ème avenue VITROLLES	1,981,837	1,981,837	1,981,837	0
1996 3 rue de la Petite Chartreuse ROUEN	583,041	583,041	583,042	0
1987 TRAPPES	65,153	65,153	65,153	0
1987 PUTEAUX	137,204	137,204	137,204	0
1987 RIORGES	53,357	53,357	53,357	0
1988 SAULX	103,924	103,924	103,924	0
1988 GRENOBLE	42,686	42,686	42,686	0
1997 SAINT-ETIENNE (Tartary)	1,234,837	1,234,837	0	1,234,837
2000 NOISY-LE-GRAND	1,829,388	1,829,388	0	1,829,388
2000 NICE CARROS (Prisme)	56,193	56,193	0	56,193
2000 NICE CARROS (Aquadis)	27,441	27,441	0	27,441
2001 CERGY-PONTOISE (San'look)	335,388	335,388	0	335,388
2002 LOURDES (Bie des Pyrénées)	516,800	516,800	0	516,800
2002 RHEIMS (Arden tapis)	45,683	45,683	0	45,683
2002 CAPDENAC	128,000	128,000	0	128,000
2002 CARCASSONNE (Bie de l'Arnouze)	1,128,449	1,128,449	0	1,128,449
2002 RHEIMS (Tisserand)	3,354	3,354	0	3,354
2003 Goodwill EX- SNDI	23,439	23,439	0	23,439
2004 REIMS (Tisserand)	76,156	76,156	0	76,156
2004 BONDOUFLE (SANIGIENE)	1	1	0	1
2006 MAJ LE CANNET (BTL)	1,380,000	1,380,000	0	1,380,000
2006 MAJ LE CANNET (BELISA)	448,786	448,786	0	448,786
2006 MAJ LE CANNET (BAM)	1,180,160	1,180,160	0	1,180,160
2006 MAJ MENTON (BDR)	830,000	830,000	0	830,000
2007 PAU (BERROGAIN)	37,320	37,320	0	37,320
2008 NICE CARROS (BBB)	992,000	992,000	0	992,000
2009 BONDOUFLE (RDM)	12,196	12,196	0	12,196
2009 CHAMPS-SUR-MARNE (CANNON HYGIENE)	1,184,282	1,184,282	0	1,184,282
2010 Rés'O	602,627	602,627	0	602,627
2000 MAJ EX-ANAPURNA	21,150	21,150	0	21,150
2000 MAJ EX-CGB	385,263	385,263	0	385,263
2000 AVIGNON EX-SNDI	160,000	160,000	0	160,000

2010	AVIGNON EX-SNDI	205,000	205,000	0	205,000
2013	TOULON SANARY	448,600	448,600	0	448,600
2014	BMC	643,271	643,271	0	643,271
2014	LOCALIANCE (POULARD)	452,774	452,774	0	452,774
2014	SARL SYNEX (POULARD)	22,867	22,867	0	22,867
2014	CCE LOCALIANCE MARS 1998 (Poul)	76,225	76,225	0	76,225
2014	MAISON DE BLANC BERROGAIN (Poul)	21,124	21,124	0	21,124
2014	MHD (POLE SERV)	169,561	169,561	0	169,561
2014	O SERVICES (POLE SERV)	150,780	150,780	0	150,780
2014	NESTLE (POLE SERV)	179,507	179,507	0	179,507
2014	NESTLE TOULOUSE (POLE SERV)	129,351	129,351	0	129,351
2014	PUREFLOW PLAN WATE (POLE SERV)	4,040	4,040	0	4,040
2015	DISTRICLEAN (UTA)	103,000	103,000	0	103,000
2015	H+2 (UTA DISTRICLEAN)	90,000	90,000	0	90,000
2015	HYTOP	1,840,380	1,840,380	0	1,840,380
2015	TRAITEMENT SERVICES PLUS	465,832	465,832	0	465,832
2015	Bie du GRAND BLANC	117,700	117,700	0	117,700
Following the merger by absorption of GRENELLE SERVICE and LOVETRA:					
1987	GRENELLE SERVICE	1,372,041	1,372,041	1,372,041	0
1993	PERSAN (BLANCHISSERIE-TEINTURERIE SERVICES)	142,921	1,209,165	1,209,165	0
1993	ORGENOY (DRUHEN LOCATION-SERVICES)	131,106	491,938	491,938	0
1993	SENS (SENONAISE DE LOCATION-SERVICES)	134,548	517,671	517,671	0
1994	PERSAN (SONIL)	0	586,929	586,929	0
1994	LE PERREUX (GRANDE BLANCHISSERIE DU PERREUX)	0	586,929	586,929	0
1998	BRETIGNY (BLANCHISSERIE SIMON)	0	2,340,321	0	2,340,321
2000	BRETIGNY (SIMON METROPOLE)	0	2,825,764	0	2,825,764
2004	BONDOUFLE (LOCALINGE PARIS SUD)	0	3,485,875	0	3,485,875
2006	VILLIERS LE BEL (BLANCHISSERIE MEA)	0	1,100,000	0	1,100,000
1995	SAINT OUEN L'AUMONE (STE BATAILLE ET MILLET)	121,959	121,959	121,959	0
2017	BLANCHISSERIE DES GAVES	580,949	580,949	0	580,949
2018	Big Bang Nice	0	325,415	0	325,415
2018	Big Bang Marseille	0	176,397	0	176,397
2018	Big Bang Vénissieux	0	72,754	0	72,754
1993	Leasehold COLLEGIEN	7,622	7,622	0	7,622
1993	Sale agreement COLLEGIEN	150,925	150,925	0	150,925
TOTAL		29,332,705	42,643,879	13,818,934	28,824,946

- *Accumulated depreciation/amortization*

Figures expressed in euros	As at 31-Dec-17	Contributions	Additions	Decreases or reversals	As at 12/31/2018
Set-up and development costs	3,267		0		3,267
Other intangible assets	17,213,841	5,311	500,814	164,824	17,555,142
Total depreciation/amortization – intangible assets	17,217,108	5,311	500,814	164,824	17,558,409
Land Buildings	68,451,030	457,717	4,720,363	786,236	72,842,875
General installations and fittings			0		
Technical installations, machinery and equipment	150,294,868	18,946	14,643,509	2,252,329	162,704,995
Transportation equipment	46,791,420	2,129	4,213,394	2,857,443	48,149,499
Office and computer equipment, and furniture	15,362,228	12,273	1,663,712	97,699	16,940,514
Recyclable and other packaging	149,248,233	11,642	83,832,655	83,788,535	149,303,996
Total depreciation/amortization – PP&E	430,147,779	502,707	109,073,634	89,782,241	449,941,878
TOTAL	447,364,887	508,018	109,574,447	89,947,065	467,500,288

4.2. Financial assets

Movements for the fiscal year:

Figures expressed in euros	Gross value		Disposals and Gross Value			Net Asset Value
	as at	Acquisitions and reclassifications	Reclassifications	as at	Accumulated impairment losses	as at
	12/31/2017			12/31/2018		12/31/2018
Equity-accounted companies	0	0		0		0
Other equity investments	1,146,585,368	115,061,312	11,289,839	1,250,356,841	246,364,127	1,003,992,715
Other investments	5,352	0		5,352		5,352
Loans and other financial assets	3,617,632	164,992	72,617	3,710,007		3,710,007
TOTAL	1,150,208,351	115,226,304	11,362,455	1,254,072,200	246,364,127	1,007,708,073

4.3. Accumulated impairment losses of non-current assets

Figures expressed in euros	As at	Contributions	Additions	Reversals	As at
	12/31/2017				12/31/2018
Accumulated impairment losses – intangible assets			0		
Accumulated impairment losses – PP&E			0		
Accumulated impairment losses – equity-accounted companies	0		0		0
Accumulated impairment losses – equity investments	85,662,953	-1,164,000	163,031,721	706,547	246,364,127
Accumulated impairment losses – other financial assets	1,244		0		1,244
TOTAL	85,664,197	-1,624,000	163,031,721	706,547	246,365,371

4.4. List of subsidiaries and other equity investments

See attached document.

4.5. Transactions with related parties

Significant transactions between the company and related parties during the fiscal year are:

Name of related party	Description of transaction	Amount €	Amount €
		(receivable or income) 12/31/2018	(liability or expense) 12/31/2018
ELIS S.A.	Current account agreement:		
	Advance granted to M.A.J.		787,260,000
	Interest paid by M.A.J.		12,520,350
	Loan agreement:		
	Loan granted to M.A.J.		87,752,644
	Interest to be paid by M.A.J.		2,750,558

4.6. Inventory accounts for goods and work-in-progress

The amount of inventories is broken down as follows:

Figures expressed in euros	Gross amount	Accumulated impairment losses	Balance as at 12/31/2018
Raw materials	9,545,814	0	9,545,814
Goods purchased for resale	30,755	0	30,755
Finished products	255,000	0	255,000
Goods in progress	0	0	0
Services in progress	0	0	0
TOTAL	9,831,569	0	9,831,569

4.7. Impairment of inventories

Figures expressed in euros	As at 12/31/2017	Additions	Reversals	As at 12/31/2018
Raw materials	0			0
Finished products	0			0
Goods in progress	0			0
Services in progress	0			0
Goods purchased for resale	0			0
TOTAL	0	0	0	0

4.8. Statement of maturities of receivables

The receivables held by the company stood at €422,945,016, in gross value terms, as at 12/31/2018 and are broken down as follows:

Figures expressed in euros	Gross amount	≤ 1 year	> 1 year
FIXED ASSETS:	3,710,007	1,629,757	2,080,250
Receivables related to investments	0	0	
Loans	46,409	46,409	
Other financial assets	3,663,598	1,583,348	2,080,250
CURRENT ASSETS:	419,235,009	419,235,009	0
Trade	151,794,488	151,794,488	
Impaired trade	15,479,178	15,479,178	
Employees	50,215	50,215	
Social security	0	0	
Taxes and duties	5,484,995	5,484,995	
Group and associates	240,072,701	240,072,701	
Sundry receivables	2,384,462	2,384,462	
Prepaid expenses	3,968,971	3,968,971	
TOTAL	422,945,016	420,864,766	2,080,250
Loans granted during the fiscal year	80,824		
Repayments received during the fiscal year	57,667		
Loans and advances granted to partners (individuals)			

4.9. Trade receivables and related accounts

RECEIVABLES (expressed in euros)	Gross amount	Accumulated impairment	Net 12/31/2018	Net 12/31/2017
Trade receivables and related accounts	167,273,666	14,252,517	153,021,149	144,182,827
Other receivables	247,992,373	0	247,992,373	261,059,276
Subscribed capital called but not paid	0		0	0
TOTAL	415,266,039	14,252,517	401,013,522	405,242,103

4.10. Accumulated impairment losses of receivables

Figures expressed in euros	As at 12/31/2017	Contributions	Additions	Reversals	As at 12/31/2018
Item: Impaired trade	13,142,987	12,329	10,804,903	9,707,702	14,252,517
Item: Other receivables	0				0
TOTAL	13,142,987	12,329	10,804,903	9,707,702	14,252,517

4.11. Receivables represented by commercial paper

Commercial bills are entered under “Accounts receivable and related accounts”:

Figures expressed in euros	As at 12/31/2018	As at 12/31/2017
Commercial bills	452,632	497,518
TOTAL	452,632	497,518

4.12. Accrued income

The amounts of accrued income included in the following statement of financial position items were as follows:

Figures expressed in euros	As at 12/31/2018	As at 12/31/2017
Reductions, discounts, rebates to be obtained	0	0
Accrued income	1,195,242	500,884
Accrued trade receivables	176,351	267,817
Taxes and duties - CFE (Levy on Property Rental Value)	36,230	173,960
Accrued interest on current	0	0
TOTAL	1,407,823	942,661

4.13. Other accruals

- *Prepaid expenses*

Prepaid expenses amounted to €3,968,971.

Figures expressed in euros	As at 12/31/2018	As at 12/31/2017
Operating expenses	3,968,971	4,245,626
Financial expenses		
Non-recurring expenses		
TOTAL	3,968,971	4,245,626

- *Translation adjustments*

ADJUSTMENT – ASSETS		ADJUSTMENT – LIABILITIES	
	Euros		Euros
Decrease in receivables	20,351	Decrease in liabilities	0
Increase in liabilities	4,585	Increase in receivables	0
TOTAL	24,935	TOTAL	0

5. NOTES TO THE STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

5.1. Equity

Share capital was divided into 8,907,213 fully paid-up common shares/units with a par value of €16 each.

The change in equity during the fiscal year was as follows:

	Figures expressed in euros
12/31/2017	670,987,808
Dividends paid Capital increase	0
Issue premium	0
Net income (loss) for the year	0
	-86,957,263
Change in investment grants	0
Portion of income from investment grants	-51,984
Change in regulated provisions (accelerated depr./amort., etc.)	287,035
12/31/2018	584,265,596

5.2. Parent company

The financial statements of M.A.J. are consolidated using the full consolidation method into the consolidated financial statements of Elis SA.

Name and registered office of the company that prepared the consolidated financial statements for the	ELIS SA, Saint Cloud (92210 France) (SIRET 499668440 00039)
Name and registered office of the company that prepared the consolidated financial statements for the	ELIS SA, Saint Cloud (92210) (SIRET 499668440 00039)
Place where copies of these consolidated financial statements may be obtained	5 boulevard Louis Loucheur, 92210 Saint Cloud, France

5.3. Regulated provisions

Figures expressed in euros	As at 12/31/2017	Contributions	Additions	Reversals	As at 12/31/2018
Accelerated depreciation and amortization	179,675,036		55,566,083	55,279,047	179,962,071
Capital gains reinvested	0				0
TOTAL	179,675,036	0	55,566,083	55,279,047	179,962,071

5.4. Statement of provisions

Breakdown by type:

- *Provisions for risks*

Figures expressed in euros	As at 12/31/2017	Contributions	Additions	Reversals	As at 12/31/2018
Provision for legal proceedings	1,875,180	30,654	422,634	998,869	1,329,599
Provision for warranty claims	0				0
Provisions for losses on futures markets	0				0
Provisions for fines and penalties	0				0
Provision for unrealized foreign	0		24,935		24,935
Other provisions for risks and expenses	13,352,949	83,991	1,685,763	1,435,135	13,687,567
TOTAL	15,228,129	114,645	2,133,332	2,434,004	15,042,101

- *Provisions for expenses*

Figures expressed in euros	As at 12/31/2017	Contributions	Additions	Reversals	As at 12/31/2018
Provisions for taxes	0				0
Provisions for renewal of non-current assets					
Provisions for large-scale					
Provisions for tax and social security charges on leave to be paid					
Provisions for post-employment benefits	16,945,380	-90,013	931,568	157,405	17,629,530
TOTAL	16,945,380	-90,013	931,568	157,405	17,629,530

5.5. Statement of maturities of liabilities

LIABILITIES (expressed in euros)	Gross amount to mature	< 1 year	1–5 years	> 5 years
Convertible bond loans	0	0		
Other bonds	0	0		
Bank loans:				
initially within 1 year	3,216,625	3,216,625		
initially beyond 1 year	0	0		
Sundry loans and other borrowings	105,315,051	7,570,473	97,744,578	
Trade payables	43,001,322	43,001,322		
Employees	32,904,362	32,904,362		
	18,577,486	18,577,486		
Social security and similar Government and other public authorities:				
Income tax expense	0	0		
Value added tax	38,997,555	38,997,555		
Guaranteed bonds				
Other taxes	10,389,262	10,389,262		
Amounts due on fixed assets and related accounts	8,498,740	8,498,740		
Group and associates	906,194,385	906,194,385		
Other liabilities	2,193,709	2,193,709		
Liabilities representing securities borrowed or pledged as a guarantee				
Deferred income	26,917,816	26,917,816		
TOTAL	1,196,206,313	1,098,461,735	97,744,578	0
Loans taken during the fiscal year	0			
Loans repaid over the fiscal year	0			

The other financial liabilities consist mainly of a loan from ELIS SA of €87,753,000 and corresponding interest of €688,000.

5.6. Trade payables and related accounts

Figures expressed in euros	As at 12/31/2018	As at 12/31/2017
Group suppliers	10,731,364	22,948,814
Suppliers	13,129,034	8,717,443
Suppliers of non-current assets	8,498,740	8,022,417
Notes payable	0	0
Invoices not received – Group	344,568	380,559
Accruals	18,796,355	23,373,813
Carrying amount	51,500,062	63,443,046

5.7. Accrued expenses

The amounts of accrued expenses included in the following statement of financial position items were as follows:

Categories expressed in euros	Fiscal year 2018	Fiscal year 2017
OPERATING LIABILITIES		
Trade payables and related accounts	19,140,924	23,754,372
Tax and employee-related liabilities	46,298,726	40,951,473
FINANCIAL LIABILITIES		
Convertible bond loans		
Other bonds		
Bank loans	0	0
Sundry loans & other borrowings (o/w profit-sharing:)	0	0
Advances and prepayments on orders in progress	0	0
SUNDRY LIABILITIES		
Amounts due on fixed assets and related accounts	1,107,968	4,701,291
Other liabilities	2,101,173	1,958,697
ADJUSTMENT ACCOUNTS		
Deferred income		
LIABILITIES	68,648,790	71,365,833

5.8. Other accruals

- *Deferred income*

Deferred income breaks down as follows:

Figures expressed in euros	As at 12/31/2018	As at 12/31/2017
Services billed in advance	26,917,816	26,257,947
Other operating income	0	0
Financial income	0	0
TOTAL	26,917,816	26,257,947

- *Translation adjustments*

ADJUSTMENT – ASSETS		ADJUSTMENT – LIABILITIES	
	Euros		Euros
Decrease in receivables	20,351	Decrease in liabilities	0
Increase in liabilities	4,585	Increase in receivables	0
TOTAL	24,935	TOTAL	0

6. NOTES TO THE INCOME STATEMENT

6.1. Breakdown of revenue

Revenue by business segment and region for fiscal year 2018 breaks down as follows:

Figures expressed in euros	Fiscal year 2018			Fiscal year 2017 Total
	France	EEC + Export	Total	
Sale of goods purchased for resale	2,235,748	134,789	2,370,537	2,695,739
Sales of goods	0	0	0	0
Sales of services	662,815,374	290,394	663,105,768	646,516,597
Revenue	665,051,122	425,183	665,476,305	649,212,336
%	99.94%	0.06%	100.00%	

6.2. Reinvoiced expenses

Figures expressed in euros	As at 12/31/2018	As at 12/31/2017
Employee expenses	1,688,369	2,213,081
Other expenses	2,058,662	2,518,945
TOTAL	3,747,031	4,732,026

6.3. Average number of employees

The average number of employees during 2018 breaks down as follows:

Fiscal year 2018	Number of
Managers	558
Supervisors and technicians	640
Other staff	595
Delivery drivers	1,558
Other employees	4,024
TOTAL	7,375

6.4. Compensation of management bodies

- Board of Directors: attendance fees 0
- Management: 0

This information is not provided in these notes as it would indirectly lead to the disclosure of individual compensation

6.5. Fees for Auditor(s)

- Statutory audit: €90,563
- Services other than the certification of accounts: €2,000

6.6. Net financial income

Net financial expense for the fiscal year amounted to €-174,817,385 is broken down as follows:

Categories expressed in euros	Fiscal year 2018	Fiscal year 2017
Financial income from equity investments	1,945,740	1,219,898
Income from other securities and receivables related to fixed assets	0	0
Other interest income	3,432,999	33,734,836
Reinvoiced expenses and reversals of provisions	706,547	5,287,000
Foreign currency translation gains	874,963	5,622,460
Net income on disposals of marketable securities	0	0
FINANCIAL INCOME	6,960,250	45,864,194
Amortization and provisions on financial assets	164,634,656	36,265,094
Interest expense	16,763,269	22,077,390
Foreign currency translation losses	379,710	269,226
Net loss on disposals of marketable securities	0	0
FINANCIAL EXPENSES	181,777,635	58,611,709
FINANCIAL PROFIT/LOSS	-174,817,385	-12,747,515

6.7. Net non-recurring income

Net non-recurring income of €12,998,994 for the fiscal year is broken down as follows:

Categories expressed in euros	Fiscal year 2018	Fiscal year 2017
Non-recurring income from management activities	2,833,747	1,646,622
Non-recurring income from capital transactions	9,115,978	664,172
Reinvoiced expenses and reversals of provisions	56,747,244	60,894,498
NON-RECURRING INCOME	68,696,968	63,205,292
Non-recurring expenses on management activities	-6,441,069	5,313,413
Non-recurring expenses on capital transactions	5,799,596	137,803
Non-recurring depreciation, amortization and provisions	56,339,448	63,145,863
NON-RECURRING EXPENSES	55,697,975	68,597,079
NON-RECURRING PROFIT/LOSS	12,998,994	-5,391,787

Income and expenses from the sale of asset items is broken down as follows:

Figures expressed in euros	Gross value	Carrying amount	Sale price	Income from disposals
Sale of property, plant and equipment	5,837,048	383,538	1,013,067	629,530
Sale of intangible assets				
Sale of financial assets	5,063,759	4,357,212	7,440,000	3,082,788
Disposal of intangible assets	164,824	0	0	0
Disposal of property, plant and equipment	84,870,727	439,230	0	-439,230
TOTAL	95,936,358	5,179,980	8,453,067	3,273,088

6.8. Income tax

The M.A.J. company is a member of a tax consolidation group whose parent company is ELIS SA incorporated in St Cloud (92210), France. Under the terms of the tax consolidation agreement, the tax expense borne by the company is identical to the amount it would have paid if it had been taxed separately.

- *Breakdown of tax on profits linked to the business*

Results	Accounting profits before tax	Reinstatements and deductions	Taxable income	Amount of theoretical tax	Carry-forward tax credit or tax charge to be allocated to corporation tax	Due	Net profit after tax
Income (loss) from ordinary operations	€-53,426,000	€154,321,000	€100,895,000	€34,691,000	€-17,000	€34,675,000	€-88,101,000
Net non-recurring income	€12,999,000	€-3,209,000	€9,790,000	€3,366,000	€0	€3,366,000	€9,633,000
Employee profit-sharing	€-10,057,000	€5,498,000	€-4,559,000	€-1,567,000	€0k	€-1,567,000	€-8,490,000
TOTAL	€-50,484,000	€156,610,000	€106,126,000	€36,490,000	€-17,000	€36,473,000	€-86,957,000

Theoretical tax relating to results from ordinary and non-recurring operations was determined by multiplying the accounting results for ordinary and non-recurring operations by the tax rate of 34.38%, adjusted for tax reinstatements and deductions of ordinary and non-recurring expenses.

- *Deferred tax*

BASES	At start of period (€)	Change in net income (loss) for the fiscal year (€)	At end of the fiscal year (€)
Tax-accelerated amounts aimed at obtaining tax relief:			
Regulated provisions: Accelerated depreciation and amortization	-179,675,036	-287,035	-179,962,071
Differences between accounting and tax bases of certain income and expense items:			
Investment grants	-196,008	51,984	-144,024
Provision for retirement benefits	-21,241,089	-525,728	-21,766,817
Equity investment	-3,680,092	11,280,531	7,600,439
Corporate social solidarity contribution	-1,067,651	-29,757	-1,097,408
Construction efforts (if not commitments)	0	0	0
Provision for impairment losses on trade receivables	-2,309,442	-8,668	-2,318,110
Provision for site restoration	-11,727,052	1,194,583	-10,532,468
Tax-imposed income or charges deducted, not yet recognized			
- Share of tax result – GIE EUROCALL	164,730	-7,618	157,112
Share of tax result – SCI des 2 Sapins	194,922	-2,795	192,127
Share of tax result – SCI du Château de Janville	11	0	11
- Share of taxable income – SCI de la forge	110,028	4,107	114,135
- Share of taxable income – SCI Les Gailletrous	101,195	205,184	306,379
Ordinary losses subject to indefinite carryforward	0	0	0
Potential taxation items (Capital gain on non-depreciable assets subject to tax deferral)			
Goodwill	44,229,250		44,803,816
Land and real estate rights	612,017		612,017
Securities	9,340,184		9,340,184
TOTAL	-165,144,032	11,874,787	-152,694,678

TAXES	At beginning of the fiscal year (€)	Change in net income (loss) for the year (€)	At end of year (€)
Tax-accelerated amounts aimed at obtaining tax relief:			
Regulated provisions: Accelerated depreciation and amortization	-61,862,115	-98,826	-61,960,941
Differences between accounting and tax bases of certain income and expense items:			
Investment grants	-67,485	17,898	-49,587
Provision for retirement benefits	7,313,306	181,009	7,494,315
Equity investment	1,267,056	-3,883,887	-2,616,831
Corporate social solidarity contribution	367,592	10,246	377,838
Construction efforts (if not commitments)	0	0	0
Provision for impairment losses on trade receivables	795,140	2,985	798,125
Provision for site restoration	4,037,624	-411,295	3,626,329
Tax-imposed income or charges deducted, not yet recognized			
Share of tax result – GIE Eurocall Partners	-56,717	2,623	-54,094
Share of tax result – SCI des 2 Sapins	-67,112	963	-66,149
Share of tax result – SCI du Château de Janville	-4	0	-4
Share of taxable income – SCI de la forge	-37,883	-1,414	-39,297
- Share of taxable income – SCI Les Gailletrous	-34,841	-70,645	-105,486
Ordinary losses subject to indefinite carryforward	0	0	0
Potential taxation items (Capital gain on non-depreciable assets subject to tax deferral)			
Goodwill	-15,228,131	-197,823	-15,425,954
Land and real estate rights	-210,717	0	-210,717
Securities	-3,215,825	0	-3,215,825
TOTAL	-67,000,112	-4,448,166	-71,448,278

- *Impact on net income (loss) of the application of tax provisions*

Impact on net income (loss) for the year in euros	2018
Net income (loss) for the fiscal year	-86,957,263
+ Income tax	36,473,345
Tax credits:	
- CICE	9,433,983
- other charges (Macron Law on deductions for investment)	1,375,516
Pre-tax income (or tax credit)	-61,293,417
+ Allowances during the fiscal year to regulated provisions	55,566,083
- Reversals for the fiscal year on regulated provisions	55,279,047
Change in regulated provisions: - Accelerated depreciation and amortization	287,035
Income (loss) excluding tax provisions	-61,006,382

- *Use of the competitiveness and employment tax credit (CICE)*

The CICE received in May 2018 in respect of remuneration for 2017, which stood at €10,724,531, enabled the company to partly finance investments for the fiscal year, which stood at €112,373,605 in 2018.

7. GENERAL INFORMATION

7.1. Financial commitments

- *Commitments given*

Commitments given (in €k)	Total	< 1 year	1–5 years	> 5 years
Related to cash and cash equivalents/indebtedness:	138,448.0		88,448.0	50,000.0
Related to investments:	11,150.0	4,372.1	322.5	6,455.4
Related to services rendered/suppliers:	1,350.0			1,350.0
Related to property assets	661.3			661.3
TOTAL	151,609.3	4,372.1	88,770.5	58,466.7

Description of significant commitments given:

Indebtedness:

To guarantee the commitments made by ELIS SA in respect of the loan agreement entitled *Senior Facilities Agreement* (€1,150,000,000) dated 01/17/2017 and the bond loan entitled *Senior Notes* (€800,000,000) dated 04/28/2017, M.A.J. granted a joint and several guarantee for said commitments in respect of the financing pool represented by BNP Paribas for a total amount of €88,448,000 as at 12/31/2018.

To guarantee the commitments made by ELIS SA in respect of a loan agreement entitled *Senior Facility Agreement* (€600,000,000) dated 11/07/2017, and the *Océane* bond loans (€400,000,000) dated 10/06/2017, *Schuldschein* (€75,000,000) dated 11/23/2017 and *EMTN* (€1,000,000,000) dated 02/08/2018, M.A.J. granted a joint and several guarantee for said commitments in respect of the financing pool represented by BNP Paribas for a total amount of €50,000,000 as at 12/31/2018.

Equity investments:

As part of the acquisition of equities of Brazilian subsidiaries in July and December 2015, various comfort letters were sent by M.A.J. to the sellers in order to guarantee payment by the Brazilian companies Atmosfera and Teclav of the acquisition price for a total outstanding amount at 12/31/2018 of BRL 19,429,600 (€4,372,100)

Real estate:

Under the leases entered into between SCI LOTUS, lessor, and each subsidiary of M.A.J. (Les Lavandières, Elis Services, RLST and Thimeau) for the premises at Avrillé, Guérande, Loudun, Quimper, Brétigny (DAA), Marcq-en-Baroeul, and Meaux, M.A.J. granted joint and several indivisible guarantees on March 25, 2014 and June 27, 2014 to SCI LOTUS to guarantee the payment of rents and all amounts due by each subsidiary to the lessor for the lease term of 15 years, plus an additional six months (amount guaranteed as at 12/31/2018 = €361,300).

- *Commitments received*

Commitments received (in k€)	Total	< 1 year	1–5 years	> 5 years
Related to indebtedness	0.0			
Related to equity investments	9,252.0	3,362.0	5,890.0	
Related to property assets	1,773.5		55.0	1,718.5
Sundry liabilities guaranteed	104.8		104.8	
	11,130.3	3,362.0	6,049.8	1,718.5

Description of significant commitments received:

Indebtedness: none

Equity investments:

Liability guarantee commitments granted by the sellers of company shares (Hygiène Contrôle Ile de France, BMF, HTPE, Blanchisserie Blésoise and SCI les Gailletrous, HTE Sanitation, EMTM and Big Bang) with bank guarantee on first demand, for a total of €9,252,000.

Real estate:

Joint and several guarantees and guarantees on first demand granted by the Société Générale bank to lessors of premises rented by M.A.J. as guarantee for the payment of rents for the term of the lease of said premises for a total amount of €1,718,500.

- *Financial instruments*

None

7.2. Employee benefit liabilities

- *Individual training rights*

Employees earned individual rights to training (DIF) under the professional training regime in effect until 12/31/2014 totaling 409,129 hours.

On January 1, 2015 these rights were transferred to personal training accounts and can be used until January 1, 2021.

LIST OF SUBSIDIARIES AND OTHER EQUITY INVESTMENTS (in €k)

Subsidiaries and other equity investments		capital	Equity, excluding share capital and retained earnings	Percentage of ownership (%)	Book value of shares held		Loans and advances granted by the Company outstanding	Deposits and endorsements given by the company	Revenue excl. tax for the last fiscal year	Results for the last fiscal year	Dividends received by the Company during the year
					Gross	Net					
A. Detailed information about equity investments whose carrying amount exceeds 1% of M.A.J.'s share capital		€k	€k		EUR	EUR	€k	IN €k	€k	€k	€k
1. Subsidiaries (> 50% of capital held by M.A.J.)											
ELIS SERVICES - Saint-Cloud (92) France - 693 001 091	1	16,000	56,669	99.96	20,956,326.75	20,956,326.75		369	342,389	9,056	
LE JACQUARD FRANCAIS - Gérardmer (88) France - 505 480 137	1	6,210	-2,875	100.00	7,369,398.62	4,364,000.00	7,317		13,921	552	
LES LAVANDIERES - Avrillé (49) - 062 201 009	1	449	94,618	100.00	7,021,068.73	7,021,068.73		213	171,943	17,261	
REGIONALE DE LOCATION ET SERVICES TEXTILES - Marcq en Baroeul (59) 885 581 033	1	243	27,556	100.00	3,801,022.23	3,801,022.23	8,069	113	59,418	2,985	
PRO SERVICES ENVIRONNEMENT – Rochetoirin (38) - 437 754 443	1	8	892	100.00	3,153,657.45	3,153,657.45			2,354	278	
ELIS PREVENTION NUISIBLES - Bobigny (93) France - 389 530 643	1	109	597	100.00	4,503,189.35	0.00	7,117		5,792	-2,090	
BLANCHISSERIE BLESOISE - La Chaussée St Victor (41) France - 310 939 947	1	37	2,623	100.00	10,700,000.00	10,700,000.00	2,196		12,288	-961	
SCI LES GAILLETROUS - La Chaussée St Victor (41) - 343 888 186	1	15	1,367	99.99	2,597,400.00	2,597,400.00	1,399		0	300	
HADES SA (Belgium)	1-2	8,496	6,562	99.99	9,028,086.43	9,028,086.43	8,785		24,924	1,312	
ELIS MANOMATIC SA (Spain)	1-2	263,935	19,061	100.00	305,066,349.91	285,646,000.00	21,664	4,673	107,793	2,380	
S.P.A.S.T. Ltda (Portugal)	1-2	1,400	18,619	100.00	13,409,955.00	13,409,955.00	4,345	350	51,514	439	
ELIS ITALIA S.p.A. (Italy)	1-2	18,000	20,596	99.24	58,212,186.46	27,760,000.00	2,200	205	28,026	442	
ELIS (SUISSE) S.A. (Switzerland)	1-2	CHF k 102,000	n/a	100.00	100,454,502.11	100,454,502.11	615		CHF 56,976,000	CHF - 937 000 000	n/a
ATMOSFERA GESTAO Ltda (Brazil)	3	BRL k 2,190,519	n/a	99.99	663,299,474.15	474,318,000.00			n/a	n/a	
ELIS CHILE SpA (Chile)	3	CLP k 11,617,249	n/a	100.00	16,812,820.51	16,812,820.51			n/a	n/a	
ELIS COLOMBIA (Colombia)	3	COP K 5,000,000	COP 36,615,728	100.00	16,277,807.09	16,277,807.09			COP 13,043,529,000	COP 93,755,000	
EMTM Kft (Hungary)	3	HUF 3,000,000	n/a	100.00	2,153,899.00	2,153,899.00			n/a	HUF 17,544,000	
2. Investments (10 to 50% of capital held by M.A.J.)											
B. General information about other investments		As at									
1. Subsidiaries (not included in Section A above)		1 EUR = 0.89453 GBP									
a. French subsidiaries (total)		1 EUR = 1.1269 CHF									
b. Foreign subsidiaries (total)					3,167,145.81	3,167,145.81	165,968	167			
2. Investments (not included in Section A above)		1 EUR = 4.4440 BRL			1,676,410.83	1,676,410.83	487				
a. In French companies (total)		1 EUR = 795.52970 CLP									
b. In foreign companies (total)					2,054.40	526.00					
		1 EUR = 3,719.20 COP			2.54	2.54					
		EUR 1 = HUF 320.98									

TOTAL EQUITY INVESTMENTS TO STATEMENT OF FINANCIAL POSITION

1,249,662,757.37

1,003,298,630.48

1: Fiscal year ended 12/31/2018

2: Provisional accounts

3: Fiscal year ended 12/31/2017