BainCapital

PRIVILEGED AND CONFIDENTIAL

Attention:

Perella Weinberg Partners

Rothschild & Co

cc.

Hélène Bourbouloux
Conciliateur

May 3rd, 2024

Indicative Offer – Project Alpha – Phase 1

Dear Sirs,

We hereby refer to the process letter issued by Rothschild and Perella on April 19, 2024 in respect of the Proposed Transaction as this term is defined therein. **We, Bain Capital Private Equity LLP, ("Bain Capital"), are pleased to reiterate our strong interest for the acquisition of the Digital division of Eviden ("Digital" or the "Business") and, if possible, of the rump of the BDS division following the anticipated carve-out of sovereign activities in Cybersecurity and High performance computing (the "Indicative Offer").**

Indicative Offer

This Indicative Offer follows the offers for the acquisition of Digital we submitted to the Management of Atos SE ("Atos" or the "Group") in December 2023 and in March 2024 and subsequently reconfirmed last month. The valuation of Digital provided in these offers was within a range of €2.41-2.82Bn on a debt free-cash free basis and was supported by a business plan for Digital prepared by Atos management and shared with us on January 12 (see appendix 1) that assumed the operating margin for Digital to land at €290 million in 2023, recovering to €398 million in 2024.

On April 9, 2024, the Group presented a market update, including a comprehensive refinancing framework proposal, alongside with underlying business assumptions going forward (included in Accuracy Volume 2 report), which revised the guidance for Digital downward: the operating margin for 2023 landed at €233 million (instead of €290 million above) and the expected operating margin for 2024 was revised to €198 million (instead of €398 million above).

The press release also invited interested parties to submit financing proposals, including €600 million in new money, by April 26 2024. As we were in the process of finalizing a comprehensive proposal to make a major investment into Atos on that basis, this deadline was postponed and on April 29, the Group issued a revised refinancing framework proposal and underlying business assumptions going forward. New money required is now €1,100 million and estimated 2024 operating margin for Digital is now €95 million.

We have considered several options carefully and while we contemplated until recently making a global proposal to invest into Atos SE, we now strongly believe, given recent deterioration, that it is critical for the Group's turnaround and all its stakeholders to find the best possible solution for each division, which will ensure sustainability for the operations and the attached employees while

preserving value. We are convinced that the Group's business can be more efficiently run if each business line is run separately in the future with the right partners benefiting from the best possible expertise while bringing key synergies, a strong management team and sufficient funding.

In particular, we are convinced that a radical new focus, backed by sufficient funding and a strong management team is required in order to turn around the Digital division, restore clients' confidence and enable a return to growth and strong profitability in the medium term.

This conviction has been reinforced in the past few weeks, especially given:

(i) the accelerating deterioration of Atos' prospects, and in particular its book-to-bill ratio in Digital,

(ii) the advanced stage at all levels of the carve out of TFCo, including management and corporate organization, client contracts and negotiations with the party interested to acquire TFCo and

(iii) the strong expression of interest received from the French Government for a substantial part of the BDS division.

Given these recent developments, we are not yet in a position to reconfirm our valuation for Digital. We will need to complete further due diligence in order to assess the recovery prospects of the various businesses, which we can do within a few weeks if provided with a minimal set of data. In particular, we would like to receive a similar file than the one received on January 12th 2024 including P&L by service line, geographies and Industry mix (Appendix 1 is an extract from such file).

We would like to emphasize that although our Indicative Offer is limited in scope, we have already initiated discussions with all relevant stakeholders, directly or through our advisors and as such are ready to work swiftly and efficiently together with Management and all relevant stakeholders of Atos, their advisors and the *conciliateur*, towards a global agreement in the best interest of Atos, its employees, customers, creditors and shareholders within the required calendar.

We would also welcome teaming up with other interested parties, including existing creditors, shareholders and third-party investors to become part of an investment consortium putting forward a comprehensive refinancing proposal for Atos, provided we end up acquiring the above mentioned scope with no further exposure to the rest of the Group. In as much as there would be a declared expression of interest by a third party to lead such a consortium and eventually remain in control of Atos' Infrastructure business, we could be a perfect complement in the best interest of all stakeholders.

Bain Capital as a Partner

Bain Capital can be a true value-added partner to support the Business and its management team, with considerable financial means, a strong investment track record in European and Asian IT Services, a deep "outside-in" understanding of the Business, an established institutional presence in France and working relationships with all interested parties.

Bain Capital is a fundamentally differentiated private investment firm. We were formed as a "friendly spinout" from a consulting business, and most of our professionals continue to have backgrounds as managers or strategy consultants. We believe that makes us the most strategically and operationally oriented investors among our peers which allows us to actively support our management partners as they implement long-term value creation plans.

We remain a private partnership today and pride ourselves on our commitment to working in partnership with management teams to build great businesses. The employees and partners of Bain Capital are collectively the single largest group of investors in every one of our funds and in each investment we make, which we believe gives us a unique level of alignment with the partners and management team members investing and working alongside us.

We believe that (i) our deep sector expertise in IT and tech-enabled services, (ii) experience investing globally (in particular in India and Europe), (iii) track record in structuring and executing complex carve-out transactions, and (iv) deep financial and global operational resources all uniquely position us to be the right partner to execute this Transaction and support the long-term growth of the Business.

We would like to highlight the following relevant experience in IT and tech-enabled services. Many of the businesses also have driven significant value creation through M&A:

- **Engineering**: leading Italian IT services and software firm, with strong positions in application development and maintenance for various industry sectors and leading niche vertical software solutions for banks, healthcare, utilities and field service management. Acquired in 2020, it has made 10 acquisitions to date under our ownership – including BE, recently acquired in a take private transaction
- **Inetum**: leading European IT services firm, headquartered in France with strong positions in Iberia and Belgium. Competes on the basis of customer intimacy and proximity serving both large enterprise and upper mid-market clients across a broad range of specialisms. Acquired in 2022
- **Kantar:** leading global tech-enabled marketing services firm, leveraging data and platforms to provide insights to the world's leading consumer companies. Acquired in 2019, the company has benefited from significant financial and operational firepower under our ownership to execute 7 acquisitions, focusing on the high growth data and insights space
- **Brillio:** global digital technology consulting and solutions company, headquartered in California, with significant presence in India. Acquired in 2019, on top of organic initiatives, the company has been growing also through digital tuck-in acquisitions
- **Genpact:** leading global IT services and outsourcing player, headquartered in India; acquired in 2012, the firm grew significantly over the past years both in traditional outsourcing and offshoring as well as developing newer capabilities organically and through M&A
- **Quest:** end-to-end global product engineering services company. Acquired in 2015, the company has grown significantly both organically through geo expansion and new customers and through M&A
- **CitiusTech:** leading digital IT services player focused on US healthcare customers. Acquired in 2022, the business has a long penetration runway and is scaling organically and via M&A

<u>**Advantages of a Private Ownership Setting**</u>

We think the next phase of the Business journey will require significant access to capital, patience, and a longer-term orientation. In our view these opportunities are best suited to a private context with a strong partnership between private institutional owners with significant firepower and the Business and its management team:

- **Enhanced ability to make the right long-term strategic choices.** As a private company, the Business will be able to make investment decisions and pursue strategic initiatives that are in the long-term interest of the Business but may take several years to bear fruit. This contrasts with the typical short-term orientation and quarterly earnings focus of the public markets.
- **Access to capital.** With our deep financial resources and capital markets expertise, Bain Capital would also be able to give the Business secure access to the capital it requires to execute its business plan, organically and via M&A, without the pressure to prioritise short-term shareholder distributions. In our experience, public companies can lose access to capital in times of change or crisis – precisely the time they need it most, both defensively and in order to take advantage of market opportunities.
- **Lower administrative and reporting burden.** Competitive advantage from not needing to publicly share critical strategic and financial information to competitors.
- **Retention of talent.** Further improve the Business' talent proposition through full empowerment of its management team and an attractive management incentive plan. We believe that aligning

incentives with the management and employees of Digital is an important aspect of how we can drive value creation.

Investment Rationale for the Business

We see the Business today as a uniquely positioned asset with an opportunity for growth acceleration, coupled with an entrepreneurial culture and a strong management team. Our investment thesis is predicated on the following:

- **Strong portfolio and capabilities:** We see multiple opportunities to grow and develop the offering to customers in specific segments such as Cloud Migration and application development, Data security or Analytics.
- **Local presence with global delivery:** We see the market opportunity for a player combining the local presence the Business has with global delivery advantage – particularly for SME and mid-market customers who we know (from our own IT services experience) are underserved today.
- **Best-in-class delivery model:** We recognise the significant investments that have been made in Digital's services delivery organisation in recent years despite the very recent challenges. In particular, Syntel has always been considered as a best-in-class player when it comes to margin and delivery. In addition, based on our outside-in work, we believe there may be opportunities to further integrate past M&A and achieve further margin opportunities that can then be reinvested in future growth.
- **Significant M&A opportunity:** The market remains highly fragmented globally and the Business has clearly demonstrated its ability to generate significant value through M&A, with multiple levers of synergies stemming from the value of scale in this sector. We would plan to accelerate M&A, including continued tuck-ins both in services and high growth solutions, and transformational acquisitions that could unlock meaningful top and bottom-line synergies and enhance the strategic positioning of Digital.

Next steps, Approvals and Conditions

Should you welcome positively this Indicative Offer, we will submit an Information Request List and initiate a focused due diligence and we will be fully committed to discuss a process with the different stakeholders, including Atos' financial creditors, under the aegis of the *conciliateur* in order to be able to work collectively towards the definitive parameters of Atos refinancing agreement in an expeditious way.

Based on our extensive experience in executing transactions of this size and nature, we are confident we can finalise our due diligence in a highly efficient manner. We do not require board or external approvals to finalize the transaction. We will only require the final approval from our Investment Committee, who have been supportive of this Indicative Offer. We are able to get an Offer reviewed by our Committee in a timely fashion, without any unnecessary delays. Completion of a transaction with us would be conditional only on legally required / mandatory anti-trust, regulatory and foreign investment clearances.

Contacts

If you have any questions, please do not hesitate to contact:

* * * *

This letter is being provided on the condition that neither it nor its contents or substance will be disclosed publicly or privately without our express prior written permission, or as required under applicable laws, except if made to the parties to the existing *conciliation* in respect of the Group, and for the exclusive purpose of such *conciliation*. The contents of this letter shall not be used by you, the Group or any stakeholder to the *conciliation* for any purpose other than the evaluation of our interest in the Proposed Transaction and shall remain strictly confidential.

Please note that this indication of interest is subject to due diligence, contract, and further approval by the Investment Committees of the involved parties. Neither Bain Capital nor any of our potential co-investors in the Potential Transaction will be bound to acquire all or part of the Business until a formal offer document in respect of the Potential Transaction has been properly issued in accordance with applicable securities laws. We expressly reserve the right to amend the terms and conditions provided in this letter should any of our assumptions not be confirmed during further diligence.

This Indicative Offer is governed by the laws of England and Wales. It should be noted that, other than this paragraph which is intended to be legally binding, neither this email nor our discussions so far create any legally binding obligations between us.

We remain available in the meantime should there be any questions on our interest, or you would like to discuss our proposal further.

Yours Sincerely,

BainCapital

Appendix 1

Financials received on January 12th 2024

(in EURm, as of 31/12)	Reported		PF figures							CAGR
	2020A	2021A	2020PFA	2021PFA	2022PFA	2023PFE	2024PFE	2025PFE	2026PFE	23E-26E
Evolution by geography										
ER										
Americas	1,055	1,345	957	1,247	1,201	1,146	1,173			
YoY growth	*n.a.*	*27.5%*	*n.a.*	*30.3%*	*(3.7%)*	*(4.6%)*	*2.4%*			
NE + APAC	770	851	736	817	852	908	950			
YoY growth	*n.a.*	*10.6%*	*n.a.*	*11.1%*	*4.3%*	*6.6%*	*4.6%*			
Central Europe	827	774	827	774	816	862	965			
YoY growth	*n.a.*	*(6.3%)*	*n.a.*	*(6.3%)*	*5.5%*	*5.6%*	*12.0%*			
Southern Europe	769	781	561	573	605	595	665			
YoY growth	*n.a.*	*1.6%*	*n.a.*	*2.2%*	*5.6%*	*(1.8%)*	*11.7%*			
Others	7	15	7	15	21	8	4			
YoY growth	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*43.6%*	*n.a.*	*n.a.*			
Total Digital	**3,427**	**3,766**	**3,087**	**3,426**	**3,496**	**3,519**	**3,757**	**4,034**	**4,386**	*7.6%*
YoY growth	*n.a.*	*9.9%*	*n.a.*	*11.0%*	*2.0%*	*0.7%*	*6.8%*	*7.4%*	*8.7%*	
OM (post-allocations)										
Americas	217	239	176	198	156	184	209			
% margin	*20.6%*	*17.8%*	*18.4%*	*15.9%*	*13.0%*	*16.0%*	*17.8%*			
NE + APAC	62	102	54	94	37	85	111			
% margin	*8.0%*	*11.9%*	*7.4%*	*11.5%*	*4.4%*	*9.3%*	*11.7%*			
Central Europe	13	53	13	53	1	35	70			
% margin	*1.6%*	*6.9%*	*1.6%*	*6.9%*	*0.2%*	*4.0%*	*7.2%*			
Southern Europe	67	12	44	(12)	5	21	36			
% margin	*8.7%*	*1.5%*	*7.8%*	*(2.0%)*	*0.8%*	*3.5%*	*5.4%*			
Others	(3)	(29)	(3)	(29)	(24)	(34)	(28)			
% margin	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*			
Total Digital	**356**	**377**	**284**	**305**	**175**	**290**	**398**	**480**	**551**	*23.9%*
% margin	*10.4%*	*10.0%*	*9.2%*	*8.9%*	*5.0%*	*8.2%*	*10.6%*	*11.9%*	*12.6%*	