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ELIOR GROUP SA

Interim Financial Report

October 1, 2020 to March 31, 2021

This document is a free translation of the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original language version in French takes precedence over this translation.

www.eliorgroup.com

Elior Group SA
Société anonyme
Share capital: €1,741,478.23
Registered in Paris under no. 408 168 003
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1 SIGNIFICANT EVENTS

Six months ended March 31, 2021

- **The Covid-19 crisis and continuity of operations**

The main significant event of the first six months of fiscal 2020-2021 was the ongoing Covid-19 pandemic which particularly affected the performance of the Group's Business & Industry segment and, to a lesser extent, the Education segment.

At March 31, 2021, the Group had €819 million in available liquidity, including (i) the full €450 million of its euro-denominated revolving credit facility, (ii) the full \$250 million (€213 million) of its US dollar-denominated revolving credit facility, and (iii) €126 million in other available credit facilities (see Note 19.1.2 to the condensed interim consolidated financial statements).

Taking into account (i) the Group's cash position, its available liquidity and its revised 12-month cash flow projections, and (ii) its debt structure after obtaining a government-backed loan, the Group believes that it has a sufficient level of cash to ensure the continuity of its operations

- **Amendments to the Securitization Program**

On October 13, 2020, the €360 million 2017 Securitization Program, which was originally scheduled to expire in July 2021, was amended in order to extend its maturity until October 2024 and to ensure compliance with the criteria provided for in Regulation (EU) 2017/2402 of the European Parliament and the Council of December 12, 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation. The amendments concerned do not affect the accounting treatment applied to the 2017 Securitization Program.

- **Covenant holiday**

On November 24, 2020, the Company obtained an extension of its covenant holiday from September 30, 2021 to September 30, 2022, which is now the date of the next covenant test. This covenant holiday is subject to the

following terms and conditions: (i) an additional 50bp margin level now applies for the tests on March 31 and September 30, 2021, (ii) the Company may not pay any dividends if its leverage ratio after the dividend payment is over 4x, (iii) the aggregate amount of acquisitions is capped at €50 million until the maturity date of the debt for as long as the leverage ratio is over 4x, and (iv) 50% of the proceeds of any new borrowings must be utilized for repaying existing drawdowns.

- **Government-backed loan**

On March 22, 2021, Elior Group received a government-backed loan amounting to €225 million, of which 80% is guaranteed by the French State. The loan has a one-year term with a five-year extension option exercisable by Elior Group. It is repayable in six-monthly installments of 10% as from October 1, 2022.

Six months ended March 31, 2020

The first six months of fiscal 2019-2020 were marked by the outbreak of the Covid-19 pandemic, which affected the performance of the Group's Education and Business & Industry segments in March 2020. The estimated impacts of the crisis in the first half of 2019-2020 were €157 million on consolidated revenue and €70 million on adjusted EBITA before the application of IFRS 16.

2 ANALYSIS OF THE GROUP'S BUSINESS AND CONSOLIDATED RESULTS

| (in € millions) | Six months ended March 31, 2021 | Six months ended March 31, 2020 |
|---|------------------------------------|------------------------------------|
| Revenue | 1,869 | 2,459 |
| Purchase of raw materials and consumables | (578) | (797) |
| Personnel costs | (1,003) | (1,232) |
| Share-based compensation expense | - | (2) |
| Other operating expenses | (195) | (250) |
| Taxes other than on income | (36) | (43) |
| Depreciation, amortization and provisions for recurring operating items | (81) | (84) |
| Net amortization of intangible assets recognized on consolidation | (9) | (10) |
| Recurring operating profit/(loss) from continuing operations | (33) | 41 |
| Share of profit of equity-accounted investees | (1) | (1) |
| Recurring operating profit/(loss) from continuing operations including share of profit of equity-accounted investees | (34) | 40 |
| Non-recurring income and expenses, net | (3) | (6) |
| Operating profit/(loss) from continuing operations including share of profit of equity-accounted investees | (37) | 34 |
| Net financial expense | (20) | (17) |
| Profit/(loss) from continuing operations before income tax | (57) | 17 |
| Income tax | 4 | (15) |
| Net profit/(loss) for the period from continuing operations | (53) | 2 |
| Net profit/(loss) for the period from discontinued operations | (3) | (20) |
| Net profit/(loss) for the period | (56) | (18) |
| Attributable to: | | |
| <i>Owners of the parent</i> | (53) | (17) |
| <i>Non-controlling interests</i> | (3) | (1) |
| Earnings/(loss) per share (in €) | | |
| Earnings/(loss) per share - continuing operations | | |
| <i>Basic</i> | (0.29) | 0.02 |
| <i>Diluted</i> | (0.29) | 0.02 |
| Earnings/(loss) per share - discontinued operations | | |
| <i>Basic</i> | (0.02) | (0.12) |
| <i>Diluted</i> | (0.02) | (0.12) |
| Total earnings/(loss) per share | | |
| <i>Basic</i> | (0.31) | (0.10) |
| <i>Diluted</i> | (0.31) | (0.10) |

REVENUE

Calculating organic revenue growth

The Group calculates organic growth between one financial period ("period n") and the comparable preceding period ("period n-1") as revenue growth excluding:

- (i) Changes in the scope of consolidation resulting from acquisitions, divestments and transfers of operations held for sale that took place during each of the relevant periods, as follows (it being specified that significant acquisitions are acquired companies whose annual revenue corresponds to more than 0.1% of the Group's consolidated revenue for period n-1):
 - for acquisitions completed during period n-1, the Group considers as a "change in scope of consolidation" effect the revenue generated by the acquired operations from the beginning of period n until one year after the date on which the acquired operations were included in the scope of consolidation;
 - for acquisitions completed during period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the acquired operations from the date on which the acquired operations were included in the scope of consolidation until the end of period n;
 - for divestments completed during period n-1, the Group considers as a "change in scope of consolidation" effect the revenue generated by the divested operations during period n-1; and
 - for divestments completed during period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the

divested operations from the date corresponding to one year before the deconsolidation of the divested operations until the end of period n-1.

However, when the Group compares periods that are not full fiscal years (for example, six-month periods), it determines the effect on revenue of changes in the scope of consolidation as follows:

- for (a) acquisitions completed during fiscal year n-1 but after the end of period n-1 and (b) acquisitions completed during fiscal year n but before the beginning of period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the acquired operations during period n; and
 - for (a) divestments completed during fiscal year n-1 but after the end of period n-1 and (b) divestments completed during fiscal year n but before the beginning of period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the divested operations in period n-1.
- (ii) The effect of changes in exchange rates (the "currency effect") as described below.

The Group calculates the currency effect on its revenue growth as the difference between (i) the reported revenue for period n, and (ii) the revenue for period n calculated using the applicable exchange rates for period n-1. The applicable exchange rates for any period are calculated based on the average of the daily rates for that period.

- (iii) The effect of any changes in accounting methods.

Revenue analysis

Consolidated revenue from continuing operations totaled €1.869 billion for the first half of 2020-2021, compared with €2.459 billion a year earlier. The 24% year-on-year decrease reflects the 22.3% organic decline and a 1.7% currency headwind, notably attributable to the US dollar and the pound sterling. There was no material impact from acquisitions or divestments.

International operations accounted for 52% of revenues in the six months ended March 31, 2021, compared with 56% a year ago.

Revenue by geographic segment

| (in € millions) | 6 months 2020-2021 | 6 months 2019-2020 | Organic growth | Changes in scope of consolidation | Currency effect | Total growth |
|---------------------------------|-----------------------|-----------------------|-------------------|---|--------------------|----------------|
| France | 890 | 1,086 | (18.1)% | 0.0% | 0.0% | (18.1)% |
| International | 979 | 1,367 | (25.3)% | 0.0% | (3.1)% | (28.4)% |
| Contract Catering & Services | 1,869 | 2,453 | (22.1)% | 0.0% | (1.7)% | (23.8)% |
| Corporate & Other | - | 6 | (93.3)% | 0.0% | 0.0% | (93.3)% |
| GROUP TOTAL | 1,869 | 2,459 | (22.3)% | 0.0% | (1.7)% | (24.0)% |

International revenue declined 28.4% to €979 million. This change comprised a 25.3% organic decline compared with a year earlier and a 3.1% currency headwind attributable to the US dollar and the pound sterling. There was no material impact from acquisitions or divestments. All the countries where we operate were affected by the stricter public health measures taken since last fall to stem a spike in the global pandemic. The UK was particularly impacted by the strict lockdown imposed on January 4, 2021 and still mostly in place on March 31, although schools were reopened in early March. Italy was also affected but proved more resilient than other countries thanks to a B&I client mix largely skewed towards the industrial sector, thus less exposed to those working-from-home.

Revenue generated in **France** totaled €890 million, an 18.1% organic contraction (no material impact from acquisitions or divestments). Business & Industry held up better than in most other countries. Although working-from-home remains the norm when possible, we have seen service-sector workers desire to return to the office. The Education segment stayed relatively well oriented in the first half of the current fiscal year as the public authorities kept schools open throughout the period.

The **Corporate & Other** segment, which includes the Group's remaining concession catering activities not sold with Areas, generated very weak first half revenue due to state-enforced business closures.

Revenue by market

| (in € millions) | 6 months 2020-2021 | 6 months 2019-2020 | Organic growth | Changes in scope of consolidation | Currency effect | Total growth |
|---------------------|-----------------------|-----------------------|-------------------|---|--------------------|----------------|
| Business & Industry | 618 | 1,056 | (40.4)% | 0.0% | (1.1)% | (41.5)% |
| Education | 679 | 788 | (11.8)% | 0.1% | (2.1)% | (13.8)% |
| Health & Welfare | 572 | 615 | (4.5)% | 0.0% | (2.5)% | (7.0)% |
| GROUP TOTAL | 1,869 | 2,459 | (22.3)% | 0.0% | (1.7)% | (24.0)% |

Business & Industry generated revenue of €618 million, a 41.5% year-on-year decline. This market remains particularly impacted by public health measures that recommend, or even require, working-from-home. The 36.9% organic decline in the second quarter was smaller than in the first (-43.5%), mainly reflecting a more favorable year-on-year comparison in the second quarter as we lapped the one-year anniversary of the first lockdown measures.

The **Education** market generated revenue of €679 million, down 13.8% on the first half of 2019-2020. This market is more resilient than Business & Industry yet has still been impacted by stricter public health measures in all the countries where we operate.

The **Health & Welfare** market generated revenue of €572 million, down 7.0% year-on-year. Contract catering continues to suffer from the closure of areas usually open to the public, such as hospital cafeterias. On the other hand, Elior Services remains resilient, thanks to solutions specifically adapted to the Covid-19 pandemic.

PURCHASE OF RAW MATERIALS AND CONSUMABLES – CONTINUING OPERATIONS

This item decreased by €219 million, or 27.4%, from €797 million for the six months ended March 31, 2020 to €578 million for the first half of 2020-2021, reflecting the year-on-year contraction in consolidated revenue.

As a percentage of revenue, “Purchase of raw materials and consumables” represented 31.0% in the six months ended March 31, 2021 versus 32.4% in the year-earlier period.

PERSONNEL COSTS – CONTINUING OPERATIONS

Personnel costs for continuing operations decreased by €231 million year on year, from €1,234 million for the six months ended March 31, 2020 to €1,003 million for the first half of 2020-2021. As a percentage of revenue they represented 53.7% versus 50.2%.

Personnel costs for continuing operations include share-based compensation expense, which relates to long-term compensation plans put in place in the Group's French and international subsidiaries. Share-based compensation expense represented a nil amount in the six months ended March 31, 2021 compared with €2 million for the first half of 2019-2020.

Excluding share-based compensation expense, personnel costs were €229 million lower in first-half 2020-2021, at €1,003 million versus €1,232 million in the equivalent period of 2019-2020. This year-on-year decrease was primarily due to the decline in consolidated revenue.

OTHER OPERATING EXPENSES – CONTINUING OPERATIONS

Other operating expenses for continuing operations decreased by €55 million, from €250 million for the six months ended March 31, 2020 to €195 million for the first half of 2020-2021. This year-on-year decrease reflects the decline in consolidated revenue in first-half 2020-2021.

TAXES OTHER THAN ON INCOME - CONTINUING OPERATIONS

This item decreased by €7 million, from €43 million for the six months ended March 31, 2020 to €36 million for the first half of 2020-2021.

DEPRECIATION, AMORTIZATION AND PROVISIONS FOR RECURRING OPERATING ITEMS - CONTINUING OPERATIONS

Depreciation, amortization and provisions for recurring operating items recorded by continuing operations edged down €3 million, or 3.7%, from €84 million for the six months ended March 31, 2020 to €81 million for the first half of 2020-2021. This decrease mainly stemmed from the restructuring measures launched in 2019-2020 as well

as a much lower level of capital expenditure since the outbreak of the Covid-19 crisis.

ADJUSTED EBITA - CONTINUING OPERATIONS

The following table sets out adjusted EBITA by segment and as a percentage of the revenue of each segment.

| (in € millions) | Six months ended March 31, | | Change in adjusted EBITA | Adjusted EBITA margin | |
|------------------------------|----------------------------|------|--------------------------|-----------------------|------|
| | 2021 | 2020 | | 2021 | 2020 |
| France | (4) | 37 | (41) | (0.4)% | 3.4% |
| International | (12) | 26 | (38) | (1.2)% | 1.9% |
| Contract Catering & Services | (16) | 63 | (79) | (0.8)% | 2.6% |
| Corporate & Other | (9) | (11) | 2 | | |
| GROUP TOTAL | (25) | 52 | (77) | (1.3)% | 2.1% |

Consolidated adjusted EBITA from continuing operations for first half 2020-2021 was a loss of €25 million compared with a €52 million profit a year earlier. Adjusted EBITA margin was -1.3% compared with +2.1% in first half 2019-2020, reflecting the ongoing impact of the pandemic.

Adjusted EBITA drop-through was 14% (at constant exchange rates), a significant improvement compared to 22% in the second half of 2019-2020, attributable to our rigorous focus and agility in controlling operating costs.

In the **International** segment, adjusted EBITA was a loss of €12 million compared with a €26 million profit in first half 2019-2020. The adjusted EBITA margin was -1.2 %, compared with +1.9% a year earlier.

In **France**, adjusted EBITA was a loss of €4 million compared with a €37 million profit a year earlier. The

Education and Health & Welfare markets proved more resilient to the pandemic than the Business & Industry market.

The **Corporate & Other** segment's adjusted EBITA was a loss of €9 million, an improvement on the €11 million loss in the first half of last year.

RECURRING OPERATING PROFIT/(LOSS) FROM CONTINUING OPERATIONS INCLUDING SHARE OF PROFIT OF EQUITY-ACCOUNTED INVESTEEES

This item represented a €34 million loss in the six months ended March 31, 2021 compared with profit of €40 million in the first six months of 2019-2020. The first-half 2020-2021 figure includes €9 million in amortization of intangible assets related to acquisitions, compared with €10 million in the first half of 2019-2020.

NON-RECURRING INCOME AND EXPENSES, NET - CONTINUING OPERATIONS

Non-recurring items represented a net expense of €3 million in the first six months of 2020-2021 versus a net expense of €6 million for the same period of 2019-2020. For both years, the total chiefly includes costs incurred in France and abroad related to restructurings and business stoppages.

NET FINANCIAL EXPENSE - CONTINUING OPERATIONS

Net financial expense for continuing operations amounted to €20 million in first-half 2020-2021 compared with €17 million for the six months ended March 31, 2020.

This year-on-year increase was primarily attributable to (i) the higher amount of average debt under the SFA during first-half 2020-2021 compared with the same period of 2019-2020 and (ii) the impact of fair value adjustments made to the SFA debt following the change in the applicable interest rates as a result of the covenant holiday obtained in November 2020. This holiday lasts until September 30, 2022, which is now the date of the next covenant test.

INCOME TAX - CONTINUING OPERATIONS

Income tax expense, excluding the French CVAE tax on value added generated by the business, is recognized based on Management's estimate of the average annual income tax rate for the full fiscal year. The estimated average tax rate for the year ending September 30, 2021 which was used to calculate the income tax expense for the six months ended March 31, 2021 was 12%. The estimated rate applied for the six months ended March 31, 2020 was 22%.

The Group recorded a €4 million income tax benefit for the six months ended March 31, 2021 versus a €15 million income tax expense for the same period of 2019-2020. This €19 million year-on-year change was mainly due to (i) a sharp €74 million drop in pre-tax profit, which resulted in the Group recording a pre-tax loss, and (ii) a reduction in the French CVAE tax from €9 million to €7 million.

NET PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS

The Group recorded a €3 million net loss from discontinued operations in the six months ended March 31, 2021, versus a €20 million net loss in the first half of 2019-2020. The first-half 2020-2021 figure chiefly stemmed from the remaining Concession Catering activities that were not included in the sale of Areas and which are in the process of being sold by the Group.

In the first six months of 2019-2020, this item primarily included the impact of a €20 million additional price adjustment for the sale of the Concession Catering division, relating to working capital.

ATTRIBUTABLE NET PROFIT/(LOSS) FOR THE PERIOD AND EARNINGS/(LOSS) PER SHARE

In view of the factors described above, for the first six months of 2020-2021, the Group recorded a €53 million net loss for the period attributable to owners of the parent, versus an attributable net loss of €17 million for the first half of 2019-2020.

Loss per share - calculated based on the weighted average number of Elior Group shares outstanding during the period - amounted to €0.31 compared with €0.10 for first-half 2019-2020.

ADJUSTED ATTRIBUTABLE NET PROFIT/(LOSS) FOR THE PERIOD

Adjusted attributable net profit/(loss) for the period corresponds to consolidated net profit/(loss) for the period from continuing operations attributable to owners of the parent adjusted for the following: (i) "Non-recurring income and expenses, net", (ii) goodwill impairment losses and net amortization of intangible assets recognized on consolidation in relation to acquisitions, (iii) exceptional impairment of investments in and loans to non-consolidated companies, and (iv) the impact of the capital gains and losses on sales of consolidated companies recognized in "Net profit/(loss) from discontinued operations", with all of these adjustments being net of tax.

| (in € millions) | Six months ended March 31, | |
|--|----------------------------|-----------|
| | 2021 | 2020 |
| Net profit/(loss) for the period attributable to owners of the parent - continuing operations | (50) | 3 |
| <u>Adjustments</u> | | |
| Non-recurring income and expenses, net | 3 | 6 |
| Goodwill impairment losses | - | - |
| Net amortization of intangible assets recognized on consolidation | 9 | 10 |
| Exceptional impairment of investments in and loans to non-consolidated companies | - | - |
| Tax effect on the above adjustments | (3) | (8) |
| Adjusted attributable net profit/(loss) for the period | (41) | 11 |
| Adjusted earnings/(loss) per share (in €) | (0.24) | 0.06 |

3 CONSOLIDATED CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

The following table provides a summary of the Group's cash flows for the six-month periods ended March 31, 2020 and 2021.

| (in € millions) | Six months ended March 31, 2021 | Six months ended March 31, 2020 |
|---|---------------------------------------|---------------------------------------|
| Net cash from operating activities – continuing operations | 42 | 84 |
| Net cash used in investing activities – continuing operations | (30) | (58) |
| Net cash from/(used in) financing activities – continuing operations | (16) | 680 |
| Effect of exchange rate and other changes | (2) | - |
| Increase/(decrease) in net cash and cash equivalents – continuing operations | (6) | 706 |
| Increase/(decrease) in net cash and cash equivalents – discontinued operations | (4) | (6) |
| Total increase/(decrease) in net cash and cash equivalents | (10) | 700 |

CASH FLOWS FROM OPERATING ACTIVITIES – CONTINUING OPERATIONS

Operating activities for the Group's continuing operations generated a net cash inflow of €42 million in the six months ended March 31, 2021 versus €84 million in the first half of 2019-2020.

Change in operating working capital. This item represented a net cash inflow of €12 million in first-half 2020-2021, versus a €38 million net cash outflow for the comparable prior-year period. This year-on-year improvement was notably due to better collection of trade receivables and a higher amount of sales of trade receivables in France and Spain under the securitization program.

Interest and other financial expenses paid. The amount of interest paid was higher in first-half 2020-2021 than in the first six months of 2019-2020, reflecting the increase in the Group's average consolidated debt.

Tax paid. Tax paid includes corporate income tax paid in all of the geographic regions in which the Group operates. It also includes the Italian IRAP tax (*Imposta Regionale*

Sulle Attività Produttive), the French CVAE tax and State Taxes in the United States.

This item represented a net cash inflow of €2 million in the first half of 2020-2021, unchanged from the comparable prior-year period.

Other cash flows from operating activities. Other cash flows from operating activities mainly relate to (i) non-recurring income and expenses recorded under "Non-recurring income and expenses, net" in the consolidated income statement, and (ii) payments made in connection with fair value adjustments recognized in accordance with IFRS as part of the purchase price allocation process for acquisitions.

This item represented net cash outflows of €4 million and €11 million for the six-month periods ended March 31, 2020 and 2021 respectively. The figures for both periods chiefly derived from restructuring costs.

CASH FLOWS FROM INVESTING ACTIVITIES – CONTINUING OPERATIONS

Net cash used in investing activities for continuing operations totaled €30 million in the six months ended March 31, 2021 versus €58 million in the same period of 2019-2020.

Capital expenditure (net operating investments). Consolidated cash used for purchases of property, plant and equipment and intangible assets (capital expenditure), net of proceeds from sales, decreased year on year from €53 million to €29 million.

For Contract Catering & Services, the figure came to €27 million for the first half of 2020-2021 and €51 million for first-half 2019-2020, representing 1.5% and 2.1% of this business line's revenue respectively. The year-on-year decreases reflect the strict discipline the Group has exercised in terms of capital expenditure since the start of the Covid-19 pandemic.

Purchases of and proceeds from sale of non-current financial assets. This item corresponded to a net cash outflow of €1 million in both of the six-month periods under review, and chiefly concerned guarantee deposits paid.

Acquisition/sale of shares in consolidated companies. For the six months ended March 31, 2021, acquisitions and sales of shares in consolidated companies represented a nil amount. In the first half of 2019-2020 they represented a net cash outflow of €4 million, mainly corresponding to earn-out payments relating to acquisitions in India carried out in prior periods.

CASH FLOWS FROM FINANCING ACTIVITIES – CONTINUING OPERATIONS

Cash flows from financing activities represented a net cash outflow of €16 million in the six months ended March 31, 2021, compared with a €680 million net cash inflow in the first half of 2019-2020.

Purchases of own shares. This item represented a nil amount in the first half of 2020-2021. In the six months ended March 30, 2020 they represented a net cash outflow of €21 million, arising from the share buyback program that was launched in 2019 and subsequently suspended.

Proceeds from borrowings. Consolidated cash inflows from proceeds from borrowings totaled €732 million and €231 million in the six-month periods ended March 31, 2020 and 2021 respectively.

For the six months ended March 31, 2021, these proceeds chiefly corresponded to (i) a €225 million government-backed loan, and (ii) €6 million from new securitized receivables.

In first-half 2019-2020, these proceeds mainly corresponded to (i) drawdowns of the full amounts of euro- and US-dollar denominated revolving credit facilities totaling €450 million and €227 million respectively, and (ii) €55 million from new securitized receivables.

Repayments of borrowings. Repayments of borrowings led to net cash outflows of €3 million and €215 million in the six-month periods ended March 31, 2020 and 2021 respectively.

The first-half 2020-2021 figure primarily corresponds to €200 million in repayments of euro-denominated revolving credit facilities and a €14 million decrease in securitized receivables.

Repayments of borrowings for the six months ended March 31, 2020 mainly concerned securitized receivables.

Repayments of lease liabilities (IFRS 16). Repayments of lease liabilities led to cash outflows of €32 million and €28 million in the six months ended March 31, 2021 and 2020 respectively.

Effect of exchange rate and other changes. In the six months ended March 31, 2021, fluctuations in exchange rates and other changes had an overall €2 million net negative cash impact, compared with a nil impact for the same period of 2019-2020.

Increase/(decrease) in net cash and cash equivalents – discontinued operations. This item represented net decreases of €4 million and €6 million for the six-month periods ended March 31, 2021 and 2020 respectively.

FREE CASH FLOW

| (in € millions) | Six months ended March 31, 2021 | Six months ended March 31, 2020 |
|--|---------------------------------------|---------------------------------------|
| EBITDA | 57 | 135 |
| Purchases of and proceeds from sale of property, plant and equipment and intangible assets | (29) | (53) |
| Change in operating working capital | 12 | (38) |
| Other cash flows from operating activities | (11) | (4) |
| Operating free cash flow | 29 | 40 |
| Tax received/(paid) | 2 | 2 |
| Free cash flow | 31 | 42 |

Operating free cash flow amounted to €29 million for the six months ended March 31, 2021, versus €40 million for the comparable prior-year period. The year-on-year decrease was notably attributable to (i) a €78 million

decrease in EBITDA, and (ii) an increase in restructuring costs, partially offset by (iii) a favorable change in operating working capital, and (iv) lower capital expenditure.

4 SIMPLIFIED CONSOLIDATED BALANCE SHEET

| (in € millions) | At March 31, 2021 | At Sept. 30, 2020 | (in € millions) | At March 31, 2021 | At Sept. 30, 2020 |
|--|----------------------|----------------------|--|----------------------|----------------------|
| Non-current assets | 2,670 | 2,683 | Equity | 1,085 | 1,135 |
| Current assets excluding cash and cash equivalents | 747 | 798 | Non-controlling interests | (5) | (3) |
| Assets classified as held for sale | 23 | 17 | Non-current liabilities | 1,136 | 1,116 |
| Cash and cash equivalents | 32 | 41 | Current liabilities | 1,229 | 1,271 |
| Total assets | 3,472 | 3,539 | Liabilities classified as held for sale | 27 | 20 |
| | | | Total equity and liabilities | 3,472 | 3,539 |
| | | | Net operating working capital requirement | (299) | (291) |
| | | | Gross debt | 1,068 | 1,033 |
| | | | Net debt as defined in the SFA (*) | 796 | 767 |
| | | | SFA leverage ratio (net debt as defined in the SFA/adjusted EBITA) | N/A | N/A1 |

(*) As calculated based on IAS 17, the former lease accounting standard.

The Group's gross debt amounted to €1,068 million at March 31, 2021, versus €1,033 million at September 30, 2020. The March 31, 2021 figure mainly comprises (i) bank borrowings under the Senior Facilities Agreement (SFA), (ii) the €225 million government-backed loan, (iii) €45 million in trade receivables securitized by French and Spanish subsidiaries, (iv) €262 million in lease liabilities, and (v) €2 million in other borrowings.

The average interest rate for the first half of 2020-2021 – including the lending margin but excluding the impact of interest rate hedges – on the Group's debt related to the SFA and securitized trade receivables (which represent the majority of its total debt) was 2.18% (1.04% in first-half 2019-2020).

Cash and cash equivalents recognized in the balance sheet amounted to €32 million at March 31, 2021. At the same date, net cash and cash equivalents presented in the cash flow statement, i.e. net of bank overdrafts and short-term accrued interest, totaled €30 million.

At March 31, 2021, consolidated net debt (as defined in the SFA) stood at €796 million, versus €767 million at September 30, 2020. In accordance with the covenant holiday granted to the Group, no covenant tests were carried out at March 31, 2021.

5 EVENTS AFTER THE REPORTING DATE

On April 6, 2021, the Group set up stock option and performance share plans, mainly for members of its Executive & Management Committees and its Leaders Committee. The options and shares granted under these plans are subject to performance conditions and conditions relating to the beneficiaries' continued presence within the Group.

The options granted under the stock option plans have three- and four-year terms and their exercise prices are €8.74 and €10.49 respectively.

The performance conditions for the performance share plans are based on (i) the cumulative annual growth rate for Elixir Group's adjusted earnings per share, (ii) Elixir Group's share performance compared with a peer group and with the CAC Next 20 index (condition applicable to members of the Executive & Management Committees), and (iii) CSR objectives.

On April 30, 2021, Elixir India entered into an agreement to sell its majority 51% stake in CRCL to CRCL's minority shareholders.

6 MAIN DISCLOSURE THRESHOLDS CROSSED DURING THE SIX MONTHS ENDED MARCH 31, 2021

In the six months ended March 31, 2021, the Company received the following notifications concerning the crossing of disclosure thresholds (as specified in the applicable laws and/or the Company's bylaws):

BlackRock disclosed that on October 12, 2020 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.96% of the Company's total shares and voting rights.

BlackRock disclosed that on October 13, 2020 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.09% of the Company's total shares and voting rights.

BlackRock disclosed that on October 14, 2020 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.90% of the Company's total shares and voting rights.

BlackRock disclosed that on October 20, 2020 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.02% of the Company's total shares and voting rights.

Citadel disclosed that on October 21, 2020 it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.98% of the Company's total shares and voting rights.

BlackRock disclosed that on October 21, 2020 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.77% of the Company's total shares and voting rights.

Sycomore Asset Management disclosed that on October 27, 2020 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.01% of the Company's total shares and voting rights.

Fidelity International disclosed that on November 5, 2020 FMR LLC had reduced its interest to below the thresholds of 3%, 2% and 1% of the Company's capital and voting rights and that at that date it held 0.76% of the Company's total shares and voting rights.

Citigroup disclosed that on November 10, 2020 it had raised its interest to above the threshold of 3% of the Company's capital and voting rights and that at that date it held 3.12% of the Company's total shares and voting rights.

BlackRock disclosed that on November 11, 2020 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.13% of the Company's total shares and voting rights.

Citigroup disclosed that on November 12, 2020 it had reduced its interest to below the threshold of 3% of the Company's capital and voting rights and that at that date it held 2.97% of the Company's total shares and voting rights.

BlackRock disclosed that on November 12, 2020 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.89% of the Company's total shares and voting rights.

Sycomore Asset Management disclosed that on November 16, 2020 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.99% of the Company's total shares and voting rights.

La Caisse de dépôt et de placement du Québec (CDPQ) disclosed that it had successively reduced its interest to below the following thresholds of the Company's capital and voting rights on the following dates: 6% on November 11, 2020, 5% on November 12, 2020, 4% on November 13, 2020, 3% on November 16, 2020 and 2% on November 18, 2020. At November 18, 2020, CDPQ held 1.99% of the Company's total shares and voting rights.

BlackRock disclosed that on November 24, 2020 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.21% of the Company's total shares and voting rights.

BlackRock disclosed that on November 25, 2020 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.99% of the Company's total shares and voting rights.

BlackRock disclosed that on November 27, 2020 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.12% of the Company's total shares and voting rights.

BlackRock disclosed that on November 30, 2020 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.86% of the Company's total shares and voting rights.

CDPQ disclosed that on November 24, 2020 it had

reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that on December 1, 2020 it had sold all of its shares in the Company.

Abu Dhabi Investment Authority (ADIA) disclosed that on December 1, 2020 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.03% of the Company's total shares and voting rights.

Millennium disclosed that on December 3, 2020 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.00% of the Company's total shares and voting rights.

Millennium disclosed that on December 4, 2020 it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.99% of the Company's total shares and voting rights.

BlackRock disclosed that on December 29, 2020 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.05% of the Company's total shares and voting rights.

Permian Investment Partners LP disclosed that on December 29, 2020 it had raised its interest to above the threshold of 6% of the Company's capital and voting rights and that at that date it held 6.11% of the Company's total shares and voting rights.

BlackRock disclosed that on January 5, 2021 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.99% of the Company's total shares and voting rights.

BlackRock disclosed that on January 6, 2021 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.21% of the Company's total shares and voting rights.

ADIA disclosed that on January 20, 2021 it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.99% of the Company's total shares and voting rights.

Fidelity International disclosed that on January 25, 2021 FMR LLC had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.41% of the Company's total shares and voting rights.

Fidelity International disclosed that on January 28, 2021 FMR LLC had raised its interest to above the threshold of 3% of the Company's capital and voting rights and that at that date it held 3.39% of the Company's total shares and voting rights.

Wellington Management Group LLP disclosed that on January 28, 2021 it had raised its interest to above the

threshold of 5% of the Company's capital and voting rights and that at that date it held 5.22% of the Company's total shares and voting rights.

BlackRock disclosed that on February 1, 2021 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.93% of the Company's total shares and voting rights.

Fidelity International disclosed that on February 2, 2021 FMR LLC had raised its interest to above the threshold of 4% of the Company's capital and voting rights and that at that date it held 4.01% of the Company's total shares and voting rights.

BlackRock disclosed that on February 2, 2021 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.15% of the Company's total shares and voting rights.

BlackRock disclosed that on February 3, 2021 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.93% of the Company's total shares and voting rights.

BlackRock disclosed that on February 4, 2021 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.02% of the Company's total shares and voting rights.

BlackRock disclosed that on February 5, 2021 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.88% of the Company's total shares and voting rights.

BlackRock disclosed that on February 12, 2021 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.27% of the Company's total shares and voting rights.

BlackRock disclosed that on February 16, 2021 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.84% of the Company's total shares and voting rights.

BlackRock disclosed that on February 17, 2021 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.04% of the Company's total shares and voting rights.

Fidelity International disclosed that on February 18, 2021 FMR LLC had raised its interest to above the threshold of 5% of the Company's capital and voting rights and that at that date it held 5.03% of the Company's total shares and voting rights.

BlackRock disclosed that on February 22, 2021 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that

date it held 1.82% of the Company's total shares and voting rights.

BlackRock disclosed that on February 23, 2021 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.15% of the Company's total shares and voting rights.

Sycomore disclosed that on March 2, 2021 it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.90% of the Company's total shares and voting rights.

Fidelity International disclosed that on March 4, 2021 FMR LLC had raised its interest to above the threshold of 6% of the Company's capital and voting rights and that at that date it held 6.10% of the Company's total shares and voting rights.

BlackRock disclosed that on March 8, 2021 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.95% of the Company's total shares and voting rights.

BlackRock disclosed that on March 9, 2021 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.02% of the Company's total shares and voting rights.

Fidelity International disclosed that on March 10, 2021 it had raised its interest to above the threshold of 5% of the Company's capital and voting rights and that at that date it held 5.12% of the Company's total shares and voting rights, meaning that FMR LLC held 7.24% of the Company's total shares and voting rights.

Fidelity International disclosed that on March 17, 2021 FMR LLC had raised its interest to above the threshold of 8% of the Company's capital and voting rights and that at that date it held 8.12% of the Company's total shares and voting rights.

ADIA disclosed that on March 21, 2021 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.17% of the Company's total shares and voting rights.

BlackRock disclosed that on March 23, 2021 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.93% of the Company's total shares and voting rights.

Fidelity International disclosed that on March 30, 2021 FMR LLC had raised its interest to above the threshold of 9% of the Company's capital and voting rights and that at that date it held 9.01% of the Company's total shares and voting rights.



May 19, 2021

Elior Group SA

Condensed Interim Consolidated Financial Statements

For the Six-Month Periods Ended March 31, 2021 and 2020

The English-language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original language version of the document in French takes precedence over this translation.

www.eliorgroup.com

Elior Group SA
Société anonyme
Share capital: €1,741,478.23
Registered in Nanterre under number 408 168 003
Registered office: 9-11 allée de l'Arche - 92032 Paris La Défense - France

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1. Consolidated Income Statement and Statement of Comprehensive Income

1.1 Consolidated Income Statement

| (in € millions) | Note | Six months ended March 31, 2021 Unaudited | Six months ended March 31, 2020 Unaudited |
|---|-------------|---|---|
| Revenue | 11.1 | 1,869 | 2,459 |
| Purchase of raw materials and consumables | | (578) | (797) |
| Personnel costs | | (1,003) | (1,232) |
| Share-based compensation expense | | - | (2) |
| Other operating expenses | | (195) | (250) |
| Taxes other than on income | | (36) | (43) |
| Depreciation, amortization and provisions for recurring operating items | | (81) | (84) |
| Net amortization of intangible assets recognized on consolidation | | (9) | (10) |
| Recurring operating profit/(loss) from continuing operations | | (33) | 41 |
| Share of profit of equity-accounted investees | | (1) | (1) |
| Recurring operating profit/(loss) from continuing operations including share of profit of equity-accounted investees | 11.1 | (34) | 40 |
| Non-recurring income and expenses, net | 12 | (3) | (6) |
| Operating profit/(loss) from continuing operations including share of profit of equity-accounted investees | | (37) | 34 |
| Financial expenses | 19.2 | (26) | (20) |
| Financial income | 19.2 | 6 | 3 |
| Profit/(loss) from continuing operations before income tax | | (57) | 17 |
| Income tax | 13 | 4 | (15) |
| Net profit/(loss) for the period from continuing operations | | (53) | 2 |
| Net profit/(loss) for the period from discontinued operations | 22 | (3) | (20) |
| Net profit/(loss) for the period | | (56) | (18) |
| Attributable to: | | | |
| Owners of the parent | | (53) | (17) |
| Non-controlling interests | | (3) | (1) |

| (in €) | Six months ended March 31, 2021 Unaudited | Six months ended March 31, 2020 Unaudited |
|--|---|---|
| Earnings/(loss) per share | | |
| Earnings/(loss) per share - continuing operations | | |
| Basic | (0.29) | 0.02 |
| Diluted | (0.29) | 0.02 |
| Earnings/(loss) per share - discontinued operations | | |
| Basic | (0.02) | (0.12) |
| Diluted | (0.02) | (0.12) |
| Total earnings/(loss) per share | | |
| Basic | (0.31) | (0.10) |
| Diluted | (0.31) | (0.10) |

1.2 Consolidated Statement of Comprehensive Income

| (in € millions) | Six months ended March 31, 2021 Unaudited | Six months ended March 31, 2020 Unaudited |
|---|---|---|
| Net profit/(loss) for the period | (56) | (18) |
| Items that will not be reclassified subsequently to profit or loss | | |
| Post-employment benefit obligations (1) | 3 | 14 |
| Items that may be reclassified subsequently to profit or loss | | |
| Financial instruments | - | 2 |
| Currency translation adjustments | (4) | (6) |
| Income tax | - | (1) |
| Total | (4) | (5) |
| Comprehensive expense for the period | (57) | (9) |
| Attributable to: | | |
| - Owners of the parent | (54) | (8) |
| - Non-controlling interests | (3) | (1) |

(1) Net of the effect of income tax

2. Consolidated Balance Sheet

2.1 Assets

| (in € millions) | Note | At March 31, 2021 Unaudited | At September 30, 2020 |
|--|------|--------------------------------|--------------------------|
| Goodwill | 15 | 1,720 | 1,719 |
| Intangible assets | 16 | 210 | 221 |
| Property, plant and equipment | 17 | 295 | 314 |
| Right-of-use assets | 18 | 248 | 238 |
| Other non-current assets | | 4 | 6 |
| Non-current financial assets | | 111 | 111 |
| Equity-accounted investees | | - | - |
| Fair value of derivative financial instruments (*) | | - | - |
| Deferred tax assets | | 82 | 74 |
| Total non-current assets | | 2,670 | 2,683 |
| Inventories | | 92 | 102 |
| Trade and other receivables | | 583 | 625 |
| Contract assets | | - | - |
| Current income tax assets | | 10 | 14 |
| Other current assets | | 58 | 54 |
| Short-term financial receivables (*) | | 4 | 3 |
| Cash and cash equivalents (*) | | 32 | 41 |
| Assets classified as held for sale | 22 | 23 | 17 |
| Total current assets | | 802 | 856 |
| Total assets | | 3,472 | 3,539 |

(*) Included in the calculation of net debt

2.2 Equity and Liabilities

| (in € millions) | Note | At March 31, 2021 Unaudited | At September 30, 2020 |
|--|------|--------------------------------|-----------------------|
| Share capital | | 2 | 2 |
| Reserves and retained earnings | | 1,106 | 1,152 |
| Translation reserve | | (23) | (19) |
| Non-controlling interests | | (5) | (3) |
| Total equity | 4 | 1,080 | 1,132 |
| Long-term debt (*) | 19 | 803 | 781 |
| Long-term lease liabilities (*) | 19 | 201 | 192 |
| Fair value of derivative financial instruments (*) | | 3 | 6 |
| Non-current liabilities relating to share acquisitions | | 14 | 18 |
| Deferred tax liabilities | | - | - |
| Provisions for pension and other post-employment benefit obligations | 20 | 91 | 96 |
| Other long-term provisions | 20 | 24 | 23 |
| Other non-current liabilities | | - | - |
| Total non-current liabilities | | 1,136 | 1,116 |
| Trade and other payables | | 486 | 448 |
| Due to suppliers of non-current assets | | 11 | 11 |
| Accrued taxes and payroll costs | | 484 | 536 |
| Current income tax liabilities | | 6 | 1 |
| Short-term debt (*) | 19 | 3 | 2 |
| Short-term lease liabilities (*) | 19 | 61 | 58 |
| Current liabilities relating to share acquisitions | | 2 | 2 |
| Short-term provisions | 20 | 118 | 130 |
| Contract liabilities | | 41 | 62 |
| Other current liabilities | | 17 | 21 |
| Liabilities classified as held for sale | 22 | 27 | 20 |
| Total current liabilities | | 1,256 | 1,291 |
| Total liabilities | | 2,392 | 2,407 |
| Total equity and liabilities | | 3,472 | 3,539 |
| <i>(*) Included in the calculation of net debt</i> | | 1,038 | 998 |
| <i>Net debt excluding fair value of derivative financial instruments and debt issuance costs</i> | | 1,038 | 995 |

3. Consolidated Cash Flow Statement

| (in € millions) | Note | Six months ended March 31, 2021 Unaudited | Six months ended March 31, 2020 Unaudited |
|---|-------|---|---|
| Cash flows from operating activities – continuing operations | | | |
| Recurring operating profit/(loss) including share of profit of equity-accounted investees | | (34) | 40 |
| Amortization and depreciation (1) | | 93 | 95 |
| Provisions | | (2) | - |
| EBITDA | | 57 | 135 |
| Dividends received from equity-accounted investees | | - | - |
| Change in operating working capital | | 12 | (38) |
| Interest and other financial expenses paid | | (18) | (11) |
| Tax paid | | 2 | 2 |
| Other cash movements | | (11) | (4) |
| Net cash from operating activities – continuing operations | | 42 | 84 |
| Cash flows from investing activities – continuing operations | | | |
| Purchases of property, plant and equipment and intangible assets | 16 17 | (32) | (55) |
| Proceeds from sale of property, plant and equipment and intangible assets | | 3 | 2 |
| Purchases of financial assets | | (1) | (1) |
| Proceeds from sale of financial assets | | - | - |
| Acquisitions of shares in consolidated companies, net of cash acquired | | - | (4) |
| Other cash flows from investing activities | | - | - |
| Net cash used in investing activities – continuing operations | | (30) | (58) |
| Cash flows from financing activities – continuing operations | | | |
| Dividends paid to owners of the parent | | - | - |
| Movements in share capital of the parent | | - | - |
| Purchases of own shares | | - | (21) |
| Dividends paid to non-controlling interests | | - | - |
| Proceeds from borrowings | 19 | 231 | 732 |
| Repayments of borrowings | 19 | (215) | (3) |
| Repayments of lease liabilities | 19 | (32) | (28) |
| Net cash from/(used in) financing activities – continuing operations | | (16) | 680 |
| Effect of exchange rate and other changes | | (2) | - |
| Increase/(decrease) in net cash and cash equivalents – continuing operations | | (6) | 706 |
| Increase/(decrease) in net cash and cash equivalents – discontinued operations | 22 | (4) | (6) |
| Net cash and cash equivalents at beginning of period | | 40 | 76 |
| Net cash and cash equivalents at end of period | | 30 | 776 |

(1) Including €1 million in amortization of advances on customer contracts in the six-month periods ended March 31, 2021 and March 31, 2020.

Bank overdrafts and current accounts held for treasury management purposes are an integral part of the Group's cash management and are therefore deducted from cash in the cash flow statement whereas they are classified as short-term debt in the balance sheet. These items represent the sole difference between the cash and cash equivalents figure presented under assets in the balance sheet and the amount presented in the cash flow statement under "Net cash and cash equivalents at end of period".

The following table shows a reconciliation between the figures recorded for these items in the balance sheet and the cash flow statement:

| (in € millions) | At March 31, 2021 Unaudited | At September 30, 2020 |
|---|--------------------------------|--------------------------|
| Balance sheet - Assets | 32 | 41 |
| Cash and cash equivalents | 32 | 41 |
| Balance sheet - Liabilities | 2 | 1 |
| Bank overdrafts | 2 | - |
| Current accounts | - | 1 |
| Accrued interest | - | - |
| Net cash and cash equivalents presented in the cash flow statement | 30 | 40 |

4. Consolidated Statement of Changes in Equity

| (in € millions) | Number of shares | Share capital | Additional paid in capital and other reserves | Net profit/(loss) for the period attributable to owners of the parent | Translation reserve | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
|--|--------------------|---------------|---|---|---------------------|---|---------------------------|--------------|
| Balance at Oct. 1, 2019 (restated) | 178,319,146 | 2 | 1,411 | 271 | (17) | 1,667 | 2 | 1,669 |
| Net loss for the period | | | | (482) | | (482) | (4) | (486) |
| Post-employment benefit obligations | | | 7 | | | 7 | | 7 |
| Changes in fair value of financial instruments | | | 2 | | | 2 | | 2 |
| Currency translation differences | | | | | (23) | (23) | - | (23) |
| Comprehensive expense for the period | | | 9 | (482) | (23) | (497) | (4) | (500) |
| Appropriation of prior-period net profit | | | 271 | (271) | | - | | - |
| Capital reduction | (4,268,550) | | (20) | | | (20) | - | (20) |
| Dividends paid | | | (50) | | | (50) | - | (50) |
| Share-based payments (IFRS 2) | 74,672 | | - | | | - | - | - |
| Other movements | | | 34 | | | 35 | (1) | 34 |
| Balance at Sept. 30, 2020 | 174,125,268 | 2 | 1,656 | (482) | (40) | 1,135 | (3) | 1,132 |
| Balance at Oct. 1, 2020 | 174,125,268 | 2 | 1,656 | (482) | (40) | 1,135 | (3) | 1,132 |
| Net loss for the period | | | | (53) | | (53) | (3) | (56) |
| Post-employment benefit obligations | | | 3 | | | 3 | | 3 |
| Changes in fair value of financial instruments | | | - | | | - | | - |
| Currency translation differences | | | | | (4) | (4) | - | (4) |
| Comprehensive expense for the period | | | 3 | (53) | (4) | (54) | (3) | (57) |
| Appropriation of prior-period net loss | | | (482) | 482 | | - | | - |
| Capital reduction | | | - | | | - | | - |
| Dividends paid | | | - | | | - | - | - |
| Share-based payments (IFRS 2) | 22,555 | | - | | | - | - | - |
| Other movements | | | 4 | | | 4 | - | 4 |
| Balance at March 31, 2021 | 174,147,823 | 2 | 1,180 | (53) | (44) | 1,085 | (5) | 1,080 |

Notes to the IFRS Consolidated Financial Statements for the Six-Month Periods ended March 31, 2021 and 2020

5. General Information

Elior Group SA (the "Company") is a French joint stock corporation (*société anonyme*) registered and domiciled in France. Its headquarters are located at 9-11 Allée de l'Arche, Paris La Défense, France. At March 31, 2021, the Company was held by the following parties: 20.01% by BIM SAS (which is controlled by Robert Zolade), 7.66% by Corporacion Empresarial Emesa, 5.20% by Fonds Stratégique de Participations and 67.13% by private and public investors following the Company's admission to trading on Euronext Paris on June 11, 2014.

The Elior group - comprising Elior Group SA and its subsidiaries (the "Group") - is a major player in contract catering and related services. It operates through companies based in six countries, including the United Kingdom, Spain, Italy and the United States.

6. Significant Events

Six months ended March 31, 2021

- **The Covid-19 crisis**

The main significant event of the first six months of fiscal 2020-2021 was the ongoing Covid-19 pandemic which particularly affected the performance of the Group's Business & Industry segment and, to a lesser extent, the Education segment.

- **Amendments to the Securitization Program**

On October 13, 2020, the €360 million 2017 Securitization Program, which was originally scheduled to expire in July 2021, was amended in order to extend its maturity until October 2024 and to ensure compliance with the criteria provided for in Regulation (EU) 2017/2402 of the European Parliament and the Council of December 12, 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation. The amendments concerned do not affect the accounting treatment applied to the 2017 Securitization Program.

- **Covenant holiday**

On November 24, 2020, the Company obtained an extension of its covenant holiday from September 30, 2021 to September 30, 2022, which is now the date of the next covenant test. This covenant holiday is subject to the

following terms and conditions: (i) an additional 50bp margin level now applies for the tests on March 31 and September 30, 2021, (ii) the Company may not pay any dividends if its leverage ratio after the dividend payment is over 4x, (iii) the aggregate amount of acquisitions is capped at €50 million until the maturity date of the debt for as long as the leverage ratio is over 4x, and (iv) 50% of the proceeds of any new borrowings must be utilized for repaying existing drawdowns.

- **Government-backed loan**

On March 22, 2021, Elior Group received a government-backed loan amounting to €225 million, of which 80% is guaranteed by the French State. The loan has a one-year term with a five-year extension option exercisable by Elior Group. It is repayable in six-monthly installments of 10% as from October 1, 2022.

Six months ended March 31, 2020

The first six months of fiscal 2019-2020 were marked by the Covid-19 crisis, which affected the performance of the Group's Education and Business & Industry segments in March 2020. The estimated impacts of the crisis in the first half of 2019-2020 were €157 million on consolidated revenue and €70 million on adjusted EBITA before the application of IFRS 16.

7. Accounting Policies

7.1 Basis of Preparation of the Condensed Interim Consolidated Financial Statements

The condensed interim consolidated financial statements for the six months ended March 31, 2021 (first-half 2020-2021) have been prepared in accordance with IAS 34, "Interim Financial Reporting". These financial statements do not include all the information and disclosures required under IFRS for annual financial statements and should therefore be read in conjunction with the Group's annual consolidated financial statements for the fiscal year ended September 30, 2020, which were prepared in accordance with IFRS as adopted in the European Union.

For interim periods, taxes on income (other than the CVAE tax levied in France on value added generated by the business but including the regional IRAP tax applicable in Italy) are accrued using the tax rate that is expected to apply to total annual profit. In these financial statements, the CVAE tax - which is included in income tax - and employee profit-sharing have been accrued based on 50% of the estimated full-year charge.

Governmental aid received in relation to the Covid-19 pandemic has been accounted for in accordance with IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance".

The accounting policies used are the same as those applied in the annual consolidated financial statements at September 30, 2020, except for any new standards and interpretations which have been adopted by the European Union.

The unaudited condensed interim consolidated financial statements were approved for issue by Elixir Group's Board of Directors on May 19, 2021.

Unless otherwise specified all amounts are presented in millions of euros, rounded to the nearest million.

7.2 Going Concern

Due to the impact of the Covid-19 pandemic on Elixir's business in the first six months of 2020-2021 and the uncertainty about what future effects it will have on the Group's earnings, cash and equity, for the purposes of preparing the consolidated financial statements, Management assessed the Group's ability to continue as a going concern.

At March 31, 2021, the Group had €819 million in available liquidity, including (i) the full €450 million of its

euro-denominated revolving credit facility, (ii) the full \$250 million of its US dollar-denominated revolving credit facility (corresponding to €213 million), and (iii) €126 million in other available credit facilities (see Note 19.1.2).

Taking into account (i) the Group's cash position, its available liquidity and its revised 12-month cash flow projections, and (ii) its debt structure after obtaining a government-backed loan, the Group believes that it has a sufficient level of cash to ensure the continuity of its operations

Consequently, the condensed interim consolidated financial statements for the six months ended March 31, 2021 have been prepared on a going concern basis.

7.3 New Standards and Interpretations Adopted by the European Union and Applied by the Group

The new standards, amendments and interpretations that have been issued by the IASB but whose application is not yet mandatory have not been early adopted by the Group. The Group does not expect these standards, amendments and interpretations to have a material impact on its financial statements.

8. Use of Estimates

The preparation of interim consolidated financial statements requires Management of both the Group and its subsidiaries to use certain estimates and assumptions that may have an impact on the reported values of assets, liabilities and contingent liabilities at the balance sheet date and on items of income and expense for the period.

These estimates and assumptions - which are based on historical experience and other factors believed to be reasonable in the circumstances - are used to assess the carrying amount of assets and liabilities. Actual results may differ significantly from the estimates if different assumptions or circumstances apply.

In preparing these condensed interim consolidated financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended September 30, 2020.

The areas involving significant estimates and assumptions are goodwill and non-current assets (see Notes 16, 17 and 18) as well as deferred taxes.

Impacts of Covid-19

After taking into account the events of the first half of the fiscal year, the assumptions applied by the Group concerning the Covid-19 pandemic are generally unchanged from those used for the impairment tests carried out at September 30, 2020. These assumptions are as follows:

- The updated impacts of the Covid-19 crisis on the second half of 2020-2021 and for fiscal 2021-2022.
- A gradual return to pre-Covid business volumes as from 2023 for most of the CGUs.
- Faster diversification of the Group's offerings and markets.

9. Exchange Rates

The recognition and measurement criteria relating to foreign currency operations are defined in IAS 21, "The

Effects of Changes in Foreign Exchange Rates". Commercial transactions denominated in foreign currencies carried out by consolidated companies are translated using the exchange rate prevailing at the date of the transaction. Foreign currency receivables and payables are translated at the period-end exchange rate and the resulting translation gains or losses are recorded in the income statement.

For the six-month periods ended March 31, 2021 and 2020, the balance sheets, income statements, and cash flow statements of certain subsidiaries whose functional currency differs from the presentation currency used in the consolidated financial statements have been translated (i) at the exchange rates prevailing at March 31, 2021 and 2020 respectively for the balance sheet, and (ii) at the average exchange rates for the period for the income statement and cash flow statement, except in the case of significant fluctuations in exchange rates. Any resulting translation differences have been recorded in other comprehensive income.

The main exchange rates used in the consolidated financial statements for the six-month periods ended March 31, 2021 and 2020 were based on Paris stock exchange rates and were as follows:

| | Six months ended March 31, 2021 | | Six months ended March 31, 2020 | |
|------------|---------------------------------|--------------|---------------------------------|--------------|
| | Period-end rate | Average rate | Period-end rate | Average rate |
| - €/US \$: | 1.1728 | 1.1990 | 1.1029 | 1.1051 |
| - €/£: | 0.8507 | 0.8884 | 0.8879 | 0.8614 |
| - €/INR: | 85.78 | 87.95 | 83.09 | 79.39 |

10. Business Combinations

Six months ended March 31, 2021

No significant acquisitions or divestments were carried out in the six months ended March 31, 2021.

Six months ended March 31, 2020

No significant acquisitions or divestments were carried out in the six months ended March 31, 2020.

11. Segment Reporting

Following the sale of its Concession Catering business, the Group has two continuing operations: "Contract Catering" and "Services", which are divided into four operating sectors: "Contract Catering - France", "Services - France", "Contract Catering - International" and "Services - International".

The above four operating sectors for the Group's continuing operations are grouped together in two reportable segments: "Contract Catering & Services - France" and "Contract Catering & Services - International", in accordance with the requirements of IFRS 8. The Contract Catering & Services businesses have been aggregated together as they have similar economic characteristics in terms of their long-term profitability,

the nature of their services, the nature of their production processes, their type of customers, and the characteristics of their regulatory environment.

The segment information presented is based on financial data from the Group's internal reporting system. This data is regularly reviewed by the Chief Executive Officer, who is the Group's chief operating decision maker.

The "Concession Catering" operating segments are presented as discontinued operations.

The "Corporate & Other" segment mainly comprises unallocated central functions, the Group's head office expenses, and residual Concession Catering activities not included in the sale of Areas.

The following tables show revenue, adjusted EBITA and non-current assets by operating segment (France and International) and revenue by client market for the six months ended March 31, 2021 and 2020.

11.1 Revenue, Adjusted EBITA and Non-Current Assets by Segment

| (in € millions) | Contract Catering & Services | | | Corporate & Other | Group total |
|--|------------------------------|---------------|--------------|-------------------|--------------|
| | France | International | Total | | |
| Six months ended March 31, 2021 Unaudited | | | | | |
| Revenue | 890 | 979 | 1,869 | - | 1,869 |
| Recurring operating profit/(loss) including share of profit of equity-accounted investees | (4) | (21) | (25) | (9) | (34) |
| <i>Of which:</i> | | | | | |
| Share-based compensation expense | - | - | 0 | - | 0 |
| Net amortization of intangible assets recognized on consolidation | - | 9 | 9 | - | 9 |
| Adjusted EBITA | (4) | (12) | (16) | (9) | (25) |
| <i>Adjusted EBITA as a % of revenue</i> | <i>(0)%</i> | <i>(1)%</i> | <i>(1)%</i> | | <i>(1)%</i> |
| Depreciation, amortization and impairment of property, plant and equipment and intangible assets | (31) | (41) | (72) | (9) | (81) |
| Non-current assets (1) | 1,277 | 1,127 | 2,404 | 69 | 2,473 |

(1) Non-current assets including the carrying amount of goodwill, intangible assets and property, plant and equipment.

| (in € millions) | Contract Catering & Services | | | Corporate & Other | Group total |
|--|---|--------------|---------------|-------------------|--------------|
| | Six months ended March 31, 2020 Unaudited | France | International | | |
| Revenue | 1,086 | 1,367 | 2,453 | 6 | 2,459 |
| Recurring operating profit/(loss) including share of profit of equity-accounted investees | 37 | 14 | 51 | (11) | 40 |
| <i>Of which:</i> | | | | | |
| Share-based compensation expense | - | 2 | 2 | - | 2 |
| Net amortization of intangible assets recognized on consolidation | - | 10 | 10 | - | 10 |
| Adjusted EBITA | 37 | 26 | 63 | (11) | 52 |
| <i>Adjusted EBITA as a % of revenue</i> | <i>3%</i> | <i>2%</i> | <i>3%</i> | <i>(195)%</i> | <i>2%</i> |
| Depreciation, amortization and impairment of property, plant and equipment and intangible assets | (29) | (46) | (75) | (9) | (84) |
| Non-current assets (1) | 1,289 | 1,331 | 2,620 | 83 | 2,703 |

(1) Non-current assets including the carrying amount of goodwill, intangible assets and property, plant and equipment.

11.2 Revenue by Client Market

Seasonality of operations

Apart from in exceptional circumstances such as the Covid-19 crisis, revenue and recurring operating profit generated by the Group's operations are subject to seasonal fluctuations.

During the second half of the fiscal year, the Contract Catering & Services business line generates lower recurring operating profit, both in absolute value terms and as a percentage of revenue, as its business volumes are lower in that period due to the fact that a large number of employees and students are on vacation in the summer.

In addition, changes in the number of working days and the dates on which public holidays or school vacations fall impact the period-on-period comparability of the Group's revenue and profitability.

Net cash from operating activities is also subject to seasonal variations, which mainly stem from changes in working capital. In the Contract Catering & Services business line, the amount of trade receivables increases during the first half of the fiscal year as revenue invoiced to clients is at its peak during this period, and decreases during the second half.

- Revenue by client market

| (in € millions) | Six months ended March 31, 2021 Unaudited | % of total revenue | Six months ended March 31, 2020 Unaudited | % of total revenue | Year-on- year change (€m) | Year-on- year change (%) |
|---------------------|---|-----------------------|---|-----------------------|------------------------------------|--------------------------------|
| Business & Industry | 617 | 33.0% | 1,056 | 42.9% | (438) | (41.5)% |
| Education | 679 | 36.4% | 788 | 32.1% | (109) | (13.8)% |
| Health & Welfare | 572 | 30.6% | 615 | 25.0% | (43) | (7.0)% |
| Group total | 1,869 | 100.0% | 2,459 | 100.0% | (590) | (24.0)% |

12. Non-Recurring Income and Expenses, Net

Non-recurring items represented a net expense of €3 million in the first six months of 2020-2021 versus a net expense of €6 million for the same period of 2019-2020. For both six-month periods, the amounts mainly comprised costs incurred in France and abroad for restructurings and business stoppages.

13. Income Tax

Income tax expense, excluding the French CVAE tax on value added generated by the business, is recognized based on Management's estimate of the average annual income tax rate for the full fiscal year. The estimated average tax rate for the year ending September 30, 2021 which was used to calculate the income tax expense for the six months ended March 31, 2021 was 12%. The

estimated rate applied for the six months ended March 31, 2020 was 22%.

The Group recorded a €4 million income tax benefit for the six months ended March 31, 2021 versus a €15 million income tax expense for the same period of 2019-2020. This €19 million year-on-year change was mainly due to (i) a sharp €74 million drop in pre-tax profit, which resulted in the Group recording a pre-tax loss, and (ii) a reduction in the French CVAE tax from €9 million to €7 million.

14. Parent Company's Share Capital, Dividends and Share-Based Compensation

14.1 Parent Company's Share Capital

At March 31, 2021, Elior Group SA's share capital amounted to €1,741,478, divided into 174,147,823 shares with a par value of €0.01 each.

At March 31, 2021, Elior Group held 1,780,202 shares in treasury, of which 1,703,594 were purchased under the share buyback program.

14.2 Dividends

No dividend was paid for the year ended September 30, 2020, as decided at the February 26, 2021 Annual General Meeting.

At the March 20, 2020 Annual General Meeting, the Company's shareholders approved a €52 million dividend payment for the year ended September 30, 2019, corresponding to €0.29 per share, payable in cash. This dividend payment was recorded under "Other current liabilities" in the consolidated balance sheet at March 31, 2020.

14.3 Share-based Compensation

No performance share plans were set up for members of the Management Committee and the Leaders Committee in the first half of 2020-2021.

In the first half of 2019-2020, on March 20, 2020 the Board of Directors set up a performance share plan for members of the Management Committee and the Leaders Committee. The shares under this plan will only vest if the plan members still form part of the Group at the vesting date ("continued presence condition") and if certain performance conditions are met. The applicable performance conditions are based on: (i) the cumulative annual growth rate for Elior Group's adjusted earnings per share, and (ii) Elior Group's share performance compared with a peer group and compared with the CAC Next 20 index. The achievement of these conditions will be assessed on March 20, 2023 (the end of the three-year vesting period) for the continued presence condition and on September 30, 2022 for the performance conditions.

15. Goodwill

The table below shows an analysis of net goodwill by cash generating unit (CGU).

| (in € millions) | At September 30, 2020 | Increase | Impairment | Other movements including currency translation differences | At March 31, 2021 Unaudited |
|-----------------------------|-----------------------|----------|------------|--|-----------------------------|
| Elior Entreprises | 578 | 1 | - | - | 579 |
| Elior Enseignement et Santé | 365 | - | - | - | 365 |
| Elior Services | 134 | - | - | - | 134 |
| France | 1,077 | - | - | - | 1,078 |
| Elior North America | 272 | - | - | - | 271 |
| Elior Italy | 104 | - | - | - | 104 |
| Elior Iberia | 149 | - | - | - | 149 |
| Elior UK | 117 | - | - | 1 | 119 |
| Elior India | - | - | - | - | - |
| International | 642 | - | - | 1 | 642 |
| Total, net | 1,719 | - | - | 1 | 1,720 |

The Covid situation during the first half of 2020-2021, particularly the lockdowns imposed during the second wave of the pandemic, negatively impacted the Group's results and led to certain forecasts for the full year being

downgraded in some countries where the Group operates. Due to these impairment indicators, the Group performed impairment tests for the Elior Entreprises/Enseignement, Elior UK, Elior Italy and Elior North America CGUs.

Impairment Losses and Sensitivity Analyses

Key assumptions used to determine recoverable amounts

As the Group's new strategic plan will only be finalized during the second half of 2020-2021, for the purposes of the impairment tests performed at March 31, 2021 it used the updated assumptions in the Business Plan drawn up by Management and reviewed by the Board of Directors, which were used for the impairment tests performed at September 30, 2020, i.e.:

- Inclusion of the expected impacts of the Covid-19 crisis on the Group's business levels in the second half of 2020-2021 and for fiscal 2021-2022.
- A gradual return to pre-Covid business volumes as from 2023 for most of the CGUs.
- Faster diversification of the Group's offerings and markets.

The main discount rates and perpetuity growth rates were as follows:

| | Discount rate | | Perpetuity growth rate | |
|--|------------------|----------------|------------------------|----------------|
| | Six months ended | Year ended | Six months ended | Year ended |
| | March 31, 2021 | Sept. 30, 2020 | March 31, 2021 | Sept. 30, 2020 |
| Elior Entreprises, Elior Enseignement et Santé | 7.9% | 7.9% | 1.4% | 1.4% |
| Elior UK | 8.1% | 8.3% | 0.8% | 0.8% |
| Elior North America | 7.9% | 7.9% | 1.6% | 1.6% |
| Elior Italy | 9.6% | 9.6% | 0.8% | 0.8% |

Half-yearly impairment tests carried out in 2021

No impairment losses were recognized based on the impairment tests performed in the first half of 2020-2021.

Sensitivity of the recoverable amount of CGUs to changes in the assumptions applied

In accordance with IAS 36, the Group carried out sensitivity analyses on the results of its impairment tests, based on the following changes in the assumptions applied concerning the long-term growth rate, projected net cash flows and discount rates:

- (1) a 50 basis-point decrease in the long-term growth rate;
- (2) a 5% decrease in projected net cash flows based on the duration of the relevant business plans and the terminal value; or
- (3) a 50 basis-point increase in the discount rate for eurozone CGUs and a 100 basis-point increase for the other CGUs.

The sensitivity analyses based on the changes in assumptions set out above revealed that Elior UK is the only one of the Group's CGUs for which there is a reasonably probable scenario that the CGU's recoverable

amount could fall below its carrying amount (impairment loss of between €3 million and €5 million depending on the metrics concerned).

The Group also performed an additional sensitivity analysis that consisted of calculating the percentage decrease in projected net cash flows whereby the value in use of each CGU's net assets would be equal to their recoverable amount. The percentage decreases were as follows:

- Elior Entreprises and Elior Enseignement et Santé: - 9%
- Elior Italy: -10%
- Elior North America: - 9%
- Elior UK: -3%
-

Annual impairment tests carried out in 2020

Following the annual tests performed at September 30, 2020, a €123 million impairment loss was recognized against goodwill, breaking down as €67 million for Elior Italy and €56 million for Elior UK.

16. Intangible Assets

| (in € millions) | At Sept. 30, 2020 | Additions | Disposals | Other movements | At March 31, 2021 Unaudited |
|--|----------------------|-------------|-----------|--------------------|-----------------------------------|
| Concession rights | 18 | - | - | - | 18 |
| Assets operated under concession arrangements (1) | 37 | - | - | - | 37 |
| Trademarks | 24 | - | - | 1 | 25 |
| Software | 130 | 1 | - | 7 | 138 |
| Intangible assets in progress | 11 | 4 | - | (7) | 7 |
| Other | 272 | - | - | 1 | 273 |
| Gross value | 492 | 5 | - | 2 | 498 |
| Concession rights | (6) | - | - | - | (7) |
| Assets operated under concession arrangements (1) | (37) | - | - | - | (37) |
| Trademarks | (7) | (1) | - | - | (8) |
| Software | (105) | (7) | - | (1) | (113) |
| Other | (115) | (9) | - | (1) | (125) |
| Total amortization | (270) | (17) | - | (2) | (289) |
| Carrying amount | 221 | (12) | - | 0 | 210 |

(1) Assets recognized in accordance with IFRIC 12 for the Group's right to use central kitchens in the education market in France as granted under leases and public sector contracts.

17. Property, Plant and Equipment

| (in € millions) | At Sept. 30, 2020 | Additions | Disposals | Other movements | At March 31, 2021 Unaudited |
|--|-------------------|-------------|-------------|--------------------|-----------------------------------|
| Land | 8 | - | (1) | - | 7 |
| Buildings | 87 | 1 | (3) | 1 | 86 |
| Technical installations | 450 | 12 | (9) | 5 | 458 |
| Other items of property, plant and equipment | 375 | 9 | (6) | (1) | 377 |
| Assets under construction | 8 | 6 | - | (5) | 9 |
| Prepayments to suppliers of property, plant and equipment | 2 | - | - | (1) | 1 |
| Gross value | 930 | 28 | (19) | (1) | 938 |
| Buildings | (44) | (2) | 3 | - | (43) |
| Technical installations | (351) | (22) | 10 | (1) | (364) |
| Other items of property, plant and equipment | (222) | (22) | 6 | 1 | (236) |
| Total depreciation | (616) | (46) | 19 | 0 | (643) |
| Carrying amount | 314 | (18) | 0 | (1) | 295 |

18. Right-of-Use Assets

| (in € millions) | At Sept. 30, 2020 | Increase | Decrease | Other movements | At March 31, 2021 Unaudited |
|---|-------------------|-------------|------------|-----------------|-----------------------------|
| Concession fees | 25 | 9 | - | 1 | 35 |
| Real estate | 205 | 14 | (9) | 3 | 213 |
| Technical installations and other equipment | 25 | 1 | - | 11 | 37 |
| Vehicles | 57 | 10 | - | (2) | 65 |
| Right-of-use assets - Gross | 312 | 34 | (9) | 13 | 350 |
| Concession fees | (5) | (3) | - | - | (8) |
| Real estate | (36) | (25) | 9 | - | (53) |
| Technical installations and other equipment | (16) | (3) | - | 2 | (17) |
| Vehicles | (17) | (10) | - | 2 | (25) |
| Depreciation of right-of-use assets | (74) | (41) | - | 4 | (102) |
| Carrying amount of right-of-use assets | 238 | (4) | - | 17 | 248 |

19. Debt and Financial Income and Expenses

19.1 Debt

19.1.1 Financial risk management, debt and derivative financial instruments

19.1.1.1 Exposure to interest rate risk

The Group is exposed to the risk of fluctuations in interest rates on debt that is indexed to the Euro Interbank Offered Rate ("Euribor") and the London Interbank Offered Rate ("Libor") plus an applicable margin.

In order to manage this risk, the Group has set up interest rate swaps. These hedges mitigate (i) the risk of variable interest rates affecting the fair value of the Group's fixed-rate debt, and (ii) the impact of the Group's variable-rate debt on consolidated cash. Hedges set up using options are referred to as "optional hedges" and other hedges are referred to as "firm hedges". The net amount of firm hedges set up does not exceed the amount of the Group's debt for a given period and the net gains or losses on these hedges are allocated to the hedged period.

The rates at which the Group's debt was hedged (against the Euribor) were as follows at March 31, 2021 for Elior Participations:

Hedges in euros:

- For the period from October 1, 2020 through December 31, 2021: 0.343% for firm hedges (€500 million).

This rate does not include lending margins.

Taking into account the above-mentioned hedges, a 1% increase in interest rates would have an impact of approximately €4 million on the Group's finance costs for fiscal 2020-2021.

19.1.1.2 Exposure to liquidity risk

The Group manages its liquidity risk by constantly monitoring the maturities of its borrowings, ensuring that it has adequate available credit facilities, and diversifying its resources. It also monitors actual cash flows in relation to forecasts.

The Group has a centralized multi-currency cash management system, which is used in countries where permitted by local legislation in order to reduce the liquidity risk to which it is exposed. The cash surpluses and financing needs of subsidiaries are centralized through a cash-pooling system and investments are placed, or borrowings taken out, via the head of the cash

pool – Elior Participations. A local cash pool has also been set up in each country where the Group operates. In India, a local cash-pooling system denominated in local currency has been put in place, as well as a bilateral credit facility guaranteed by Elior Participations.

At March 31, 2021, the Group had €32 million in cash and cash equivalents (versus €41 million at September 30, 2020). The March 31, 2021 figure includes €25 million worth of bank deposits.

Other than cash and cash equivalents, the Group's sources of liquidity at March 31, 2021 were as follows:

- A €450 million revolving credit facility (RCF) made available under the Senior Facilities Agreement, none of which had been drawn down at March 31, 2021.
- A \$250 million RCF made available under the Senior Facilities Agreement, none of which had been drawn down at March 31, 2021.
- A €360 million European receivables securitization program, of which €266 million had been utilized at March 31, 2021 (including €220 million in off balance-sheet financing/debt). In the event that the ABCP (Asset-backed commercial paper) markets close, the Group would have a €360 million liquidity line available for six months.

At March 31, 2021, the Group's gross debt totaled €1,068 million, including IFRS 16 lease liabilities (versus €1,033 million at September 30, 2020). The March 31, 2021 figure includes €64 million in short-term debt and €1,004 million in long-term debt.

On February 17, 2021, Standard & Poor's assigned the Company's debt a BB- rating, with a negative outlook due to the Covid-19 pandemic. Moody's most recent rating for the Company is Ba3 with a negative outlook (assigned on May 19, 2020), also because of the Covid-19 pandemic.

19.1.1.3 Exposure to credit and counterparty risk

Credit and/or counterparty risk is the risk that a party bound by a contract with the Group will fail to meet its obligations in accordance with agreed terms, leading to a financial loss for the Group.

The main financial instruments that could expose the Group to concentrations of counterparty risk are trade receivables, cash and cash equivalents, investments and derivatives. The Group's maximum exposure to credit risk corresponds to the carrying amount of all of the financial assets recognized in the consolidated financial statements, net of any accumulated impairment losses.

The Group considers that it has very low exposure to concentrations of credit risk in relation to trade receivables. There is no material exposure to concentrations of customer credit risk at Group level as the subsidiaries have a large number of customers and the geographic locations of those customers and the operating sites concerned are highly diverse. Invoices are generally issued based on services already performed and after customers have accepted the services, which reduces the possibility of a customer disputing an invoice. A procedure for tracking receivables and issuing reminders is in place in each country in order to accelerate the collection process.

In addition, in October 2020 the Group extended by four years its €360 million European receivables securitization program (covering France and Spain). The majority of the receivables included in the program (75%) are sold on a no-recourse basis, which means that the Group transfers the risk of non-recovery.

Lastly, the Group only deposits its cash and enters into currency and interest rate hedging contracts with leading financial institutions and, as at the date of these financial statements, it considers that the risk of any of these counterparties defaulting on their contractual obligations to be very low as the financial exposure to each one is limited.

19.1.2 Analysis of debt

The carrying amount and fair value of the Group's debt can be analyzed as follows:

| (in € millions) | Original currency | At March 31, 2021 Unaudited | | At September 30, 2020 | |
|--|-------------------|--------------------------------|--------------|-----------------------|--------------|
| | | Amortized cost | Fair value | Amortized cost | Fair value |
| Bank overdrafts | € | 2 | 2 | 1 | 1 |
| Other short-term debt (including short-term lease liabilities) | € | 62 | 62 | 59 | 59 |
| Sub-total – short-term debt | | 64 | 64 | 60 | 60 |
| Syndicated bank loans | € / \$ | 757 | 761 | 527 | 530 |
| Other medium- and long-term borrowings | \$ | 1 | 1 | 200 | 200 |
| Factoring and securitized trade receivables | € | 45 | 45 | 54 | 54 |
| Other long-term debt (including long-term lease liabilities) | € | 201 | 201 | 192 | 192 |
| Sub-total – long-term debt | | 1,004 | 1,008 | 973 | 976 |
| Total debt | | 1,068 | 1,072 | 1,033 | 1,036 |

| (in € millions) | At Sept. 30, 2020 | Issues | Redemptions/ repayments | Other movements (1) | At March 31, 2021 Unaudited |
|-------------------------------|-------------------|------------|----------------------------|---------------------------|-----------------------------------|
| Syndicated bank loans | 726 | 225 | (201) | 11 | 761 |
| Securitized trade receivables | 54 | 5 | (14) | - | 45 |
| Lease liabilities | 250 | - | (32) | 43 | 261 |
| Other borrowings | 3 | 1 | - | (2) | 2 |
| Total debt (2) | 1,033 | 231 | (247) | 52 | 1,069 |

(1) Including currency translation differences and non-cash movements related to the fair value of IFRS 16 lease liabilities.

(2) Total fair value of debt excluding €2 million and €3 million in bank overdrafts at March 31, 2021 and September 30, 2020 respectively.

The Group's debt at March 31, 2021 included:

- **Elior Group SA:**

- A senior bank loan totaling €530 million at March 31, 2021, fully repayable in May 2023. Interest is based on the Euribor plus a standard margin of 2.50%.
- A €225 million government-backed loan, repayable at maturity on March 22, 2022, with an

option for Elior to extend to March 2027. The extension option is exercisable at the earliest four months before – and at the latest one month before – March 22, 2022. The loan is subject to a graduated interest rate based on the Euribor and the costs of the government guarantee determined based on the standard costs applicable to French government-backed loans.

- **Elior Participations SCA:**

- A €450 million revolving credit facility (which can also be used by Elior Group), expiring in May 2023. Interest is based on the Euribor plus a standard margin of 2.10%. If the facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. None of this facility had been used by Elior Participations at March 31, 2021.
- A \$250 million revolving credit facility (which can also be used by Elior Group), expiring in May 2023. Interest is based on the Libor plus a standard margin of 2.10%. If the facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. None of this facility had been used by Elior Participations at March 31, 2021.
- Liabilities relating to the Group's receivables securitization program. At March 31, 2021, outstanding securitized receivables under this program - net of the related €34.5 million overcollateralization reserve - stood at €45.1 million. The program's ceiling (net of the equivalent of an overcollateralization reserve) is €360 million and it includes the receivables of Elior Group's French and Spanish subsidiaries. The program's cost, based on net amounts securitized, is approximately 1.55%.

19.1.3 Interest rate swaps

A portion of the Group's debt is hedged by interest rate swaps intended to replace variable rates with fixed rates. At March 31, 2021 and September 30, 2020, 66% and 94% of the Group's variable-rate debt was hedged respectively.

The rates at which the Group's debt was hedged (against the Euribor) at March 31, 2021 are set out in Note 19.1.1.1 above.

19.1.4 Financial covenants

The medium - and long-term bank borrowing contracts entered into by Elior Group and Elior Participations, including the government-backed loan, contain financial covenants (related to the Group's leverage) that could trigger compulsory early repayment in the event of non-compliance. The covenants are based on Elior Group's consolidated financial ratios and compliance checks are carried out at the end of each six-month period.

On May 26, 2020, the Company was granted a covenant holiday for the periods ending September 30, 2020 and March 31, 2021. On November 24, 2020, the Company was granted a covenant holiday for the periods ending September 30, 2021 and March 31, 2022. Consequently, the Group's leverage is not required to comply with the levels provided for in the borrowing contracts at those dates but the system whereby lending margins increase or decrease depending on the leverage ratio still applies.

The medium- and long-term term borrowing contracts of Elior Group SA and Elior Participations SCA do not include any exceptional clauses compared with the standard legal provisions which apply to this type of contract.

The Group's debt can be analyzed as follows by maturity (based on fair values):

| (in € millions) | Original currency | At March 31, 2021 Unaudited | | | At September 30, 2020 | | |
|---|-------------------|--------------------------------|---------------------|--------------------|--------------------------|------------|------------|
| | | Short-term | Due in 1 to 5 years | Due beyond 5 years | Long-term | Short-term | Long-term |
| Bank borrowings | | | | | | | |
| Medium-term borrowings –Elior Group SA | € | | 536 | 225 | 761 | | 530 |
| Medium-term borrowings –Elior Participations | € / \$ | | - | | - | | 200 |
| Other medium- and long-term bank borrowings | € | | | | | | |
| Sub-total – bank borrowings | | | 536 | 225 | 761 | | 730 |
| Other debt | | | | | | | |
| Elior Group bond debt (USD private placement) | \$ | | | | | | |
| Lease liabilities | € | 61 | 201 | | 201 | 58 | 192 |
| Other (1) | € | 1 | 46 | | 46 | 1 | 54 |
| Bank overdrafts (2) | € | 2 | | | | 1 | - |
| Current accounts (2) | € | | | | | - | - |
| Accrued interest on borrowings | € / \$ | | - | | | - | - |
| Sub-total – other debt | | 64 | 247 | | 247 | 60 | 246 |
| Total debt | | 64 | 782 | 225 | 1,008 | 60 | 976 |

(1) Including liabilities under the receivables securitization program.

(2) Amounts deducted from cash and cash equivalents in the cash flow statement.

19.2 Financial Income and Expenses

The net financial expense recorded in the six-month periods ended March 31, 2021 and 2020 breaks down as follows:

| (in € millions) | Six months ended March 31, 2021 Unaudited | Six months ended March 31, 2020 Unaudited |
|--|---|---|
| Interest expense on debt | (23) | (13) |
| Interest income on short-term investments | 3 | 3 |
| Other financial income and expenses (1) | - | (6) |
| Interest cost on post-employment benefit obligations | - | (1) |
| Net financial expense | (20) | (17) |
| <i>(1) Including:</i> | | |
| - Fair value adjustments recognized in profit on interest rate and currency hedging instruments | 1 | (3) |
| - Disposal gains/(losses) and movements in provisions for impairment of shares in non-consolidated companies | - | - |
| - Amortization of debt issuance costs | (1) | (1) |
| - Net foreign exchange gain/(loss) | 3 | (2) |
| - Other financial expenses | (3) | - |

The year-on-year increase in the Group's interest expense on debt was primarily due to (i) the higher amount of the Group's average debt under the SFA in first-half 2020-2021 compared with first-half 2019-2020, and (ii) the recognition of the €5 million impact of fair value adjustments made to the SFA debt (in accordance with IFRS 9) following the amendments to the applicable interest rates as a result of the covenant holiday obtained in November 2020.

20. Provisions

Long- and short-term provisions can be analyzed as follows:

| (in € millions) | At March 31, 2021 Unaudited | At September 30, 2020 |
|--|--------------------------------|-----------------------|
| Provisions for employee benefit obligations | 91 | 96 |
| Provisions for non-renewal of concession contracts | 10 | 10 |
| Other | 14 | 13 |
| Long-term provisions | 115 | 119 |
| Provisions for commercial risks | 1 | 2 |
| Provisions for tax risks and employee-related disputes | 12 | 13 |
| Provisions for reorganization costs | 71 | 79 |
| Provisions for employee benefit obligations | 8 | 8 |
| Other | 26 | 28 |
| Short-term provisions | 118 | 130 |
| Total | 233 | 249 |

The decrease in long-term provisions for employee benefit obligations was chiefly due to the increase in the discount rate applied in the United Kingdom from 1.6% at September 30, 2020 to 2.0% at March 31, 2021.

The reduction in provisions for reorganization costs primarily reflects the payments of the employee-related costs for the restructuring plans launched in France and abroad in 2019-2020.

21. Related Party Transactions

Other directors and members of the Executive Committee, related parties correspond to associates, which are accounted for by the equity method.

| (in € millions) | Six months ended March 31, 2021 | Six months ended March 31, 2020 |
|--------------------------|---------------------------------------|---------------------------------------|
| Revenue | | |
| Associates | NM | NM |
| Expenses | | |
| Associates | NM | NM |
| Trade receivables | | |
| Associates | NM | NM |
| Trade payables | | |
| Associates | NM | NM |
| Current accounts | | |
| Associates | 3 | 3 |

NM: not material

22. Discontinued Operations

At March 31, 2021, the assets (€5 million) and liabilities (€5 million) of the Group's subsidiary in India, CRCL were classified as held for sale in accordance with IFRS 5.

The net loss from discontinued operations recorded in the six months ended March 31, 2020 mainly included the

€20 million impact of the additional price adjustment related to working capital for the sale of Areas (the Group's Concession Catering division) on July 1, 2019.

23. Significant Events After the Reporting Date

On April 6, 2021, the Group set up stock option and performance share plans for members of its Executive & Management Committee and Leaders Committee. These plans contain performance conditions and conditions relating to the beneficiaries' continued presence within the Group.

The options granted under the stock option plans have three- and four-year terms and their exercise prices are €8.74 and €10.49 respectively.

The performance conditions for the performance share plans are based on (i) the cumulative annual growth rate for

Elior Group's adjusted earnings per share, (ii) Elior Group's share performance compared with a peer group and with the CAC Next 20 index (applicable to members of Executive and Management Committee), and (iii) CSR objectives.

On April 30, 2021, Elior India entered into an agreement to sell its majority 51% stake in CRCL to CRCL's minority shareholders.

8 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Elior Group

Société Anonyme
9-11, allée de l'Arche
92032 Paris-La Défense Cedex

Statutory Auditors' Review Report on the Half-yearly Financial Information

(For the period from October 1 to March 31, 2021)

PricewaterhouseCoopers Audit

63, rue de Villiers

92 208 Neuilly-sur-Seine

France

Deloitte & Associés

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France

Elior Group SA

Société Anonyme

9-11, allée de l'Arche

92032 Paris-La Défense Cedex

Statutory Auditors' Review Report on the Half-yearly**Financial Information**

For the period from October 1 to March 31, 2021

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders

In compliance with the assignment entrusted to us by your General meetings and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Elior Group, for the period from October 1, 2020 to March 1, 2021,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

These condensed half-yearly consolidated financial statements are the responsibility of Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine et Paris-La Défense, May 19, 2021

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit

Deloitte & Associés

Matthieu Moussy

Frédéric Gourd

9 ATTESTATION OF RESPONSABILITY FOR THE HALF YEAR FINANCIAL REPORT

RESPONSIBILITY FOR THE HALF YEAR FINANCIAL REPORT

I hereby affirm that to the best of my knowledge the condensed interim consolidated financial statements presented for the 2020-2021 half-year have been prepared in accordance with the applicable accounting standards and provide a fair view of the assets, financial position, and profits of Elixor Group, and of that of all of the companies included within the consolidation scope. The half year activity review included in the attached report presents a true view of the significant events which took place during the first six months of the full year period and of their impact on the half year financial statements, the principle transactions between related parties, and describes the main risks and uncertainties for the remaining six months of the year.

Paris La Défense,
May 20th, 2021

A handwritten signature in black ink, appearing to read 'Philippe Guillemot', written over a faint, circular watermark or background.

Philippe Guillemot
Chief Executive Officer