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ELIOR GROUP

A French *société anonyme* (public limited company) with a board of directors and share

capital of €1,724,442.29

9-11, allée de l'Arche

92032 Paris La Défense Cedex

Nanterre RCS n° 408 168 003

**Contribution Appraisers' report
on the value of the contribution by DERICHEBOURG SA
to ELIOR GROUP**

*Order of the Presiding Judge of the Nanterre Commercial Court
of 12 January 2023*

Dear Sir or Madam,

Pursuant to the assignment entrusted to us, at the request of ELIOR GROUP, by order of the President of the Nanterre Commercial Court on 12 January 2023 concerning the contribution by DERICHEBOURG SA of all the shares of DERICHEBOURG MULTISERVICES HOLDING to ELIOR GROUP, we have prepared a report on the value of the contribution, as provided for in Article L. 225-147 of the French Commercial Code.

As the ELIOR GROUP's shares are admitted to trading on a regulated market, the order of the President of the Nanterre Commercial Court of 12 January 2023 has therefore extended our assignment, in reference to the Autorité des Marchés Financiers' position-recommendation 2020-06, to include assessing the fairness of the proposed consideration for the contribution. We have given an opinion on the amount of consideration for the contribution, which is detailed in a separate report.

The value of the contribution was set out in the contribution agreement signed by the representatives of the companies concerned on 3 March 2023 (hereinafter the "**Contribution Agreement**").

It is our duty to give a conclusion on the fact that the value of the contribution is not overstated.

To this end, we carried out our procedures in accordance with the professional standards laid down by the Compagnie Nationale des Commissaires aux Comptes (CNCC) that apply to this work. These standards require that procedures be carried out in order to assess the value of contributions, ensure that it is not overstated and verify that it corresponds to at least the face value of the shares to be issued by the transferee company plus the contribution premium (*prime d'apport*).

No particular advantages are stipulated within the framework of the transaction.

As this report marks the completion of our assignment, it is not our responsibility to update it to take account of any facts or circumstances subsequent to signing off.

At no time did we find ourselves in a situation that was incompatible, prohibited or should have disqualified us under French law.

Please find below our observations and conclusion presented in the following order:

1. Presentation of the planned transaction and description of the contribution
2. Procedures performed and assessment of the value of the contribution
3. Summary — Key points
4. Conclusion

1. Presentation of the planned transaction and description of the contribution

1.1 Nature and purpose of the transaction

Founded in 1996, ELIOR GROUP (hereinafter “**ELIOR**” or the “**Transferee**”) is an international contract catering and services group. Its business comprises:

- contract catering for businesses and government agencies, educational establishments and healthcare establishments; and
- cleaning, reception, concierge, maintenance, ground maintenance and other services.

With operations in France, Spain, Italy, the United Kingdom and the United States, the company has around 97,000 employees.

On 20 December 2022, ELIOR and DERICHEBOURG SA (hereinafter “**DERICHEBOURG**” or the “**Transferor**”)—world market leader in environmental services for businesses and local authorities—announced the signing of a non-binding memorandum of intent to create a new French market leader in contract catering and multiservices.

Within this context, the parties signed a binding memorandum of understanding (hereinafter the “**Memorandum of Understanding**”) on 3 March 2023 setting out the terms of the strategic merger between ELIOR and DERICHEBOURG’s multiservices business (hereinafter the “**Transaction**”).

It is planned that DERICHEBOURG will transfer to ELIOR all the shares of its subsidiary in charge of its outsourced services to businesses, industrials and commercial entities, public bodies and local authorities—DERICHEBOURG MULTISERVICES HOLDING (hereinafter “**DMS**” or the “**Transferred Company**”)—in exchange for ELIOR shares to be issued for its benefit (hereinafter the “**Contribution**”).

DERICHEBOURG would then refocus on its environmental business, while holding a strategic 48.4% stake in the new entity, which generated 2021-22 pro forma consolidated revenues of €5.2 billion¹ and EBITDA margin of 4.2%² during the period ended September 2022, with around 134,000 employees.

¹ This excludes Preferred Meals (PMC) for ELIOR and SNG (urban display division) for DMS over the full 2021/22 financial year.

² Including the impact of synergy.

This newly formed entity would offer an enhanced range of contract catering services (around 70% of revenues) and multiservices (around 30% of revenues), primarily in soft facility management (cleaning, reception, ground maintenance), hard facility management (energy efficiency, public lighting), safety and HR and temporary employment services, as well as aerospace outsourcing.

In addition to this strategic fit in terms of the product mix, the new entity would have i) an enlarged customer portfolio (large companies, SMEs and public sector) in other countries (United States, Spain and Portugal, Italy, United Kingdom, Germany, China, etc.), which could be reinforced in growth markets; and ii) an improved financial profile, ELIOR would step up its pace of recovery by becoming more resilient and more profitable, its financial leverage would thanks to the Transaction decrease from 8.3x to 6.2x pro forma at the end of September 2022. The Transaction would also allow for significant value creation as a result of synergies, estimated by the parties at full-year EBITDA of around €30 million by 2026.

Within the context of the Transaction, a five-year governance agreement will also be signed between DERICHEBOURG and ELIOR (hereinafter the “**Governance Agreement**”)³, the main terms of which are summarised in the draft exemption document of 3 March 2023, to be submitted to the AMF (hereinafter the “**Draft Exemption Document**”). It is planned that:

- Daniel DERICHEBOURG will be appointed Chairman and Chief Executive Officer of ELIOR for a period of four years and stand down from all his operating roles at DERICHEBOURG in order to dedicate himself entirely to the development of ELIOR;
- The Board of Directors will consist of 12 members, including five proposed by DERICHEBOURG⁴, five independent members and two employee representatives;
- DERICHEBOURG cannot account for more than 30% of votes on resolutions at any general shareholders’ meetings relating to (i) the appointment, reappointment or dismissal of independent members of the Board of Directors, and (ii) changes to this requirement of the Articles of Association;
- DERICHEBOURG undertakes to (i) keep its stake in ELIOR for a period of five years, and (ii) not to increase its stake during this period.

³ Extended to eight years for certain stipulations.

⁴ This number may change if DERICHEBOURG’s stake in ELIOR is reduced.

The rules of procedure of ELIOR's Board of Directors will also be amended, as detailed in the Draft Exemption Document, from the date of the Contribution, to allow for:

- an increased majority, requiring a majority of eight out of twelve directors and including the vote of at least three independent directors for the most strategic decisions (in particular material acquisitions or disposals, capital increases, IPOs of subsidiaries), which will require the prior agreement of the Board of Directors before they can go ahead;
- a qualified majority requiring a simple majority, which must include at least one member appointed by DERICHEBOURG, for decisions relating to the annual budget, the strategic plan and ELIOR's guiding principles;
- any transactions between directors connected to an ELIOR shareholder holding more than 10% of share capital and voting rights, and companies belonging to the ELIOR group, to be subject to the prior authorisation of the Board of Directors, with no exceptions to this rule, even for usual transactions conducted under normal conditions.

The Contribution will be submitted to shareholders for approval at ELIOR's combined meeting on 18 April 2023, it being specified that DERICHEBOURG will not be able to take part in the vote.

As a reminder, some shareholders, representing around 24.5% of ELIOR's share capital and voting rights, have made an undertaking to vote in favour of resolutions relating to the Contribution.

1.2 About the companies concerned

1.2.1 ELIOR GROUP, the transferee

ELIOR is a *société anonyme* (public limited company) with a board of directors, registered office 9-11, allée de l'Arche, Paris La Défense Cedex (92032). It has been registered with the Nanterre Trade and Companies Register (RCS) since 13 September 2016 under number 408 168 003.

In accordance with the terms of Article 6 of its Articles of Association dated 23 September 2021, its share capital stands at €1,724,442.29, divided into 172,444,229 shares each with a par value of €0.01, all fully paid up and in the same category.

ELIOR's shares are admitted to trading in Compartment A of the Euronext Paris market under ISIN code FR0011950732.

ELIOR has set up stock option and performance share plans for its executives and employees. On 30 September 2022, these plans represented a potential maximum issue of 1,875,959 additional shares.

According to its Articles of Association, ELIOR's purpose is "*directly and indirectly and in any and all countries, to:*

- *provide contract and commercial catering services worldwide, as well as to carry out any activities that are similar to, associated with or complementary to catering services;*
- *acquire, subscribe for, hold, manage, sell or otherwise transfer shares, bonds, notes or other financial securities or corporate rights of any kind in any company or other entity (including exercising the role of managing partner or legal manager of any company); acquire direct or indirect interests in any existing or future company, enterprise or other entity, by any means (including through the formation of new companies, asset contributions, share subscriptions, purchases or exchanges of shares, bonds, notes, warrants or other corporate rights or assets, mergers, joint ventures, inter-company partnerships, or otherwise, as well as by granting short-term or long-term shareholder loans and advances); acquire, use, sell, or transfer to any company, any movable or immovable assets; take part in any transactions or operations for the purpose of operating, managing and administering any business or entity; and purchase or lease any real estate required for the Company to achieve its corporate purposes;*
- *lead and coordinate the entities of the Elior group by actively participating in the implementation of their strategies and providing them with specific services, notably for administrative, legal, accounting, financial or real estate matters;*
- *more generally, on its own behalf or on behalf of a third party, and acting either alone or in conjunction with a third party, directly or indirectly conduct any and all transactions or operations of a legal, economic, financial, trading or non-trading nature that are directly or indirectly related to the corporate purposes set out above or to any similar, associated or complementary purposes that could contribute to the implementation or furtherance of said corporate purposes."*

ELIOR's financial year-end date is 30 September of each year.

1.2.2 DERICHEBOURG MULTISERVICES HOLDING, whose shares are being contributed

DMS is a *société par actions simplifiée* (simplified joint stock company), registered office 119, avenue du Général Michel Bizot, Paris (75012). It has been registered with the Paris Trade and Companies Register (RCS) since 5 October 2007 under number 444 529 531.

In accordance with Article 7 of its Articles of Association dated 4 October 2016, its share capital stands at €30,000,000, divided into 30,000,000 shares each with a par value of €1.00, all fully subscribed, paid up and in the same category.

DMS's shares are not admitted to trading on a regulated market and the transferor, DERICHEBOURG, holds all of its share capital.

According to the Articles of Association, DMS's purpose is "*in France and abroad:*

- *acquisition, subscription and management of any marketable securities;*
- *acquisition of stakes or interests in any commercial, industrial, financial or real estate companies or undertakings;*
- *provision of any administrative, financial, accounting or management services for the benefit of the company's subsidiaries or any other companies in which it holds a stake;*
- *acquisition, operation, management and administration by lease, rental agreement or otherwise, of any buildings whether constructed or not constructed;*
- *and, generally, any transactions concerning movable or immovable, commercial, industrial or financial assets relating directly or indirectly to this purpose or any similar or associated purpose that may facilitate the operation and development thereof;*
- *all of which, for itself and for any third parties or affiliates, in any form whatsoever, by means of the creation of a company, subscription, partnership, merger, absorption, advance, buying or selling of shares and rights, buying, selling or rental of movable and immovable rights and assets or by any other means*".

DMS's financial year-end date is 30 September of each year.

1.2.3 DERICHEBOURG, the transferor

DERICHEBOURG is a *société anonyme* (public limited company) with a board of directors, registered office 119, avenue du Général Michel Bizot, Paris (75012). It has been registered with the Paris Trade and Companies Register (RCS) since 28 September 2006 under number 352 980 601.

In accordance with the terms of Article 6 of DERICHEBOURG's Articles of Association dated 27 January 2022, its share capital stands at €39,849,372.25, divided into 159,397,489 shares each with a par value of €0.25, all fully subscribed and paid up.

DERICHEBOURG's shares are admitted to trading in Compartment B of the EURONEXT PARIS market under ISIN code FR0000053381.

According to the Articles of Association, DERICHEBOURG's purpose is "*in France and in all countries:*

- *acquisition, subscription and management of any marketable securities;*
- *acquisition of stakes or interests in any commercial, industrial, financial or real estate companies or undertakings;*
- *provision of any administrative, financial, accounting or management services for the benefit of the company's subsidiaries or any other companies in which it holds a stake;*
- *acquisition, operation, management and administration by lease, rental agreement or otherwise, of any buildings whether constructed or not constructed;*
- *and, generally, any transactions concerning movable or immovable, commercial, industrial or financial assets relating directly or indirectly to this purpose or any similar or associated purpose that may facilitate the operation and development thereof;*
- *all of which, for itself and for any third parties or affiliates, in any form whatsoever, by means of the creation of a company, subscription, partnership, merger, absorption, advance, buying or selling of shares and rights, buying, selling or rental of movable and immovable rights and assets or by any other means.*

It can carry out any transactions that are compatible with this purpose, relate to it and contribute to its being achieved."

DERICHEBOURG's financial year-end date is 30 September of each year.

1.2.4 Shareholding ties between the parties concerned by the transaction

As of the date of this report, DERICHEBOURG holds:

- All of DMS's share capital;
- 42,001,000 ELIOR shares, representing around 24.4% of the company's share capital and voting rights. In relation to this stake, it has two seats on ELIOR's Board of Directors.

1.3 Description of the transactions

The general terms of the Contribution, which are presented in detail in the Contribution Agreement, to which reference should be made, can be summarised as follows.

1.3.1 Main characteristics of the Contribution

Effective date

The Contribution will take place on the day that the last of the conditions precedent listed below (section 1.3.2) is met, as noted by a decision by ELIOR's shareholders attesting to the finalisation of the ELIOR capital increase in consideration for the Contribution (hereinafter the "**Contribution Date**").

The Contribution will also take effect in terms of taxation on the Contribution Date.

Legal framework

In terms of the legal framework, the Contribution will be subject to ordinary law arrangements for benefits in kind pursuant to Article L. 225-147 of the French Commercial Code and will be approved by ELIOR's shareholders, with the exception of DERICHEBOURG, which cannot take part in the vote.

Tax regime

In reference to the provisions of Article 810-1 of the French Tax Code, as this is a straightforward contribution between companies subject to tax, the parties agree that the Contribution will be registered for free.

In terms of corporation tax, the parties agree that the Contribution will be subject to favourable tax treatment as stated in Article 210 A of the French Tax Code, pursuant to Article 210 B of the French Tax Code, as it is a partial contribution of assets that can be regarded as a complete business segment, giving the Transferee control of DMS.

1.3.2 Conditions precedent

The Contribution is subject to the conditions precedent set out in the Memorandum of Understanding being met or, if applicable, their being waived by the party for the benefit of which the conditions precedent are stipulated.

The main conditions precedent are:

- (i) DERICHEBOURG must obtain the required merger control authorisations from the European Commission;
- (ii) Derichebourg must obtain exemption from the AMF from the requirement to submit a public takeover bid for the ELIOR shares, as the Transaction will result in DERICHEBOURG exceeding the thresholds of 30% of ELIOR's share capital and voting rights;
- (iii) DERICHEBOURG must carry out the prior carve-out transactions required at the level of the Transferred Company consisting of (i) the acquisition by DERICHEBOURG from the Transferred Company of all POLY-ENVIRONNEMENT shares and (ii) the assignment by DERICHEBOURG of 80% of LSL shares to the Transferred Company;
- (iv) DERICHEBOURG must obtain a bank waiver from the creditors concerned;
- (v) an exemption document must be provided for ELIOR's shareholders with a view to the admission to trading of the ELIOR shares issued as consideration for the Contribution;
- (vi) approval must be obtained for any resolutions contributing to the Transaction being finalised at ELIOR's general meeting, in particular (i) approval of the Contribution; (ii) the issuing of shares issued as consideration for the Contribution; (iii) changes to the Articles of Association as set out in the Governance Agreement to be signed between the parties; and (iv) the appointment of directors proposed by DERICHEBOURG.

If the above conditions precedent are not met by midnight (Paris time) on 31 May 2023 and unless the parties agree to extend this deadline, the Contribution Agreement will be deemed null and void on this date, with no compensation on either side, without prejudice to any claims by the non-defaulting party against the other party that prevented one of the conditions precedent from being met due action, omission or inaction on their part, and excluding the stipulations of Articles 5 to 9 of the Contribution Agreement, which will remain in force for five years.

1.4 Presentation and valuation of the Contribution

Under the terms of the Contribution Agreement, the Transferor has made an irrevocable commitment to assign to the Transferee, subject to the conditions precedent being met, full ownership of 30,000,000 DMS shares representing all of the company's share capital.

On the Contribution Date, each share transferred will be fully paid up, fully tradable and free of any form of security right, any real accessory right, privilege, delegation, fiduciary assignment or assignment by way of security, right of retention, retention of ownership or any claims, as well as options, promises, other real or personal rights, or other measures or obligations restricting in any way the full ownership or tradability of the asset or right concerned.

The Contribution will be made at the market value of the DMS shares, as determined in accordance with the methodology described in appendix 3.1 (a) of the Contribution Agreement.

On this basis, the parties have determined the total value of the 30,000,000 shares as €452,885,818.30, equal to around €15.096 per DMS share.

1.5 Consideration for the Contribution

Consideration for the Contribution has been set in relation to the market values of DMS and ELIOR in accordance with the principles described in appendix 3.1 (a) of the Contribution Agreement.

On this basis, consideration for the Contribution will be by means of the allocation of 80,156,782 new shares with a par value of €0.01 to be issued by the Transferee, which will increase its share capital by €801,567.82.

The difference between (i) the total value of the Contribution, i.e. €452,885,818.30, and (ii) the total increase in the Transferee's share capital, i.e. €801,567.82, will constitute a contribution premium in the amount of €452,084,250.48.

The new ELIOR shares issued as consideration will vest on the Contribution Date and be assimilated with all other existing shares. They will be subject to all provisions of the Articles of Association and decisions made by shareholders of the Transferee. Ownership of the ELIOR shares issued as consideration will be established by means of registration in the individual shareholder account opened by ELIOR in the name of DERICHEBOURG on the Contribution Date.

2. Procedures performed and assessment of the value of the Contribution

2.1 Procedures implemented

Our role is to show the Transferee's shareholders that the Contribution made by the Transferor is not overvalued.

Our assignment is therefore not an audit or a limited review. Its purpose is not to express an opinion on the financial statements or to make specific verifications concerning compliance with corporate law. Nor does it involve validation of the tax regime applicable to the transaction.

Furthermore, our assignment cannot be regarded as a due diligence assignment performed on behalf of a lender or a buyer and does not include all the work required for such an assignment. Our report therefore cannot be used in this context.

Similarly, our work is not the same as that of an independent expert appointed by the governing or controlling body of one of the parties.

To perform the assignment entrusted to us, we performed the procedures that we deemed necessary in accordance with the professional standards set by the Compagnie Nationale des Commissaires aux Comptes (French national association of statutory auditors) for the purpose of ensuring that the value of the Contribution is not overstated.

Within this framework, we have:

- Checked the substance and ownership of the contributed shares and assessed the possible impact of factors that may affect their ownership;
- Assessed the value of the Contribution as stated in the Contribution Agreement;
- Checked compliance with accounting regulations in force concerning the valuation of contributions;
- Checked that the market value of the Contribution as a whole is at least equal to the total value of the contribution proposed in the Contribution Agreement;
- Checked, up to the date of writing this report, that there are no circumstances or events that could call into question the total value of the Contribution.

Our main procedures consisted of:

- Familiarising ourselves with the background and aims of the Contribution;
- Talking to representatives of ELIOR and DERICHEBOURG to familiarise ourselves with the proposed Transaction and its background, as well as to analyse the planned accounting, financial and legal arrangements;
- Reviewing the Contribution Agreement and its appendices dated 3 March 2023;

- Reviewing legal and financial documentation in connection with the acquisition of DMS by ELIOR, including the Memorandum of Understanding and its appendices, the draft Governance Agreement and the Draft Exemption Document;
- Familiarising ourselves with the process leading to the Transaction;
- Reviewing legal documentation relating to DMS;
- Reviewing DMS's annual and combined financial statements for the period ended 30 September 2022 and the associated summary notes for the period ended 30 September 2022 prepared within the context of the Transaction, about which the statutory auditors ERNST & YOUNG AUDIT did not express any reservations during their certification process;
- Familiarising ourselves with any movements in DMS's share capital prior to the proposed Transaction;
- Talking to executives and representatives of DMS and ELIOR;
- Analysing and reviewing with ELIOR's financial advisor (Morgan Stanley) the information used to value DMS provided in the Draft Exemption Document, as well as the valuation report forming the basis of this analysis;
- Familiarising ourselves with the due diligence reports (accounting, financial, tax, legal, strategy, etc.) compiled within the framework of the Transaction relating to DMS;
- Checking the valuation of the Contribution, reviewing and assessing the valuation methods used and implementing similar or alternative methods to ensure a multicriteria approach including the most relevant criteria;
- Reviewing DMS's business plan for the period from 2023 to 2026 and reviewing with management the fundamentals of its business and growth and profitability outlook, particularly in view of the development of the market;
- Reviewing the extrapolation in 2027 done by the financial advisors appointed by ELIOR and discussing the appropriateness of the assumptions made with these financial advisors and ELIOR's management team;
- Analysing the sensitivity of the value of the Contribution on the basis of criteria deemed to be relevant;
- Obtaining a letter of representation from representatives of DERICHEBOURG and ELIOR confirming the significant information used within the framework of our assignment.

We also used the work down in our capacity as contribution appraisers tasked with assessment the amount of consideration for the Contribution.

2.2 Assessment of the method used to value the Contribution and its compliance with accounting regulations

Under the terms of Section 3 the Contribution Agreement, the parties have agreed to use the market value of the shares being transferred as the Contribution value.

The Contribution concerns equity investments representing control for the Transferee, within the meaning of Article 710-2 of ANC Regulation 2014-03 relating to the general plan of accounts (*Plan Comptable Général*). It is therefore similar to a partial contribution of assets constituting a business segment and is subject to the provision of Title VII of this regulation.

As it is a transfer between companies under separate control and taking place on location, it must be at market value in accordance with ANC regulation 2014-03 of 5 June 2014 relating to the general plan of accounts, as amended by regulations 2017-01 of 5 May 2017 and 2019-06 of 8 November 2019.

We have no comments to make on the choice of valuation method in the Contribution Agreement, which complies with the aforementioned regulation.

2.3 Substance of the Contribution

As part of our work, we ensured that the shares being transferred were free of any pledges.

We made sure of the ownership of the shares by checking DMS's share transfer register and shareholders' accounts naming the Transferor as holder of the shares.

We also noted that the statutory auditors did not express any reservations in their audit of DMS' individual and combined financial statements for the period ended 30 September 2022.

Furthermore, we obtained confirmation in the form of a letter of representation that there are no restrictions on transferring the shares.

Finally, we note that the conditions precedent for the Contribution relate primarily to DERICHEBOURG obtaining (i) the required merger control authorisations and (ii) exemption from the AMF from the requirement to submit a public takeover bid for the ELIOR shares, which should be final and irrevocable, as the Transaction will result in DERICHEBOURG exceeding the thresholds of 30% of ELIOR's share capital and voting rights.

2.4 Assessment of the value of the Contribution

2.4.1 Valuation methods used by the parties

The value of the shares being transferred is based on negotiations between the parties, supported by the application of a multicriteria approach.

Valuation methods based on net book value and net asset value and the discounted dividend method were not used as they were not deemed appropriate to assess the value of the Contribution.

The methods used, as set out in appendix 3.1 (a) of the Contribution Agreement, are based on discounted cash flows (DCF), investment multiples and comparable transaction multiples, each allowed for an enterprise value to be calculated for DMS.

The valuations detailed in the Draft Exemption Document are provided below.

(i) Transition from enterprise value to equity value

To measure DMS's equity value on the basis of enterprise value, we took into account (i) DMS's external and intragroup net debt; (ii) changes in DMS's scope reflected primarily by generation of cash relating to these disposals; (iii) DMS's working capital, by adding any surplus working capital or subtracting any working capital deficit between the normative level of working capital as defined between the parties and actual working capital on the effective date of the transaction; and (iv) other debt-like or cash-like items of DMS.

The equity value of DMS also takes account of an adjustment relating to DMS's cash generation up to the date of the Contribution.

(ii) Discounted cash flow (DCF):

The financial assumptions made to value the DMS shares were based on the DMS business plan provided by DERICHEBOURG within the framework of negotiations about the planned Transaction, giving projections for a four-year period from 30 September 2022 to 30 September 2026.

This reference business plan provided by DERICHEBOURG was adjusted by ELIOR to take account in particular of the viewpoints and estimates of ELIOR's executive management.

This adjusted DMS business plan includes average annual revenue growth of 5.3% and average annual EBITDA growth of 7.5% over the period from 30 September 2022 to 30 September 2026.

DMS's discounted cash flow valuation is therefore based on the financial projections of the 2023-26 business plan extrapolated through to 2027. The terminal value was calculated on the basis of the most recent cash flow in the business plan.

On the basis of a range of weighted average cost of capital of 8.00% to 9.00%, a perpetual growth rate of 1.75% to 2.25% and the financial projections used, the discounted cash flow method gives an enterprise value of around €430 million to €530 million for DMS. DMS's equity value is therefore within a range of €433 million to €533 million.

(iii) Investment multiples:

The investment multiples method consists of applying the investment multiples of comparable listed companies (peers) to the estimated financial aggregates of the business being analysed to obtain its implicit enterprise value in order to determine its equity value.

International companies operating in the facility management sector were used to put together a peer sample. The multiple used within the framework of this method is the estimated post-IFRS 16 2023 median EBITDA multiple for the sample, of 8.5x.

On the basis of this post-IFRS 16 2023 median EBITDA multiple, this method gives an enterprise value range for DMS of around €420 million to €460 million. DMS's equity value is therefore within a range of €423 million to €463 million.

(iv) Comparable transaction multiples:

This method consists of applying average or median valuation multiples for a sample of recent transactions between companies with similar operating and financial characteristics to DMS.

An EBITDA multiples range of 10.9x to 11.9x was applied to pre-IFRS 16 EBITDA for the last 12 months to value DMS. This method gives an enterprise value range of around €430 million to €470 million. DMS's equity value is therefore within a range of €433 million to €473 million.

DMS's equity value of €453 million is within the valuation range obtained using the multicriteria approach, which does not take account of expected synergies from the merging of DMS and ELIOR's operations.

2.4.2 Assessment by the Contribution Appraisers of the approaches used by the parties

The Contribution value applied by the parties is the result of free negotiation between independent parties, with an ad hoc committee comprising mainly independent members created by ELIOR's Board of Directors tasked with monitoring the merger leading to the Transaction.

This contribution value was supported by the implementation of a multicriteria approach by the parties and their advisors.

We familiarised ourselves with the valuations done by the parties and their advisors.

We have the following comments to make concerning the valuation methods used by the parties, as described above:

- The parties and their advisors assessed the value of the Contribution on the basis of what we consider to be common and suitable criteria in view of the respective operations and characteristics of the companies concerned;
- We have no specific comments to make about the assumptions made within the framework of these approaches;
- However, we believe that the transaction multiples approach is not applicable in view of the availability of certain information relating to transactions and the limited number of recent transactions.

2.4.3 Valuation methods used by the Contribution Appraisers

The Contribution comprises all DMS shares making up the company's share capital, all fully paid up and giving the same rights to shareholders.

As a result, analysis of the individual value per share of the Contribution is similar to that of the total value of the Contribution.

For the purpose of assessing the total value of the Contribution, we used a multicriteria valuation approach, excluding certain methods that were deemed irrelevant.

2.4.3.1 Methods not used

- (i) Net book value and net asset value:

The net asset value method, which consists of valuing a company on the basis of the carrying value of its assets or the book value adjusted for unrealised capital gains and losses not reflected in the balance sheet, only partly reflects the company's future outlook and therefore does not seem relevant in the context of valuing DMS.

- (ii) Discounted dividends:

The discounted dividend method, which consists of valuing a company by discounting its future dividends, relates to the dividend payout policy and potential financing constraints and also does not seem relevant in the context of valuing DMS.

- (iii) Comparable transaction multiples:

We sought to use an approach based on multiples observed in transactions concerning the share capital of companies comparable to DMS. We identified a certain number of such transactions. However, in view of the lack of data from official sources, the limited number of recent transactions and the impossibility of restating these figures reliably for IFRS 16, we did not use this approach.

2.4.3.2 Discounted cash flow (DCF):

The discounted cash flow (DCF) method consists of determining a company's enterprise value on the basis of discounted cash flows. The value obtained using this method is closely correlated to the assumptions made in the business plan used for the valuation.

2.4.3.2.1 Assumptions made for the business plan

We received the DMS business plan provided by DERICHEBOURG within the framework of negotiations about the Contribution, giving projections for a four-year period from 30 September 2022 to 30 September 2026.

This business plan provided by DERICHEBOURG was adjusted by ELIOR to take account in particular of the viewpoints and estimates of ELIOR's executive management. By way of caution, within the framework of assessing the value of the Contribution, our work also took account of these adjustments to DMS's business plan.

2.4.3.2.2 Assessment of the main valuation assumptions

In line with the procedures we are required to carry out, we conducted a review of the main assumptions used to estimate future cash flows and performed our own valuation.

Discount rate and perpetual growth rate:

The weighted average cost of capital used to discount DMS's future cash flows takes account of a risk-free rate corresponding to the six-month average OAT TEC 10 rate to 31 January 2023, an equity market risk premium and unlevered beta for identified peers.

For perpetual growth, we used a rate consistent with long-term inflation assumptions for France.

Net debt:

DMS's adjusted net debt was determined on the basis of the company's combined financial statements for the period ended 30 September 2022.

DMS's transition from enterprise value to equity value as at 30 September 2022 was determined on the basis in particular of adjustments to the scope, comprising primarily the impacts of the planned carve-outs prior to the Contribution, WCR adjustments, non-recurring provisions before deferred tax assets and miscellaneous carve-out costs estimated by the parties.

Summary:

On this basis, given the debt position as at 30 September 2022, the value of the Contribution is at the lower end of the valuation range of the DMS range according to our analysis.

2.4.3.3 Analogical method based on peer multiples

The peer comparison method consists of determining a company's value by applying multiples observed in a sample of listed companies in the same business sector to aggregates deemed relevant for the company to be valued.

Use of this approach assumes being able to have a sample of comparable companies in terms of geographical presence, operating characteristics, size and profitability.

As it is a pure play service company operating primarily in France, there are not many listed companies that are fully comparable to DMS in terms of business mix and geographical mix. The most comparable companies to DMS are not listed.

However, we used a sample of comparable companies presenting characteristics that we consider relevant in view of the comparable companies' size, EBITDA margin, regular coverage by analysts, available forward-looking data and sufficient free float and liquidity.

On the basis of a sample of companies whose comparability with DMS was considered relevant, the value of the Contribution falls within the valuation range for DMS shares obtained from our analysis, which supports this value.

3. Summary — Key points

The Contribution value of €453 million is the result of free negotiation between two independent parties.

The Contribution value determined by the parties falls within the range of values of the DMS shares obtained using our multicriteria approach, it being specified that:

- the value of the Contribution is at the lower end of the range of equity values obtained using the discounted cash flow (DCF) method, which we believe is the most suitable in view of DMS's specific characteristics;
- the Contribution value falls within our range of values obtained using the investment multiples analogical approach.

Our estimated values are based on a standalone approach that does not factor in any of the synergies anticipated by the parties.

We checked with DMS and ELIOR that there were no factors that would significantly call into question the data communicated to us and used in our work.

All in all, the values obtained from our valuations and analysis of sensitivity to certain parameters do not raise any questions about the value of the Contribution.

4. Conclusion

On the basis of our work and as of the date of this report, we believe that the value of the Contribution of €452,885,818.30 is not overstated and, therefore, is at least equal to the amount of the increase in the share capital of the Transferee, plus the contribution premium.

Paris, 3 March 2023

The Contribution Appraisers

ABERGEL & ASSOCIÉS

FINEXSI

Jean-Noël MUNOZ

Christophe LAMBERT

Statutory Auditors

Members of the Regional Company of Paris