May 19, 2022

ELIOR GROUP SA

Interim Financial Report

October 1, 2021 to March 31, 2022

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: €1,724,442.29
Registered in Nanterre under no. 408 168 003
Registered office: 9-11 allée de l'Arche - 92032 Paris La Défense, France

1. SIGNIFICANT EVENTS

Six months ended March 31, 2022

- **The Covid-19 crisis and inflation**

The fifth wave of the Covid-19 pandemic (caused by the "Omicron" variant), combined with inflationary effects, which have worsened with the war in Ukraine, impacted the performance of the Group's Business & Industry and Education sectors in the first half of fiscal 2021-2022, particularly in France. However, despite these factors, consolidated revenue rose 19.8% year on year to €2,239 million from €1,869 million.

- **Amendment to the government-backed loan**

In the first half of 2021-2022, the Group used the option provided by the French State to defer the first payment installment of its government-backed loan by one year. Consequently, on March 8, 2022, an amendment to the loan agreement was signed, providing for the first six-monthly installment to be deferred to October 1, 2023 and to amount to 12.5%, compared with the originally scheduled 10% due as from October 1, 2022.

- **Asset impairment**

Following impairment tests carried out due to the identification of impairment indicators, at March 31, 2022 the Group recognized impairment losses of €119 million for goodwill in France and Spain (see Note 15 in section 7 of this report, "Condensed Interim Consolidated Financial Statements") and €62 million for assets other than goodwill in the United States (see Note 12 in section 7 of this report, "Condensed Interim Consolidated Financial Statements").

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 ("STS") 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 applicable to 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 had a one-year term with a five-year extension option exercisable by Elior Group and was originally repayable in six-monthly installments of 10% as from October 1, 2022.

2. ANALYSIS OF THE GROUP'S BUSINESS AND CONSOLIDATED RESULTS

(in € millions)	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
Revenue	**2,239**	**1,869**
Purchase of raw materials and consumables	(704)	(578)
Personnel costs	(1,184)	(1,003)
Share-based compensation expense	(2)	-
Other operating expenses	(243)	(195)
Taxes other than on income	(42)	(36)
Depreciation, amortization and provisions for recurring operating items	(81)	(81)
Net amortization of intangible assets recognized on consolidation	(9)	(9)
Recurring operating profit/(loss) from continuing operations	**(26)**	**(33)**
Share of profit of equity-accounted investees	(1)	(1)
Recurring operating profit/(loss) from continuing operations including share of profit of equity-accounted investees	**(27)**	**(34)**
Non-recurring income and expenses, net	(181)	(3)
Operating profit/(loss) from continuing operations including share of profit of equity-accounted investees	**(208)**	**(37)**
Net financial expense	(21)	(20)
Profit/(loss) from continuing operations before income tax	**(229)**	**(57)**
Income tax	(46)	4
Net profit/(loss) for the period from continuing operations	**(275)**	**(53)**
Net profit/(loss) for the period from discontinued operations	**-**	**(3)**
Net profit/(loss) for the period	**(275)**	**(56)**
Attributable to:		
Owners of the parent	*(266)*	*(53)*
Non-controlling interests	*(9)*	*(3)*
Earnings/(loss) per share (in €)		
Earnings/(loss) per share – continuing operations		
Basic	*(1.55)*	*(0.29)*
Diluted	*(1.55)*	*(0.29)*
Earnings/(loss) per share – discontinued operations		
Basic		*(0.02)*
Diluted		*(0.02)*
Total earnings/(loss) per share		
Basic	*(1.55)*	*(0.31)*
Diluted	*(1.55)*	*(0.31)*

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:

- 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

Revenues from continuing operations came to €2,239 million in the first half of fiscal 2021-2022, compared with €1,869 million a year earlier. The 19.8% year-on-year increase reflects 18% organic growth, a 2.3% positive exchange rate impact, and a 0.5% negative scope impact.

Revenues on a comparable basis rose 16.8%, a clear rebound compared with the 18.0% decline a year earlier.

Furthermore, business development helped boost revenues by 9.9%, a vast improvement over the 4.4% boost a year ago.

Lastly, contract losses lowered revenues by 8.7%. The retention rate came to 91.3% at March 31, 2022, stable relative to December 31, 2021.

International operations represented 56% of revenues in the first half ended March 31, 2022, compared with 52% a year earlier.

Revenue by geographic segment

(in € millions)	6 months 2021-2022	6 months 2020-2021	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	985	890	10.7%	-	-	10.7%
International	1,248	979	24.1%	(0.9)%	4.3%	27.5%
Contract Catering & Services	2,233	1,869	17.7%	(0.5)%	2.3%	19.5%
Corporate & Other	6	-	NM	-	-	NM
GROUP TOTAL	2,239	1,869	18.0%	(0.5)%	2.3%	19.8%

Revenues in **France** came to €985 million, an organic improvement of 10.7% compared with the previous year. Despite increased use of remote work during the Omicron wave, the rebound was particularly pronounced in the Business & Industry market and was more moderate in the Health & Welfare market owing to a less favorable comparison base. The Education market declined because of the particularly strict health protocols implemented by public authorities to combat the spread of the Omicron variant.

International sales rose 27.5% to €1,248 million. The growth rate breaks down into 24.1% organic growth, a positive currency impact of 4.3%, and a negative scope effect of 0.9%. All regions where Elior operates contributed to the rebound. The UK saw the strongest life-for-like growth as it was relatively unaffected by Omicron compared with strict lockdowns in place throughout the first half of 2020-21, other than the year-end holiday season.

Revenues generated by the **Corporate & Other** segment, which includes the remaining concession activities not sold with Areas, were close to €6 million in H1 2021-2022, compared with virtually zero contribution a year ago.

Revenue by market

(in € millions)	6 months 2021-2022	6 months 2020-2021	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
Business & Industry	858	618	38.2%	(1.4)%	2.0%	38.8%
Education	794	679	14.4%	-	2.5%	16.9%
Health & Welfare	587	572	0.6%	-	2.0%	2.6%
GROUP TOTAL	**2,239**	**1,869**	18.0%	(0.5)%	2.3%	19.8%

The **Business & Industry** market generated sales of €858 million, a 38.8% year-on-year increase, including like-for-like growth of 38.2%. Second-quarter revenues were equivalent to 74% of revenues for the same period in 2018-2019 (pre-Covid-19), down only slightly from 75% in the first quarter, reflecting the Omicron impact.

Education market revenues grew by 16.9% compared with H1 2020-2021 to €794 million, a like-for-like increase of 14.4%. Second-quarter revenues were equivalent to 101% of revenues for the same period in 2018-2019 (pre-Covid-19), a clear improvement over 92% in the first quarter. All geographic regions contributed to the rebound except for France, which was hit particularly hard by the health protocols public authorities implemented in schools.

The **Health & Welfare** market generated €587 million in revenue, a 2.6% reported increase and a 0.6% like-for-like increase compared with the first half of 2020-2021. Second-quarter revenues were equivalent to 94% of revenues for the same period in 2018-2019 (pre-Covid-19), up slightly from 93% in the first quarter.

PURCHASE OF RAW MATERIALS AND CONSUMABLES – CONTINUING OPERATIONS

This item increased by €126 million, or 21.8%, from €578 million for the six months ended March 31, 2021 to €704 million for the first half of 2021-2022, reflecting the year-on-year rise in consolidated revenue.

“Purchases of raw materials and consumables” was also up year on year as a percentage of revenue, rising from 31.0% to 31.5%, due to inflationary effects on raw materials costs.

PERSONNEL COSTS – CONTINUING OPERATIONS

Personnel costs for continuing operations increased by €183 million, from €1,003 million for the six months ended March 31, 2021 to €1,186 million for the first half of 2021-2022. As a percentage of revenue they represented 53.7% versus 53.0%.

Excluding share-based compensation expense, personnel costs were €181 million higher in first-half 2021-2022, at €1,184 million versus €1,003 million in the equivalent period of 2020-2021. This year-on-year increase was primarily due to the rise in consolidated revenue.

The share-based compensation included in personnel costs relates to long-term compensation plans put in place in the Group's French and international subsidiaries. A €2 million expense was recognized for share-based compensation in the six months ended March 31, 2022, versus a nil amount for the first half of 2020-2021.

OTHER OPERATING EXPENSES – CONTINUING OPERATIONS

Other operating expenses for continuing operations rose by €48 million, from €195 million for the six months ended March 31, 2021 to €243 million for the first half of 2021-2022. This year-on-year increase reflects the rise in consolidated revenue in first-half 2021-2022.

TAXES OTHER THAN ON INCOME – CONTINUING OPERATIONS

This item rose by €6 million, from €36 million for the six months ended March 31, 2021 to €42 million for the first half of 2021-2022, due to the year-on-year increase in consolidated revenue.

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

At €81 million, depreciation, amortization and provisions for recurring operating items for the six months ended March 31, 2022 was the same as for the six months ended March 31 2021. This year-on-year stability mainly stemmed from capital expenditure levels that were in line with the Group's business activity for the two periods.

ADJUSTED EBITA FOR CONTINUING OPERATIONS INCLUDING SHARE OF PROFIT OF EQUITY-ACCOUNTED INVESTEES

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	
	2022	2021		2022	2021
France	(11)	(4)	*(7)*	*(1.1)%*	*(0.4)%*
International	5	(12)	*(17)*	*0.4 %*	*(1.2)%*
Contract Catering & Services	**(6)**	**(16)**	***+ 10***	**(0.3)%**	**(0.8)%**
Corporate & Other	**(10)**	**(9)**	**(1)**	**-**	**-**
GROUP TOTAL	**(16)**	**(25)**	**+ 9**	**(0.7)%**	**(1.3)%**

Consolidated adjusted EBITA from continuing operations for first half 2021-2022 was a loss of €16 million compared with a loss of €25 million a year earlier. Adjusted EBITA margin was -0.7% compared with -1.3% in first half 2020-2021. Rising inflationary pressures meant the rebound in business did not flow through to an equivalent rebound in operating margin.

In **France**, adjusted EBITA was a loss of €11 million, compared with a loss of €4 million a year earlier, reflecting the impact of both inflation and strict health protocols, particularly in the Education market, where operations were severely disrupted by class closures and unanticipated absences. Adjusted EBITA margin was -1.1% compared with -0.4% in first half 2020-2021.

In the **International** segment, adjusted EBITA was a profit of €5 million compared with a loss of €12 million in first half 2020-2021. Adjusted EBITA margin was +0.4% compared with -1.2% in first half 2020-2021. Preferred Meals incurred a loss of €21 million in the first half. Margins recovered in all the countries where Elior operates, except the United States, with a particularly notable rebound in the United Kingdom.

In the **Corporate & Other** segment, adjusted EBITA was a loss of €10 million compared with a loss of €9 million in first half 2020-2021. This includes a loss of nearly €1 million from the remaining concession catering activities that were not sold with Areas.

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

This item represented a €27 million loss in the six months ended March 31, 2022, narrowing from a €34 million loss in the first six months of 2020-2021. The first-half 2021-2022 figure includes €9 million in amortization of intangible assets related to acquisitions, unchanged from the first half of 2020-2021.

NON-RECURRING INCOME AND EXPENSES, NET – CONTINUING OPERATIONS

For the six months ended March 31, 2022 non-recurring income and expenses represented a net expense of €181 million, versus a €3 million net expense for the same period of 2020-2021. The first-half 2021-2022 net expense mainly includes (i) goodwill impairment losses amounting to €59 million in France (concerning the Elior Entreprises, Elior Enseignement et Santé) and €60 million in Spain (see Note 15 in section 7, "Condensed Interim Consolidated Financial Statements"), and (ii) €62 million in impairment losses recognized against assets other than goodwill in the United States, relating to Preferred Meals which has been undergoing a strategic review and for which impairment indicators were identified at March 31, 2022.

NET FINANCIAL EXPENSE – CONTINUING OPERATIONS

Net financial expense for continuing operations amounted to €21 million in first-half 2021-2022 compared with €20 million for the six months ended March 31, 2021.

INCOME TAX – CONTINUING OPERATIONS

Income tax expense, excluding the French CVAE tax on value added generated by the business, is recognized on the basis of Management's estimate of the recoverability of deferred tax assets based on the strategic plan drawn up by the Group.

Income tax expense for the Group's continuing operations rose by €50 million, from a €4 million tax benefit for the six months ended March 31, 2021 to a €46 million expense for the six months ended March 31, 2022. This year-on-year change was primarily attributable to the non-recognition of tax losses generated during the period and a downward revision of deferred tax assets in France, Spain and the United States in line with the revision of the Group's five-year business plans.

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

The Group did not recognize any profit or loss from discontinued operations in first-half 2021-2022 whereas it recorded a net loss of €3 million in the six months ended March 31, 2021.

The first-half 2020-2021 figure chiefly stemmed from the Group's remaining Concession Catering activities in France that were not included in the sale of Areas.

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

In view of the factors described above, the Group ended the first half of 2021-2022 with a €266 million net loss for the period attributable to owners of the parent, versus an attributable net loss of €53 million in first-half 2020-2021.

Loss per share – calculated based on the weighted average number of Elior Group shares outstanding during the period – amounted to €1.55 compared with €0.31 for first-half 2020-2021.

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,	
	2022	2021
Net profit/(loss) for the period attributable to owners of the parent – continuing operations	**(266)**	**(50)**
Adjustments		
Non-recurring income and expenses, net	62	3
Goodwill impairment losses	119	-
Net amortization of intangible assets recognized on consolidation	9	9
Tax effect on the above adjustments	(20)	(3)
Adjusted attributable net profit/(loss) for the period	**(96)**	**(41)**
Adjusted earnings/(loss) per share (in €)	(0.55)	(0.24)

3. CONSOLIDATED CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

The following table provides a summary of the Group's cash flows for the six-month periods ended March 31, 2022 and 2021.

(in € millions)	Six months ended March 31, 2022	Six months ended March 31, 2021
Net cash from/(used in) operating activities – continuing operations	(49)	42
Net cash used in investing activities – continuing operations	(40)	(30)
Net cash from/(used in) financing activities – continuing operations	30	(16)
Effects of exchange rate changes	(1)	(2)
Increase/(decrease) in net cash and cash equivalents – continuing operations	**(60)**	**(6)**
Increase/(decrease) in net cash and cash equivalents – discontinued operations	(1)	(4)
Total increase/(decrease) in net cash and cash equivalents	**(61)**	**(10)**

CASH FLOWS FROM OPERATING ACTIVITIES – CONTINUING OPERATIONS

Operating activities for the Group's continuing operations generated a net cash outflow of €49 million in the six months ended March 31, 2022 compared with a €42 million net inflow for the same period of 2020-2021.

Change in operating working capital. This item represented a €69 million net cash outflow in first-half 2021-2022 versus a €12 million net inflow for the comparable prior-year period. This negative swing primarily reflects (i) higher trade receivables arising from the increase in consolidated revenue in first-half 2021-2022, and (ii) payments of tax and social security contributions that had been deferred under Covid-related tax holidays.

Interest and other financial expenses paid. The amount of interest paid rose to €23 million in first-half 2021-2022 from €18 million in the first six months of 2020-2021, reflecting the increase in the Group's average consolidated debt.

Tax received/(paid). This item 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.

It represented net cash inflows of €1 million and €2 million in the six months ended March 31, 2022 and 2021 respectively.

Non-recurring income and expenses impacting cash. These cash flows primarily comprise cash outflows related to expenses recorded under the "Non-recurring income and expenses, net" line in the consolidated income statement, which include restructuring costs.

For the six-month periods ended March 31, 2022 and 2021, non-recurring expenses impacting cash amounted to €26 million and €13 million respectively.

CASH FLOWS FROM INVESTING ACTIVITIES – CONTINUING OPERATIONS

Cash flows from investing activities for continuing operations represented net cash outflows of €40 million in the six months ended March 31, 2022 and €30 million in the same period of 2020-2021.

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 €33 million to €29 million.

Capital expenditure for Contract Catering & Services amounted to €27 million for first-half 2020-2021 and

€32 million for first-half 2021-2022, representing 1.4% of revenue for both six-month periods. The year-on-year increase in absolute value terms was due to the Group's higher revenue for the six months ended March 31, 2022, and the stability as a percentage of revenue reflects the strict capex discipline that the Group has exercised since the Covid crisis.

Purchases of and proceeds from sale of non-current financial assets. This item represented net cash outflows of €6 million and €1 million in the first six months of 2022 and 2021 respectively, and chiefly concerned guarantee deposits paid.

Acquisition/sale of shares in consolidated companies. For the six months ended March 31, 2022, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €1 million, and primarily related to additional purchase consideration payable for acquisitions in France and the UK. In the first half of 2020-2021, this item represented a nil amount.

CASH FLOWS FROM FINANCING ACTIVITIES – CONTINUING OPERATIONS

Cash flows from financing activities represented net cash inflows of €30 million and in the first six months of 2021-2022 and a net cash outflow of €16 million in 2020-2021.

Purchases of own shares. No cash outflows were recorded for purchases of own shares in either of the six-month periods under review.

Proceeds from borrowings. Consolidated cash inflows from proceeds from borrowings totaled €63 million and €231 million in the six-month periods ended March 31, 2022 and 2021 respectively.

For the six months ended March 31, 2022, these proceeds chiefly corresponded to (i) a €30 million drawdown on the revolving credit facility, and (ii) €33 million from new securitized receivables.

For the six months ended March 31, 2021, they mainly comprised (i) the €225 million government-backed loan, and (ii) €6 million from new securitized receivables.

Repayments of borrowings. No cash outflows were recorded for repayments of borrowings in the first half of 2021-2022, whereas a €215 million net outflow was recorded in the same period of 2020-2021 (mainly comprising €200 million in repayments of euro-denominated revolving credit facilities and a €14 million decrease in securitized receivables).

Repayments of lease liabilities (IFRS 16). Repayments of lease liabilities led to cash outflows of €33 million and €32 million in the six months ended March 31, 2022 and 2021 respectively.

Effects of exchange rate changes. In the six months ended March 31, 2022, fluctuations in exchange rates and other changes had an overall €1 million net negative cash impact, versus a €2 million negative impact in first-half 2020-2021.

Increase/(decrease) in net cash and cash equivalents – discontinued operations. This item represented net cash outflows of €1 million and €4 million in first-half 2021-2022 and first-half 2020-2021 respectively.

FREE CASH FLOW

(in € millions)	Six months ended March 31, 2022	Six months ended March 31, 2021
EBITDA	**64**	**57**
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(33)	(29)
Change in operating working capital	(69)	12
Other cash flows from operating activities	(22)	(11)
Operating free cash flow	**(60)**	**29**
Tax received/(paid)	1	2
Free cash flow	**(59)**	**31**

Operating free cash flow corresponded to a €60 million net outflow for the six months ended March 31, 2022, versus a €29 million net inflow for the comparable prior-year period. This negative swing was mainly attributable to an €81 million unfavorable year-on-year difference in "Change in operating working capital", including the effect of payments of tax and social security contributions that had been deferred under Covid-related tax holidays.

4. SIMPLIFIED CONSOLIDATED BALANCE SHEET

(in € millions)	At March 31, 2022	At Sept. 30, 2021
Non-current assets	2,425	2,655
Current assets excluding cash and cash equivalents	867	788
Assets classified as held for sale	6	13
Cash and cash equivalents	38	80
Total assets	**3,336**	**3,536**

(in € millions)	At March 31, 2022	At Sept. 30, 2021
Equity	825	1,059
Non-controlling interests	(15)	(8)
Non-current liabilities	1,262	1,223
Current liabilities	1,258	1,245
Liabilities classified as held for sale	6	17
Total equity and liabilities	**3,336**	**3,536**
Net operating working capital requirement	(231)	(302)
Net debt	1,208	1,094
Net debt as defined in the SFA	1,220	1,108
SFA leverage ratio (net debt as defined in the SFA/adjusted EBITA)	N/A	N/A

The Group's net debt totaled €1,208 million at March 31, 2022, against €1,094 million at September 30, 2021. The March 31, 2022 figure mainly comprises (i) €550 million in senior bond debt, (ii) the €225 million government-backed loan, (iii) a €100 million senior bank loan, (iv) €76 million in financing from trade receivables securitized by French, Italian and Spanish subsidiaries, (v) €235 million in lease liabilities and (vi) €40 million in other borrowings, primarily including €36 million in bank overdrafts.

The average interest rate in the first half of 2021-2022 – including the lending margin – on the Group's debt related to its high yield bonds, the SFA, and securitized trade receivables (which represent the majority of its total debt) was 3.11% after taking into account the impact of interest rate hedges (2.18% in first-half 2020-2021).

Cash and cash equivalents recognized in the balance sheet amounted to €38 million at March 31, 2022. At the same date, net cash and cash equivalents presented in the cash flow statement, i.e. net of bank overdrafts, totaled €2 million.

At March 31, 2022, consolidated net debt as defined in the SFA, i.e. including IFRS 16 lease liabilities, stood at €1,220 million, versus €1,108 million at September 30, 2021.

The leverage ratios for the six months ended March 31, 2021 and for fiscal 2020-2021 are not applicable due to the covenant holiday obtained by the Group. The next leverage ratio test will be carried out at March 31, 2023.

5. EVENTS AFTER THE REPORTING DATE

On May 12, 2022, the Group decided to voluntarily exit "Preferred Meals", the fresh and frozen prepared snacks and meals production and distribution activity in the United States of America, which it acquired in 2016.

On May 13, 2022, the Group obtained from its banks a covenant holiday from September 30, 2022 to March 31, 2023, which is now the date of the next covenant test.

6. MAIN DISCLOSURE THRESHOLDS CROSSED DURING THE SIX MONTHS ENDED MARCH 31, 2022 AND UP UNTIL MAY 16, 2022

- Crédit Agricole disclosed that on October 19, 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 7.23% of the Company's total shares and voting rights.
- FMR LLC disclosed that on November 12, 2021 it had reduced its interest to below the threshold of 10% of the Company's capital and voting rights and that at that date it held 9.99% of the Company's total shares and voting rights.
- BDL Capital Management disclosed that on November 25, 2021, it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.91% of the Company's total shares and voting rights.
- Schroders disclosed that on January 21, 2022 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 1.029% of the Company's total shares and voting rights.
- Crédit Agricole disclosed that on January 21, 2022 it had reduced its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 0.01% of the Company's total shares and voting rights.
- Abu Dhabi Investment Authority (“ADIA”) disclosed that on January 27, 2022 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 1.015% of the Company's total shares and voting rights.
- Wellington Management Group LLP disclosed that on January 27, 2022 it had reduced its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 4.99% of the Company's total shares and voting rights.
- Millenium disclosed that on February 3, 2022 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 1.191% of the Company's total shares and voting rights.
- BlackRock disclosed that on March 1, 2022 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.
- Millenium disclosed that on March 1, 2022 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 2.040% of the Company's total shares and voting rights.
- Point 72 disclosed that on March 2, 2022 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 1.032% of the Company's total shares and voting rights.
- Fidelity Management & Research Company LLC disclosed that on March 15, 2022 it had reduced its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 4.89% of the Company's total shares and voting rights.
- BlackRock disclosed that (i) on March 17, 2022 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 2.11% of the Company's total shares and voting rights, and (ii) on March 18, 2022 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 1.98% of the Company's total shares and voting rights.
- Millenium disclosed that on March 18, 2022 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 1.926% of the Company's total shares and voting rights.
- Point 72 disclosed that on March 24, 2022 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 0.877% of the Company's total shares and voting rights.
- Investco Ltd. disclosed that on March 25, 2022 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 0.05% of the Company's total shares and voting rights.
- FMR LLC disclosed that on March 28, 2022 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 6.01% of the Company's total shares and voting rights.

- BlackRock disclosed that on March 29, 2022 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.
- Wellington Management Group LLP disclosed that on March 29, 2022 it had reduced its interest to below the threshold of 4% of the Company's capital and voting rights and that at that date it held 3.75% of the Company's total shares and voting rights.
- ADIA disclosed that on March 29, 2022 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 0.9772% of the Company's total shares and voting rights.
- BlackRock disclosed that on March 30, 2022 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 1.85% of the Company's total shares and voting rights.
- Millenium disclosed that on April 1, 2022 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 1.988% of the Company's total shares and voting rights.
- Wellington Management Group LLP disclosed that (i) on April 6, 2022 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 2.92% of the Company's total shares and voting rights, and (ii) on April 13, 2022 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.
- Millenium disclosed that on April 13, 2022 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 0.824% of the Company's total shares and voting rights.
- Wellington Management Group LLP disclosed that on April 19, 2022 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 0.70% of the Company's total shares and voting rights.
- Derichebourg SA disclosed that (i) on April 19, 2022 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights, (ii) on April 22, 2022 it had raised its interest to above the thresholds of 2% and 3% of the Company's capital and voting rights, and (iii) on April 27, 2022 it had raised its interest to above the threshold of 4% of the Company's capital and voting rights and that it held 4.93% of the Company's total shares and voting rights on April 29, 2022.
- FMR LLC disclosed that on April 28, 2022 it had reduced its interest to below the threshold of 6% of the Company's capital and voting rights and that at that date it held 5.98% of the Company's total shares and voting rights.

Elior Group SA

Condensed Interim Consolidated Financial Statements

For the Six-Month Periods Ended March 31, 2022 and March 31, 2021

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: €1,724,442.29
Registered in Nanterre under no. 408 168 003
Registered office: 9-11, Allée de l'Arche - 92032 Paris La Défense - France

1. Consolidated Income Statement and Statement of Comprehensive Income

1.1 Consolidated Income Statement

(in € millions)	Note	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
Revenue	**11.1**	**2,239**	**1,869**
Purchase of raw materials and consumables		(704)	(578)
Personnel costs		(1,184)	(1,003)
Share-based compensation expense		(2)	-
Other operating expenses		(243)	(195)
Taxes other than on income		(42)	(36)
Depreciation, amortization and provisions for recurring operating items		(81)	(81)
Net amortization of intangible assets recognized on consolidation		(9)	(9)
Recurring operating profit/(loss) from continuing operations		**(26)**	**(33)**
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**	**(27)**	**(34)**
Non-recurring income and expenses, net	12	(181)	(3)
Operating profit/(loss) from continuing operations including share of profit of equity-accounted investees		**(208)**	**(37)**
Financial expenses	19.2	(26)	(26)
Financial income	19.2	5	6
Profit/(loss) from continuing operations before income tax		**(229)**	**(57)**
Income tax	13	(46)	4
Net profit/(loss) for the period from continuing operations		**(275)**	**(53)**
Net profit/(loss) for the period from discontinued operations	**22**	**-**	**(3)**
Net profit/(loss) for the period		**(275)**	**(56)**
Attributable to:			
Owners of the parent		**(266)**	**(53)**
Non-controlling interests		**(9)**	**(3)**

(in €)	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
Earnings/(loss) per share		
Earnings/(loss) per share – continuing operations		
Basic	(1.55)	(0.29)
Diluted	(1.55)	(0.29)
Earnings/(loss) per share – discontinued operations		
Basic	-	(0.02)
Diluted	-	(0.02)
Total earnings/(loss) per share		
Basic	(1.55)	(0.31)
Diluted	(1.55)	(0.31)

1.2 Consolidated Statement of Comprehensive Income

(in € millions)	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
Net profit/(loss) for the period	**(275)**	**(56)**
Items that will not be reclassified subsequently to profit or loss		
Post-employment benefit obligations	11	5
Related income tax	(3)	(2)
Total	**8**	**3**
Items that may be reclassified subsequently to profit or loss		
Financial instruments	-	-
Currency translation adjustments	16	(4)
Related income tax	-	-
Total	**16**	**(4)**
Comprehensive income/(expense) for the period	**(251)**	**(57)**
Attributable to:		
- Owners of the parent	(242)	(54)
- Non-controlling interests	(9)	(3)
Comprehensive income/(expense) for the period attributable to owners of the parent	**(242)**	**(54)**
Relating to:		
- Continuing operations	(242)	(51)
- Discontinued operations	-	(3)

2. Consolidated Balance Sheet

2.1 Assets

(in € millions)	Note	At March 31, 2022 Unaudited	At September 30, 2021
Goodwill	15	1,627	1,731
Intangible assets	16	154	197
Property, plant and equipment	17	262	278
Right-of-use assets	18	218	240
Other non-current assets		2	4
Non-current financial assets		122	119
Equity-accounted investees		-	-
Fair value of derivative financial instruments (*)		1	-
Deferred tax assets		39	86
Total non-current assets		**2,425**	**2,655**
Inventories		103	96
Trade and other receivables		705	632
Contract assets		-	-
Current income tax assets		-	9
Other current assets		59	51
Cash and cash equivalents (*)		38	80
Assets classified as held for sale	22	6	13
Total current assets		**911**	**881**
Total assets		**3,336**	**3,536**

(*) Included in the calculation of net debt

2.2 Equity and Liabilities

(in € millions)	Note	At March 31, 2022 Unaudited	At September 30, 2021
Share capital		2	2
Reserves and retained earnings		837	1,068
Translation reserve		(14)	(11)
Equity attributable to owners of the parent		**825**	**1,059**
Non-controlling interests		(15)	(8)
Total equity	**4**	**810**	**1,051**
Long-term debt (*)	19	970	905
Long-term lease liabilities (*)	19	177	188
Fair value of derivative financial instruments (*)		1	-
Deferred tax liabilities		1	-
Provisions for pension and other post-employment benefit obligations	20	74	89
Other long-term provisions	20	27	24
Other non-current liabilities		12	17
Total non-current liabilities		**1,262**	**1,223**
Trade and other payables		560	521
Due to suppliers of non-current assets		9	10
Accrued taxes and payroll costs		469	484
Current income tax liabilities		2	2
Short-term debt (*)	19	40	22
Short-term lease liabilities (*)	19	58	58
Short-term provisions	20	54	77
Contract liabilities		46	49
Other current liabilities		20	22
Liabilities classified as held for sale	22	6	17
Total current liabilities		**1,264**	**1,262**
Total liabilities		**2,526**	**2,485**
Total equity and liabilities		**3,336**	**3,536**
Net debt		1,208	1,094
Net debt excluding fair value of derivative financial instruments and debt issuance costs		1,220	1,108

(*) Included in the calculation of net debt

3. Consolidated Cash Flow Statement

(in € millions)	Note	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
Cash flows from operating activities – continuing operations			
Recurring operating profit/(loss) including share of profit of equity-accounted investees		(28)	(34)
Amortization and depreciation (1)		106	93
Provisions		(14)	(2)
EBITDA		**64**	**57**
Dividends received from equity-accounted investees		-	-
Share of profit of equity-accounted investees		1	1
Change in operating working capital		(69)	12
Non-recurring income and expenses impacting cash		(26)	(13)
Interest and other financial expenses paid		(23)	(18)
Tax received/(paid)		1	2
Other non-cash movements		3	1
Net cash from/(used in) operating activities – continuing operations		**(49)**	**42**
Cash flows from investing activities – continuing operations			
Purchases of property, plant and equipment and intangible assets	16	(35)	(32)
Proceeds from sale of property, plant and equipment and intangible assets	17	2	3
Purchases of financial assets		(6)	(1)
Proceeds from sale of financial assets		-	-
Acquisitions of shares in consolidated companies, net of cash acquired		(1)	-
Other cash flows from investing activities		-	-
Net cash used in investing activities – continuing operations		**(40)**	**(30)**
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		-	-
Dividends paid to non-controlling interests		-	-
Proceeds from borrowings	19	63	231
Repayments of borrowings	19	-	(215)
Repayments of lease liabilities	19	(33)	(32)
Net cash from/(used in) financing activities – continuing operations		**30**	**(16)**
Effects of exchange rate changes		(1)	(2)
Increase/(decrease) in net cash and cash equivalents – continuing operations		**(60)**	**(6)**
Increase/(decrease) in net cash and cash equivalents – discontinued operations	**22**	**(1)**	**(4)**
Net cash and cash equivalents at beginning of period (2)		**63**	**40**
Net cash and cash equivalents at end of period (2)		**2**	**30**

(1) Including €1 million in amortization of advances on customer contracts in the six months ended March 31, 2022.

(2) Bank overdrafts 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 overdrafts – which amounted to €36 million at March 31, 2022 and €9 million at March 31, 2021, 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".

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 Sept. 30, 2020 (restated)	**174,125,268**	**2**	**1,665**	**(482)**	**(40)**	**1,145**	**(3)**	**1,142**
Net loss for the period				(100)		(100)	(6)	(106)
Post-employment benefit obligations			-			-		-
Changes in fair value of financial instruments			2			2		2
Currency translation adjustments					9	9	-	9
Comprehensive expense for the period			**2**	**(100)**	**9**	**(89)**	**(6)**	**(95)**
Appropriation of prior-period net loss			(482)	482		-		-
Capital reduction	(1,703,594)					-		-
Dividends paid						-		-
Share-based payments (IFRS 2)	22,555		3			3		3
Other movements			1			1		1
Balance at Sept. 30, 2021	**172,444,229**	**2**	**1,189**	**(100)**	**(31)**	**1,060**	**(9)**	**1,051**
Balance at Oct. 1, 2021	**172,444,229**	**2**	**1,189**	**(100)**	**(31)**	**1,060**	**(9)**	**1,051**
Net loss for the period				(266)		(266)	(9)	(275)
Post-employment benefit obligations			8			8		8
Changes in fair value of financial instruments			-			-		-
Currency translation adjustments					16	16	2	18
Comprehensive expense for the period			**8**	**(266)**	**16**	**(242)**	**(7)**	**(249)**
Appropriation of prior-period net loss			(100)	100		-		-
Capital reduction						-		-
Dividends paid						-		-
Share-based payments (IFRS 2)			3			3		3
Other movements			3		1	4	1	5
Balance at March 31, 2022	**172,444,229**	**2**	**1,103**	**(266)**	**(14)**	**825**	**(15)**	**810**

Notes to the IFRS Consolidated Financial Statements for the Six-Month Periods Ended March 31, 2022 and 2021

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, 2022, the Company was held by the following parties: 18.66% by BIM SAS (which is controlled by Robert Zolade), 5.42% by Corporacion Empresarial Emesa, 5.25% by Fonds Stratégique de Participations and 70.67% 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, 2022

- **The Covid-19 crisis and inflation**

The fifth wave of the Covid-19 pandemic (caused by the "Omicron" variant), combined with inflationary effects, which have worsened with the war in Ukraine, impacted the performance of the Group's Business & Industry and Education sectors in the first half of fiscal 2021-2022, particularly in France. However, despite these factors, consolidated revenue rose 19.8% year on year to €2,239 million from €1,869 million.

- **Amendment to the government-backed loan**

In the first half of 2021-2022, the Group used the option provided by the French State to defer the first payment installment of its government-backed loan by one year. Consequently, on March 8, 2022, an amendment to the loan agreement was signed, providing for the first six-monthly installment to be deferred to October 1, 2023 and to amount to 12.5%, compared with the originally scheduled 10% due as from October 1, 2022.

- **Asset impairment**

Following impairment tests carried out due to the identification of impairment indicators, at March 31, 2022 the Group recognized impairment losses of €119 million for goodwill in France and Spain (see Note 15) and €62 million for assets other than goodwill in the United States (see Note 12).

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 securitization and creating a specific framework for simple, transparent and standardised ("STS") 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 applicable to 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 had a one-year term with a five-year extension option exercisable by Elior Group and was originally repayable in six-monthly installments of 10% as from October 1, 2022.

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, 2022 (first-half 2021-2022) 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, 2021, which were prepared in accordance with IFRS as adopted by 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, 2021, except for any new standards and interpretations which have been adopted by the European Union.

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

The unaudited condensed interim consolidated financial statements were approved for issue by Elior Group's Board of Directors on May 17, 2022.

7.2 Going Concern

In view of (i) the impacts of the fifth wave of the Covid-19 pandemic on Elior's business in the first six months of 2021-2022, (ii) the uncertainty related to the war in Ukraine (although Elior does not have any operations in the country), (iii) inflationary effects, and (iv) the Group's earnings, cash and equity, for the purposes of preparing these consolidated financial statements, Management assessed the Group's ability to continue as a going concern.

At March 31, 2022, the Group had €444 million in available liquidity, including an undrawn amount of €320 million under its revolving credit facility, and €86 million in other available credit facilities (see Note 19.1.2).

Taking into account the Group's cash position, available liquidity, debt structure, and revised 12-month cash flow projections, 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, 2022 have been prepared on a going concern basis.

7.3 New Standards, Amendments 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, 2021.

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 the Covid crisis and inflation

After taking into account the events of the first half of the fiscal year, the assumptions applied by the Group are as follows:

- A gradual return to pre-Covid business volumes as from 2024 or 2025 depending on the CGU concerned,
- An offset of the current strong inflation spread over 2022 – 2024 depending on the CGU concerned and the nature of the contracts.

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, 2022 and 2021, 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, 2022 and 2021 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, 2022 and 2021 were based on Paris stock exchange rates and were as follows:

	Six months ended March 31, 2022		Six months ended March 31, 2021	
	Period-end rate	Average rate	Period-end rate	Average rate
- €/US $:	1.1065	1.1327	1.1728	1.1990
- €/£:	0.8422	0.8424	0.8507	0.8884
- €/INR:	83.99	85.04	85.78	87.95

10. Business Combinations

Six months ended March 31, 2022

No significant acquisitions or divestments were carried out in the six months ended March 31, 2022.

Six months ended March 31, 2021

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

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 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 "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-month periods ended March 31, 2022 and 2021.

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

(in € millions) Six months ended March 31, 2022 Unaudited	Contract Catering & Services			Corporate & Other	Group total
	France	International	Total		
Revenue	**985**	**1,248**	**2,233**	**6**	**2,239**
Recurring operating profit/(loss) including share of profit of equity-accounted investees	**(11)**	**(4)**	**(15)**	**(12)**	**(27)**
Of which:					
Share-based compensation expense	-	-	**-**	2	**2**
Net amortization of intangible assets recognized on consolidation	-	9	**9**	-	**9**
Adjusted EBITA	**(11)**	**5**	**(6)**	**(10)**	**(16)**
Adjusted EBITA as a % of revenue	*(1)%*	*0%*	*(0)%*	*(162)%*	*(1)%*
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(31)	(42)	**(73)**	(8)	**(81)**
Non-current assets (1)	**1,205**	**989**	**2,194**	**67**	**2,261**

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

(in € millions) Six months ended March 31, 2021 Unaudited	Contract Catering & Services			Corporate & Other	Group total
	France	International	Total		
Revenue	**890**	**979**	**1,869**	-	**1,869**
Recurring operating profit/(loss) including share of profit of equity-accounted investees	(4)	(21)	**(25)**	(9)	**(34)**
Of which:					
Share-based compensation expense	-	-	-	-	-
Net amortization of intangible assets recognized on consolidation	-	9	**9**	-	**9**
Adjusted EBITA	**(4)**	**(12)**	**(16)**	**(9)**	**(25)**
Adjusted EBITA as a % of revenue	*(0)%*	*(1)%*	*(1)%*		*(1)%*
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.*

11.2 Revenue by Client Market

Seasonality of operations

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

The Contract Catering & Services business line generally records higher recurring operating profit – both in absolute value terms and as a percentage of revenue – in the first half of the fiscal year than in the second half, when its sales volumes are traditionally lower 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. The amount of trade receivables increases during the first half of the fiscal year as revenue invoiced to clients is at its peak during that period, and decreases during the second half.

- **Revenue by client market**

(in € millions)	Six months ended March 31, 2022 Unaudited	% of total revenue	Six months ended March 31, 2021 Unaudited	% of total revenue	Year-on-year change (€m)	Year-on-year change (%)
Business & Industry	858	38.3%	618	33.1%	240	38.8%
Education	794	35.5%	679	36.3%	115	16.9%
Health & Welfare	587	26.2%	572	30.6%	15	2.6%
Group total	**2,239**	**100.0%**	**1,869**	**100.0%**	**370**	**19.8%**

12. Non-Recurring Income and Expenses, Net

Non-recurring items represented a net expense of €181 million in the first six months of 2021-2022 versus a net expense of €3 million for the same period of 2020-2021. The first-half 2021-2022 net expense mainly includes (i) goodwill impairment losses amounting to €59 million in France (concerning the Elior Entreprise, Elior Enseignement et Santé) and €60 million in Spain, (see Note 15) and (ii) €62 million in impairment losses recognized against assets other than goodwill in the United States, relating to Preferred Meals, which has been undergoing a strategic review and for which impairment indicators were identified at March 31, 2022.

13. Income Tax

Income tax expense, excluding the French CVAE tax on value added generated by the business, is recognized on the basis of Management's estimate of the recoverability of deferred tax assets based on the Group's strategic plan. Income tax for the Group's continuing operations rose by €50 million, from a €4 million tax benefit for the six months ended March 31, 2021 to a €46 million expense for the six months ended March 31, 2022. This negative swing mainly resulted from deferred tax assets in France, Spain and the United States following the downward revision of objectives in the five-year business plans.

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

14.1 Parent Company's Share Capital

At March 31, 2022, Elior Group SA's share capital amounted to €1,724,442.29, divided into 172,444,229 shares with a par value of €0.01 each.

At March 31, 2022, Elior Group held 178,180 shares in treasury.

14.2 Dividends

No dividends were paid for the years ended September 30, 2021 or 2020, as decided at the February 28, 2022 and February 26, 2021 Annual General Meetings respectively.

14.3 Share-based Compensation

No performance share plans were set up for members of the Management Committee or the Leaders Committee in either the first half of 2021-2022 or the first half of 2020-2021.

15. Goodwill

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

(in € millions)	At September 30, 2021	Increase	Impairment	Other movements including currency translation adjustments	At March 31, 2022 Unaudited
Elior Entreprises, Elior Enseignement et Santé	944	1	(59)	-	886
Elior Services	134	-	-	-	134
France	**1,078**	**1**	**(59)**	**-**	**1,020**
Elior North America	282	-	-	14	296
Elior Italy	104	-	-	-	104
Elior Iberia	149	-	(60)	-	89
Elior UK	118	-	-	-	118
Elior India	-	-	-	-	-
International	**653**	**-**	**(60)**	**14**	**607**
Total, net	**1,731**	**1**	**(119)**	**14**	**1,627**

The fifth wave of Covid-19, combined with the war in Ukraine – which has worsened inflationary effects – negatively impacted the Group's margins and results in the first half of 2021-2022 and have affected its forecasts for the full fiscal year. In view of these factors, in the first half of 2021-2022, Management revised its budget for full-year 2021-2022 and for 2022-2023 and 2023-2024 in the Group's business plan. These elements constitute impairment indicators and Management therefore carried out impairment tests on all of the Group's CGUs.

Impairment Losses and Sensitivity Analyses

Key assumptions used for calculating recoverable amounts

The updated 2021-2022 budget and the revised strategic plan drawn up by Management and reviewed by the Board of Directors on May 17, 2022, are based on the following key assumptions:

- A gradual return to pre-Covid business volumes as from 2024 or 2025 depending on the CGU concerned,
- An offset of the current strong inflation spread over 2022 – 2024 depending on the CGU concerned and the nature of the contracts,
- Faster diversification of the Group's offerings and markets,
- An approximately 100 basis-point improvement in adjusted margin compared with pre-Covid figure.

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

	Discount rate		Perpetuity growth rate	
	Six months ended March 31, 2022	Year ended Sept. 30, 2021	Six months ended March 31, 2022	Year ended Sept. 30, 2021
Elior Entreprises, Elior Enseignement et Santé	9.0%	8.0%	1.5%	1.4%
Elior Services	8.4%	7.6%	1.5%	1.4%
Elior North America	9.3%	8.4%	2.5%	2.5%
Elior UK	9.4%	8.5%	1.8%	1.7%
Elior Italy	10.4%	9.4%	1.6%	1.5%
Elior Iberia	9.3%	8.3%	1.6%	1.5%

Half-yearly impairment tests carried out in 2022

Following the impairment tests carried out on all of the Group's CGUs in the first half of 2021-2022, a €119 million impairment loss was recognized at March 31, 2022, breaking down as €60 million for Elior Iberia and €59 million for Elior Entreprise, Elior Enseignement et Santé.

Sensitivity of the recoverable amounts 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 rate:

(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.

The sensitivity analyses based on the changes in assumptions set out above revealed that the only CGUs for which there is a reasonably probable scenario that their recoverable amount could fall below their carrying amount are Elior France and Elior Iberia (additional impairment losses of between €54 million and €39 million for Elior France and between €9 million and €6 million for Elior Iberia).

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 Italy -46%
- Elior North America: - 44%
- Elior UK - 56%
- Elior Services: not relevant (decrease of more than 60%)

Half-yearly impairment tests carried out in 2021

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

Sensitivity of the recoverable amounts 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 rate:

(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%

16. Intangible Assets

(in € millions)	At Sept. 30, 2021	Increase	Decrease	Other movements (3)	At March 31, 2022 Unaudited
Concession rights	17	-	-	(7)	10
Assets operated under concession arrangements (1)	37	-	-	(37)	-
Trademarks	25	-	-	1	25
Software	141	1	-	5	147
Intangible assets in progress	8	3	-	(5)	6
Other (2)	270	-	-	11	281
Gross value	**498**	**4**	**-**	**(32)**	**469**
Concession rights	(7)	-	-	-	(7)
Assets operated under concession arrangements (1)	(37)	-	-	37	-
Trademarks	(9)	(1)	-	-	(10)
Software	(119)	(5)	-	1	(123)
Other (2)	(129)	(40)	-	(6)	(175)
Total amortization	**(300)**	**(46)**	**-**	**32**	**(315)**
Carrying amount	**197**	**(42)**	**-**	**-**	**154**

(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, which was derecognized in the first half of 2021-2022.

(2) Mainly corresponding to customer relationships recognized on business combinations.

The increase in amortization of other intangible assets during the period includes €31 million write-downs of trademark and customer relationships related to "Preferred Meals" held by Elior North America.

(3) The amounts in the "Other movements" column primarily correspond to (i) the effects of converting the financial statements of companies whose functional currency is not the euro, (ii) the transfer of intangible assets in progress and (iii) inter-item reclassifications of intangible assets and property, plant and equipment.

17. Property, Plant and Equipment

(in € millions)	At Sept. 30, 2021	Increase	Decrease	Other movements (1)	At March 31, 2022 Unaudited
Land	7	-	-	-	7
Buildings	86	2	(3)	4	89
Technical installations	461	11	(15)	10	467
Other items of property, plant and equipment	386	13	(5)	11	405
Assets under construction	3	4	-	(5)	2
Prepayments to suppliers of property, plant and equipment	2	-	-	-	2
Gross value	**945**	**30**	**(23)**	**20**	**972**
Buildings	(45)	(3)	3	(12)	(57)
Technical installations	(373)	(19)	15	13	(364)
Other items of property, plant and equipment (2)	(250)	(37)	4	(6)	(289)
Total depreciation	**(668)**	**(59)**	**22**	**(5)**	**(710)**
Carrying amount	**278**	**(29)**	**(1)**	**15**	**262**

(1) The amounts in the "Other movements" column primarily correspond to (i) the effects of converting the financial statements of companies whose functional currency is not the euro, (ii) the transfer of assets under construction, and (iii) inter-item reclassifications of intangible assets and property, plant and equipment.

(2) The increase in amortization of "other items of property, plants and equipment" during the period includes €18 million write-downs of assets related to "Preferred Meals" held by Elior North America.

18. Right-of-Use Assets

(in € millions)	At Sept. 30, 2021	Increase	Decrease	Other movements (1)	At March 31, 2022 Unaudited
Concession fees	40	5	-	1	46
Real estate	222	11	(9)	9	233
Technical installations and other equipment	24	1	(1)	(5)	19
Vehicles	69	9	(6)	1	73
Gross value	**355**	**26**	**(16)**	**6**	**371**
Concession fees	(11)	(4)	-	-	(15)
Real estate (2)	(64)	(26)	4	(2)	(88)
Technical installations and other equipment	(9)	(3)	-	-	(12)
Vehicles	(31)	(12)	5	-	(38)
Total depreciation	**(115)**	**(45)**	**9**	**(2)**	**(153)**
Carrying amount	**240**	**(19)**	**(7)**	**4**	**218**

(1) The amounts in the "Other movements" column primarily correspond to the effects of converting the financial statements of companies whose functional currency is not the euro.

(2) The increase in amortization of "Real estate" during the period includes write-downs relating to lease contracts of "Preferred Meals", held by Elior North America.

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 hedging contracts mitigate (i) the risk of variable interest rates affecting the fair value of the Group's fixed-rate debt, and (ii) the exposure of the Group's cash to variable-rate debt. 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 with a zero floor) were as follows at March 31, 2022 for Elior Participations:

Hedges in euros:

- For the period from March 31, 2022 through September 30, 2023: 0.2976% for firm hedges (€100 million).
- For the period from September 30, 2023 through March 31, 2024: 0.3100% for firm hedges (€50 million).
- For the period from March 31, 2024 through June 30, 2024: 0.294% for firm hedges (€25 million).

These rates do not include lending margins.

Taking into account the above-mentioned hedges, a 1% increase in interest rates would have an impact of approximately €3.6 million on the Group's finance costs for fiscal 2021-2022.

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, 2022, the Group had €38 million in cash and cash equivalents (versus €80 million at September 30, 2021). The March 31, 2022 figure includes €34 million in bank deposits.

Other than cash and cash equivalents, the Group's sources of liquidity at March 31, 2022 were as follows:

- A €350 million revolving credit facility made available under the Senior Facilities Agreement, of which €30 million had been drawn down at March 31, 2022.
- A €360 million European receivables securitization program, of which €279 million had been used at March 31, 2022 (including €203 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, 2022, the Group's gross debt totaled €1,257 million, including IFRS 16 lease liabilities (versus €1,188 million at September 30, 2021). The March 31, 2022 figure includes €98 million in short-term debt and €1,159 million in long-term debt.

On June 28, 2021, Standard & Poor's assigned the Company's debt a BB- rating, with a negative outlook, and on January 13, 2022 Moody's assigned it a B1 rating with a stable outlook.

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 these 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 July 2017 the Group set up a four-year €360 million European receivables securitization program, covering France and Spain (the "2017 Securitization Program"). Under this program, trade receivables arising from sales carried out or services rendered in France and Spain under commercial contracts (subject to certain eligibility criteria) that are denominated in euros and originated by any Elior Group Receivables Seller are sold to Ester Finance Titrisation Technologies (the "Purchaser"), a French subsidiary of Crédit Agricole CIB. The sales are carried out monthly and finance receivables arising in the previous month.

In October 2020, the 2017 Securitization Program was amended in order to extend its maturity until October 2024 and to ensure immediate 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 ("STS") securitisation. The amendments concerned do not affect the accounting treatment applied to the 2017 Securitization Program.

The 2017 Securitization Program comprises two separate compartments: an "ON compartment" whereby receivables are sold with recourse and an "OFF compartment" whereby receivables are sold without recourse.

For the ON compartment, as the Group continues to bear almost all of the late payment and credit risks, the sold receivables do not meet the conditions required under IFRS 9 for off balance-sheet accounting. Consequently, the financing received is accounted for as debt. Sales to the Purchaser are made at the face value of the receivables, less a discount to reflect the financing costs until settlement.

At March 31, 2022, outstanding securitized receivables relating to the ON compartment, net of the related €28 million overcollateralization reserve, stood at €76 million. At September 30, 2021, outstanding securitized receivables relating to the ON compartment, net of the related €27 million overcollateralization reserve, stood at €39 million.

For the OFF compartment, the credit risks, interest rate risks and late payment risks associated with the sold receivables are definitively transferred to the Purchaser through the discount applied on the receivables, which corresponds to remuneration for the credit risk and the financing cost. Dilution risk – which is subject to a specific contractual framework and is separate from late payment risk – is not included in the assessment of whether the risks and rewards associated with the receivables are transferred as the receivables relate to services that have already been rendered. Consequently, the receivables sold under the OFF compartment are derecognized.

At March 31, 2022, the amount of derecognized receivables totaled €203 million, compared with €191 million at September 30, 2021.

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 of 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, 2022 Unaudited		At Sept. 30, 2021	
		Amortized cost	Fair value	Amortized cost	Fair value
Bank overdrafts	€	36	36	17	17
Other short-term debt (including short-term lease liabilities)	€	62	62	63	63
Sub-total – short-term debt		**98**	**98**	**80**	**80**
Syndicated bank loans	€ / $	351	355	320	325
Other medium- and long-term borrowings	$	542	550	541	550
Factoring and securitized trade receivables	€	76	76	45	45
Other long-term debt (including long-term lease liabilities)	€	178	178	188	188
Sub-total – long-term debt		**1,147**	**1,159**	**1,094**	**1,108**
Total debt		**1,245**	**1,257**	**1,174**	**1,188**

(in € millions)	At Sept. 30, 2021	Increases	Redemptions/ repayments	Other movements (1)	At March 31, 2022 Unaudited
Syndicated bank loans	861	30	-	2	893
Factoring and securitized trade receivables	44	33	-	(1)	76
Lease liabilities	246	-	(33)	23	236
Other borrowings	22	-	-	19	41
Total debt (2)	**1,174**	**63**	**(33)**	**43**	**1,245**

(1) "Other movements" include the impact of changes in exchange rates and non-cash movements related to the fair value of lease liabilities recognized in accordance with IFRS 16.

(2) Total fair value of debt excluding €36 million and €4 million in bank overdrafts at March 31, 2022 and September 30, 2021 respectively.

The Group’s debt at March 31, 2022 comprised the following:

- **Elior Group SA:**
  - A senior bank loan totaling €100 million at March 31, 2022 and maturing in July 2025. Interest is based on the Euribor with a zero floor plus a standard margin of 2.75%.
  - Senior bond debt totaling €550 million at March 31, 2022 and maturing in July 2026. The bonds pay interest at an annual rate of 3.75%.
  - A French government-backed loan totaling €225 million at March 31, 2022 and repayable as from October 2023 with the final repayment scheduled for March 2027. The weighted average cost of this loan is 2.1% (including the guarantee provided by the French State).
- **Elior Participations SCA:**
  - A €350 million multi-currency revolving credit facility (which can also be used by Elior Group) expiring in July 2025. Interest is based on the Euribor with a zero floor plus a standard margin of 2.35% for drawdowns in euros, and on the US Libor (or its replacement) with a zero floor plus a 2.55% margin for drawdowns in US dollars. If the facility is not used, a commitment fee is payable which is calculated as a portion of the applicable margin. At March 31, 2022, €30 million of this facility had been used.
  - Liabilities relating to the Group's receivables securitization program. At March 31, 2022, outstanding securitized receivables under this program – net of the related €28 million overcollaterization reserve – stood at €75 million. The program’s ceiling (net of the equivalent of a guarantee deposit) 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, was approximately 1.52% in first-half 2021-2022.

The Group's debt at September 30, 2021 comprised the following:

- **Elior Group SA:**
  - A senior bank loan totaling €100 million at September 30, 2021 and maturing in July 2025. Interest was based on the Euribor with a zero floor plus a standard margin of 2.60%.
  - Senior bond debt totaling €550 million at September 30, 2021 and maturing in July 2026. The bonds pay interest at an annual rate of 3.75%.
  - A French government-backed loan totaling €225 million at September 30, 2021, which at that date was repayable as from October 2022 with the final repayment scheduled for March 2027. The weighted average cost of this loan was 2% in the year ended September 30, 2021 (including the guarantee provided by the French State).
- **Elior Participations SCA:**
  - A €350 million multi-currency revolving credit facility (which can also be used by Elior Group) expiring in July 2025. Interest was based on the Euribor with a zero floor plus a standard margin of 2.20% for drawdowns in euros, and on the US Libor (or its replacement) with a zero floor plus a 2.40% margin for drawdowns in US dollars. If the facility was not used, a commitment fee was payable, calculated as a portion of the applicable margin. None of this facility had been used at September 30, 2021.
  - Liabilities relating to the Group's receivables securitization program. At September 30, 2021, outstanding securitized receivables under this program – net of the related €27 million overcollaterization reserve – stood at €39 million. The program’s ceiling (net of the equivalent of a guarantee deposit) 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, was approximately 1.46% in fiscal 2020-2021.

The maturity schedule of the Group’s debt (based on fair value) is set out below.

^!		At March 31, 2022 Unaudited				At September 30, 2021	
(in € millions)	Original currency	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	€		*355*		355	-	325
Medium-term borrowings – Elior Participations	€ / $				-	-	-
Other medium- and long-term bank borrowings	€				-	-	-
Sub-total – bank borrowings			***355***	**-**	**355**	**-**	**325**
Other debt							
Elior Group bond debt	$		*550*		550	-	550
Lease liabilities	€	58	*128*	*49*	177	58	188
Other (1)	€	-	*76*		76	-	45
Bank overdrafts (2)	€	36			-	17	-
Accrued interest on borrowings	€ / $	4			-	5	-
Sub-total – other debt		**98**	***754***	***49***	**804**	**80**	**783**
Total debt		**98**	***1,109***	***49***	**1,159**	**80**	**1,108**

(1) Including liabilities under the receivables securitization program.
Deducted from cash and cash equivalents in the cash flow statement.

19.1.3 Derivative financial instruments used to hedge variable-rate debt

A portion of the Group's debt is hedged by interest-rate swaps which exchange variable-rate interest payments for fixed-rate payments. At March 31, 2022, the proportion of the Group’s fixed-rate debt (the High Yield Bonds) and hedged variable-rate debt was 74%.

The rates at which the Group’s debt was hedged at March 31, 2022 (against the Euribor) are set out in Note 19.1.1.1 above.

19.1.4 Financial covenants

The medium- and long-term financing contracts entered into by Elior Group and Elior Participations include 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. The contracts do not include any exceptional clauses that are incompatible with the standard legal provisions applicable to these types of agreement.

The contract governing the Group’s High Yield Bonds (the “Indenture”) includes incurrence covenants and events of default that are customary in the European high yield market, with each case subject to a number of significant exceptions, thresholds and qualifications. In particular, it provides for undertakings to the holders of the High Yield Bonds which are aimed at, among other things, limiting the ability of the Company and certain subsidiaries to take out additional debt, pay dividends or make any other distributions, make any restricted payments or investments, grant security or guarantees, create supplementary levels of debt, sell or transfer assets, merge or consolidate with other entities, carry out transactions with affiliated companies, or grant additional guarantees. These limitations are subject to various exceptions and standard terms and conditions.

The above-mentioned undertakings and limitations would be suspended if the High Yield Bonds become rated as “Investment grade”, i.e. are assigned a rating of equal to or above BBB-/Baa3.

The Senior Facilities Agreement contains positive and negative undertakings applicable to the members of the Group that are relatively standard for this type of financing and adapted in certain cases to take into account the Group’s specific situation. It notably provides for restrictions in terms of acquisitions, share buybacks and dividend payments for as long as the Group’s leverage ratio is above or equal to 4.5x.

The Senior Facilities Agreement also contains certain reporting undertakings, in particular the obligation to provide audited consolidated annual financial statements and consolidated half-yearly financial statements.

The Senior Facilities Agreement does not provide for a leverage ratio test (IFRS 16) until September 30, 2022. From that date, the Group’s leverage ratio must be below or equal to 7.5x at September 30, 2022, below or equal to 6.0x at March 31, 2023, and below or equal to 4.5x from September 2023 until the end of the Agreement.

19.2 Financial Income and Expenses

The net financial expense recorded in the six-month periods ended March 31, 2022 and 2021 breaks down as follows:

(in € millions)	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
Interest expense on debt	(22)	(23)
Interest income on short-term investments	2	3
Other financial income and expenses (1)	-	-
Interest cost on post-employment benefit obligations	(1)	-
Net financial expense	**(21)**	**(20)**
(1) Including:		
- Fair value adjustments recognized in profit on interest rate and currency hedging instruments	*-*	*1*
- Disposal gains/(losses) and movements in provisions for impairment of shares in non-consolidated companies	*-*	*-*
- Amortization of debt issuance costs	*(2)*	*(1)*
- Net foreign exchange gain/(loss)	*2*	*3*
- Other financial expenses	*-*	*(3)*

Interest expense related to leases (recognized in accordance with IFRS 16) amounted to €4 million for the six months ended March 31, 2022 and 2021.

20. Provisions

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

(in € millions)	At March 31, 2022 Unaudited	At September 30, 2021
Long-term provisions for pension and other post-employment benefit obligations	74	89
Provision for non-renewal of concession contracts	13	9
Other	14	15
Long-term provisions	**101**	**113**
Provision for commercial risks	1	1
Provision for tax risks and employee-related disputes	10	12
Provision for reorganization costs	19	41
Short-term provisions for pension and other post-employment benefit obligations	9	9
Other	15	14
Short-term provisions	**54**	**77**
Total	**155**	**190**

On January 31, 2022, a first-instance judgment was handed down ordering a Group subsidiary in Italy to pay a €5 million reassessment in connection with a dispute with the Italian tax authorities relating to VAT for fiscal 2014-2015.

The subsidiary concerned has appealed this judgment and no related provision has been set aside as it considers it more probable than improbable that the amount reassessed will not have to be paid.

21. Related Party Transactions

Other than 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, 2022	Six months ended March 31, 2021
Revenue Associates	NM	NM
Expenses Associates	NM	NM
Trade receivables Associates	NM	NM
Trade payables Associates	NM	NM
Current accounts Associates	4	3

NM: not material

22. Discontinued Operations and Assets and Liabilities Classified as Held for Sale

At March 31, 2022, assets and liabilities classified as held for sale (which each amounted to €6 million) mainly related to the Group's remaining operations in India and its residual Concession Catering operations in France which are in the process of being sold.

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.

23. Significant Events After the Reporting Date

On May 12, 2022, the Group decided to voluntarily exit "Preferred Meals", the fresh and frozen prepared snacks and meals production and distribution activity in the USA, which it acquired in 2016.

On May 13, 2022, the Group obtained from its banks a covenant holiday from September 30, 2022 to March 31, 2023, which is now the date of the next covenant test.

8. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit

63, rue de Villiers
92208 Neuilly-sur-Seine

S.A.S. au capital de 2 510 460 €
672 006 483 RCS Nanterre

Société de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles et du Centre

Deloitte & Associés

6, place de la Pyramide
92908 Paris-La Défense Cedex

S.A.S. au capital de 2 188 160 €
572 028 041 RCS Nanterre

Société de Commissariat aux Comptes inscrite à la Compagnie Régionale de Versailles et du Centre

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, 2021 to March 31, 2022

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, 2021 to March 31, 2022,
- 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-

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

Paris-La Défense et Neuilly-sur-Seine, le 18 mai 2022

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Deloitte & Associés
Matthieu Moussy	Fréderic Gourd

9. ATTESTATION OF RESPONSABILITY FOR THE HALF YEAR FINANCIAL REPORT

RESPONSABILITY FOR THE HALF YEAR FINANCIAL REPORT

I hereby affirm that to the best of my knowledge the condensed financial statements presented for the 2021-2022 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 Elior 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 18th, 2022

Bernard Gault
Chief Executive Officer