# HALF-YEAR FINANCIAL REPORT

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# 2024

## HALF-YEAR FINANCIAL REPORT

For the period from January 1 to June 30, 2024

Circular services at work

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# 01

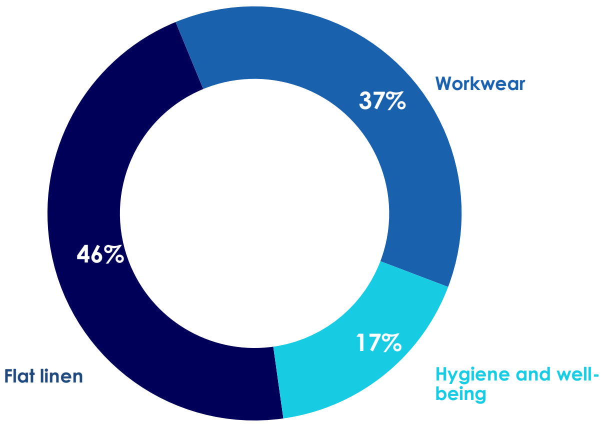
# Management report for the first half of 2024

## 1.1 Group profile and key figures of the first half of 2024

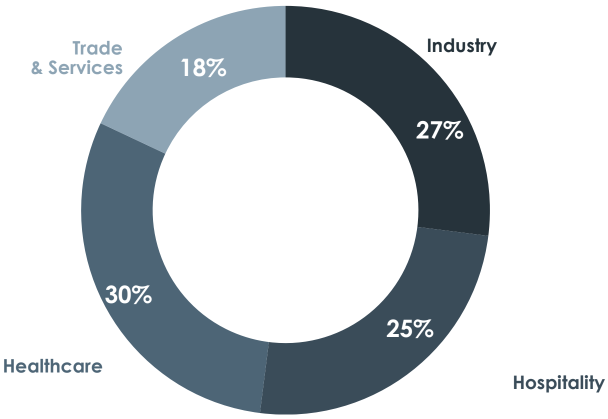
A leader in circular services thanks to a rental & maintenance model optimized through traceability technologies, Elis innovates every day. In the 30 countries in which it operates, Elis meets its customers' needs in terms of protection, hygiene and well-being, while helping them to achieve their environmental objectives. With its unique operational expertise and a profitable organic growth profile, Elis creates sustainable value for its shareholders, customers, employees and the environment.

### Breakdown of H1 2024 revenue

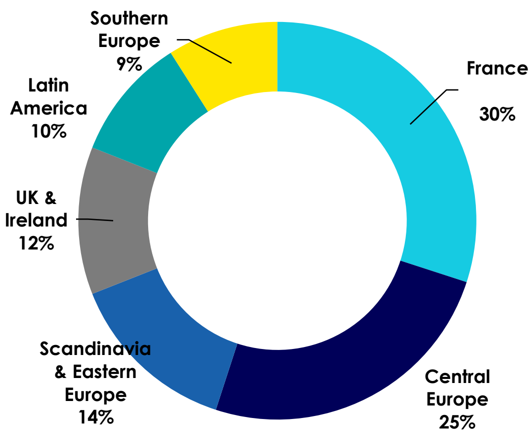
***By services***



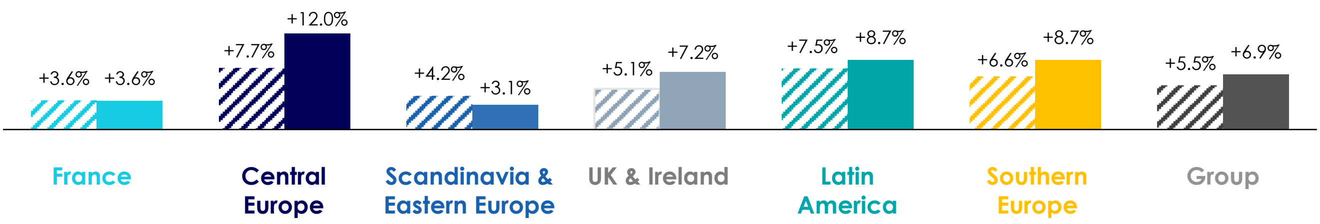

***By customer segment***



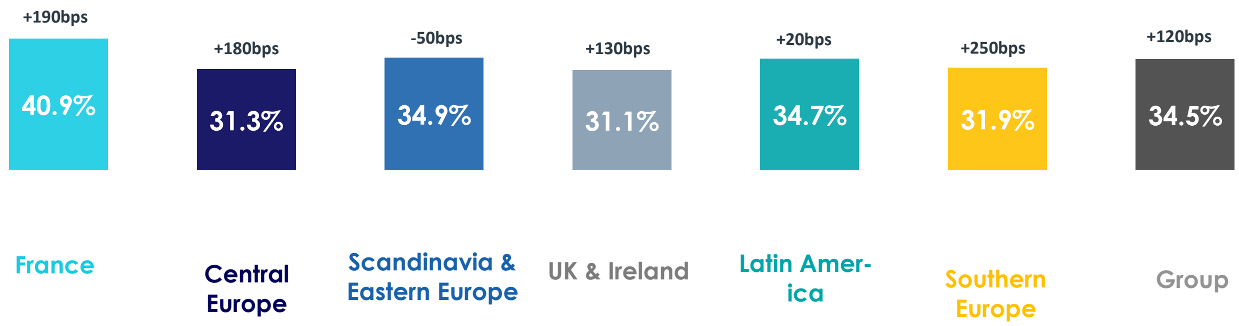

***By operating segment***



### H1 2024 organic and reported revenue growth by operating segment




### H1 2024 adjusted EBITDA margin evolution by operating segment compared to H1 2023




## 1.2 Highlights of the first half of 2024

**Solid financial performance: strong revenue growth and improvement in profitability**

- Revenue of €2,246.7m (+6.9% of which +5.5% organic)
- Adjusted EBITDA margin up +120bps at 34.5% of revenue
- Adjusted EBIT margin up +20bps at 15.3% of revenue
- Net income down -14.1% at €119.1m (in line with the expected half-yearly phasing that should result in a strong increase in the full-year 2024)
- Headline net income up +0.9% at €208.7m
- Headline net income per share up +1.6% at €0.83 (on a fully diluted basis)
- Free cash flow (after lease payments) at €55.5m, up +€38,6m vs. last year
- Financial leverage ratio at 2,06x as of June 30, 2024

**Revenue up +6.9% in H1 2024, of which +5.5% on an organic basis: numerous commercial successes, improvement of customer retention rate and good pricing dynamic**

- Commercial momentum is well-oriented with the signature of new contracts, driven by further outsourcing development and growing client needs in hygiene, traceability and sustainable products and services
- Customer retention rate back to its normative level at c. 94%, reflecting the quality of the Group's commercial relationships with its clients
- In Hospitality, Southern Europe continues to be very dynamic, in France and in the UK, poor weather conditions and general elections in both countries penalized activity in the 2nd quarter
- Pricing dynamic remains favorable in all our markets, driven by the adjustments implemented to offset cost base inflation

**EBITDA margin up de +120bps, reflecting the Group's industrial excellence**

- Further productivity gains in all our geographies, driven by the optimization of industrial processes and logistics as well as better energy purchasing conditions
- Outstanding progress in Germany, where various operational changes are bearing fruit

**Further development in M&A strategy with the acquisitions of Moderna and Wonway**

- With the acquisition of Moderna in the Netherlands, consolidated since March 1, Elis is expanding its offer to the flat linen market and strengthening its network density in the country
- On July 1, Elis announced its first operation in Asia with the acquisition of Wonway, operating in the buoyant Cleanroom market in Malaysia

## 1.3 Business review and comments on the first half of 2024

### H1 2024 revenue

| In millions of euros | 2024 Q1 | 2024 Q2 | 2024 H1 | 2023 Q1 | 2023 Q2 | 2023 H1 | Var. Q1 | Var. Q2 | Var. H1 |
|---|---|---|---|---|---|---|---|---|---|
| France | 316.6 | 346.6 | 663.2 | 303.5 | 336.8 | 640.3 | +4.3% | +2.9% | +3.6% |
| Central Europe | 275.2 | 281.6 | 556.8 | 245.6 | 251.8 | 497.3 | +12.1% | +11.8% | +12.0% |
| Scandinavia & East. Eur. | 157.0 | 152.4 | 309.4 | 153.3 | 146.8 | 300.1 | +2.4% | +3.8% | +3.1% |
| UK & Ireland | 132.5 | 143.4 | 275.9 | 121.9 | 135.5 | 257.3 | +8.7% | +5.8% | +7.2% |
| Latin America | 114.5 | 117.8 | 232.3 | 102.4 | 111.3 | 213.7 | +11.8% | +5.8% | +8.7% |
| Southern Europe | 90.2 | 105.4 | 195.5 | 81.3 | 98.7 | 179.9 | +11.0% | +6.8% | +8.7% |
| Others | 6.4 | 7.1 | 13.5 | 5.5 | 7.1 | 12.6 | +17.7% | -0.2% | +7.6% |
| **Total** | **1,092.4** | **1,154.2** | **2,246.7** | **1,013.4** | **1,087.9** | **2,101.3** | **+7.8%** | **+6.1%** | **+6.9%** |

*« Others » includes Manufacturing Entities and Holdings.*
*Percentage change calculations are based on actual figures.*

### H1 2024 revenue breakdown

| In millions of euros | H1 2024 | H1 2023 | Organic growth | External growth | FX | Reported growth |
|---|---|---|---|---|---|---|
| France | 663.2 | 640.3 | +3.6% | - | - | +3.6% |
| Central Europe | 556.8 | 497.3 | +7.7% | +3.6% | +0.7% | +12.0% |
| Scandinavia & East. Eur. | 309.4 | 300.1 | +4.2% | - | -1.1% | +3.1% |
| UK & Ireland | 275.9 | 257.3 | +5.1% | - | +2.1% | +7.2% |
| Latin America | 232.3 | 213.7 | +7.5% | - | +1.2% | +8.7% |
| Southern Europe | 195.5 | 179.9 | +6.6% | +2.1% | - | +8.7% |
| Others | 13.5 | 12.6 | +5.9% | - | +1.7% | +7.6% |
| **Total** | **2,246.7** | **2,101.3** | **+5.5%** | **+1.0%** | **+0.4%** | **+6.9%** |

*« Others » includes Manufacturing Entities and Holdings.*
*Percentage change calculations are based on actual figures.*

### H1 2024 organic revenue growth

| | Q1 2024 organic growth | Q2 2024 organic growth | H1 2024 organic growth |
|---|---|---|---|
| France | +4.3% | +2.9% | +3.6% |
| Central Europe | +9.0% | +6.4% | +7.7% |
| Scandinavia & East. Eur. | +4.2% | +4.1% | +4.2% |
| UK & Ireland | +6.1% | +4.1% | +5.1% |
| Latin America | +7.5% | +7.6% | +7.5% |
| Southern Europe | +8.9% | +4.8% | +6.6% |
| Others | +15.4% | -1.4% | +5.9% |
| **Total** | **+6.4%** | **+4.6%** | **+5.5%** |

*« Others » includes Manufacturing Entities and Holdings.*
*Percentage change calculations are based on actual figures.*

### Q2 2024 revenue

| In millions of euros | Q2 2024 | Q2 2023 | Organic growth | External growth | FX | Reported growth |
|---|---|---|---|---|---|---|
| France | 346.6 | 336.8 | +2.9% | - | - | +2.9% |
| Centrale Europe | 281.6 | 251.8 | +6.4% | +5.2% | +0.3% | +11.8% |
| Scandin. & East. Eur. | 152.4 | 146.8 | +4.1% | - | -0.3% | +3.8% |
| UK & Ireland | 143.4 | 135.5 | +4.1% | - | +1.7% | +5.8% |
| Latin America | 117.8 | 111.3 | +7.6% | - | -1.8% | +5.8% |
| Southern Europe | 105.4 | 98.7 | +4.8% | +2.0% | - | +6.8% |
| Others | 7.1 | 7.1 | -1.4% | - | +1.2% | -0.2% |
| **Total** | **1,154.2** | **1,087.9** | **+4.6%** | **+1.4%** | **+0.1%** | **+6.1%** |

*« Others » includes Manufacturing Entities and Holdings.*
*Percentage change calculations are based on actual figures.*

## H1 2024 adjusted EBITDA

| In millions of euros | H1 2024 reported | H1 2023 restated[1] | Var. H1 2024 / H1 2023 |
|---|---|---|---|
| France | 271.4 | 250.4 | +8.4% |
| *As of % of revenue* | *40.9%* | *39.0%* | *+190bps* |
| Central Europe | 175.0 | 147.3 | +18.8% |
| *As of % of revenue* | *31.3%* | *29.5%* | *+180bps* |
| Scandinavia & East. Eur. | 108.1 | 106.5 | +1.6% |
| *As of % of revenue* | *34.9%* | *35.5%* | *-50bps* |
| UK & Ireland | 85.7 | 76.5 | +12.0% |
| *As of % of revenue* | *31.1%* | *29.7%* | *+130bps* |
| Latin America | 80.5 | 73.6 | +9.5% |
| *As of % of revenue* | *34.7%* | *34.4%* | *+20bps* |
| Southern Europe | 62.5 | 53.0 | +17.9% |
| *As of % of revenue* | *31.9%* | *29.4%* | *+250bps* |
| Others | (9.0) | (9.1) | +1.2% |
| **Total** | **774.3** | **698.1** | **+10.9%** |
| *As of % of revenue* | *34.5%* | *33.2%* | *+120bps* |

*[1] : A reconciliation is provided in Note 1.6 of the condensed half-year consolidated financial statements included in section 2 of this report.*

*Margin rates and percentage change calculations are based on actual figures.*

*« Others » includes Manufacturing Entities and Holdings.*

### France

H1 2024 revenue was up +3.6% (entirely organic), driven by commercial momentum in workwear (Industry, Trade & services). Pricing dynamic was good and enabled us to offset cost inflation. In Hospitality, poor weather conditions in May and June, combined with the disturbances linked to the Olympics preparations and the general elections, penalized Q2 activity. However, our clients remain confident: September and October should benefit from the postponement of business events initially scheduled before summer.

Productivity gains in our plants, combined with improved purchasing conditions for energy, led to an adjusted EBITDA margin improvement of +190bps in the first half of 2024, to 40.9%.

### Central Europe

The region’s revenue was up +12.0% in H1 2024 (+7.7% on an organic basis). The acquisition of Moderna in the Netherlands, consolidated since 1 March 2024, contributed c. +3.6% to region’s growth in the half-year. Germany delivered organic growth above +8%, driven by good commercial momentum in workwear and a good pricing dynamic. Poland and the Netherlands are well-oriented as well.

H1 2024 adjusted EBITDA margin was up +180bps compared to H1 last year, at 31.3%, driven by better purchasing conditions for energy and significant productivity gains, notably in Germany where the measures implemented, including a management reorganization, are bearing fruit.

### Scandinavia & Eastern Europe

The region’s revenue was up +3.1% in H1 2024 (+4.2% on an organic basis), with a negative FX impact of -1.1%. Organic growth was driven by the performance of the Baltics, Sweden and Norway, where the outsourcing trend remains strong. In Denmark, the Group’s strict pricing discipline led to limited volume losses.

H1 2024 adjusted EBITDA margin was down -50bps, at 34.9% compared to H1 2023. Despite a strong position on these markets, pricing negotiations are sometimes tough, notably with public sector clients.

### UK & Ireland

The region’s revenue was up +7.2% in H1 2024 (+5.1% on an organic basis), with a positive FX impact of +2.1%. The UK continued its growth in all markets, notably in Healthcare and workwear (standard and cleanroom). We also recorded an improvement in the majority of our client satisfaction KPIs and quality of service. In Hospitality, poor weather conditions and the general elections penalized Q2 activity.

H1 2024 adjusted EBITDA margin was up +130bps compared to H1 2023, at 31.1%, driven by further improvements in our industrial processes and logistics and by better purchasing conditions for energy.

### Latin America

The region’s revenue was up +8.7% in H1 2024 (+7.5% on an organic basis), with a positive FX impact of +1.2%. Inflation is below +5%; our pricing adjustments in the region are thus comparable to those implemented in Europe. Commercial momentum was good, notably in Healthcare. Mexico and Colombia both recorded organic growth of c. +10%.

H1 2024 adjusted EBITDA margin was up +20bps compared to H1 2023, at 34.7%, driven by productivity gains.

### Southern Europe

The region’s revenue was up +8.7% in H1 2024 (+6.6% on an organic basis), driven by dynamism in Hospitality. In Industry, Trade & Services, further outsourcing continued, and we recorded many new contract signings. All the countries in the region were well-oriented, notably Portugal where organic growth was close to +9%. Finally, the 2023 acquisitions in Italy and Spain in the Pest Control market contributed for +2.1% to half-year growth.

In H1 2024, better purchasing conditions for energy combined with further productivity gains led to an improvement of +250bps in adjusted EBITDA margin, to 31.9%.

## Adjusted EBITDA to net income

| In millions of euro | H1 2024 reported | H1 2023 restated[1] | Var. |
|---|---|---|---|
| **Adjusted EBITDA** | **774.3** | **698.1** | **+10.9%** |
| *As of % of revenue* | *34.5%* | *33.2%* | *+120bps* |
| D&A | (430.6) | (381.7) | |
| **Adjusted EBIT** | **343.6** | **316.4** | **+8.6%** |
| *As of % of revenue* | *15.3%* | *15.1%* | *+20bps* |
| Miscellaneous financial items | (1.0) | (0.9) | |
| Non-current operating income and expenses | (40.8) | (21.5) | |
| IFRS 2 expense | (12.5) | (10.3) | |
| Amortization of intangible assets recognizing in a business combination | (41.8) | (41.6) | |
| **Operating income** | **247.6** | **242.2** | **+2.3%** |
| Net financial income (expense) | (66.5) | (56.9) | |
| Income tax | (62.0) | (46.6) | |
| **Income from continuing operations** | **119.1** | **138.6** | **-14.1%** |
| **Net income** | **119.1** | **138.6** | **-14.1%** |

*[1] : A reconciliation is provided in Note 1.6 of the condensed half-year consolidated financial statements included in section 2 of this report.*
*Margin rates and percentage change calculations are based on actual figures.*

## Adjusted EBIT

H1 2024 adjusted EBIT was up +20bps as a percentage of revenue. Depreciations were back to a normative level at 19.2% vs. 18.2% in H1 2023 (amortization in 2023 was below normative level due to the lower linen investments during the pandemic).

## Operating income

The main items between adjusted EBIT and Operating income are as follows:

- Other operating income and expenses strongly increased due to the reevaluation of the earn-out of the acquisition in Mexico in 2022: the financial outlook of the acquired group has been revised upwards once again given its performance.
- Expenses related to share-based payments correspond to the requirements of the IFRS 2 accounting standard. They increased compared to H1 2023, at 12.5 million euros as a result of the share price increase over the last 3 years.
- Amortization of intangible assets linked with past acquisitions are relatively stable as it mostly results from the acquisition of Berendsen in 2017.

## Net financial result

Net financial expense was €66.5m in H1 2024. It is c. €9.6m higher compared to H1 2023, mainly due to the increase of interest charges of recent refinancings.

## Income tax

In H1 2024, income tax was at €62.0m, up €15.4m compared to H1 2023. Indeed, the 2023 basis was reduced due to the use of tax loss carryforwards in Spain and in the UK.

## Net income

Net income was down -14.1%, at €119.1m in H1 2024 compared to €138.6m in H1 2023. The strong increase in EBITDA (+€76m) was offset by the normalization of amortization (-€49m), the increase of financial expenses (-€10m), earn-out payments (-€19m) and tax base effect (-€16m). These effects should be erased over the year; we anticipate a strong increase in net income in 2024.

## Net income to headline net income

| In millions of euros | H1 2024 reported | H1 2023 restated[1] | Var. |
|---|---|---|---|
| **Net income** | **119.1** | **138.6** | **-14.1%** |
| Amortization of intangible assets recognized in a business combination | 41.8 | 41.3 | |
| IFRS 2 expense | 12.5 | 10.3 | |
| Accretion expense resulting from the Mexican acquisition earn-outs | 7.8 | 5.1 | |
| Non-current operating income and expenses | 40.8 | 21.5 | |
| Tax effect | (13.2) | (10.0) | |
| **Headline net income** | **208.7** | **206.8** | **+0.9%** |
| Non-controlling interests | (0.0) | (0.0) | |
| **Headline net income attributable to owners of the parent (A)** | **208.7** | **206.8** | **+0.9%** |
| Convertible related interests (B) | 6.5 | 8.1 | |
| **Headline net income attributable to owners of the parent, adjusted for the dilution effect** | **215.3** | **215.0** | **+0.1%** |
| Share count - basis (C) | 235.8 | 232.6 | |
| Share count – fully diluted (D) | 259.5 | 263.4 | |
| **Headline net income per share (in euros):** | | | |
| **- basic, attributable to owners of the parent = A/C** | **0.89** | **0.89** | **-0.4%** |

*[1] : A reconciliation is provided in Note 1.6 of the condensed half-year consolidated financial statements included in section 2 of this report.*

Headline net income was €208.7m in H1 2024, up +0.9% compared to H1 2023. Headline net income per share was up +1.6% at €0.83 (on a fully-diluted basis).

## Cash flow statement

| In millions of euros | H1 2024 reported | H1 2023 restated[1] |
|---|---|---|
| **Adjusted EBITDA** | **774.3** | **698.1** |
| Adjustment of (gains) and losses on disposal or fixed assets and change in provisions | 2.0 | 1.2 |
| Monetary non-recurring items including in Operating income and expense | (11.5) | (6.6) |
| IFRS 2 expense (social contributions) | (1.7) | (1.8) |
| Other | (1.0) | (0.9) |
| **Cash flow before net financial costs and tax** | **762.1** | **689.9** |
| Net capex | (430.5) | (414.1) |
| Change in working capital requirement | (77.5) | (85.9) |
| Net interest paid (including interest on lease liabilities) | (71.6) | (63.7) |
| Tax paid | (64.6) | (56.5) |
| Lease liabilities payments – principal | (62.6) | (52.9) |
| **Free cash flow** | **55.5** | **16.9** |
| Acquisitions of subsidiaries, net of cash acquired | (134.0) | (61.5) |
| Other change arising from subsidiaries (gain or loss of control) | (18.8) | (1.8) |
| Other flows related to financial operations | 3.8 | (4.0) |
| Dividends paid | (101.3) | (61.7) |
| Equity increase, treasury shares | (2.1) | 0.5 |
| Other | (9.6) | 2.2 |
| **Net financial debt increase** | **(206.5)** | **(109.5)** |
| | **30 June 2024** | **31 Dec 2023** |
| **Net financial debt** | **3,231.9** | **3,025.4** |

[1] *: A reconciliation is provided in Note 1.6 of the condensed half-year consolidated financial statements included in section 2 of this report.*

### Net capex

In H1 2024, the Group's net capex was up c. +€16m compared to H1 2023. As a percentage of revenue, this ratio stood at 19.2% (vs. 19.7% as of 30 June 2023), in line with the expected ratio for the full-year.

### Change in working capital requirements

In H1 2024, calendar effect (Saturday 29 June, Sunday 30 June) had a strong negative impact on the change in WCR, at c. -€77m. The Group's average payment time remained very good, even if it slightly deteriorated at 30 June 2024, at 55 days vs. 54 days at 30 June 2023.

### Free cash-flow

In H1 2024, the Group delivered free cash flow (after lease payments) of €55.5m, up +€38.6m compared to H1 2023. This amount is in line with the full-year objectives, as the 2nd half historically represents nearly all yearly free cash flow.

### Net financial debt and financing

In H1 2024, the Group delivered free cash flow (after lease payments) of €55.5m, up +€38.6m compared to H1 2023. This amount is in line with the full-year objectives, as the 2nd half historically represents nearly all yearly free cash flow.

On March 14, 2024, Elis placed a principal amount of €400.0 million of senior unsecured notes under its EMTN (Euro Medium Term Notes) program. The notes have a maturity of six years and carry a fixed annual coupon of 3.75%.

### Payout for the 2023 financial year

The general shareholders' meeting of May 23, 2024, approved the annual and consolidated financial statements for the 2023 financial year and the cash payout of €0.43 per share. The ex-dividend date was May 27, 2024 and the payment date was May 29, 2024.

## 1.4 Upwards revision of full-year 2024 organic growth and EBITDA margin targets

- Full-year organic growth now expected between +5.2% and +5.5% (previously expected at c. +5%)
- Adjusted EBITDA margin now expected between 35.2% and 35.5% (previously expected close to 35%)
- Adjusted EBIT margin still expected stable yoy at c. 16%
- Headline net income per share still expected above €1.75 on a fully diluted basis
- Free cash flow still expected c. €340m
- Financial leverage ratio as of December 31, 2024 still expected down -0.2x compared to December 31, 2023

## 1.5 Financial definitions

- Organic growth in the Group's revenue is calculated excluding (i) the impacts of changes in the scope of consolidation of "major acquisitions" and "major disposals" (as defined in the Document de Base) in each of the periods under comparison, as well as (ii) the impact of exchange rate fluctuations.
- Adjusted EBITDA is defined as adjusted EBIT before depreciation and amortization net of the portion of grants transferred to income.
- Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue.
- Adjusted EBIT is defined as net income (loss) before net financial income (loss), income tax, share in net income of equity accounted companies, amortization of intangible assets recognized in a business combination, goodwill impairment losses, other operating income and expense, miscellaneous financial items (bank fees recognized in operating income) and IFRS 2 expenses (share-based payments).
- Adjusted EBIT margin is defined as adjusted EBIT divided by revenue.
- Headline net result corresponds to net income or loss excluding extraordinary items which, due to their type and unusual nature, cannot be considered as intrinsic to the Group's current performance.
- Free cash flow is defined as adjusted EBITDA less non-cash-items and changes in working capital, purchases of linen, capital expenditures (net of disposals), tax paid, financial interest paid and lease liabilities payments.
- The financial leverage ratio is the leverage ratio calculated for the purpose of the financial covenant included in the banking agreement signed in 2021: Leverage ratio is equal to Net financial debt / adjusted EBITDA, pro forma of acquisitions finalized during the last 12 months, and after synergies.

## 1.6 Risk factors

The main risks and uncertainties that the Group could face during the second half of 2024 are those described in chapters 3 and 4 of the 2023 Universal Registration Document – in chapter 3, section 3.6.1 "Non-financial performance statement (NFPS)" (pages 208 to 211) and in chapter 4, section 4.1 "Risk factors" (pages 225 to 248). Subject to the information below and the updates to disputes detailed in Note 7.2 of the condensed half-year consolidated financial statements included in section 2 of this report, these risk factors remain applicable as at the date of this report.
Due to the fact that the Group generates 30% of its revenue in France, as at the end of the first half of 2024, political developments in the country during the second half of the year may impact results for this period. To date, the indicators remain promising, and the Group is continuing to deploy its pricing and productivity gains strategy in various sectors.
At the same time, in an environment marked by the ongoing military conflict between Russia and Ukraine as at the date of this report, the Company has not observed any significant adverse effects on its business, mainly due to limited exposure to Russia (the Group derives revenue of around €20 million per year from Russia and has no business in Ukraine).
The Company is continuing to monitor the situation closely and has put in place the necessary arrangements to comply with international sanctions and export control measures imposed by a number of countries and organizations, including the European Union, the United Kingdom and the United States.

## 1.7 Transactions with related parties

The main transactions with related parties are set out in Note 5.3 "Executive compensation" to the condensed half-year consolidated financial statements in section 2 of this report.

## 1.8 Changes in corporate governance

On May 23, 2024, the Elis annual general shareholders' meeting was held, at which the shareholders approved:

- the reappointment of two members of the Supervisory Board, Amy Flikerski and Fabrice Barthélemy, for four-year terms, that is until the general shareholders' meeting called to approve the financial statements for the year ending December 31, 2027;
- the ratification of the appointment of BW Gestão de Investimentos Ltda as a member of the Supervisory Board on December 14, 2023, for the remainder of the term of office of its predecessor, Magali Chessé, that is until the general shareholders' meeting called to approve the financial statements for the year ending December 31, 2026. BW Gestão de Investimentos Ltda is represented by Cécile Helme-Guizon.

At June 30, 2024, the Elis Supervisory Board had 12 members, including 8 independent members, 5 women and 2 employee representatives. In addition, the Supervisory Board has also had a non-voting member (*censeur*) since 2023.

## 1.9 Information about share capital

### 1.9.1 Share capital and shareholding structure

Based on statutory disclosures establishing an interest of more than 5% of share capital or voting rights, and disclosures by parties related to the Group, the share capital or voting rights structure as at June 30, 2024 was as follows:

| Shareholders | 06/30/2024 | | | | | |
|---|---|---|---|---|---|---|
| | Number of shares | Theoretical voting rights | Exercisable voting rights | % of share capital | % of theoretical voting rights | % of exercisable voting rights |
| Canada Pension Plan Investment Board (*) | 28,109,795 | 55,434,304 | 55,434,304 | 11.93% | 20.76% | 20.78% |
| Brasil Warrant Administração de Bens e Empresas "BWSA" (Kaon E) (*)(**) | 23,039,240 | 23,039,240 | 23,039,240 | 9.78% | 8.63% | 8.64% |
| LAC I SLP fund(*) (***) | 12,747,238 | 12,747,238 | 12,747,238 | 5.41% | 4.77% | 4.78% |
| Free float, o/w: | 171,671,544 | 175,741,994 | 175,573,733 | 72.88% | 65.83% | 65.81% |
| > Executives and employees(a) | 7,138,105 | 12,220,615 | 12,220,615 | 3.03% | 4.58% | 4.58% |
| > Treasury shares(b) | 168,261 | 168,261 | 0 | 0.07% | 0.06% | 0% |
| **Total** | **235,567,817** | **266,962,776** | **266,794,515** | **100%** | **100%** | **100%** |

(*) including shares held by the shareholder's representative(s) on the Supervisory Board.

(**) BWSA acting through Kaon E, a sub-fund of Kaon Investment Fund ICAV, an Irish Collective Asset-management Vehicle managed by BWSA's 99.96%-owned Brazilian subsidiary, BW Gestão de Investimentos Ltda (BWGI), itself a member of the Supervisory Board. BWGI directly holds 500 Elis shares.

(***) based on the disclosure that it had fallen below the threshold of 5% of voting rights on June 17, 2024. The LAC I SLP fund is managed by Bpifrance Investissement, a member of the Supervisory Board. Bpifrance Investissement directly holds 500 Elis shares.

(a) o/w 2,276,877 held by employees (including employee members of the Management Board) through the "Elis for All" investment fund (FCPE), 529,288 directly held by employees of foreign subsidiaries as part of "Elis for All," and 3,577,386 held by employees in respect of settlements of performance share plans implemented by the Company for which the vesting period has expired (i.e. employee profit-sharing, including for employee members of the Management Board, of 2.75% of the share capital as at June 30, 2024, in accordance with Article L. 225-102 of the French Commercial Code).

(b) these shares are exclusively held under the liquidity agreement. They have no voting rights.

To the Company's knowledge, as at June 30, 2024, no shareholder other than those mentioned above directly or indirectly held 5% or more of the Company's share capital and voting rights.

The latest breakdown of the Company's share capital is updated on the Group's website at **www.elis.com**.

### 1.9.2 Shareholding disclosure thresholds

Bpifrance Investissement, acting on behalf of the French limited partnership company LAC I SLP, which it manages, reported to the AMF that on June 17, 2024, it had fallen below the threshold of 5% of Elis' voting rights and held 12,747,238 shares on behalf of LAC I SLP, i.e. 5.41% of the capital and 4.77% of the voting rights of the company (AMF disclosure no. 224C0932).

No other crossing of the 5% capital threshold was reported to the AMF.

### 1.9.3 Potential new shares

At June 30, 2024, the securities giving access to the Company's capital were:

> performance shares granted by the Company (see Note 5.2 of the condensed half-year consolidated financial statements in section 2 of this report), representing 3,048,409 rights that may give rise to the issue of 3,048,409 new shares;

> the 3,800 OCÉANE bonds (maturing on 09/22/2029) issued by the Company representing 22,906,780 underlying shares. The number of shares takes into account the last adjustment to the conversion ratio, set at 6,028,1002 shares per bond, on May 29, 2024, following the dividend payment for the 2023 financial year. The new conversion price for 2029 OCÉANE bonds is therefore €16.60, which is lower than the market value on June 30, 2024 (see Note 10.2 of the condensed half-year consolidated financial statements in section 2 of this report).

The overall potentially dilutive effect of these instruments stood at around 11.02% of the share capital as at June 30, 2024.

## 1.10 Events after the reporting period

No other significant events have occurred since the condensed half-year consolidated financial statements' reporting date.

# 02

# Condensed half-year consolidated financial statements

*(Unaudited)*

## 2.1 Interim consolidated income statement for the first six months of the year

| *(In millions of euros)* | Notes | 2024 | 2023 restated* |
|---|---|---|---|
| **Revenue** | **3.1/3.3** | **2,246.7** | **2,101.3** |
| Cost of linen, equipment and other consumables | | (356.7) | (308.0) |
| Processing costs | | (834.0) | (809.3) |
| Distribution costs | | (333.7) | (307.4) |
| Gross margin | | 722.3 | 676.6 |
| Selling, general and administrative expenses | | (386.4) | (370.7) |
| Net impairment on trade and other receivables | | (5.6) | (0.7) |
| Amortization of intangible assets recognized in a business combination | 4.1 | (41.8) | (41.6) |
| Other operating income and expenses | 4.2 | (40.8) | (21.5) |
| Operating income | 3.2 | 247.6 | 242.2 |
| Net financial income (expense) | 8.1 | (66.5) | (56.9) |
| Income (loss) before tax | | 181.1 | 185.2 |
| Income tax | 9 | (62.0) | (46.6) |
| Income from continuing operations | | 119.1 | 138.6 |
| Income from discontinued operation, net of tax | | 0.0 | 0.0 |
| **Net income** | | **119.1** | **138.6** |
| Attributable to: | | | |
| owners of the parent | | 119.1 | 138.6 |
| non-controlling interests | | (0.0) | (0.0) |
| Earnings (loss) per share (EPS) (in euros): | | | |
| basic, attributable to owners of the parent | 10.3 | €0.51 | €0.60 |
| diluted, attributable to owners of the parent | 10.3 | €0.48 | €0.56 |
| Earnings (loss) per share (EPS) from continuing operations (in euros): | | | |
| basic, attributable to owners of the parent | 10.3 | €0.51 | €0.60 |
| diluted, attributable to owners of the parent | 10.3 | €0.48 | €0.56 |

*(*) See Note 1.6.*

## 2.2 Interim consolidated statement of comprehensive income for the first six months of the year

| *(In millions of euros)* | Notes | 2024 | 2023 restated* |
|---|---|---|---|
| **Net income** | | **119.1** | **138.6** |
| Gains (losses) on cash flow hedges, before tax | | 2.7 | 2.2 |
| Cash flow hedge reserve reclassified to income | | 0.0 | 0.0 |
| **Total change in cash flow hedge reserve, before taxes** | | **2.7** | **2.2** |
| Related tax | | (0.7) | (0.6) |
| **Net change in the cost of hedging, before tax** | | **0.3** | **(9.8)** |
| Related tax | | (0.1) | 2.5 |
| **Effects of changes in foreign exchange rates – net translation differences** | | **(74.0)** | **28.1** |
| Other comprehensive income (loss) which may be subsequently reclassified to income | | (71.7) | 22.4 |
| **Actuarial gains (losses) on defined benefit plans, before tax** | | **(6.9)** | **(11.9)** |
| Related tax | | 2.1 | (0.1) |
| Other comprehensive income (loss) which may not be subsequently reclassified to income | | (4.8) | (12.0) |
| **Other comprehensive income** | | **(76.5)** | **10.4** |
| **Total comprehensive income (loss)** | | **42.6** | **149.0** |
| Attributable to: | | | |
| owners of the parent | | 42.6 | 149.0 |
| non-controlling interests | | (0.0) | (0.0) |

*(*) See Note 1.6.*

## 2.3 Interim consolidated statement of financial position – Assets

| *(In millions of euros)* | Notes | 06/30/2024 | 12/31/2023 restated* |
|---|---|---|---|
| Goodwill | 6.1 | 3,965.8 | 3,982.9 |
| Intangible assets | 6.2 | 657.3 | 702.6 |
| Right-of-use assets | 6.4 | 535.9 | 513.2 |
| Property, plant and equipment | 6.5 | 2,282.1 | 2,210.7 |
| Other equity investments | | 0.1 | 0.1 |
| Other non-current assets | | 70.7 | 66.2 |
| Deferred tax assets | | 43.4 | 46.9 |
| Employee benefit assets | | 4.1 | 12.3 |
| Total non-current assets | | 7,559.2 | 7,534.9 |
| Inventories | | 186.6 | 185.6 |
| Contract assets | | 53.8 | 51.9 |
| Trade and other receivables | | 908.6 | 823.6 |
| Current tax assets | | 29.6 | 24.5 |
| Other assets | | 23.2 | 19.3 |
| Cash and cash equivalents | 8.3 | 420.7 | 665.3 |
| Assets held for sale | | 0.0 | 0.0 |
| Total current assets | | 1,622.6 | 1,770.1 |
| **Total assets** | | **9,181.8** | **9,305.0** |

*(*) See Note 1.6.*

## 2.4 Interim consolidated statement of financial position – Equity and liabilities

| *(in millions of euros)* | Notes | 06/30/2024 | 12/31/2023 restated* |
|---|---|---|---|
| Share capital | 10.1 | 235.6 | 234.0 |
| Additional paid-in capital | 10.1 | 2,476.1 | 2,477.7 |
| Treasury share reserve | | (2.8) | (0.7) |
| Other reserves | | (360.8) | (289.1) |
| Retained earnings | | 1,077.7 | 1,053.4 |
| **Equity attributable to owners of the parent** | | **3,425.7** | **3,475.3** |
| **Non-controlling interests** | | **(0.0)** | **0.7** |
| Total equity | | 3,425.7 | 3,476.1 |
| Provisions | 7.1 | 90.8 | 94.0 |
| Employee benefit liabilities | | 86.9 | 90.7 |
| Borrowings and financial debt | 8.2/8.4 | 2,637.1 | 2,717.5 |
| Deferred tax liabilities | | 289.6 | 295.6 |
| Lease liabilities | 6.4 | 447.5 | 430.4 |
| Other non-current liabilities | | 21.4 | 58.0 |
| Total non-current liabilities | | 3,573.3 | 3,686.1 |
| Current provisions | 7.1 | 15.0 | 17.1 |
| Current tax liabilities | | 32.0 | 24.3 |
| Trade and other payables | | 385.4 | 404.7 |
| Contract liabilities | | 87.6 | 83.7 |
| Current lease liabilities | 6.4 | 115.3 | 107.5 |
| Other liabilities | | 531.9 | 532.4 |
| Bank overdrafts and current borrowings | 8.2/8.4 | 1,015.5 | 973.2 |
| Liabilities directly associated with assets held for sale | | 0.0 | 0.0 |
| Total current liabilities | | 2,182.8 | 2,142.8 |
| **Total equity and liabilities** | | **9,181.8** | **9,305.0** |

*(*) See Note 1.6.*

## 2.5 Interim consolidated statement of cash flows for the first six months of the year

| *(In millions of euros)* | Notes | 2024 | 2023 restated* |
|---|---|---|---|
| **Net income** | | **119.1** | **138.6** |
| Income tax | 9 | 62.0 | 46.6 |
| Net financial income (expense) | 8.1 | 66.5 | 56.9 |
| **Operating income** | | **247.6** | **242.2** |
| Share-based payments | | 10.7 | 8.4 |
| Depreciation, amortization and provisions | 4.1 | 470.3 | 422.7 |
| Portion of grants transferred to income | 4.1 | (0.3) | (0.3) |
| Net gains and losses on disposal of property, plant and equipment and intangible assets | | 1.6 | 1.0 |
| Earnout adjustments and other elements with no impact on cash flows | | 32.0 | 15.9 |
| **Cash flow before finance costs and tax** | | **762.1** | **689.9** |
| Change in inventories | | 0.4 | (2.8) |
| Change in trade and other receivables and contract assets | | (86.9) | (93.4) |
| Change in other assets | | (3.3) | (4.4) |
| Change in trade and other payables | | (12.0) | (30.2) |
| Change in contract liabilities and other liabilities | | 29.1 | 49.5 |
| Other changes | | (2.4) | (1.9) |
| Employee benefits | | (2.3) | (2.7) |
| Tax paid | | (64.6) | (56.5) |
| **Net cash from operating activities** | | **620.1** | **547.5** |
| Acquisition of intangible assets | | (10.9) | (13.4) |
| Proceeds from disposal of intangible assets | | 0.0 | (0.0) |
| Acquisition of property, plant and equipment | | (425.3) | (402.9) |
| Proceeds from disposal of property, plant and equipment | | 4.9 | 2.0 |
| Acquisition of subsidiaries, net of cash acquired | 2.1 | (134.0) | (61.5) |
| Proceeds from disposal of subsidiaries, net of cash transferred | | 0.0 | 0.0 |
| Changes in loans and advances | | 0.3 | 0.2 |
| Dividends earned | | 0.0 | 0.0 |
| Investment grants | | 0.8 | 0.2 |
| **Net cash flows from investing activities** | | **(564.2)** | **(475.4)** |
| Capital increase | | (0.0) | 0.0 |
| Treasury shares | | (2.1) | 0.5 |
| Dividends paid | | (101.3) | (61.7) |
| Proceeds from new borrowings | 8.2 | 882.8 | 624.2 |
| Repayments of borrowings | 8.2 | (942.5) | (400.5) |
| Lease liability payments - principal | 6.4 | (62.6) | (52.9) |
| Net interest paid (including interest on lease liabilities) | | (71.6) | (63.7) |
| Other cash flows related to financing activities | | 3.8 | (4.0) |
| **Net cash flows from financing activities** | | **(293.4)** | **41.9** |
| **Net increase (decrease) in cash and cash equivalents** | | **(237.5)** | **113.9** |
| Cash and cash equivalents at beginning of period | | 664.8 | 286.1 |
| Effect of changes in foreign exchange rates on cash and cash equivalents | | (6.6) | 3.8 |
| **Cash and cash equivalents at end of period** | | **420.6** | **403.8** |

*(*) See Note 1.6.*

## 2.6 Interim consolidated statement of changes in equity as at June 30, 2024

| *(in millions of euros)* | Notes | Share capital | Additional paid-in capital | Treasury share reserve | Cash flow hedge reserve | Cost of hedging reserve | Translation reserve | Equity component of convertible bonds | Legal reserve | Retained earnings | **Owners of the parent** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at December 31, 2023, restated*** | | **234.0** | **2,477.7** | **(0.7)** | **(2.4)** | **(9.5)** | **(335.8)** | **35.3** | **23.4** | **1,053.4** | **3,475.3** | **0.7** | **3,476.1** |
| Cash increase in share capital | 10.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (0.0) | 0.0 | (0.0) |
| Amounts paid to shareholders | 10.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (101.3) | (101.3) | 0.0 | (101.3) |
| Issue/redemption of convertible notes | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share-based payments | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.7 | 10.7 | 0.0 | 10.7 |
| Changes in treasury shares | | 0.0 | 0.0 | (2.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (2.1) | 0.0 | (2.1) |
| Acquisition of NCI without a change in control | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 | (0.7) | (0.3) |
| Acquisition of subsidiary - NCI | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other changes | 10.1 | 1.6 | (1.6) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net income** | | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **119.1** | **119.1** | **(0.0)** | **119.1** |
| Other comprehensive income | | 0.0 | 0.0 | 0.0 | 2.0 | 0.2 | (74.0) | 0.0 | 0.0 | (4.8) | (76.5) | 0.0 | (76.5) |
| **Total comprehensive income (loss)** | | **0.0** | **0.0** | **0.0** | **2.0** | **0.2** | **(74.0)** | **0.0** | **0.0** | **114.3** | **42.6** | **(0.0)** | **42.6** |
| **Balance as at June 30, 2024** | | **235.6** | **2,476.1** | **(2.8)** | **(0.4)** | **(9.3)** | **(409.8)** | **35.3** | **23.4** | **1,077.7** | **3,425.7** | **(0.0)** | **3,425.7** |

*(*) See Note 1.6.*

## 2.7 Interim consolidated statement of changes in equity as at June 30, 2023

| *(in millions of euros)* | Notes | Share capital | Additional paid-in capital | Treasury share reserve | Cash flow hedge reserve | Cost of hedging reserve | Translation reserve | Equity component of convertible bonds | Legal reserve | Retained earnings | **Owners of the parent** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at December 31, 2022** | | **230.1** | **2,440.9** | **(1.7)** | **(3.6)** | **6.8** | **(404.5)** | **54.2** | **23.0** | **866.2** | **3,211.5** | **0.8** | **3,212.3** |
| Cash increase in share capital | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amounts paid to shareholders | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (61.7) | (61.7) | 0.0 | (61.7) |
| Issue/redemption of convertible notes | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share-based payments | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8.4 | 8.4 | 0.0 | 8.4 |
| Changes in treasury shares | | 0.0 | 0.0 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.0 | 0.5 |
| Acquisition of NCI without a change in control | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.0) | (0.0) | 0.0 | (0.0) |
| Acquisition of subsidiary - NCI | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other changes | | 2.6 | 30.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | (33.1) | (0.0) | 0.0 | (0.0) |
| **Net income** | | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **138.6** | **138.6** | **(0.0)** | **138.6** |
| Other comprehensive income | | 0.0 | 0.0 | 0.0 | 1.6 | (7.3) | 28.1 | 0.0 | 0.0 | (12.0) | 10.4 | 0.0 | 10.4 |
| **Total comprehensive income (loss)** | | **0.0** | **0.0** | **0.0** | **1.6** | **(7.3)** | **28.1** | **0.0** | **0.0** | **126.6** | **149.0** | **(0.0)** | **149.0** |
| **Balance as at June 30, 2023, restated*** | | **232.7** | **2,471.2** | **(1.2)** | **(2.0)** | **(0.5)** | **(376.4)** | **54.2** | **23.3** | **906.4** | **3,307.7** | **0.8** | **3,308.4** |

*(*) See Note 1.6.*

## 2.8 Notes to the consolidated financial statements

Elis is an international multi-service provider, offering textile, hygiene and well-being, rental & maintenance solutions in Europe and Latin America. The Group serves hundreds of thousands of customers of all sizes in the Hospitality, Healthcare, Industry, Commerce and services sectors.

Elis is a joint-stock corporation governed by a Management Board and a Supervisory Board, listed on the Euronext market in Paris. Its registered office is located at 5, boulevard Louis-Loucheur, 92210 Saint-Cloud, France.

The condensed half-year consolidated financial statements were approved by the Management Board and reviewed by the Audit Committee and Supervisory Board on July 24, 2024. They have also been subject to a limited review by the Statutory Auditors.

# NOTE 1 Accounting methods and policies

## 1.1 Basis of preparation

The Elis Group's condensed half-year consolidated financial statements include the financial statements of Elis and its subsidiaries.

The Elis Group (or the Group) refers to Elis (or the Company), the parent company of the Elis Group, and the companies it controls and consolidates.

These financial statements have been prepared on a going concern basis and under the historical cost convention, with the main exception of:

- derivative financial instruments and offsetting assets, contingent liabilities and financial liabilities representing a price adjustment, recognized in a business combination, which are measured at fair value;
- liabilities (assets) related to employee benefits, which are measured at the fair value of plan assets less the present value of defined benefit obligations, as limited by IAS 19;
- assets held for sale, which are measured at the lower of the carrying amount and the fair value, less cost to sell.

The financial statements are presented in millions of euros, unless otherwise stated.

## 1.2 Accounting standards applied

Elis' condensed half-year consolidated financial statements for the period from January 1 to June 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting," the IFRS (International Financial Reporting Standards) standard as adopted by the European Union. As they are condensed financial statements, they do not include all the information required by IFRS for annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2023.

The amounts are shown with comparative figures from the consolidated financial statements as at December 31, 2023 and with the condensed half-year consolidated financial statements as at June 30, 2023.

## 1.3 Impact of new standards

The accounting policies used are the same as those used to prepare the consolidated financial statements for the year ended December 31, 2023, except for standards, amendments and interpretations whose application is mandatory as at January 1, 2024.

The Group has not identified any impact from the new standards that have been mandatory since January 1, 2024.

## 1.4 Critical accounting estimates and judgments

The preparation of the condensed half-year consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, income and expenses and the disclosures in some of the notes to the financial statements. Amounts reported in future financial statements may differ from current estimates due to changes in assumptions or if conditions vary from those anticipated.

In preparing these condensed half-year consolidated financial statements, the judgments and significant estimates made by management in applying the Group's accounting policies were the same as those made for the annual consolidated financial statements as at December 31, 2023, with the exception of:

- the estimate made for the recognition of the interim tax expense, as described in Note 9 "Income tax expense";
- the French business tax (CVAE) and the employee profit-sharing taken into account in the results of the Group's French entities, which are provisioned at 50% of the estimated annual expense;
- the retirement benefit liabilities which were not remeasured using actuarial methods for the purposes of the condensed half-year consolidated financial statements. The retirement benefit expense for the period corresponds to 50% of the estimated expense for full-year 2024, based on data used at December 31, 2023, extrapolated for any significant changes in assumptions (change in discount and inflation rates) and for the pension reform in France.

## 1.5 Seasonal revenues

Revenue, recurring operating income (before other operating income and expenses) and all operating indicators are subject to low seasonal fluctuations, with the exception of tourism and summer vacation periods which impact activity at certain sites. The extent of the seasonal impact varies in the countries in which the Group operates.

Consequently, the half-year results for the period from January 1 to June 30, 2024 are not necessarily representative of the results for full-year 2024.

## 1.6 Restated income statement for prior financial years

The following tables present the adjustments related to previous business combinations compared to the income statement as at June 30, 2023 included in the condensed half-year consolidated financial statements and the previously published financial statements as at December 31, 2023.

### *IFRS 3 "Business Combinations"*

IFRS 3 requires previously published comparative periods to be retrospectively restated for business combinations (recognition of the final fair value of the assets acquired and the liabilities and contingent liabilities assumed when this fair value was provisionally determined at the previous balance sheet date).

The main adjustments compared to previously published consolidated financial statements concern:

- The H1 2023 income statement. Initial accounting for several business combinations had not been completed by July 2023, the reporting date for the condensed half-year consolidated financial statements as at June 30, 2023: in particular, valuations of some customer relationships were not finalized until the second half of 2023. These valuations were performed using the excess earnings method.
- The balance sheet for the year ended December 31, 2023. As mentioned in Note 2.4 "Changes in the scope of consolidation" to the 2023 consolidated financial statements, because of the recent acquisitions, the initial accounting for business combinations acquired over the last 12 months had not been completed and the fair value amounts were therefore provisional. The restatements are mainly related to the allocation of goodwill from acquisitions made from May to December 2023: recognition of customer relationships using the excess earnings method.

### 1.6.1 Interim consolidated income statement

| *(in millions of euros)* | 2023 reported | IFRS 3 | 2023 restated |
|---|---|---|---|
| **Revenue** | **2,101.3** | **0.0** | **2,101.3** |
| Cost of linen, equipment and other consumables | (308.0) | 0.0 | (308.0) |
| Processing costs | (809.3) | 0.0 | (809.3) |
| Distribution costs | (307.4) | 0.0 | (307.4) |
| Gross margin | 676.6 | 0.0 | 676.6 |
| Selling, general and administrative expenses | (370.7) | 0.0 | (370.7) |
| Net impairment on trade and other receivables | (0.7) | 0.0 | (0.7) |
| Amortization of intangible assets recognized in a business combination | (41.3) | (0.3) | (41.6) |
| Other operating income and expenses | (21.5) | 0.0 | (21.5) |
| Operating income | 242.4 | (0.3) | 242.2 |
| Net financial income (expense) | (56.9) | 0.0 | (56.9) |
| Income (loss) before tax | 185.5 | (0.3) | 185.2 |
| Income tax | (46.7) | 0.1 | (46.6) |
| Income from continuing operations | 138.8 | (0.2) | 138.6 |
| Income from discontinued operation, net of tax | 0.0 | 0.0 | 0.0 |
| **Net income** | **138.8** | **(0.2)** | **138.6** |
| Attributable to: | | | |
| owners of the parent | 138.8 | (0.2) | 138.6 |
| non-controlling interests | (0.0) | 0.0 | (0.0) |
| Earnings (loss) per share (EPS) (in euros): | | | |
| basic, attributable to owners of the parent | €0.60 | | €0.60 |
| diluted, attributable to owners of the parent | €0.56 | | €0.56 |
| Earnings (loss) per share (EPS) from continuing operations (in euros): | | | |
| basic, attributable to owners of the parent | €0.60 | | €0.60 |
| diluted, attributable to owners of the parent | €0.56 | | €0.56 |

### 1.6.2 Interim consolidated statement of comprehensive income

| *(in millions of euros)* | 2023 reported | IFRS 3 | 2023 restated |
|---|---|---|---|
| **Net income** | **138.8** | **(0.2)** | **138.6** |
| Gains (losses) on cash flow hedges, before tax | 2.2 | | 2.2 |
| Cash flow hedge reserve reclassified to income | 0.0 | | 0.0 |
| **Total change in cash flow hedge reserve, before taxes** | **2.2** | **0.0** | **2.2** |
| Related tax | (0.6) | | (0.6) |
| **Net change in the cost of hedging, before tax** | **(9.8)** | | **(9.8)** |
| Related tax | 2.5 | | 2.5 |
| **Effects of changes in foreign exchange rates – net translation differences** | **28.1** | **0.0** | **28.1** |
| Other comprehensive income (loss) which may be subsequently reclassified to income | 22.4 | 0.0 | 22.4 |
| **Actuarial gains (losses) on defined benefit plans, before tax** | **(11.9)** | | **(11.9)** |
| Related tax | (0.1) | | (0.1) |
| Other comprehensive income (loss) which may not be subsequently reclassified to income | (12.0) | 0.0 | (12.0) |
| **Other comprehensive income** | **10.4** | **0.0** | **10.4** |
| **Total comprehensive income (loss)** | **149.2** | **(0.2)** | **149.0** |
| Attributable to: | | | |
| owners of the parent | 149.3 | (0.2) | 149.0 |
| non-controlling interests | (0.0) | 0.0 | (0.0) |

### 1.6.3 Consolidated statement of financial position – Assets

| *(In millions of euros)* | 12/31/2023 reported | IFRS 3 allocation as at the acquisition date | IFRS 3 change between the acquisition date and the balance sheet date | IFRS 3 translation differences | 12/31/2023 restated |
|---|---|---|---|---|---|
| Goodwill | 3,988.1 | (5.2) | 0.0 | (0.0) | 3,982.9 |
| Intangible assets | 695.1 | 8.0 | (0.5) | 0.0 | 702.6 |
| Right-of-use assets | 512.8 | 0.4 | 0.0 | 0.0 | 513.2 |
| Property, plant and equipment | 2,210.8 | (0.2) | 0.0 | 0.0 | 2,210.7 |
| Other equity investments | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 |
| Other non-current assets | 66.5 | (0.2) | 0.0 | 0.0 | 66.2 |
| Deferred tax assets | 46.9 | 0.0 | 0.0 | 0.0 | 46.9 |
| Employee benefit assets | 12.3 | 0.0 | 0.0 | 0.0 | 12.3 |
| Total non-current assets | 7,532.5 | 2.9 | (0.5) | (0.0) | 7,534.9 |
| Inventories | 185.6 | (0.0) | 0.0 | 0.0 | 185.6 |
| Contract assets | 51.9 | (0.0) | 0.0 | 0.0 | 51.9 |
| Trade and other receivables | 823.4 | 0.2 | 0.0 | 0.0 | 823.6 |
| Current tax assets | 24.5 | 0.0 | 0.0 | 0.0 | 24.5 |
| Other assets | 19.3 | (0.0) | 0.0 | 0.0 | 19.3 |
| Cash and cash equivalents | 665.1 | 0.2 | 0.0 | 0.0 | 665.3 |
| Assets held for sale | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total current assets | 1,769.7 | 0.3 | 0.0 | 0.0 | 1,770.1 |
| **Total assets** | **9,302.2** | **3.2** | **(0.5)** | **(0.0)** | **9,305.0** |

### 1.6.4 Consolidated statement of financial position – Equity and liabilities

| *(in millions of euros)* | 12/31/2023 reported | IFRS 3 allocation as at the acquisition date | IFRS 3 change between the acquisition date and the balance sheet date | IFRS 3 translation differences | 12/31/2023 restated |
|---|---|---|---|---|---|
| Share capital | 234.0 | 0.0 | 0.0 | 0.0 | 234.0 |
| Additional paid-in capital | 2,477.7 | 0.0 | 0.0 | 0.0 | 2,477.7 |
| Treasury share reserve | (0.7) | 0.0 | 0.0 | 0.0 | (0.7) |
| Other reserves | (289.1) | 0.0 | 0.0 | 0.0 | (289.1) |
| Retained earnings | 1,053.8 | (0.0) | (0.4) | 0.0 | 1,053.4 |
| **Equity attributable to owners of the parent** | **3,475.7** | **(0.0)** | **(0.4)** | **0.0** | **3,475.3** |
| **Non-controlling interests** | **0.7** | **0.0** | **0.0** | **0.0** | **0.7** |
| Total equity | 3,476.4 | (0.0) | (0.4) | 0.0 | 3,476.1 |
| Provisions | 94.0 | 0.0 | 0.0 | 0.0 | 94.0 |
| Employee benefit liabilities | 90.7 | 0.0 | 0.0 | 0.0 | 90.7 |
| Borrowings and financial debt | 2,717.5 | 0.0 | 0.0 | 0.0 | 2,717.5 |
| Deferred tax liabilities | 293.6 | 2.1 | (0.1) | 0.0 | 295.6 |
| Lease liabilities | 430.0 | 0.3 | 0.0 | 0.0 | 430.4 |
| Other non-current liabilities | 57.9 | 0.1 | 0.0 | (0.0) | 58.0 |
| Total non-current liabilities | 3,683.6 | 2.6 | (0.1) | (0.0) | 3,686.1 |
| Current provisions | 17.1 | 0.0 | 0.0 | 0.0 | 17.1 |
| Current tax liabilities | 24.2 | 0.1 | 0.0 | 0.0 | 24.3 |
| Trade and other payables | 404.8 | (0.0) | 0.0 | 0.0 | 404.7 |
| Contract liabilities | 83.7 | 0.0 | 0.0 | 0.0 | 83.7 |
| Current lease liabilities | 107.4 | 0.1 | 0.0 | 0.0 | 107.5 |
| Other liabilities | 531.9 | 0.4 | 0.0 | (0.0) | 532.4 |
| Bank overdrafts and current borrowings | 973.1 | 0.0 | 0.0 | 0.0 | 973.2 |
| Liabilities directly associated with assets held for sale | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total current liabilities | 2,142.2 | 0.6 | 0.0 | (0.0) | 2,142.8 |
| **Total equity and liabilities** | **9,302.2** | **3.2** | **(0.5)** | **(0.0)** | **9,305.0** |

### 1.6.5 Interim consolidated statement of cash flows

| *(in millions of euros)* | 2023 reported | IFRS 3 | 2023 restated |
|---|---|---|---|
| **Net income** | **138.8** | **(0.2)** | **138.6** |
| Income tax | 46.7 | (0.1) | 46.6 |
| Net financial income (expense) | 56.9 | 0.0 | 56.9 |
| **Operating income** | **242.4** | **(0.3)** | **242.2** |
| Share-based payments | 8.4 | | 8.4 |
| Depreciation, amortization and provisions | 422.4 | 0.3 | 422.7 |
| Portion of grants transferred to income | (0.3) | | (0.3) |
| Net gains and losses on disposal of property, plant and equipment and intangible assets | 1.0 | | 1.0 |
| Earnout adjustments and other elements with no impact on cash flows | 15.9 | 0.0 | 15.9 |
| **Cash flow before finance costs and tax** | **689.9** | **(0.0)** | **689.9** |
| Change in inventories | (2.8) | | (2.8) |
| Change in trade and other receivables and contract assets | (93.4) | | (93.4) |
| Change in other assets | (4.4) | | (4.4) |
| Change in trade and other payables | (30.2) | 0.0 | (30.2) |
| Change in contract liabilities and other liabilities | 49.5 | | 49.5 |
| Other changes | (1.9) | | (1.9) |
| Employee benefits | (2.7) | | (2.7) |
| Tax paid | (56.5) | | (56.5) |
| **Net cash from operating activities** | **547.5** | **(0.0)** | **547.5** |
| Acquisition of intangible assets | (13.4) | | (13.4) |
| Proceeds from disposal of intangible assets | (0.0) | | (0.0) |
| Acquisition of property, plant and equipment | (402.9) | 0.0 | (402.9) |
| Proceeds from disposal of property, plant and equipment | 2.0 | | 2.0 |
| Acquisition of subsidiaries, net of cash acquired | (61.7) | 0.2 | (61,5) |
| Proceeds from disposal of subsidiaries, net of cash transferred | 0.0 | | 0.0 |
| Changes in loans and advances | 0.2 | | 0.2 |
| Dividends earned | 0.0 | | 0.0 |
| Investment grants | 0.2 | | 0.2 |
| **Net cash flows from investing activities** | **(475.6)** | **0.2** | **(475.4)** |
| Capital increase | 0.0 | | 0.0 |
| Treasury shares | 0.5 | | 0.5 |
| Dividends paid | (61.7) | | (61.7) |
| Proceeds from new borrowings | 624.2 | | 624.2 |
| Repayments of borrowings | (400.5) | | (400.5) |
| Lease liability payments - principal | (52.9) | 0.0 | (52.9) |
| Net interest paid (including interest on lease liabilities) | (63.7) | 0.0 | (63.7) |
| Other cash flows related to financing activities | (4.0) | | (4.0) |
| **Net cash flows from financing activities** | **41.9** | **0.0** | **41.9** |
| **Net increase (decrease) in cash and cash equivalents** | **113.8** | **0.2** | **113.9** |
| Cash and cash equivalents at beginning of period | 286.1 | | 286.1 |
| Effect of changes in foreign exchange rates on cash and cash equivalents | 3.8 | 0.0 | 3.8 |
| **Cash and cash equivalents at end of period** | **403.6** | **0.2** | **403.8** |

# NOTE 2 Changes in the scope of consolidation and key highlights

## 2.1 Acquisitions completed during the first half of 2024

During the first half of the year, the Group acquired the following companies or assets, which the Group deemed to be business combinations:

### *Major acquisition*

On February 26, 2024, Elis acquired 100% of "Moderna" (Moderna Holding BV and its subsidiaries Moderna Beheer BV, BLM Bilderbeek Linen Management BV, Moderna Horecatextiel BV, Stomerij Eindhoven BV, Moderna Stomerij BV, Moderna Bedrijfskleding BV and Moderna Direct BV) in the Netherlands. Moderna has an extremely modern plant that will become one of Elis's biggest. Located in the north-east of the Netherlands, near the German border, its two service centers enable it to serve the entire country. With around 400 employees, Moderna offers flat linen and workwear services and hygiene and well-being solutions to clients in the Hospitality, Industry, and Trade and Services sectors. The company's 2023 revenue was around €49.7 million. This acquisition will complement Elis's existing network in the Netherlands, particularly in the burgeoning workwear market, and will enable the Group to enter the flat linen market, in which it did not previously operate.

### *Other acquisitions*

- February 1, 2024: 100% of Les Tapis Boland SRL in Belgium (revenue of around €1.0 million; seven employees);
- March 13, 2024: 100% of Los Carruajes de la Corona SA de CV in Mexico (revenue of around €1.1 million; 60 employees);
- March 28, 2024: 100% of Lavandaria Hibisco Ltda in Brazil (revenue of around €0.6 million; 40 employees);
- June 28, 2024: 100% of ECOB in Belgium (Pest control, revenue of around €1.5 million; 16 employees);

These bolt-on acquisitions help consolidate the Group's position in these various countries.

In January 2024, the Group also acquired the remaining 50% stake in Casbu SL in Spain, giving it 100% control over this subsidiary.

### *Summary of the aforementioned acquisitions*

The identifiable assets and liabilities as at the acquisition date were as follows:

| *(In millions of euros)* | Fair value as at the acquisition date | *Moderna* | *Other acquisitions* |
|---|---|---|---|
| Intangible assets | 1.5 | 0.8 | 0.7 |
| Right-of-use assets | 6.0 | 3.9 | 2.1 |
| Property, plant and equipment | 29.0 | 26.9 | 2.1 |
| Inventories | 3.2 | 3.1 | 0.0 |
| Trade and other receivables | 9.6 | 8.6 | 1.0 |
| Other assets | 0.3 | 0.3 | 0.0 |
| Net cash | 0.5 | 0.0 | 0.5 |
| Borrowings and financial debt | (18.8) | (16.8) | (2.0) |
| Deferred tax liabilities | (2.6) | (2.3) | (0.2) |
| Lease liabilities | (5.8) | (3.9) | (1.9) |
| Current tax liabilities | (0.5) | (0.5) | 0.0 |
| Trade and other payables | (3.0) | (2.1) | (0.9) |
| Other liabilities | (4.5) | (4.2) | (0.3) |
| **Total identifiable net assets and liabilities at fair value*** | **14.9** | **13.9** | **1.0** |
| *Goodwill* | 28.3 | 21.4 | 6.9 |
| **Purchase price** | **43.2** | **35.3** | **7.9** |
| Acquisition-related transaction costs | 0.8 | 0.1 | 0.7 |

**Provisional amount, see below.*

As at June 30, 2024, due to these recent acquisitions, the initial accounting for the business combinations acquired during the last 12 months had not been completed and the amounts recognized were therefore provisional. Since their acquisition, the companies acquired in 2024 have contributed €18.7 million to revenue, €4.8 million to adjusted EBITDA, €2.4 million to operating income (before amortization of intangible assets recognized in a business combination) and €1.5 million to net income.

If these acquisitions had taken place at the beginning of 2024, the additional revenue would have been €8.3 million, with additional adjusted EBITDA of €1.4 million, additional operating income (before amortization of intangible assets recognized in a business combination) of €0.2 million, and additional net income of €0.1 million.

### *Residual goodwill*

Residual goodwill reflects unidentifiable items, such as the Group's human capital and the expected synergies arising from the acquisitions.

### *Cash flows from acquisitions*

| *(In millions of euros)* | 2024 | *Moderna* | *Other acquisitions* |
|---|---|---|---|
| Net cash acquired including subsidiaries | 0.5 | 0.0 | 0.5 |
| Cash outflows for the acquisition | (43.7) | (35.3) | (8.3) |
| Earnouts and deferred consideration | (90.8) | (0.0) | (90.8) |
| **Net cash flow** | **(134.0)** | **(35.3)** | **(98.7)** |

## 2.2 Financing

### *EMTN program*

On March 14, 2024, Elis placed a principal amount of €400.0 million of senior unsecured notes under its EMTN (Euro Medium Term Notes) program. The notes have a maturity of six years and carry a fixed annual coupon of 3.75%.

The net proceeds of this issue will mainly be used to refinance the original tranche for a principal amount of €500.0 million, due to mature on April 3, 2025. This transaction is in line with the Group's active refinancing strategy and contributes to reducing its debt. The placement of this issue was arranged by eight banks: BBVA, BNP Paribas, Commerzbank, Deutsche Bank, HSBC, KBC, Natixis and Société Générale.

### *Financial ratings*

In a press release dated March 13, 2024, the rating agency Morningstar DBRS issued both a long-term credit rating for the Group and an EMTN financing credit rating of BBB (stable outlook).

# NOTE 3 Segment information for the first six months of the year

The definition of segments and the rules for assessing the performance of each segment are the same as those used to prepare the annual financial statements for the last full financial year.

## 3.1 Revenue

### 2024

| (In millions of euros) | France | Central Europe | Scandinavia & Eastern Europe | UK & Ireland | Latin America | Southern Europe | Eliminations & other segments | Total |
|---|---|---|---|---|---|---|---|---|
| External customers | 663.2 | 556.8 | 309.4 | 275.9 | 232.3 | 195.5 | 13.5 | **2,246.7** |
| Inter-segment | 0.7 | 3.0 | 0.1 | 0.0 | 0.0 | 0.4 | (4.2) | 0.0 |
| **Segment revenue** | **663.9** | **559.8** | **309.5** | **275.9** | **232.3** | **195.9** | **9.3** | **2,246.7** |

### 2023

| (In millions of euros) | France | Central Europe | Scandinavia & Eastern Europe | UK & Ireland | Latin America | Southern Europe | Eliminations & other segments | Total |
|---|---|---|---|---|---|---|---|---|
| External customers | 640.3 | 497.3 | 300.1 | 257.3 | 213.7 | 179.9 | 12.6 | **2,101.3** |
| Inter-segment | 2.5 | 2.7 | 0.1 | 0.1 | 0.0 | 0.3 | (5.5) | 0.0 |
| **Segment revenue** | **642.8** | **500.0** | **300.2** | **257.4** | **213.7** | **180.2** | **7.0** | **2,101.3** |

## 3.2 Income (loss)

### *Non-IFRS indicators*

> Adjusted EBIT is defined as net income (loss) before net financial income (loss), income tax, share of income of equity-accounted companies, amortization of intangible assets recognized in a business combination, goodwill impairment, other operating income and expenses, miscellaneous financial items (bank fees recognized in operating income) and IFRS 2 expenses (share-based payments).

> Adjusted EBITDA is defined as adjusted EBIT before depreciation and amortization, net of the portion of grants transferred to income.

## 2024

| *(In millions of euros)* | Notes | France | Central Europe | Scandina-via & East-ern Europe | UK & Ire-land | Latin America | Southern Europe | Eliminations & other seg-ments | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| **Adjusted EBITDA** | | **271.4** | **175.0** | **108.1** | **85.7** | **80.5** | **62.5** | **(9.0)** | **774.3** |
| Adjusted EBITDA margin | | *40.9%* | *31.3%* | *34.9%* | *31.1%* | *34.7%* | *31.9%* | | *34.5%* |
| *Depreciation and amortization, net of the por-tion of grants transferred to income* | *4.1* | *(124.8)* | *(102.6)* | *(57.8)* | *(63.4)* | *(44.5)* | *(37.0)* | *(0.6)* | (430.6) |
| **Adjusted EBIT** | | **146.7** | **72.4** | **50.3** | **22.3** | **36.0** | **25.5** | **(9.6)** | **343.6** |
| Adjusted EBIT margin | | *22.1%* | *12.9%* | *16.3%* | *8.1%* | *15.5%* | *13.0%* | | *15.3%* |
| *Miscellaneous financial items* | | | | | | | | | (1.0) |
| *Other operating income and expenses* | *4.2* | | | | | | | | (40.8) |
| *Expenses related to share-based payments* | *5.1* | | | | | | | | (12.5) |
| *Amortization of intangible assets recognized in a business combination* | *6.2* | | | | | | | | (41.8) |
| **Operating income** | | | | | | | | | **247.6** |

## 2023

| (In millions of euros) | Notes | France | Central Europe | Scandina-via & East-ern Europe | UK & Ire-land | Latin America | Southern Europe | Eliminations & other seg-ments | **Total** |
|---|---|---|---|---|---|---|---|---|---|
| **Adjusted EBITDA** | | **250.4** | **147.3** | **106.5** | **76.5** | **73.6** | **53.0** | **(9.1)** | **698.1** |
| Adjusted EBITDA margin | | *39.0%* | *29.5%* | *35.5%* | *29.7%* | *34.4%* | *29.4%* | | *33.2%* |
| *Depreciation and amortization, net of the por-tion of grants transferred to income* | *4.1* | *(108.5)* | *(91.5)* | *(53.4)* | *(55.9)* | *(39.3)* | *(32.3)* | *(0.7)* | (381.7) |
| **Adjusted EBIT** | | **141.9** | **55.8** | **53.1** | **20.7** | **34.2** | **20.7** | **(9.9)** | **316.4** |
| Adjusted EBIT margin | | *22.1%* | *11.2%* | *17.7%* | *8.0%* | *16.0%* | *11.5%* | | *15.1%* |
| *Miscellaneous financial items* | | | | | | | | | (0.9) |
| *Other operating income and expenses* | *4.2* | | | | | | | | (21.5) |
| *Expenses related to share-based payments* | *5.1* | | | | | | | | (10.3) |
| *Amortization of intangible assets recognized in a business combination* | *6.2* | | | | | | | | (41.6) |
| **Operating income** | | | | | | | | | **242.2** |

## 3.3 Disaggregation of revenue

### 2024

| *(In millions of euros)* | France | Central Europe | Scandinavia & Eastern Europe | UK & Ireland | Latin America | Southern Europe | Other segments | **Total** |
|---|---|---|---|---|---|---|---|---|
| Flat linen | 270.1 | 200.2 | 63.3 | 171.3 | 197.5 | 118.7 | 0.0 | **1,021.0** |
| Workwear | 245.4 | 289.2 | 120.4 | 84.8 | 35.4 | 51.6 | 0.0 | **826.8** |
| Hygiene and well-being equipment | 168.6 | 56.7 | 105.2 | 15.0 | 0.0 | 26.0 | 0.2 | **371.7** |
| Other | (21.0) | 10.7 | 20.5 | 4.8 | (0.6) | (0.7) | 13.3 | **27.1** |
| **Revenue by service** | **663.2** | **556.8** | **309.4** | **275.9** | **232.3** | **195.5** | **13.5** | **2,246.7** |
| Hospitality | 230.4 | 67.1 | 55.6 | 91.3 | 23.4 | 91.4 | 0.0 | **559.3** |
| Industry | 127.5 | 190.6 | 163.6 | 47.5 | 42.2 | 37.5 | 0.0 | **609.0** |
| Healthcare | 117.1 | 206.6 | 41.0 | 108.4 | 165.1 | 34.1 | 0.0 | **672.3** |
| Commerce and Services | 207.8 | 92.6 | 49.2 | 28.6 | 1.6 | 32.5 | 0.0 | **412.4** |
| Other | (19.7) | 0.0 | (0.0) | (0.0) | (0.0) | 0.0 | 13.5 | **(6.2)** |
| **Revenue by customer segment** | **663.2** | **556.8** | **309.4** | **275.9** | **232.3** | **195.5** | **13.5** | **2,246.7** |
| Services (supplied over a given period) | 659.7 | 543.9 | 288.6 | 268.7 | 230.2 | 195.4 | 1.0 | **2,187.5** |
| Sales of goods (supplied on a specific date) | 3.4 | 12.9 | 20.8 | 7.2 | 2.2 | 0.2 | 12.5 | **59.1** |
| **Revenue** | **663.2** | **556.8** | **309.4** | **275.9** | **232.3** | **195.5** | **13.5** | **2,246.7** |

### 2023

| *(In millions of euros)* | France | Central Europe | Scandinavia & Eastern Europe | UK & Ireland | Latin America | Southern Europe | Other segments | **Total** |
|---|---|---|---|---|---|---|---|---|
| Flat linen | 260.6 | 179.1 | 60.2 | 161.5 | 180.3 | 110.6 | 0.0 | **952.2** |
| Workwear | 231.8 | 257.8 | 114.8 | 76.7 | 32.8 | 47.8 | 0.0 | **761.7** |
| Hygiene and well-being equipment | 167.2 | 47.8 | 104.4 | 13.7 | 0.0 | 21.8 | 0.1 | **354.9** |
| Other | (19.2) | 12.7 | 20.8 | 5.5 | 0.6 | (0.3) | 12.4 | **32.5** |
| **Revenue by service** | **640.3** | **497.3** | **300.1** | **257.3** | **213.7** | **179.9** | **12.6** | **2,101.3** |
| Hospitality | 220.8 | 64.2 | 53.0 | 87.9 | 20.2 | 84.2 | 0.0 | **530.3** |
| Industry | 121.4 | 161.3 | 159.2 | 44.7 | 38.9 | 34.1 | 0.0 | **559.5** |
| Healthcare | 113.5 | 197.2 | 39.8 | 96.1 | 153.2 | 30.9 | 0.0 | **630.7** |
| Commerce and Services | 204.0 | 74.7 | 48.1 | 28.7 | 1.4 | 30.7 | 0.0 | **387.6** |
| Other | (19.4) | (0.0) | 0.0 | (0.0) | 0.0 | 0.0 | 12.6 | **(6.8)** |
| **Revenue by customer segment** | **640.3** | **497.3** | **300.1** | **257.3** | **213.7** | **179.9** | **12.6** | **2,101.3** |
| Services (supplied over a given period) | 636.2 | 482.9 | 279.3 | 249.9 | 211.3 | 179.6 | (0.3) | **2,038.9** |
| Sales of goods (supplied on a specific date) | 4.1 | 14.5 | 20.8 | 7.4 | 2.4 | 0.3 | 12.8 | **62.4** |
| **Revenue** | **640.3** | **497.3** | **300.1** | **257.3** | **213.7** | **179.9** | **12.6** | **2,101.3** |

# NOTE 4 Other operating data for the first six months of the year

## 4.1 Depreciation, amortization, provisions and other costs by type

| *(In millions of euros)* | **2024** | 2023 restated* |
|---|---|---|
| Depreciation and amortization (net of the portion of grants transferred to income) included in EBIT: | (430.6) | (381.7) |
| *Textile rental & maintenance items* | *(264.8)* | *(231.4)* |
| *Other leased items* | *(17.5)* | *(16.0)* |
| *Other property, plant and equipment and intangible assets* | *(83.8)* | *(78.8)* |
| *Right-of-use assets* | *(64.8)* | *(55.8)* |
| *Portion of grants transferred to income* | *0.3* | *0.3* |
| Depreciation and amortization included in Other operating income and expenses | (0.4) | (0.1) |
| Amortization of intangible assets recognized in a business combination | (41.8) | (41.6) |
| **Total depreciation and amortization (net of the portion of grants transferred to income)** | **(472.8)** | **(423.3)** |
| Additions to or reversals of provisions included in EBIT | 1.7 | 0.2 |
| Included in Other operating income and expenses | 1.1 | 0.7 |
| **Total additions to or reversals of provisions** | **2.8** | **0.9** |

*(*) See Note 1.6.*

## 4.2 Other operating income and expenses

| *(In millions of euros)* | **2024** | 2023 |
|---|---|---|
| Acquisition-related transaction costs | (0.8) | (0.8) |
| Earnout adjustments | (32.4) | (16.0) |
| Restructuring costs | (4.7) | (1.8) |
| Non-capitalizable costs related to the change of IT systems | (1.8) | (0.5) |
| Litigation | (0.2) | (2.7) |
| Net gain (loss) on site disposals | 2.1 | 0.5 |
| Expenses relating to site disposal | (0.2) | (0.3) |
| Environmental rehabilitation – costs net of changes in provisions | 0.1 | (0.2) |
| Employee benefits – effect of plan changes | 0.0 | 0.9 |
| Other | (2.9) | (0.6) |
| **Other operating income and expenses** | **(40.8)** | **(21.5)** |
| *of which monetary items* | *(11.5)* | *(6.6)* |
| *of which depreciation and amortization included in Other operating income and expenses* | *(0.4)* | *(0.1)* |
| *of which additions, net of reversals, to the provisions included in Other operating income and expenses* | *1.1* | *0.7* |
| *of which net gain (loss) on disposal of non-current assets* | *2.1* | *0.5* |
| *of which earnout adjustments* | *(32.4)* | *(16.0)* |
| *of which other income and expenses with no impact on cash flows* | 0.4 | 0.0 |

Other operating income and expenses are mainly related to the successive revaluations of the earnouts pertaining to the 2022 Mexican acquisition. The financial outlook for the acquired group has been revised upward in light of its performance in the first half of 2023 and the first half of 2024.

# NOTE 5 Employee benefits expense for the first six months of the year

## 5.1 Expenses related to employee benefits

| *(In millions of euros)* | **2024** | 2023 |
|---|---|---|
| Wages and salaries | (727.4) | (670.4) |
| Payroll taxes | (184.0) | (166.9) |
| Mandatory/optional profit-sharing | (24.8) | (25.4) |
| Other employee benefits | 2.3 | 2.7 |
| Equity-settled share-based payments | (10.7) | (8.4) |
| Equity-settled share-based payments (social contributions) | (1.7) | (1.8) |
| **Total employee benefit expenses** | **(946.3)** | **(870.2)** |

## 5.2 Share-based payments

### *Free performance share grants*

In accordance with IFRS 2, Elis estimated the fair value of services received in return for bonus shares awarded, based on the fair value of the equity instruments granted, measured using the Monte Carlo model, which is determined by the share price fluctuations, and weighted by a reasonable assumption of meeting the share grant criteria. The expense, recognized together with a corresponding entry to equity, is spread over the vesting period starting from the date of the Management Board's approval of the plan and is recorded under operating income.

Details of the performance share plans under which shares have vested during the period or were still in the process of vesting as at June 30, 2024 are as follows:

| Free performance share grants | 2021 – Plan no. 14 | 2022 – Plan no. 16 | 2022 – Plan no. 17 | 2022 – Plan no. 18 | 2023 – Plan no. 19 | 2023 – Plan no. 20 | 2024 – Plan no. 21 | 2024 – Plan no. 22 |
|---|---|---|---|---|---|---|---|---|
| Date of shareholders' meeting | 06/30/2020 | 06/30/2020 | 06/30/2020 | 06/30/2020 | 05/25/2023 | 05/25/2023 | 05/25/2023 | 05/25/2023 |
| Date of Supervisory Board meeting | 03/08/2021 | 03/08/2022 | 03/08/2022 | 03/08/2022 | 03/07/2023 and 05/10/2023 | 03/07/2023 and 05/10/2023 | 12/14/2023, 01/05/2024 and 03/06/2024 | 12/14/2023 and 01/05/2024 |
| Date of decision of the Management Board | 03/10/2021 | 04/15/2022 | 05/20/2022 | 10/24/2022 | 06/16/2023 | 12/22/2023 | 04/22/2024 | 05/15/2024 |
| Number of rights originally granted | 1,417,198 | 1,085,873 | 500,500 | 309,574 | 1,251,994 | 6,559 | 990,040 | 29,250 |
| > of which members of the Executive Committee | 448,472 | 0 | 500,500 | 0 | 412,448 | 0 | 320,212 | 0 |
| > of which members of the Management Board: | 213,220 | 0 | 240,128 | 0 | 197,827 | 0 | 162,519 | 0 |
| Xavier Martiré | 127,932 | 0 | 144,334 | 0 | 118,908 | 0 | 97,685 | 0 |
| Louis Guyot | 49,751 | 0 | 55,880 | 0 | 46,036 | 0 | 37,820 | 0 |
| Matthieu Lecharny | 35,537 | 0 | 39,914 | 0 | 32,883 | 0 | 27,014 | 0 |
| Number of beneficiaries | 526 | 522 | 11 | 222 | 513 | 4 | 486 | 18 |
| > of which members of the Executive Committee | 11 | 0 | 11 | 0 | 11 | 0 | 10 | 0 |
| > of which members of the Management Board | 3[a] | 0 | 3[a] | 0 | 3[a] | 0 | 3[a] | 0 |
| Grant date | 03/10/2021 | 04/15/2022 | 05/20/2022 | 10/24/2022 | 06/16/2023 | 12/22/2023 | 04/22/2024 | 05/15/2024 |
| Vesting date | | | | | | | | |
| > members of the Management Board and the Executive Committee | 03/11/2024[b] | | 05/20/2025[b] | | 06/16/2026[b] | | 04/22/2027[b] | |
| > other beneficiaries | 03/10/2023[b] | 04/15/2024[b] | | 10/24/2024(b) | 06/16/2025[b] | 12/22/2025[b] | 04/22/2026[b] | 05/15/2026[b] |
| End of share lock-up period | | | | | | | | |
| > members of the Management Board and the Executive Committee | 03/11/2024[c] | | 05/20/2025[c] | | 06/16/2026[c] | | 04/22/2027[c] | |
| > other beneficiaries | 03/10/2023[c] | 04/15/2024[c] | | 10/24/2024[c] | 06/16/2025[c] | 12/22/2025[c] | 04/22/2026[c] | 05/15/2026[c] |
| **Rights vested as at 06/30/2024** | **1,001,177[d]** | **1,146,254[e][f]** | **0[f]** | **0[f]** | **0[f]** | **0[f]** | **0[f]** | **0[f]** |
| Number of rights lapsed or forfeited as at 06/30/2024 | 416,021 | 131,024 | 0 | 17,750 | 20,552 | 0 | 1,206 | 0 |
| **Number of rights outstanding as at 06/30/2024** | **0** | **0** | **500,500** | **291,824** | **1,231,442** | **6,559** | **988,834** | **29,250** |
| > of which members of the Executive Committee | 0 | 0 | 500,500 | | 412,448 | | 320,212 | |
| > of which members of the Management Board: | 0 | 0 | 240,128 | | 197,827 | | 162,519 | |
| Xavier Martiré | 0 | 0 | 144,334 | | 118,908 | | 97,685 | |
| Louis Guyot | 0 | 0 | 55,880 | | 46,036 | | 37,820 | |
| Matthieu Lecharny | 0 | 0 | 39,914 | | 32,883 | | 27,014 | |
| Number of working beneficiaries as at 06/30/2024 | 420 | 447 | 11 | 207 | 495 | 4 | 484 | 18 |
| > of which members of the Executive Committee | 11 | 0 | 11 | 0 | 11 | 0 | 10 | 0 |
| > of which members of the Management Board | 3[a] | 0 | 3[a] | 0 | 3[a] | 0 | 3[a] | 0 |

(a) Xavier Martiré, Louis Guyot and Matthieu Lecharny.
(b) Shares vest at the end of a vesting period set at two years from the date of the grant for all beneficiaries, except for the members of the Executive Committee (including members of the Management Board) for whom the vesting period is set at three years from the date of the grant. Unless waived by the Management Board, the vesting of shares is contingent on uninterrupted, continuous service with the Group for the duration of the vesting period.
(c) There is no lock-up period under this plan so the shares will be available and may be freely transferred by the beneficiaries at the end of the vesting period, subject to statutory blackout periods and the provisions of the Stock Market Code of Ethics regarding the prevention of market abuse. In addition, throughout their terms of office, each member of the Management Board is required to hold a number of shares in registered form set by the Supervisory Board in accordance with the compensation policy for corporate officers detailed in the Supervisory Board's report on corporate governance, provided in chapter 2 of this 2023 Universal Registration Document.
(d) In addition to what is stated under point (b), the performance conditions associated with the vesting of the shares under plan no. 14, implemented in 2021, have been defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT, determined on the basis of the business plan, itself in line with market expectations, and to the performance of the Elis share price relative to a benchmark index. The number of vested shares depended on the number of targets achieved, with the understanding that the achievement of performance targets is binary, so that if a target is not met, the number of rights linked to that target is not due and the corresponding shares do not vest. As a result, 34% of the granted shares vested if one performance condition was met, 67% if two conditions were met, and 100% if all three conditions are met. No shares vested if none of the performance conditions were met. Finally, for plan no. 14 for the Executive Committee (including members of the Management Board) delivered on March 11, 2024, all three conditions were met and as such 100% of the granted shares vested.
(e) The amount takes into account the number of additional shares vested in 2024 to an employee on disability benefits who received advance delivery of 100% of the shares in 2023 (with 120% of the shares granted having vested in 2024 in accordance with the rules of plan no. 16).
(f) In addition to what is stated under point (b), based on the plans implemented in 2022, the performance conditions associated with the vesting of the shares were defined in reference to internal absolute criteria linked to consolidated revenue and consolidated EBIT, determined on the basis of the business plan, itself in line with market expectations, a CSR criterion and the performance of the Elis share price relative to a benchmark index. Furthermore, three thresholds have been defined to determine the achievement of the economic and CSR performance criteria at the end of the vesting period: a trigger threshold (lower limit), a target threshold and an outperformance threshold (upper limit). Regarding the stock market criterion, two thresholds have been defined (target and outperformance threshold). The performance measurement will be assessed on a straight-line basis between each limit. The number of shares to be delivered at the end of the vesting period will be determined in two stages: (i) a calculation depending on the attainment by each of the criteria of the threshold thus defined, the performance measurement being assessed on a straight-line basis between each limit and (ii) the application of a second limit to take account of the attainment or otherwise of the target thresholds. For the plans implemented in 2022 and 2023, with regard to the economic and CSR criteria, the number of shares to be delivered will be 0% if the trigger threshold (lower limit) is not reached; 25% if the target threshold is reached; 37.5% if the outperformance threshold (upper limit) is reached. For the stock market criterion, only the last two thresholds will apply. The second limit defined below will also apply: (i) if all four target thresholds have been achieved (or surpassed), the number of vested shares may not exceed 120% of the shares granted; (ii) if only three target thresholds have been reached (or surpassed), irrespective of the deviation of the fourth criterion from the target threshold, the number of shares vested may not exceed 90% of the shares granted, (iii) if only two target thresholds have been achieved (or surpassed), irrespective of the deviation of the other two criteria from their respective target threshold, the number of vested shares may not exceed 80% of the shares granted; (iv) if only one target threshold has been achieved (or surpassed), irrespective of the deviation of the other three criteria from their respective target threshold, the number of vested shares may not exceed 70% of the shares granted; (v) if no target threshold has been achieved, the number of vested shares may not exceed 60% of the shares granted. For plan no. 16, which was delivered in 2024, the four thresholds were met and as such 120% of the granted shares vested.

### *Group Savings Plan*

During the first half of the year, Elis decided to set up its fifth "Elis for All" employee shareholding scheme, open to 18 countries. The Group has started notifying its employees about the launch of this scheme, which will be finalized in November 2024. Under this scheme, eligible employees may subscribe to newly issued Elis SA shares, at a subscription price that is discounted by 30% compared to the average of the opening share prices preceding the day the subscription period opens, as well as a matching contribution at the rate of one free share for every 10 shares subscribed. Elis will recognize this scheme in accordance with IFRS 2 "Share-based Payment" in the second half of the year when the terms of the scheme have been finalized.

## 5.3 Executive compensation (related party disclosures)

As at June 30, 2024, the main executives comprise the ten members of the Executive Committee, along with the Chairman of the Management Board.

The total compensation awarded to the main executives for the first six months of the year is as follows:

| *(In millions of euros)* | 2024 | 2023 |
|---|---|---|
| Number of people | 11 | 11 |
| Short-term benefits – Fixed, variable, special and other elements of compensation | (7.8) | (6.1) |
| Expenses related to share-based payments (IFRS 2) | (3.9) | (4.2) |
| Post-employment benefits | (2.1) | (1.7) |
| Other long-term benefits | (0.0) | (0.0) |
| Termination benefits | (1.0) | (0.0) |

Post-employment benefits relate to a supplementary retirement plan in application of the provisions of Article L. 137-11-2 of the French Social Security Code (Pacte law).

# NOTE 6 Non-current assets

## 6.1 Goodwill

| *(In millions of euros)* | 06/30/2024 |
|---|---|
| Gross value restated* | 4,082.0 |
| Accumulated impairment restated* | (99.1) |
| **Carrying amount at beginning of period restated*** | **3,982.9** |
| Increase related to business combinations | 28.3 |
| Disposals | 0.0 |
| Translation adjustments | (42.6) |
| Other changes | (0.0) |
| **Changes in gross carrying amount** | **(14.3)** |
| Impairment | 0.0 |
| Translation adjustments | (2.8) |
| Other changes | (0.0) |
| **Changes in impairment** | **(2.8)** |
| Gross value | 4,067.7 |
| Accumulated impairment | (101.9) |
| **Carrying amount at end of period** | **3,965.8** |

*(*) See Note 1.6.*

## 6.2 Intangible assets

The changes which occurred during the period are presented as follows:

| *(In millions of euros)* | Trademarks & non-competi-tion clauses | Customer rela-tionships | Other | Total |
|---|---|---|---|---|
| Gross value restated* | 268.5 | 1,419.3 | 252.8 | 1,940.6 |
| Accumulated amortization and impairment restated* | (56.4) | (1,009.5) | (172.1) | (1,238.0) |
| **Net carrying amount as at December 31, 2023 restated*** | **212.1** | **409.8** | **80.7** | **702.6** |
| Investments | 0.0 | 0.0 | 10.9 | 10.9 |
| Acquisitions through business combinations | 0.0 | 1.3 | 0.2 | 1.5 |
| Retirements and disposals | 0.0 | 0.0 | (0.0) | (0.0) |
| Depreciation | (0.4) | (41.4) | (10.8) | (52.6) |
| Translation adjustments | (0.1) | (5.3) | 0.0 | (5.3) |
| Impairment | 0.0 | 0.0 | 0.0 | 0.0 |
| Other movements | (0.1) | 0.1 | 0.3 | 0.3 |
| Gross value | 265.7 | 1,407.7 | 253.9 | 1,927.3 |
| Accumulated amortization and impairment | (54.3) | (1,043.1) | (172.6) | (1,270.0) |
| **Net carrying amount as at June 30, 2024** | **211.4** | **364.6** | **81.3** | **657.3** |

*(*) See Note 1.6.*

## 6.3 Impairment tests as at June 30, 2024

In accordance with IAS 36, the Group identifies indications of impairment using both internal and external sources of information.

> External sources of information mostly comprise the review of the weighted average cost of capital (WACC).

> Internal sources of information mostly include reporting: a significant drop in profitability or the inability to meet budget are indicators of impairment.

Given the economic context, the Group regularly reviews the performance of each cash-generating unit (CGU) in order to decide whether it is necessary to carry out an impairment test. After reviewing both internal and external sources of information, management concluded that there was no indication of impairment as at June 30, 2024.

## 6.4 Right-of-use assets and lease liabilities

| *(In millions of euros)* | Right-of-use assets: Land and buildings | Right-of-use assets: Vehicles | Right-of-use assets: Plant & equipment | Right-of-use assets: Total | Lease liabilities |
|---|---|---|---|---|---|
| **As at December 31, 2023, restated*** | **320.0** | **186.5** | **6.7** | **513.2** | **537.8** |
| Increase related to business combinations | 2.1 | 0.0 | 3.9 | **6.0** | **5.8** |
| New rights of use | 6.3 | 67.5 | 1.1 | **74.9** | **74.9** |
| Remeasuring of rights of use | 5.1 | 0.7 | (0.1) | **5.8** | **5.8** |
| Depreciation & amortization / impairment | (25.3) | (38.2) | (1.7) | **(65.2)** | |
| Principal payments | | | | | **(62.6)** |
| Translation differences | (2.9) | (0.4) | (0.0) | **(3.3)** | **(3.7)** |
| Other movements | 4.7 | (0.4) | 0.2 | **4.5** | **4.6** |
| **As at June 30, 2024** | **310.0** | **215.8** | **10.1** | **535.9** | **562.8** |

*(*) See Note 1.6.*

As at June 30, 2024, the Group had recognized lease expenses relating to:

- short-term lease agreements in the amount of €3.1 million (versus €3.7 million at June 30, 2023);
- leases of low-value assets in the amount of €1.1 million (versus €0.9 million at June 30, 2023); and
- variable lease payments in the amount of €0.4 million (versus €0.2 million at June 30, 2023).

## 6.5 Property, plant and equipment

The changes which occurred during the period are presented as follows:

| *(In millions of euros)* | Land and buildings | Vehicles | Plant & equipment | Rental & maintenance items | **Total** |
|---|---|---|---|---|---|
| Gross value restated* | 997.3 | 137.9 | 1,942.0 | 2,821.0 | 5,898.3 |
| Accumulated amortization and impairment restated* | (385.2) | (123.5) | (1,313.2) | (1,865.7) | (3,687.6) |
| **Net carrying amount as at December 31, 2023 restated*** | **612.0** | **14.4** | **628.8** | **955.4** | **2,210.7** |
| Investments | 12.5 | 0.5 | 79.5 | 326.5 | 418.9 |
| Acquisitions through business combinations | 16.1 | 1.6 | 5.8 | 5.6 | 29.0 |
| Retirements and disposals | (2.0) | (0.1) | (0.1) | (4.3) | (6.5) |
| Depreciation | (16.5) | (3.0) | (53.4) | (282.4) | (355.3) |
| Translation adjustments | (2.7) | (0.4) | (5.9) | (5.0) | (14.0) |
| Impairment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other movements | 4.9 | 0.6 | (6.8) | 0.5 | (0.8) |
| Gross value | 1,021.6 | 134.0 | 1,982.1 | 3,010.7 | 6,148.4 |
| Accumulated amortization and impairment | (397.3) | (120.3) | (1,334.3) | (2,014.4) | (3,866.3) |
| **Net carrying amount as at June 30, 2024** | **624.3** | **13.7** | **647.9** | **996.2** | **2,282.1** |

*(*) See Note 1.6.*

During the six months ended June 30, 2024, the Group acquired property, plant and equipment in the amount of €418.9 million (€398.2 million as at June 30, 2023).

# NOTE 7 Provisions and contingent liabilities

## 7.1 Provisions

| *(In millions of euros)* | Compliance | Litigation | Other | **Total** |
|---|---|---|---|---|
| **As at 12/31/2023** | 77.9 | 13.8 | 19.4 | **111.1** |
| Increases/additions for the financial year | 0.0 | 6.9 | 0.9 | 7.8 |
| Increase related to business combinations | 0.0 | (0.0) | 0.0 | (0.0) |
| Decreases/reversals of used and unused provisions | (1.0) | (9.0) | (0.5) | (10.5) |
| Translation differences | (0.6) | (0.3) | (1.0) | (1.9) |
| Other | (0.0) | 0.0 | (0.6) | (0.6) |
| **As at June 30, 2024** | 76.2 | 11.4 | 18.3 | **105.8** |
| Current portion | 0.1 | 7.9 | 7.1 | **15.0** |
| Non-current portion | 76.1 | 3.5 | 11.2 | **90.8** |
| *France* | *15.8* | *7.0* | *1.1* | *23.9* |
| *UK & Ireland* | *11.7* | *0.0* | *(0.0)* | *11.7* |
| *Scandinavia & Eastern Europe* | *26.4* | *0.0* | *5.7* | *32.1* |
| *Latin America* | *7.8* | *3.9* | *10.3* | *22.0* |
| *Other segments* | *14.4* | *0.5* | *1.3* | *16.1* |

## 7.2 Contingent liabilities

The Elis Group has contingent liabilities relating to disputes or legal proceedings arising in the normal course of its business, including the following.

### Disputes in Brazil

#### *Proceedings related to alleged acts of administrative improbity*

Atmosfera filed a preliminary response in December 2014 to a public action filed against several industrial laundry service providers, including Atmosfera Gestão e Higienização de Têxteis SA ("Atmosfera") and Prolav Servicos Tecnicos Ltda ("Prolav"), regarding the alleged bribery of civil servants between 2003 and 2011 related to contracts in the state of Rio de Janeiro. The public prosecutor rejected the arguments put forward by Atmosfera and decided to continue the action.

As at June 30, 2024, Atmosfera and Prolav were still awaiting additional information and therefore were unable to estimate the contingent liability incurred and the indemnification asset to be received under the respective liability guarantees. More precisely, additional information should become available only when all parties have been notified about the opening of the proceedings. To this end, the court hearing the case issued an order to obtain a certificate from a notary listing those defendants that have been notified and those that have already presented their defense.

The Atmosfera Group's former owners, who received provisional notification of the proceedings on November 26, 2014, with respect to the December 20, 2013 guarantee agreement relating to the acquisition of the Atmosfera Group, have disputed Atmosfera's compensation request.

Atmosfera and Prolav could face the following penalties as a result of the proceedings: (i) reimbursement to the Public Treasury of all monies illegally obtained by Atmosfera from the acts of improbity and/or (ii) payment of a civil fine of up to three times the amount referred to in (i). In addition, Atmosfera and Prolav could potentially be prohibited from entering into agreements with any Brazilian public entities or receiving tax benefits in Brazil for five or ten years.

#### *Proceedings involving NJ Lavanderia (procedures against physical persons)*

In June 2021, the Group was informed of the existence of a criminal investigation after the public authorities carried out searches at four of its sites in application of warrants issued by the first criminal court of the Federal District (Brasilia). To the Group's knowledge, the criminal investigation concerns contracts entered into with the Brasilia Health Secretariat between 2013 and 2016 (i.e. some of the contracts covered by the proceedings described above involving NJ Lavanderia). Therefore, the search and seizure warrants aimed at trying to find evidence of potential wrongdoings that could have taken place before the Group acquired Lavebras (and hence, NJ Lavanderia) in 2017, even though contracts after 2017 were also seized by the authorities.

As at June 30, 2024, and to the best of the Company's knowledge, the investigation is only focusing on physical persons who are not currently employed by any of the Group's subsidiaries and who do not exercise any responsibility within the Group. There is no credible evidence that the current managers or employees of the Group are involved in the facts under investigation. Moreover, since companies in Brazil cannot be held criminally liable, none of the Group's entities are named in these criminal proceedings, even if certain entities are cited in certain acts of the proceedings and involved in specific elements of the investigation.

Whilst the Company is not directly involved in the criminal investigation above (neither are its subsidiaries, employees or managers), there may be future consequences from this investigation, either in relation to the proceedings against NJ Lavanderia, or due to any new proceedings that may be initiated. To date, the Company has no information enabling it to estimate any contingent liability resulting from these new developments; as at June 30, 2024, no provisions have been set aside by Lavebras or NJ Lavanderia in relation to these developments.

#### *Proceedings against Lavebras*

The Group was informed of the existence of an anti-corruption investigation initiated by the Brazilian Federal Police, which may have identified potential violations of two Brazilian statutes, the Brazilian Clean Companies Act and the Administrative Improbity Act, that may involve Lavatec Lavanderia Técnica Ltda. ("Lavatec"), a former subsidiary that merged with Lavebras in 2014.

As at June 30, 2024, Lavebras had not received any formal notification of these potential violations, with the exception of separate proceedings conducted by the tax authorities against ICN, a social organization.

In these tax proceeding against ICN, the Brazilian tax authorities argue that Lavebras – as well as other companies – must be held jointly and severally liable for ICN's obligations in view of (i) the illegal nature of the payments made by ICN under contracts it entered into and under which Lavebras and ICN had a business relationship, and (ii) the lack of cooperation shown by ICN during the audit by the Brazilian tax authorities. An administrative decision by the trial judge was issued in September 2019, which upheld the position of the Brazilian tax authorities. In May 2024, following Lavebras' appeal of this decision, the appeal judge in charge of the outcome of the appeal handed down their decision and partially acceded to Lavebras' requests. Lavebras continues to await clarification regarding this decision and is exploring potential avenues for appeal it may use to reach a successful outcome for all of these requests. On this basis, as at June 30, 2024, the maximum amount of the dispute was approximately R$426 million, or around €71 million (including all penalties but excluding the potential future effect of inflation).

Lavebras still believes that it has good arguments to challenge the Brazilian tax authorities' position. The Group therefore considers that the risk of Lavebras being held jointly and severally liable with ICN for payment of the tax penalty is limited. No provision has been set aside by Atmosfera or Lavebras in relation to these proceedings.

In the event that Lavebras is notified and, as a result of the investigation by the Brazilian Federal Police, held liable for the offenses, it could be subject to various penalties, including (i) a ban on receiving incentives, subsidies, grants, donations or loans from public entities or financial institutions for a period of up to five years, (ii) a fine of up to three times the amounts unjustly collected, (iii) a ban on entering into agreements with public entities for a period of up to ten years, and (iv) an obligation to fully compensate the government for all damage actually suffered. In addition, Lavebras could also be subject to an administrative fine of between 0.1% and 20% of the gross revenue excluding tax in the financial year preceding the filing of the administrative proceedings. Because of Lavatec's merger with Lavebras in 2014, the Brazilian authorities could argue that the amount of the administrative fine should be calculated based on Lavebras's gross revenue instead of Lavatec's, which Lavebras will contest on the grounds that its total liability (including the amount of the fine and any compensation due for the damage that may have been caused) should be limited to the amount of Lavatec assets transferred to Lavebras in the merger. Since no notification has been received, no provision has been set aside by Atmosfera or Lavebras in relation to these proceedings.

### *Proceedings related to the conclusion of public contracts in the state of São Paulo*

The Group has been informed of various investigations and proceedings initiated by five authorities in the state of São Paulo related to the conclusion of several contracts between public customers (hospitals) and various companies of the same sector as the Group (including but not limited to Atmosfera, Lavebras and other companies of the Group in Brazil).

These investigations and proceedings are the result of an audit conducted by the General Controller of the state of São Paulo (CGA) at various state hospitals during which the CGA noticed a high number of contracts entered into as emergency contracts (outside the regular tender process provided by Brazilian law) and decided to (i) open an investigation of the various hospitals and companies concerned to check whether there were any irregularities with these emergency contracts and (ii) transmit the results of its audit to various Brazilian authorities so that they could initiate investigations at their own discretion.

As a consequence, the Group (as well as some of its competitors) is facing various investigations or proceedings as described below, some of which are now closed. Other investigations or proceedings by other Brazilian authorities might occur as a result of the transmission of the results of the audit referred to above to those authorities.

The CGA initiated administrative proceedings based on the Brazilian Clean Company Act (law no. 12.846/2013). The Group presented its defense in November 2019, along with a description of its compliance program in Brazil. The other parties have to present their defenses before the CGA can continue the proceedings. The CGA is expected to decide to acquit Atmosfera and Lavebras of all charges against them in June 2024.

The Public Prosecutor's office of the state of São Paulo has filed a civil inquiry on the basis of the Administrative Improbity Act (law no. 8429/1992). The Group has submitted its defense and the Public Prosecutor's office has decided to close the case definitively without any sanction being imposed against the Group.

The Group has been informed that, in connection with the aforementioned CGA administrative proceeding, the São Paulo state police have initiated a criminal inquiry against the corporate officers of the Group's subsidiaries in Brazil. The Group has presented the same arguments as those presented to the CGA; the Police are continuing their investigation.

In the event that a penalty is imposed on the Group, the following could apply to the companies concerned.

Under the Brazilian Clean Company Act, (i) a fine of between 0.1% and 20% of the revenue of the penalized companies (the fine may be reduced by up to 4% of revenue depending on the quality of the compliance program set up to fight against antitrust practices and corruption) and/or (ii) the publication of the decision.

In connection with the Administrative Improbity Act, (i) a fine, (ii) a ban on participating in public tenders and entering into public contracts for up to ten years and (iii) a ban on receiving grants and tax benefits.

These various investigations and proceedings are still in the early stages, such that no provision has been recognized in the financial statements as at June 30, 2024. The Company considers that it has strong arguments in connection with these various investigations and proceedings, which also concern other players in the sector.

The Group has also been informed that an investigation has been opened by the CADE in relation to the aforementioned events. The CADE has recently stated that no proof of irregularities that could constitute anti-competitive behavior has been found. The Group has thus asked that the CADE close the investigation definitively and is awaiting its decision.

### *Administrative disputes with public customers*

The Group is involved in administrative disputes with some of its public customers in Brazil due to alleged difficulties in the execution of certain contracts or to a supposedly insufficient quality of service. As a result, these public customers intend to take sanctions against some of the Group's entities in Brazil. Depending on the circumstances, these sanctions could entail (i) if applicable, the repayment of certain payments received under these contracts, (ii) the application of fines, and/or (iii) a ban on participating in public calls for tender or entering into public contracts for a period of up to five years.

A ban on participating in public calls for tender or entering into public contracts generally applies only to the company that has been sanctioned and is, in principle, limited to the same administrative level (i.e. federal, regional or municipal) as that of the public customer that has pronounced the sanctions. Moreover, such a ban would not affect the ongoing contracts with public customers (with the exception of (i) the renewal of these contracts, which the public customers may consider on a case-by-case basis to be unsuitable, and (ii) contracts for which such a ban would be a valid reason for termination). Nevertheless, the Group cannot rule out such a ban being extended, on the one hand, to other states or municipalities in Brazil and, on the other hand, to other administrative levels (federal, regional or municipal) in the territory in question, it being understood, however, that such an extension could take place only on a case-by-case basis and following a specific request from an interested party.

In the various disputes above, the Group has submitted or is preparing to submit its defense to respond to the arguments put forward by its public customers and awaits the forthcoming administrative rulings. Once a definitive administrative ruling has been made, the Group has the option to contest it through the courts, including with a view to obtaining an annulment by invoking a violation of the constitutional principle of proportionality of sanctions pronounced by public entities. Alongside this challenge, the Group could, if required, seek an emergency ruling suspending a ban on taking part in public calls for tender and entering into public contracts while awaiting a decision on the substance.

Amongst the above disputes, following the late payment of a contractual penalty, in November 2021 Lavebras received a six-month ban from participating in public calls for tender in the state of São Paulo (at regional level). Given the disproportionate nature of this penalty, Lavebras decided to contest the ruling in the courts, and while awaiting the decision on the substance, obtained an order suspending this ban on participating in public calls for tender. In October 2022, the judge in charge of the case followed the advice of the Prosecutor's Office and annulled the penalty of suspension ordered by the Health Secretary for the state of Sao Paulo. Following the appeal filed by the Health Secretary, the ruling of first instance was confirmed on appeal in favor of Lavebras on January 12, 2024. A new appeal may be initiated by the Health Secretary following this appeal decision. The Company has been informed that the Health Secretary will not contest this appeal decision, meaning that the case is finally closed in favor of Lavebras.

In relation to these various disputes, at June 30, 2024, the Company had recognized provisions around R$3 million (approximately €0.6 million).

# NOTE 8 Financing and financial instruments

## 8.1 Net financial income (expense) for the first six months of the year

| *(In millions of euros)* | **2024** | 2023 |
|---|---|---|
| Interest expense on borrowings and loans from employee profit-sharing fund measured at amortized cost | (62.2) | (49.6) |
| Interest expense on lease liabilities | (12.7) | (9.0) |
| Interest income using the effective interest rate method | 12.6 | 5.2 |
| **Total net interest expense** | **(62.3)** | **(53.4)** |
| Gains (losses) on interest rate derivatives measured at fair value through profit or loss | 0.0 | 0.0 |
| Foreign currency translation gains (losses) related to financing operations | 0.8 | 1.3 |
| Gains (losses) on foreign exchange derivatives measured at fair value through profit or loss | 1.5 | 0.7 |
| Accretion expenses | (8.7) | (6.2) |
| Other | 2.2 | 0.7 |
| **Net financial income (expense)** | **(66.5)** | **(56.9)** |

## 8.2 Gross debt

The Elis Group has several sources of financing: short- and medium-term financing on capital markets, bank loans, and private placement, as described in Note 8.3 "Gross debt" to the consolidated financial statements for the period ended December 31, 2023.

As at June 30, 2024, consolidated debt mainly comprised the following:

| *(In millions of euros)* | **Maturity of liabilities** | **06/30/2024** | 12/31/2023 restated* |
|---|---|---|---|
| Convertible bonds | 2027 | 354.2 | 345.4 |
| USPP | 2029, 2032 and 2035 | 694.0 | 681.9 |
| EMTN (Euro Medium Term Notes) | 2025, 2026, 2027, 2028 and 2029 | 2,112.7 | 2,233.0 |
| Medium-term negotiable notes (NEU MTN) | | 0.0 | 0.0 |
| Commercial paper (NEU CP) | less than 12 months | 297.0 | 252.0 |
| Revolving | | 0.4 | 0.4 |
| Unamortized debt issuance costs | | (20.1) | (15.5) |
| Loan from employee profit-sharing fund | | 11.4 | 13.0 |
| Debt relating to accounts receivable securitization | 5-year program to June 2028 | 192.8 | 178.0 |
| Other | | 10.1 | 2.0 |
| Overdrafts | | 0.1 | 0.4 |
| **Total borrowings and financial debt** | | **3,652.6** | **3,690.7** |

*(*) See Note 1.6.*

As at June 30, 2024, all of Elis' long-term debt had fixed interest rates. Debt relating to accounts receivable securitization is at a fixed interest rate.

### *Breakdown of financial debt by currency*

| *(In millions of euros)* | **06/30/2024** | 12/31/2023 restated* |
|---|---|---|
| EUR | 3,264.8 | 3,315.0 |
| USD | 387.7 | 375.6 |
| DKK | 0.1 | 0.0 |
| CLP | 0.0 | 0.1 |
| COP | 0.0 | 0.0 |
| **Borrowings and financial debt** | **3,652.6** | **3,690.7** |

*(*) See Note 1.6.*

Significant issuances and redemptions of debt securities during the period are presented below:

| *(In millions of euros)* | 12/31/2023 restated | Changes in financing cash flows | Changes arising from obtaining or losing control of subsidiaries or other entities | Effect of changes in foreign exchange rates | Changes in bank overdrafts | Other changes | **06/30/2024** |
|---|---|---|---|---|---|---|---|
| Convertible bonds | 343.1 | 0.0 | 0.0 | 0.0 | 0.0 | 4.5 | 347.6 |
| USPP | 675.6 | (0.0) | 0.0 | 0.0 | 0.0 | 12.1 | 687.7 |
| EMTN (Euro Medium Term Notes) | 2,200.0 | (100.0) | 0.0 | 0.0 | 0.0 | 0.0 | 2,100.0 |
| Medium-term negotiable notes (NEU MTN) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Commercial paper (NEU CP) | 252.0 | 45.0 | 0.0 | 0.0 | 0.0 | 0.0 | 297.0 |
| Revolving | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Debt relating to accounts receivable securitization | 177.5 | 14.8 | 0.0 | 0.0 | 0.0 | 0.0 | 192.3 |
| Other loans | 2.0 | (10.7) | 18.8 | (0.0) | 0.0 | 0.0 | 10.1 |
| Overdrafts | 0.4 | 0.0 | 0.0 | 0.0 | (0.4) | 0.0 | 0.1 |
| Loan from employee profit-sharing fund | 13.0 | (1.8) | 0.0 | 0.0 | 0.0 | 0.0 | 11.2 |
| Loans | 445.0 | 47.3 | 18.8 | (0.0) | (0.4) | 0.0 | 510.7 |
| Accrued interest | 42.6 | 0.0 | 0.0 | 0.0 | 0.0 | (15.9) | 26.7 |
| Unamortized debt issuance costs | (15.5) | (7.0) | 0.0 | 0.0 | 0.0 | 2.5 | (20.1) |
| **Borrowings and financial debt** | **3,690.7** | **(59.7)** | **18.8** | **(0.0)** | **(0.4)** | **3.2** | **3,652.6** |
| **Reconciliation to cash flow statement** | | | | | | | |
| Proceeds from new borrowings | | 882.8 | | | | | |
| Repayments of borrowings | | (942.5) | | | | | |
| **Change in borrowings** | | **(59.7)** | | | | | |

## *Capital markets*

On the short-term capital markets, Elis has an unrated commercial paper program, approved by Banque de France, in the amount of €600.0 million.

As at June 30, 2024, outstandings under this program totaled €297.0 million, versus €252.0 million as at December 31, 2023, an increase of €45.0 million.

## *Bank loans and private placement*

As at June 30, 2024, the revolving line of credit of €900 million was undrawn.

## *Receivables sale program (securitization)*

On June 12, 2023, the Group entered into a financing agreement for a maximum amount of €200.0 million in the form of a five-year receivables sale program (securitization) in France. Trade receivables therefore include €285.6 million in assigned trade receivables outstanding as at June 30, 2024 (€278.6 million as at December 31, 2023); these receivables cannot be derecognized after analysis of the contract.

These operations are therefore presented as a secured loan and as such, the corresponding debt amounted to €192.3 million as at June 30, 2024 (versus €177.5 million as at December 31, 2023); the difference constitutes the security deposit.

## *Financial covenant*

The USPP financing agreement and the syndicated revolving credit facility contain a leverage ratio[1] <3.75 covenant to be respected at the end of each half.

Based on these consolidated financial statements, the Group has met this ratio and expects to meet it for at least the next 12 months.

[1] *Financial leverage corresponds to the financial covenant as defined in the bank financing agreement signed in 2021: Leverage Ratio = net debt (as described in Note 8.4 "Net debt") to adjusted pro forma EBITDA (as defined in Note 3.2 "Earnings") of the acquisitions finalized during the last 12 months after synergies.*

## 8.3 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

| *(In millions of euros)* | 06/30/2024 | 12/31/2023 restated* |
|---|---|---|
| Demand accounts | 224.1 | 287.6 |
| Cash equivalents | 196.7 | 377.7 |
| **Cash and cash equivalents (assets)** | **420.7** | **665.3** |
| Overdrafts | (0.1) | (0.4) |
| **Cash and cash equivalents, net** | **420.6** | **664.8** |

*(*) See Note 1.6.*

- Cash equivalents include fixed-term deposits with several French banking institutions in the amount of €190.0 million as at June 30, 2024 (€370.0 million as at December 31, 2023), for terms of three months or less.
- In France, cash available in the context of the liquidity contract amounted to €1.6 million as at June 30, 2024 (€3.7 million as at December 31, 2023).
- In Latin America (excluding Mexico), where there may be foreign exchange controls, cash and cash equivalents totaled €48.9 million as at June 30, 2024, compared with €62.8 million at December 31, 2023.
- In Russia, cash amounted to €5.4 million as at June 30, 2024 (€3.2 million as at December 31, 2023). This amount is used for the day-to-day operations of subsidiaries in this country.

## 8.4 Net financial debt

| *(In millions of euros)* | 06/30/2024 | 12/31/2023 restated* |
|---|---|---|
| Convertible bonds | 347.6 | 343.1 |
| USPP | 687.7 | 675.6 |
| EMTN (Euro Medium Term Notes) | 2,100.0 | 2,200.0 |
| Medium-term negotiable notes (NEU MTN) | 0.0 | 0.0 |
| Commercial paper (NEU CP) | 297.0 | 252.0 |
| Debt relating to accounts receivable securitization | 192.3 | 177.5 |
| Other loans | 10.1 | 2.0 |
| Overdrafts | 0.1 | 0.4 |
| Loan from employee profit-sharing fund | 11.2 | 13.0 |
| Loans | 510.7 | 445.0 |
| Accrued interest | 26.7 | 42.6 |
| Unamortized debt issuance costs | (20.1) | (15.5) |
| **Borrowings and financial debt** | **3,652.6** | **3,690.7** |
| Of which maturing in less than one year | 1,015.5 | 973.2 |
| Of which maturing in more than one year | 2,637.1 | 2,717.5 |
| **Cash and cash equivalents (assets)** | **420.7** | **665.3** |
| **Net debt** | **3,231.9** | **3,025.4** |

*(*) See Note 1.6.*

## 8.5 Financial assets and liabilities

The following table shows the comparison between the balance sheet value and the fair value of financial assets and liabilities:

| | 06/30/2024 | | Breakdown by category of financial instrument | | | |
|---|---|---|---|---|---|---|
| *(In millions of euros)* | Carrying amount | Fair value | Mandatory at fair value through profit or loss | Fair value – hedging instruments through OCI | Financial assets at amortized cost | Debt at amortized cost |
| Other equity investments | 0.1 | 0.1 | 0.1 | | | |
| Other non-current assets | 70.7 | 70.7 | 21.8 | 6.1 | 42.8 | |
| Contract assets | 53.8 | 53.8 | | | 53.8 | |
| Trade and other receivables | 908.6 | 908.6 | | | 908.6 | |
| Other current assets | 23.2 | 23.2 | 0.9 | 0.5 | 21.8 | |
| Cash and cash equivalents | 420.7 | 420.7 | | | 420.7 | |
| **Financial assets** | **1,477.1** | **1,477.1** | **22.8** | **6.6** | **1,447.8** | **0.0** |
| Borrowings and financial debt | 2,637.1 | 2,519.5 | | | | 2,637.1 |
| Other non-current liabilities | 21.4 | 21.4 | 4.3 | 8.9 | | 8.3 |
| Trade and other payables | 385.4 | 385.4 | | | | 385.4 |
| Contract liabilities | 87.6 | 87.6 | | | | 87.6 |
| Other current liabilities | 531.9 | 531.9 | 64.1 | 0.6 | | 467.2 |
| Bank overdrafts and current borrowings | 1,015.5 | 1,007.6 | | | | 1,015.5 |
| **Financial liabilities (excluding lease liabilities)** | **4,679.0** | **4,553.5** | **68.4** | **9.5** | **0.0** | **4,601.1** |

| | 12/31/2023 restated* | | Breakdown by category of financial instrument | | | |
|---|---|---|---|---|---|---|
| *(In millions of euros)* | Carrying amount | Fair value | Mandatory at fair value through profit or loss | Fair value – hedging instruments through OCI | Financial assets at amortized cost | Debt at amortized cost |
| Other equity investments | 0.1 | 0.1 | 0.1 | | | |
| Other non-current assets | 66.2 | 66.2 | 23.6 | 1.9 | 40.7 | |
| Contract assets | 51.9 | 51.9 | | | 51.9 | |
| Trade and other receivables | 823.6 | 823.6 | | | 823.6 | |
| Other current assets | 19.3 | 19.3 | 1.2 | 0.2 | 17.9 | |
| Cash and cash equivalents | 665.3 | 665.3 | | | 665.3 | |
| **Financial assets** | **1,626.3** | **1,626.3** | **24.9** | **2.1** | **1,599.3** | **0.0** |
| Borrowings and financial debt | 2,717.5 | 2,594.0 | | | | 2,717.5 |
| Other non-current liabilities | 58.0 | 58.0 | 31.6 | 17.1 | | 9.3 |
| Trade and other payables | 404.7 | 404.7 | | | | 404.7 |
| Contract liabilities | 83.7 | 83.7 | | | | 83.7 |
| Other current liabilities | 532.4 | 532.4 | 89.0 | 3.1 | | 440.3 |
| Bank overdrafts and current borrowings | 973.2 | 964.5 | | | | 973.2 |
| **Financial liabilities (excluding lease liabilities)** | **4,769.4** | **4,637.3** | **120.6** | **20.2** | **0.0** | **4,628.7** |

*(*) See Note 1.6.*

The table below shows the level at which each fair value is ranked in the fair value hierarchy:

| | 06/30/2024 | Fair value hierarchy | | |
|---|---|---|---|---|
| *(In millions of euros)* | **Fair value** | Level 1 | Level 2 | Level 3 |
| Other equity investments | 0.1 | | | 0.1 |
| Non-current derivatives – assets (cross-currency swaps) | 6.1 | | 6.1 | |
| Current derivatives – assets (currency forwards) | 1.4 | | 1.4 | |
| Offsetting assets | 21.8 | | | 21.8 |
| **Assets measured at fair value** | **29.3** | **-** | **7.5** | **21.9** |
| Non-current derivatives – liabilities (cross-currency swaps) | 8.9 | | 8.9 | |
| Current derivatives – liabilities (currency forwards) | 1.4 | | 1.4 | |
| Debt related to acquisitions | 67.6 | | | 67.6 |
| **Liabilities measured at fair value** | **77.9** | **-** | **10.3** | **67.6** |
| USPP | 629.4 | | 629.4 | |
| EMTN (Euro Medium Term Notes) | 2,030.6 | 2,030.6 | | |
| Convertible bonds – debt component | 348.7 | | 348.7 | |
| **Liabilities for which fair value is disclosed in the Notes** | **3,008.7** | **2,030.6** | **978.1** | **-** |

| | 12/31/2023 restated* | Fair value hierarchy | | |
|---|---|---|---|---|
| *(In millions of euros)* | **Fair value** | Level 1 | Level 2 | Level 3 |
| Other equity investments | 0.1 | | | 0.1 |
| Non-current derivatives – assets (cross-currency swaps) | 1.9 | | 1.9 | |
| Current derivatives – assets (currency forwards) | 1.4 | | 1.4 | |
| Offsetting assets | 23.6 | | | 23.6 |
| **Assets measured at fair value** | **27.0** | **-** | **3.4** | **23.6** |
| Non-current derivatives – liabilities (interest rate swaps) | 17.1 | | - | |
| Current derivatives – liabilities (currency forwards) | 5.7 | | 5.7 | |
| Debt related to acquisitions | 117.9 | | | 117.9 |
| **Liabilities measured at fair value** | **140.8** | **-** | **5.7** | **117.9** |
| USPP | 628.4 | | 628.4 | |
| EMTN (Euro Medium Term Notes) | 2,135.9 | 2,135.9 | | |
| Convertible bonds – debt component | 346.0 | | 346.0 | |
| **Liabilities for which fair value is disclosed in the Notes** | **3,110.3** | **2,135.9** | **974.5** | **-** |

*(*) See Note 1.6.*

# NOTE 9 Income tax expense

The Group recognizes income tax expense for interim periods based on its best estimate of the average annual tax rate expected to apply to total annual earnings for each tax jurisdiction.

The average effective tax rate stood at 34.2% as at June 30, 2024 (versus 25.2% as at June 30, 2023), mainly due to the absence of any significant recognition/utilization of loss carryforwards. The main non-deductible permanent differences relate to earnout adjustments and IFRS 2 expenses.

Since January 1, 2024, the Group has been subject to the "minimum tax" rule under the OECD's international tax reform, commonly referred to as "Pillar 2." As such, the Group is liable to pay an additional tax (qualifying domestic top-up tax) in Ireland, estimated at €0.1 million as at June 30, 2024.

# NOTE 10 Shareholders' equity and earnings per share

## 10.1 Changes in share capital

| | |
|---|---|
| **Number of shares as at January 1, 2023** | **230,147,257** |
| **Number of shares as at December 31, 2023** | **234,000,047** |
| **Number of shares as at June 30, 2024** | **235,567,817** |
| Number of authorized shares | 235,567,817 |
| Number of shares issued and fully paid up | 235,567,817 |
| Number of shares issued and not fully paid up | - |
| Par value of shares | 1.00 |
| Treasury shares | 168,261 |
| Shares reserved for issue under options and sales agreements | - |

Following the vesting of the free performance shares, the share capital was increased on March 11, 2024, and April 15, 2024, by an aggregate nominal amount of €1.6 million through the capitalization of those same amounts in "Additional paid-in capital."

## 10.2 Dividends and distributions paid

At the general shareholders' meeting of May 23, 2024, it was decided to distribute a dividend in cash for the 2023 financial year of €0.43 per share, for a total of €101.3 million.

During the previous financial year, at the general shareholders' meeting of May 25, 2023, it was decided to distribute a dividend for the 2022 financial year of €0.41 per share, with the option of this dividend being paid in Elis shares. The cash dividend paid to shareholders who did not opt for the stock dividend amounted to €61.7 million.

## 10.3 Earnings per share for the first six months of the year

The weighted average number of ordinary shares outstanding during the period is shown below:

| *(In millions of euros)* | **2024** | 2023 restated* |
|---|---|---|
| Net income or loss attributable to owners of the parent | | |
| Continuing operations | 119.1 | 138.6 |
| Discontinued operations | 0.0 | 0.0 |
| **Net income or loss attributable to owners of the parent** | **119.1** | **138.6** |
| Interest expense related to convertible bonds (net of tax) | 6.5 | 8.1 |
| **Net income or loss attributable to owners of the parent, adjusted for dilution** | **125.6** | **146.8** |
| Weighted average number of shares | 235,825,047 | 232,643,268 |
| Effect of conversion of convertible bonds | 22,906,781 | 29,375,611 |
| Effect of contingently issuable shares | 749,562 | 1,365,237 |
| Weighted average number of shares used for diluted EPS | 259,486,044 | 263,384,116 |
| Earnings (loss) per share (EPS) (in euros): | | |
| basic, attributable to owners of the parent | €0.51 | €0.60 |
| diluted, attributable to owners of the parent | €0.48 | €0.56 |
| Earnings (loss) per share (EPS) from continuing operations (in euros): | | |
| basic, attributable to owners of the parent | €0.51 | €0.60 |
| diluted, attributable to owners of the parent | €0.48 | €0.56 |

*(*) See Note 1.6.*

# NOTE 11 Off-balance sheet commitments

| *(In millions of euros)* | **06/30/2024** | 12/31/2023 |
|---|---|---|
| **Commitments given** | | |
| Assignment and pledge of receivables as collateral | 0.0 | 0.0 |
| Pledges, mortgages and sureties | 1.7 | 1.7 |
| Pledges, endorsements and guarantees given | 0.0 | 0.0 |
| Warranties | 0.0 | 0.0 |
| **Commitments received** | | |
| Pledges, mortgages and sureties | 0.0 | 0.0 |
| Pledges, endorsements and guarantees received | 34.6 | 35.7 |
| Warranties | 151.9 | 138,2 |

# NOTE 12 Events after the reporting period

### *Major acquisition*

On July 1, 2024, Elis acquired 100% of Wonway Manufacturing Sdn Bhd and its subsidiaries Microclean Services Sdn Bhd, Pureglove Sdn Bhd and Shoetech Industries Sdn Bhd, "Wonway," in Malaysia. Founded in 1984, Wonway offers reusable garments for cleanrooms for a customer base mainly composed of international groups operating in the semiconductor, medical device and chemical sectors. The group employs approximately 200 people across three specialized laundries located in the Kuala Lumpur, Penang and Malacca regions, providing nationwide coverage. In 2023, Wonway generated revenue of €5.9 million.

The acquisition of Wonway represents a continuation of Elis' growth strategy and an expansion of its network to the Asian continent. This is an acquisition that will allow Elis to become familiar with the regional market. Wonway benefits from both the highly profitable cleanroom business and the dynamism of one of the best economies in Southeast Asia.

### *Other acquisitions*

- July 1, 2024: assets of the company Loonen Ongediertebestrijding en Bedrijfsdiensten VOF in the Netherlands (pest control, revenue of around €0.3 million; two employees).
- July 15, 2024: 100% of the company Servicio Tecnilavado SAS in Colombia (revenue of around €1.1 million; 72 employees).

# 03

# Statutory Auditors’ review report on the 2024 half-yearly financial information

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## Statutory Auditors' review report on the half-yearly financial information

For the period from January 1 to June 30, 2024

*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,
**Elis**
5, boulevard Louis Loucheur
92210 Saint-Cloud

In compliance with the assignment entrusted to us by your Shareholders' General Meeting 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 Elis, for the period from January 1 to June 30, 2024;
- the verification of the information presented in the half-yearly management report.

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

### I - 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 enquiries, 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 have not been 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

### II - Specific verification

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

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

Neuilly-sur-Seine and Courbevoie on July 24, 2024

The Statutory Auditors

**PricewaterhouseCoopers Audit**

Bardadi Benzeghadi

**Forvis Mazars SA**

Francisco Sanchez

# 04

# Certification by the person responsible

*This document is the responsibility of Xavier Martiré, Chairman of the Management Board.*

I hereby certify that, to the best of my knowledge, the condensed consolidated financial statements for the past six months have been prepared in accordance with applicable accounting standards and present fairly the assets, liabilities, financial position and results of the Company and all the companies included in the scope of consolidation, and that the half-year management report on page 3 presents fairly the significant events that occurred during the first six months of the financial year beginning January 1, 2024, their impact on the financial statements and the main related-party transactions, and describes the main risks and uncertainties for the remaining six months of the financial year.

Saint-Cloud, July 24, 2024

Chairman of the Management Board

**Xavier Martiré**

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French joint-stock corporation (*société anonyme*) with a Management Board and Supervisory Board, with share capital of €235,567,817
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