Bellon S.A.

Statutory Auditors' report
on the consolidated financial statements

(Year ended August 31, 2024)

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(Year ended August 31, 2024)

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Bellon S.A.
17-19, place de la Résistance
92130 Issy-les-Moulineaux

To the Annual General Meeting of BELLON S.A.,

OPINION

In compliance with the assignment entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Bellon S.A. for the year ended August 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at August 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

BASIS OF THE AUDIT OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for Statutory Auditors for the period from September 1, 2023 to the date of our report.

JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgement, were the most significant in our audit of the consolidated financial statements.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed. We do not provide a separate opinion on specific items of the consolidated financial statements.

- Goodwill is tested for impairment in accordance with the methods described in Note 6.4 to the consolidated financial statements.

  We examined the methods used to carry out these impairment tests and the method used to assess the value in use based on projected future discounted cash flows after tax. We also examined the documentation prepared for this purpose, assessed the consistency of the data used, in particular with regard to the assumptions made for drawing up the business plans, and verified that Note 6.4 to the consolidated financial statements provides appropriate disclosures.

- Bellon S.A. records provisions to cover risks relating to tax disputes, as described in Note 10.2 to the consolidated financial statements.

  Our work consisted primarily in:
  - holding meetings with the Group's tax department and local managements to assess the latest status of inspections in progress and tax adjustments notified by the tax authorities, and to monitor developments in any disputes in progress;
  - consulting the recent decisions and correspondence of the Group's companies with the tax authorities, and gaining an understanding of the correspondence between the relevant companies and their tax advisers;
  - conducting a critical review of the estimates and positions adopted by Management.

The matters mentioned above are based on estimates and underlying assumptions, which are inherently uncertain. As specified in Note 2.2 to the consolidated financial statements, actual amounts could differ significantly from these estimates if assumptions or circumstances change.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group information given in the management report of the Executive Board.

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

We attest that the Group management report includes the consolidated non-financial information statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement.

In accordance with French law, we report to you that your Chairman of the Executive Board has not appointed an independent third party responsible for verifying this statement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

These consolidated financial statements have been approved by the Executive Board.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Paris-La Défense, February 3rd 2025,

The Statutory Auditors

ERNST & YOUNG Audit	KPMG S.A.
Gilles Cohen	Grégoire Menou

BELLON Group Consolidated information as of August 31, 2024

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1 Consolidated financial statements

1.1 Consolidated income statement

(in million euros)	NOTES	FISCAL 2024	FISCAL 2023
Revenues	**4.1**	**24,996**	**23,680**
Cost of sales	**4.2**	**(21,337)**	**(20,248)**
Gross profit		**3,659**	**3,432**
Selling, general and administrative costs	4.2	(2,235)	(2,165)
Share of profits of companies accounted for using the equity method that directly contribute to the Group's activity	8	5	9
Underlying Operating Income	**4.1**	**1,429**	**1,275**
Other operating income	4.2	97	4
Other operating expenses	4.2	(252)	(290)
Operating Profit	**4.1**	**1,274**	**989**
Financial income	12.1	185	142
Financial expenses	12.1	(260)	(218)
Share of profits of other companies accounted for using the equity method	8	8	3
Profit before tax for the year		**1,207**	**916**
Income tax expense	9.2	(340)	(261)
Net Profit for the year		**867**	**655**
Of which:			
Profit attributable to non-controlling interests		523	419
ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT		**344**	**236**

1.2 Consolidated statement of comprehensive income

(in million euros)	NOTES	FISCAL 2024	FISCAL 2023
NET PROFIT FOR THE YEAR		**867**	**655**
Components of other comprehensive income that may be subsequently reclassified to profit or loss		**296**	**(398)**
Change in fair value of cash flow hedge instruments	12.5 and 11.1	—	—
Change in fair value of cash flow hedge instruments reclassified to profit or loss	12.5 and 11.1	—	—
Currency translation adjustments	11.1	(237)	(398)
Currency translation adjustments reclassified to profit or loss	11.1	533	—
Tax on components of other comprehensive income that may be subsequently reclassified to profit or loss	11.1	—	—
Share of other components of comprehensive income (loss) of companies accounted for using the equity method, net of tax	11.1 and 8	—	—
Components of other comprehensive income that will not be subsequently reclassified to profit or loss		**(41)**	**(56)**
Remeasurement of defined benefit plan obligation	5.1 and 11.1	(34)	(104)
Change in fair value of financial assets revalued through other comprehensive income	12.3 and 11.1	(7)	16
Tax on components of other comprehensive income that will not be subsequently reclassified to profit or loss	11.1	—	32
TOTAL OTHER COMPREHENSIVE INCOME (LOSS) AFTER TAXES		**255**	**(454)**
COMPREHENSIVE INCOME		**1,122**	**201**
Of which:			
Attributable to equity holders of the parent		**459**	**66**
Attributable to non-controlling interests		**663**	**135**

1.3 Consolidated statement of financial position

Assets

(in million euros)	NOTES	AUGUST 31, 2024	AUGUST 31, 2023
Goodwill	6.1	6,440	6,408
Other intangible assets	6.2	904	668
Property, plant and equipment	6.3	571	529
Rights-of-use assets relating to lease contracts	7.2	729	834
Client investments	4.4	712	687
Investments in companies accounted for using the equity method	8	77	67
Non-current financial assets	12.3 and 12.5	393	385
Other non-current assets		189	78
Deferred tax assets	9.3	216	219
NON-CURRENT ASSETS		**10,231**	**9,875**
Financial assets	12.3 and 12.5	61	76
Inventories		322	346
Income Tax receivable		206	128
Trade receivables and other current operating assets	4.3	4,961	4,948
Pluxee's restricted cash and financial assets [(1)]	12.3	1,787	1,475
Cash and cash equivalents [(1)]	12.2	3,573	3,129
Assets held for sale	3.2	46	351
CURRENT ASSETS		**10,956**	**10,453**
TOTAL ASSETS		**21,187**	**20,328**

[(1)] On 31 August 2023, the Bellon group reclassified Cash and cash equivalents to Pluxee's restricted cash and financial assets in the amount of 155 million euros.

Shareholders' equity and liabilities

(in million euros)	NOTES	AUGUST 31, 2024	AUGUST 31, 2023
Share capital		—	—
Additional paid-in capital		285	285
Reserves and retained earnings		1,136	1,190
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**1,421**	**1,475**
NON-CONTROLLING INTERESTS		**2,419**	**2,325**
SHAREHOLDERS' EQUITY	**1.5**	**3,840**	**3,800**
Long-term borrowings	12.4 and 12.5	5,521	5,173
Long-term lease liabilities	7.1	632	720
Employee benefits	5.1	283	272
Other non-current liabilities	4.3	181	174
Non-current provisions	10.1	241	118
Deferred tax liabilities	9.3	171	198
NON-CURRENT LIABILITIES		**7,029**	**6,655**
Bank overdrafts	12.2	9	5
Short-term borrowings	12.4 and 12.5	853	614
Short-term lease liabilities	7.1	158	158
Income tax payable		357	207
Current provisions	10.1	67	206
Trade and other payables	4.3	5,138	5,068
Value in circulation and related payables	4.5	3,728	3,543
Liabilities directly associated with assets held for sale	3.2	8	72
CURRENT LIABILITIES		**10,318**	**9,874**
TOTAL SHAREHOLDER' EQUITY AND LIABILITIES		**21,187**	**20,328**

1.4 Consolidated cash flow statement

(in million euros)	NOTES	FISCAL 2024	FISCAL 2023
Operating profit		**1,274**	**989**
Depreciation, amortization and impairment of intangible assets, plant, property and equipment and right-of-use assets [1]		568	537
Change in client investments [2]	4.4	(12)	(43)
Provisions		(33)	109
(Gains)/Losses on disposals and dilution		(80)	11
Other non-cash items		35	36
Dividends received from companies accounted for using the equity method	8	7	8
Net interest expense paid		(12)	(37)
Interest paid on lease liabilities		(26)	(21)
Income tax paid		(279)	(220)
Operating cash flow		**1,442**	**1,411**
Change in inventories		(2)	(14)
Change in trade receivables and other current operating assets		(226)	(161)
Change in trade and other payables		132	107
Change in Value in circulation and related payables		280	114
Change in Pluxee's restricted cash		(57)	(100)
Change in working capital from operating activities		**127**	**(53)**
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		**1,568**	**1,357**
Acquisitions of property, plant and equipment and intangible assets		(474)	(455)
Disposals of property, plant and equipment and intangible assets		36	36
Change in current financial assets		(251)	115
Change in financial assets and share of companies accounted for using the equity method		69	(48)
Business combinations	3.1	(30)	(21)
Disposals of activities	3.2	154	4
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**(495)**	**(369)**
Dividends paid to Bellon S.A. shareholders	1.5 and 11.1	(31)	(19)
Dividends paid to non-controlling interests		(790)	(209)
(Purchases)/Sales of treasury shares	1.5 and 11.1	(84)	(1)
Change in non-controlling interests		6	(63)
Proceeds from borrowings	12.4	3,499	645
Repayment of borrowings	12.4	(2,910)	(755)
Repayment of lease liabilities	7.1	(175)	(201)
NET CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES		**(486)**	**(603)**
NET EFFECT OF EXCHANGE RATES AND OTHER EFFECTS ON CASH		**(148)**	**(190)**
CHANGE IN NET CASH AND CASH EQUIVALENTS [3]		**439**	**249**
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR [3]		**3,124**	**2,875**
NET CASH AND CASH EQUIVALENTS, END OF YEAR [3]	**12.2**	**3,564**	**3,124**

[1] Including €194 million euros corresponding to the depreciation of right-of-use assets recognized in Fiscal 2024 pursuant to IFRS 16 (200 million euros in Fiscal 2023)

[2] Since Fiscal 2024, the change in client investments previously classified in net cash used in investing activities is presented within the cash flow provided by operating activities in the consolidated cash flow statement. This change of presentation has been reflected in the comparative information of the Fiscal 2023.

[3] On 31 August 2023, the Bellon group reclassified Cash and cash equivalents to Pluxee's restricted cash and financial assets in the amount of 155 million euros.

1.5 Consolidated statement of changes in shareholders' equity

(in million euros)	NUMBER OF SHARES	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENTS	TOTAL EQUITY CAPITAL		
						ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Notes	**11.1**			**11.1**				
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2023		**24,255**	**285**	**1,497**	**(307)**	**1,475**	**2,325**	**3,800**
Net profit for the year				344		**344**	523	**867**
Other comprehensive income (loss), net of tax				(18)	133	**115**	140	**255**
Comprehensive income				**326**	**133**	**459**	**663**	**1,122**
Dividends paid				(31)		(31)	(790)	(821)
Treasury share transactions				(37)		(37)	(49)	(86)
Share-based payments (net of income tax)				18		18	24	42
Change in ownership interest without any change of control				317	(4)	313	(12)	301
Other				(855)	79	(776)	258	(518)
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2024		**24,255**	**285**	**1,235**	**(99)**	**1,421**	**2,419**	**3,840**

(in million euros)	NUMBER OF SHARES	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENTS	TOTAL EQUITY CAPITAL		
						ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL
Notes	**11.1**			**11.1**				
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2022	**24,255**		**285**	**1,310**	**(158)**	**1,436**	**2,426**	**3,862**
Net profit for the year				236		236	419	655
Other comprehensive income (loss), net of tax				(21)	(149)	(170)	(284)	(454)
Comprehensive income				**215**	**(149)**	**66**	**135**	**201**
Dividends paid				(15)		(15)	(208)	(223)
Treasury share transactions				(19)		(19)	(31)	(50)
Share-based payments (net of income tax)				17		17	28	45
Change in ownership interest without any change of control				(10)		(10)	(27)	(37)
Other				(1)		—	2	2
SHAREHOLDERS' EQUITY AS OF AUGUST 31, 2023	**24,255**		**285**	**1,497**	**(307)**	**1,475**	**2,325**	**3,800**

2 Notes to the Consolidated financial statements

Bellon S.A. is a *société anonyme* (a form of limited liability company) registered in France with its headquarters located in Issy-les-Moulineaux since May 23, 2016.
The consolidated financial statements of the Bellon Group for the fiscal year ended August 31, 2024 were approved by the Board of Directors on January 30, 2025 and will be submitted to the Annual General Meeting of Shareholders on May 15, 2025.
The numbers shown in the tables were prepared and are presented in million euros (unless otherwise indicated).

NOTE 1. SIGNIFICANT EVENTS

1.1 Spin-off of Pluxee (formerly Benefits & Rewards Services activity)

The proposed Pluxee spin-off (formerly Benefits & Rewards Services activity) announced by Sodexo on April 5, 2023 was unanimously approved by its Board of Directors on October 25, 2023. The resolution proposed by Sodexo's Board of Directors to approve the exceptional distribution in kind of one Pluxee share for every Sodexo share was adopted by a very large majority of the Sodexo's Shareholders Meeting held on January 30, 2024.

The spin-off was implemented in accordance with the defined timetable, namely:
- the detachment and first listing of the ordinary shares of Pluxee N.V. on Euronext Paris under the ticker PLX and the ISIN code NL0015001W49 took place on February 1, 2024,
- and the delivery of Pluxee shares to Bellon S.A. on January 31, 2024 and to the other shareholders on February 5, 2024.

Pluxee N.V. increased its capital by a total amount of 622,505 euros on February 5, 2024 and 7,899 euros on March 18, 2024 by issuing respectively 62,250,485 and 789,878 new special voting shares fully paid up from and solely charged against the special capital reserve, bringing the total number of issued shares to 147,174,692 ordinary shares and 63,040,363 special voting shares, including 63,040,363 ordinary shares and 63,040,363 special voting shares for Bellon S.A..

In connection with the spin-off, Pluxee N.V. and Sodexo S.A. entered into separation and services agreements with effect from February 1, 2024.

Following the Pluxee spin-off, Sodexo and Pluxee are now pure players respectively in Food and Facilities Management services and Employee Benefits services.

1.2 Acquisition of Sofinsod by Bellon S.A. from Sodexo

On July 23, 2024, Bellon S.A. signed an agreement with Sodexo to buy Sofinsod, thereby simplifying Sodexo's shareholder structure and monetizing an illiquid asset. Sodexo held 100% of this holding company, which, as its only asset, owns a 19.6% stake in Bellon S.A., the Bellon family holding company (*holding animatrice* in French) and major shareholder of Sodexo and Pluxee. This cross-shareholding loop came about in 1991 because of the unwinding of the crossholdings between Sodexo and Carlson Wagon Lit, following the cancellation of the merger of some of their activities.
This agreement provided for the Sofinsod shares purchase by Bellon S.A. and for the distribution in full by Sodexo of the sale proceeds to its shareholders. The sale was completed on August 23, 2024 and the special interim dividend was paid on August 29, 2024. The net cost of this transaction for Bellon S.A. was €524 million.
The independent expert Finexsi, appointed to examine the financial conditions in line with the AMF recommendations judged them to be fair from a financial point of view.

1.3 Financing

- **Refinancing for Sodexo of its main sustainability linked Syndicated Revolving Credit Facility**

On July 25, 2024, Sodexo successfully completed the refinancing of its main sustainability linked Syndicated Revolving Credit Facility for 1.75 billion euros. Its core Syndicated Revolving Credit Facility was amended and extended for a further 5 years to July 2029, with two additional one-year extension options (up to 7 years in total). The facility has been increased from circa 1.3 billion euros to 1.75 billion euros to incorporate its existing bilateral lines and provide liquidity headroom for Sodexo. The facility remains aligned to Sodexo's external sustainability commitments.
The facility triggered strong interest, with all of Sodexo's existing banking partners renewing their commitments, in addition to two newly invited banks.

- **Pluxee spin-off financing and inaugural bond issue**

In October 2023, Pluxee N.V. entered a 2.15-billion-euro financing package with a syndicate of international banks. This financing package included a 1.5-billion-euro bridge loan and a 650-million-euro revolving credit facility.
The bridge loan was partly drawn for an amount of 1.1 billion euros on January 11, 2024, to repay the short-term borrowings due to Sodexo.

On March 4, 2024, Pluxee issued bonds totalling 1.1 billion euros in two tranches:
- 550 million euros with a 4.5 years maturity, redeemable at par value on September 4, 2028, and bearing interest at an annual rate of 3.5% (and an effective interest rate of 3.71%), with interest payable annually on September 4 commencing on September 4, 2024.
- 550 million euros with a 8.5 years maturity, redeemable at par value on September 4, 2032, and bearing interest at an annual rate of 3.75% (and an effective interest rate of 3.87%), with interest payable annually on September 4 commencing on September 4, 2024.

The bonds received a BBB+ rating (with a stable outlook) by Standard & Poor's and were admitted to trading on the regulated market of Euronext Paris as from their issue date.

The proceeds of the bonds issue were used to repay the bridge loan on March 4, 2024.

- **Bellon S.A. financing related to the spin-off and the acquisition of Sofinsod (see note 12.4)**

On November 2, 2022, Bellon S.A. signed an ELS (Equity Linked Swap) with Cacib, BNP and Natixis (forward sale of Sodexo shares with a swap exchanging changes in interest rates for changes in Sodexo share price) for an amount of 300 million euros, 102 million euros of which had been borrowed as of August 31, 2023. As part of the spin-off, Bellon S.A. amended this ELS on January 31, 2024 and repaid the outstanding amount of 102 million euros on February 2, 2024.

On July 23, 2024, following the signature of the purchase agreement between Bellon S.A. and Sodexo for the purchase of Sofinsod, Bellon S.A. signed a bridge loan of 500 million euros maturing on January 23, 2024 and a new ELS in replacement of November 2022 ELS, maturing on July 23, 2029 with two tranches, one-time drawable 420 million euros and revolving 200 million euros.

On August 22, 2024, Bellon S.A. drew the entire bridge loan and the first tranche of the ELS to pay for the acquisition of Sofinsod. The exceptional interim dividend paid by Sodexo SA on August 29, 2024 enabled Bellon S.A. to repay 394 million euros of the bridge loan on August 30, 2024.

1.4 Disposal of Sodexo's non-strategic Home Help business

As part of its ongoing strategy to streamline its portfolio, Sodexo signed an agreement at the end of September 2023 to sell its worldwide Homecare services, including subsidiaries in the United States, the United Kingdom and Scandinavian countries.
The transaction was subject to the satisfaction of customary closing conditions and was finalised in October 2023 with a net selling price of 146 million euros. It resulted in a net gain on disposal of 77 million euros, recognised in other operating income and expenses during the first half Fiscal 2024.
As a reminder, pursuant to IFRS 5, the assets and liabilities of subsidiaries to be disposed were classified in the consolidated statement of financial position as of August 31, 2023 under ‘Assets held for sale or distribution’ and ‘Liabilities directly associated with assets held for sale or distribution’ for respectively 211 million euros and 72 million euros. As Homecare services did not meet the definition of a discontinued operation, their contribution to income and cash flows was maintained within continuing operations in the consolidated income statement and in the consolidated cash flow statement as of August 31, 2023, in accordance with IFRS 5.

1.5 Closing of the partnership agreement with Santander in Brazil

In July 2023, Pluxee N.V. signed a strategic partnership with Santander in Brazil, one of the largest private banks in the country, to reinforce Pluxee’s market leadership in Brazil. The transaction was completed on June 27, 2024, following approval from the Administrative Council for Economic Defence (CADE) and the Central Bank of Brazil.

This partnership will strengthen Pluxee's market position through (i) a 25-year exclusive distribution agreement of Pluxee's Employee Benefits solutions in the Santander network and (ii) the integration of Ben's (Santander's Employee Benefits activity) business volume and expertise. With this partnership, Banco Santander (Brasil) S.A. now owns 20% of Pluxee Beneficios Brasil, Pluxee's Brazilian operating subsidiary.

Santander's contribution of its Employee Benefits business (Ben) to the partnership has been accounted for pursuant to IFRS 3 'Business Combinations'. The impact on Fiscal 2024 consolidated financial statements, determined based on a preliminary purchase price allocation, is described in note 3.1. The transaction also gave rise to the recognition of an intangible asset for the exclusive distribution right of Pluxee's Employee Benefits solutions in the Santander network granted by Santander (see note 6.2.1). These contributions were remunerated by the issue of shares in Pluxee Beneficios Brasil S.A. representing 20% of its capital, generating (i) a 107 million euro increase in non-controlling interests and (ii) a 261 million euro increase in Pluxee N.V.'s shareholders' equity - Group share.

1.6 Other significant events

On November 16, 2023, the Paris Court of Appeal confirmed the conviction issued by the French Competition Authority and fined Pluxee France S.A., jointly and severally with Sodexo S.A., for an amount of 126 million euros. Pluxee recorded a provision of 127 million euros in Other Operating Income and Expense as of August 31, 2023. Sodexo and Pluxee France filed an appeal in cassation on December 18, 2023 to contest the decision and the proceedings are still ongoing (see note 10.2).

1.7 Other transactions

In December 2023, Pluxee sold its minority stake in ePassi for 67 million euros. This non-controlling interest was initially recognised in Non-current financial assets, remeasured at fair value in Other comprehensive income (investments in non-consolidated companies) and reclassified in August 2023 as Assets held for sale or distribution in accordance with IFRS 5 'Assets held for sale or distribution' (see notes 3.2 and 12.3).

In August 2024, pursuant to the agreements signed with Zeta Investments Holdings Pte Ltd, Pluxee:

- sold its minority stake in Zeta Investments Holdings Pte Ltd for 57 million U.S. dollars (52 million euros). This investment was initially recognised under Non-current Financial Assets measured at fair value under Other Comprehensive Income, in the same way as other investments in non-consolidated companies and reclassified in August 2023 under Assets held for sale or distribution in accordance with IFRS 5 'Assets held for sale or distribution' (see note 12.3).
- acquired the 29.22% minority stake held by Zeta Investments Holdings Pte Ltd in Pluxee India Private Limited for 60 million U.S. dollars (55 million euros).

Payments were settled in August through a limited cash settlement presented as Change in financial assets and share of companies accounted for using the equity method within Net cash provided by/(used in) investing activities in the Cash flow statement.

NOTE 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Accounting policies

2.1.1 General principles

Pursuant to European regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Bellon Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and approved by the European Union as of the fiscal year end. The texts adopted by the European Union are published in the Official Journal of the European Union and can be consulted on EUR-Lex.

Information for the comparative year presented has been prepared using the same principles.

The Group does not apply IFRS standards that are not approved by the European Union at the closing date or that have been approved but are not mandatory on September 1, 2023. Given the year-end dates of Sodexo S.A. and Pluxee N.V., the application dates of IFRS as approved by the European Union were the same as those of IFRS published by the IASB.

2.1.2 New accounting standards and interpretations applied

The accounting policies used by the Group to prepare its consolidated financial statements for the fiscal year ended August 31, 2024 are identical to those used in the consolidated financial statements as of August 31, 2023.

The texts effective as of September 1, 2023 had no material impact on the consolidated financial statements, in particular IAS 12 amendment regarding the exemption from the recognition of deferred tax assets and liabilities associated with taxes on the result arising from the Pillar 2 rules, based on estimates made by the Group to date. Based on the preliminary work carried out, the Group does not expect any significant impact from the Pillar 2 reform on its consolidated financial statements.

In addition, the Group has not opted for early application of the texts which will be effective for the Group as of September 1, 2024. The Group does not expect the application of these texts to have a material impact on its consolidated financial statements.

In addition, with regard to the amendments and standards not yet applicable whose application date defined by the IASB is from January 1, 2025 or later, the analysis of the impact of their application on the consolidated financial statements is in progress, particularly IFRS 18 'Presentation of Financial Statements and Disclosures' (effective as of January 1, 2027, subject to adoption by the European Union).

2.2 Use of estimates

In preparing the financial statements, estimates and assumptions have been made by Group and subsidiary management that may affect the reported amounts of assets, liabilities and contingent liabilities as of the date of the financial statements and of revenues and expenses for the fiscal year.

These estimates and valuations are updated continuously, using past experience and various other factors considered reasonable in the light of current circumstances, and are the basis of the assessments of the carrying amount of assets and liabilities.

The final amounts may differ from these estimates if assumptions or conditions change.

2.2.1 Main estimates and assumptions

Significant items subject to such estimates and assumptions include:

- impairment of current and non-current assets (*see* notes 4.3 and 6.4);
- provisions for risks, litigation and restructuring (*see* notes 10.1 and 10.2);
- recognition of deferred tax assets (*see* note 9);
- liabilities recognised in respect of uncertain tax positions (*see* note 9);
- fair value of certain financial assets and derivatives (*see* notes 12.5 and 12.6);
- valuation of post-employment defined benefit plan assets and liabilities (*see* note 5.1);
- share-based payments (*see* note 5.2);
- valuation of intangible assets acquired as part of a business combination, as well as their estimated useful lives (*see* note 3);
- assessment of the lease term in measuring the lease liabilities and related rights-of-use assets (see note 7).

2.2.2 Assessment of the effects of climate change

As part of its Climate Strategy, Sodexo has set the objective of significantly reducing its environmental impact at all levels of its value chain, in particular through the following actions: the development of plant-based food offers, the use of 100% renewable electricity by 2025 on its directly-operated sites and the deployment of its energy management offer to its clients to support their choice of renewable energies, the deployment of the WasteWatch programme designed to limit food waste, the gradual phasing-out of projects in the coal sector by 2025.

The many initiatives undertaken by Sodexo aim in particular to achieve the objective of a 34% reduction in its greenhouse gas emissions between 2017 and 2025, an objective that has been part of its corporate responsibility roadmap, Better Tomorrow 2025, since 2017.

Sodexo took into account the estimated costs of implementing these actions in the business plans drawn up for each operating segment when preparing its impairment tests.

The potential long-term impact of climate-related risks and opportunities on other components of business plans - in particular the impact on cost of sales and margins of possible disruptions to Sodexo's supply chain due to physical risks after taking into account the anticipated impact of the mitigating measures - is assessed through sensitivity analysis of the value in use estimated for the purposes of impairment tests to changes in operating assumptions, the results of which are presented in note 6.4.

Sodexo's climate change commitments had no other impact on the judgments and estimates used by management in preparing its consolidated financial statements for the year ended August 31, 2024, particularly in assessing the useful life of property, plant and equipment, estimating their recoverable value or recognising liabilities.

Pluxee is also committed to fighting against climate change at every level of its value chain. Its Net Zero 2035 trajectory was submitted to the Science Based Targets initiative (SBTi) in March 2023 and approved in December 2023, with the aim of reducing its direct and indirect greenhouse gas emissions (scope 1, 2 and 3) by 90% between 2017 and 2035. The financial impact of achieving these near- and medium-term targets is considered immaterial on Pluxee's consolidated financial statements.

Pluxee is conducting a risk screening analysis across its subsidiaries to identify climate-related risks, as part of the definition of its Climate Adaptation Plan and does not expect any significant financial impact. Similarly, the impact of this climate-related risks on the estimates, assumptions and assessments used to prepare the 2024 consolidated financial statements is not deemed material.

2.3 Valuation basis

The consolidated financial statements are prepared using the historical cost convention, with the exception of:

- identifiable assets acquired and liabilities assumed, recognised as part of a business combination, measured at the acquisition date fair value (*see* note 3);
- some financial assets and liabilities, measured at fair value (*see* note 12);
- post-employment defined benefit plan assets and liabilities (*see* note 5.1);
- share-based payments, measured at fair value (*see* note 5.2);
- rights-of-use assets relating to leases and lease liabilities (*see* note 7).

Fair value is defined as the price that would be received for the sale of an asset or paid to transfer a liability in an arm's length transaction between market participants. In accordance with the hierarchy defined in IFRS 13 ‘Fair Value Measurement’, there are three levels of fair value:

- level 1: fair value measured using unadjusted quoted prices in active markets for identical assets or liabilities; marketable securities are valued this way;
- level 2: fair value measured by models using observable inputs for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. price-based data); over-the-counter derivative financial instruments are valued in this way, based on models commonly used to value these financial instruments;
- level 3: fair value measured using valuation techniques based on unobservable inputs; this category mainly concerns client relationships acquired in business combinations and non-consolidated investments.

NOTE 3. MAIN CHANGES IN CONSOLIDATION SCOPE

ACCOUNTING PRINCIPLES

Consolidation principles and methods

INTRAGROUP TRANSACTIONS

Intragroup transactions, balances and unrealised gains and losses between Group subsidiaries are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, unless they represent an impairment change.

CONSOLIDATION METHODS

A subsidiary is an entity directly or indirectly controlled by Bellon S.A.. The Group controls a subsidiary when it is exposed or has rights to obtain variable benefits from its involvement with the subsidiary and has the ability to influence those benefits through its power over the subsidiary. In determining whether control exists, voting rights granted by equity instruments are taken into account only when they give the Group substantive rights. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained to the date on which control ceases to be exercised.

Associates are companies in which Bellon S.A. directly or indirectly exercises significant influence over financial and operating policy without exercising exclusive or joint control. Joint ventures are joint arrangements in which Bellon S.A. directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are accounted for using the equity method.

The Group holds several equity interests in project companies set up under Public-Private Partnership (PPP) contracts. These contracts enable governments to call upon the private sector for the design, construction, financing and management of public infrastructure (hospitals, schools, barracks, prisons), with detailed performance criteria. An analysis is carried out for each of these equity interests to determine whether they qualify as associates or joint ventures. The Group and its subsidiaries only make equity and subordinated debt investments in such projects when it acts as a service provider to the project company.

Details of the main companies consolidated are shown in note 14.2 ‘Scope of consolidation’.

CURRENCY CONVERSION

The exchange rates used are derived from rates quoted by the European Central Bank and on other major international financial markets (see note 14.4 on exchange rates for main currencies).

Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies at the period end are translated at the closing rate. The resulting translation differences are recognised in financial income or expenses.

Non-monetary assets and liabilities denominated in foreign currencies and reported at historical cost are translated using the exchange rate at the transaction date. Non-monetary assets and liabilities recognised at fair value are translated using the exchange rate at the date when the fair value was determined.

Transactions for the period are translated at the exchange rate at the transaction date.

Translation differences on monetary items that are in substance part of a net investment in a consolidated foreign operation are recognised in other comprehensive income until the disposal or liquidation of the net investment.

Financial statements denominated in foreign currencies

(i) Countries with stable currencies

The separate financial statements of each consolidated company are presented based on the primary economic environment (functional currency) in which the company operates.

For consolidation purposes, all foreign currency assets and liabilities of consolidated companies are translated into the Bellon Group's reporting currency (the euro) at the closing exchange rate, and all income statement and cash flow statement items are translated at the average exchange rate for the period. The resulting translation differences are recognized in other comprehensive income under ‘Currency translation adjustments.

(ii) Countries with hyperinflationary economies

Non-monetary assets and liabilities in hyperinflationary countries, as well as their income statements, are restated to reflect changes in the general pricing power of their functional currencies, in accordance with IAS 29 ‘Financial reporting in hyperinflationary economies’. In addition, financial statements of the subsidiaries in these countries are translated at the closing rate of the period, in accordance with IAS 21 ‘The effects of changes in foreign exchange rates’. Since April 2022, Turkey has been classified as a country with hyperinflationary economy. However, the impacts of hyperinflation in that country are not material at Group level to date.

Business combinations

In accordance with IFRS 3 ‘Business Combinations’, the purchase method is used to account for the acquisition of subsidiaries by the Group. At the acquisition date, the Group measures the consideration transferred, the identifiable assets acquired, and the liabilities assumed at fair value, together with any non-controlling interest in the acquired company. The residual difference between the fair value of the consideration transferred, increased by the amount of the non-controlling interest in the acquired company, and the fair value as of the date of acquisition of the assets acquired and liabilities assumed, is recognized as goodwill in the statement of financial position.

Fair value of the consideration corresponds to the fair value of the assets transferred, liabilities incurred, and equity interests issued by the Group measured as of the date of the acquisition. Costs directly related to the acquisition are expensed as incurred in the income statement.

The Group measures non-controlling interests on a case-by-case basis for each business combination either at fair value or based on their percentage interest in the fair value of identifiable net assets acquired. Commitments to purchase non-controlling interests given in connection with business combinations are recognized as described in section Accounting principles of the note 11 'Equity and earnings per share'.

Changes to the measurement of identifiable assets and liabilities resulting from specialist valuations or additional analysis may be recognized as adjustments to goodwill if they are identified within one year of the date of acquisition and result from facts and circumstances existing at the acquisition date. Once this one-year period has elapsed, the effect of any adjustments is recognized directly in the income statement (unless it is the correction of an error), including recognition of deferred tax assets which are recognized in the income statement as a tax benefit if recognized more than one year after the acquisition date.

PURCHASE PRICE ADJUSTMENTS AND/OR EARNOUTS

Any purchase price adjustments and/or earnouts arising from a business combination are measured at fair value as of the acquisition date, even if their realisation is not considered probable. After the acquisition date, changes in estimate of the fair value of price adjustments result in an adjustment to goodwill only if they occur within the allocation period (maximum one year from the acquisition date) and if they result from facts and circumstances existing at the acquisition date. In all other cases, the change is recognised in profit or loss, except when the consideration transferred is an equity instrument.

BARGAIN PURCHASE

When the fair value of the assets acquired and liabilities assumed as of the acquisition date exceeds the purchase price plus the amount of the non-controlling interest, negative goodwill (excess) is recognized immediately in the income statement during the acquisition period, after verification of the identification and valuation process of the various items taken into account in its calculation.

STEP ACQUISITIONS

In a step acquisition, the fair value of Group's previous interest in the acquired company is measured at the date that control is obtained and is recognized in profit or loss (in the case of investments in companies accounted for using the equity method upon acquisition of control) or through other comprehensive income (in case of non-consolidated investments). To determine goodwill at the date control is obtained, the fair value of the consideration transferred (e.g. the price paid) is increased by the fair value of the interest previously held by the Group.

3.1 Business combinations

During Fiscal 2024, a total goodwill was recognized for 76 million euros for Sodexo, following the acquisitions of A.H. Management, K&R Vending Services and Legend Food Services in the United States and Compass Management Services and Shanghai Eurest Food Technologies in China, and 85 million euros for Pluxee, following the acquisition of 80% of Ben Beneficios in Brazil.

The amount of assets acquired, and liabilities assumed as of the acquisition dates, provisionally valued as of August 31, 2024 for most of Fiscal 2024 acquisitions, is summarized in the table below:

(in million euros)	AUGUST 31, 2024
Intangible assets	59
Property, plant and equipment	9
Current financial assets	7
Trade receivables and other current operating assets	38
Cash and cash equivalents	73
Trade and other payables	(52)
Value in circulation and related payables	(68)
TOTAL IDENTIFIABLE NET ASSETS	**66**
CONSIDERATION TRANSFERRED	**218**
Non-controlling interests	**9**
GOODWILL	**161**

The impact of business combinations on the cash flow statement breaks down as follows:

Price paid during the fiscal year *	(103)
Cash acquired	73
Business combinations	**(30)**

* Includes earn outs paid in respect of prior acquisitions to Fiscal 2024.

The contribution of significant companies acquired in Fiscal 2024 since their consolidation amounts to 104 million euros in revenues and 7 million euros to the underlying operating profit.

Changes in goodwill during Fiscal 2024 and the comparative year are shown in note 6.1 ‘Goodwill’.

3.2 Disposed or held for sale activities and assets

ACCOUNTING PRINCIPLES

In accordance with IFRS 5 ‘Non-current assets held for sale and discontinued operations’, when the Group expects to recover the value of an asset or group of assets through its sale rather than through its use, or when the asset or group of assets is intended to be distributed to owners of the Group, this asset or group of assets is presented separately on the line ‘Assets held for sale or distribution’ of the consolidated statement of financial position. Non-current assets classified as such are measured at the lower of their carrying value and their fair value net of disposal costs and therefore are no longer subject to depreciation. Liabilities relating to this asset or group of assets are also presented on a separate line of the consolidated statement of financial position (‘Liabilities relating to assets held for sale or distribution’).

In addition, when the group of assets held for sale or distribution represents a separate major line of business or geographical area of operations and thus meets the definition of a discontinued operation under IFRS 5, its contribution to income and cash flows is presented on separate lines in the consolidated income statement (‘Net profit from discontinued operations’ line) and the consolidated cash flow statement (separate lines within each cash flow category). The comparative consolidated income statement and consolidated cash flow statement are restated as if the activity had met the criteria for a discontinued operation as of the beginning of the comparative period.

Sodexo pursued its strategy of rationalising its portfolio by disposing of a number of its activities, resulting in a net gain on disposal of 90 million euros recognised in other operating income and expenses (see note 4.2. 2 ‘Other operating income and expenses’), mainly corresponding to the 146-million-euro sale of worldwide Homecare services, including subsidiaries based in the United States, the United Kingdom and Scandinavian countries, as of October 2023, resulting in a net gain on disposal of 77 million euros recognised in other operating income and expenses in the first half of Fiscal 2024.
Pluxee recognised its non-consolidated investment in Resort Topco as an Asset held for sale as of August 31, 2024, following approval of the sale in June 2024 and its completion 31 August 31, 2024. As of August 31, 2023, Assets held for sale included the 15% minority stake in ePassi, which was sold during Fiscal 2024, and the 7.46% stake in Zeta Investments Holdings.

Impact of the Pluxee spin-off on free share grants

On January 30, 2024, the resolution proposed by the Board of Directors allowing the exceptional distribution in kind of one Pluxee share for every Sodexo share held, was adopted by a very large majority. As a result of the spin-off, it was proposed to Sodexo shareholders to acknowledge that the rights of beneficiaries of free share plans whose Sodexo shares have not been delivered on the completion date of the spin-off in accordance with the relevant plan rules will be preserved. Therefore, for free share plans under which Sodexo shares are to be delivered after the completion date of the spin-off, Sodexo's Board of Directors adjusted the rights of the beneficiaries of the performance shares in accordance with the principles set out in article R. 228-91 of the French Commercial Code, to be delivered after the spin-off date, by multiplying the number of performance shares by the following ratio:
Value of the Sodexo share before the In-Kind Distribution / (Value of the Sodexo share before the In-Kind Distribution - Amount of the In-Kind Distribution per share), giving an adjustment ratio of 138.14%.
The 1,308,936 Sodexo shares initially granted and to be acquired were adjusted and amount to 1,806,562 Sodexo shares following the spin-off. This adjustment did not result in granting an additional benefit to employees and therefore had no impact on Sodexo's IFRS 2 expenses.

NOTE 4. SEGMENT INFORMATION AND OTHER OPERATING ITEMS

ACCOUNTING PRINCIPLES

Income statement

Given Sodexo's contribution to Group revenues and operating profit, it was decided that the Group would adopt the same presentation as Sodexo in its own consolidated financial statements.

The Group therefore presents the income statement by function.

Operating profit comprises the following items

- gross profit;
- selling, general and administrative costs; and
- other operating income and expenses.

The income statement includes operating income which, when added to 'other operating income' and 'other operating expenses', corresponds to operating income.

Other operating income and expenses include the following items in particular:

- gains and losses arising from changes in the scope of consolidation;
- gains and losses relating to changes in post-employment benefit obligations;
- restructuring and rationalisation costs;
- acquisition-related costs;
- amortisation and impairment of purchased intangible assets (mainly client relationships and trademarks);
- goodwill impairment;
- impairment of non-current assets and other material unusual and non-recurring items.

Underlying operating profit also includes the Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business.

Segment information is presented based on the underlying operating profit.

REVENUES

Group revenues result from the sale of services related to the ordinary activities of consolidated subsidiaries:

- **Sodexo**: this includes all revenues stipulated in contracts with clients, whether Sodexo acts as principal (in most cases) or agent.

  Foodservices revenues are recognized when the consumer pays at the check-out (the date on which control of the goods is transferred to the consumer, since the sales do not represent any other unsatisfied performance obligation at that date).

  Facilities Management services mainly represent routine or recurring services, whose benefits are simultaneously received and consumed by clients as they are performed by the Group and therefore correspond to performance obligations satisfied over time. Consequently, the Group applies the practical expedient provided for in IFRS 15 "Revenue from contracts with customers" and recognizes the revenue for its right to bill (invoicing based on contractual prices, which represent the transaction prices of the different promised services).

- **Pluxee**: this consists mainly of commissions received from clients and affiliated merchants, financial income from the investment of cash generated by the business (e.g. 'Float revenue') and unreimbursed cards, digital solutions and paper vouchers.

  Commissions received from clients are recognised when the cards are credited or when the digitally delivered services or paper vouchers are issued and sent to the client. Commissions received from affiliated merchants are recognised when the cards are used or when the digitally delivered services or paper vouchers are redeemed, in accordance with IFRS 15. Revenue from unreimbursed cards, digitally delivered services and paper vouchers are recognized based on their expiration date and the deadline for presentation for reimbursement by the affiliated merchants. Float revenue is recognized in accordance with IFRS 9 'Financial Instruments' and corresponds primarily to interest on financial assets measured at amortized costs, which are recognized in revenues in the period to which they relate applying the effective interest method. As such, interest revenue is allocated over the expected life of the financial instruments.

Principal versus *Agent considerations*

When a third party is involved in providing goods or services to a client (for example, a subcontractor), the Group evaluates whether or not it obtains control of goods or services before transferring control to the client. When the Group controls the good or service before it is transferred to the client, the revenue is recognized on a gross basis. Otherwise, when the control is not obtained, the Group is not considered to be acting as principal in the transaction and the revenue is recognized on a net basis.

Revenues are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the clients, net of discounts and rebates as well as Value Added Tax (VAT) and other taxes. The financial component of each commercial transaction is considered as negligible and therefore is not recognized separately in accordance with IFRS 15 provisions.

VENDOR DISCOUNTS AND DISCOUNT ALLOWANCES

As part of its food or other material supply contracts with manufacturers and distributors, the Group can earn discounts, rebates, or credits related to purchases made under those contracts. Vendor Discounts and Allowances (VDA) are earned on the volume of materials purchased under the contract, on the periodic purchase volumes exceeding certain contractually defined thresholds, or as fixed amounts in exchange for certain commitments such as vendor exclusivity arrangements. The Group retains VDAs to the extent consistent with the Food or Facilities Management services contract signed with the client and applicable law.

VDAs are typically recognized as a reduction to the cost of sales in the period the purchases are made based on the volume of materials purchased in the period and the contractual VDA rate. VDAs earned based on purchase volumes reaching contractually defined thresholds are recognized in proportion to the purchases made as soon as the Group considers it probable that the thresholds will be reached. If the Group does not consider it probable that its purchase volumes will reach the contractually defined thresholds, any VDAs earned are recognized if and when the thresholds are reached. Fixed amount VDAs are recognized immediately unless certain conditions need to be met in order for them to be earned or if there is a clear link between the amount promised and the future purchase volumes. In such cases, fixed-amount VDAs are recognized over the period of the related commitment.

Cash flow statement

The cash flow statement analyzes changes in net cash and cash equivalents, defined as cash and cash equivalents, less current bank overdrafts and credit bank balances payable on demand that form an integral component of treasury management.

4.1 Segment information and information on revenue

ACCOUNTING PRINCIPLES

In accordance with IFRS 8 ‘Operating Segments’, the segment information presented below is based on internal management data as monitored since the first quarter of Fiscal 2023 by the Sodexo Leadership Team and the Pluxee Leadership Team.

For Sodexo, Revenue and Underlying operating profit are monitored by region. These regions meet the definition of operating segments under IFRS 8.

The operating segments and groups of operating segments are as follows:

- North America,
- Europe, which includes Continental Europe, France and the United Kingdom & Ireland,
- Rest of the World, comprising the Asia-Pacific/Middle East/Africa, Latin America (excluding Brazil) and Brazil regions;

The combined operating segments carry out similar operations, both in terms of nature of services rendered and processes and methods used to provide the services, and share common economic characteristics, in particular relatively similar profit margins.

Segment assets and liabilities are not presented, as these items do not form part of the measurement of each segment performance by the chief operating decision maker.

For Pluxee, Revenues and Recurring EBITDA are tracked by region. These regions meet the definition of operating segments under IFRS 8.

The operating segments and groupings of operating segments presented are as follows:

- Continental Europe, which mainly comprises France, Belgium, Romania, the Czech Republic and Italy
- Latin America, mainly Brazil, Mexico and Colombia
- Rest of the World, including in particular the United Kingdom, the United States, Turkey, India and Israel.

The Continental Europe and Latin America operating segments have been grouped together because they carry out similar operations, both in terms of the nature of the services rendered and the processes and methods used to provide these services, and have common economic characteristics, in particular relatively similar profit margins. The other countries, which are not very significant, have been grouped together under Rest of the World.

Although it is a financial indicator not defined by IFRS, Pluxee's management team has defined Recurring EBITDA as the relevant alternative measure for determining the performance of operating segments and estimating their future performance.

Recurring EBITDA is calculated by deducting the impact of amortisation, depreciation, and impairment of intangible assets, property, plant and equipment and rights-of-use assets relating to leases, from Recurring operating profit.

No single Group client or contract accounts contribute for more than 2% of consolidated revenues.

4.1.1 Segment information

	FISCAL 2024				
(in million euros)	SODEXO	PLUXEE	BELLON S.A.	*ELIMINATION*	GROUP
Revenues	23,798	1,210	6	*(18)*	24,996
Underlying operating profit	1,109	346	(34)	*8*	1,429

	FISCAL 2023				
(in million euros)	SODEXO	PLUXEE	BELLON S.A.	*ELIMINATION*	GROUP
Revenues	22,637	1,052		*(9)*	23,680
Underlying operating profit	976	317	(13)	*(5)*	1,275

The Group's operations are spread across 51 countries.

SODEXO

FISCAL 2024 (in million euros)	NORTH AMERICA	EUROPE	REST OF THE WORLD	CORPORATE EXPENSES	TOTAL
Revenues	11,111	8,448	4,239		**23,798**
Underlying operating profit	650	339	206	(86)	**1,109**

FISCAL 2023 (in million euros)	NORTH AMERICA	EUROPE	REST OF THE WORLD	CORPORATE EXPENSES	TOTAL
Revenues	10,479	8,071	4,087		**22,637**
Underlying operating profit	582	299	192	(97)	**976**

PLUXEE

FISCAL 2024 (in million euros)	CONTINENTAL EUROPE	LATIN AMERICA	REST OF THE WORLD	TOTAL
Revenues	534	460	216	**1,210**
Recurring EBITDA	176	192	62	**430**
Amortisation and depreciation				(84)
Underlying operating profit				**346**

FISCAL 2023 (in million euros)	CONTINENTAL EUROPE	LATIN AMERICA	REST OF THE WORLD	TOTAL
Revenues	466	394	192	**1,052**
Recurring EBITDA	152	163	48	**363**
Amortisation and depreciation				(78)
Underlying operating profit				**285**

4.1.2 Revenue by line of service

Revenue by service line is broken down as follows:

(in million euros)	FISCAL 2024	FISCAL 2023
Food services	15,654	14,495
Facilities Management services	8,144	8,142
Employee benefits	1,034	873
Pluxee's other products and services	176	179
Eliminations net of Bellon S.A.	(12)	(9)
TOTAL	**24,996**	**23,680**

4.2 Operating expenses and other operating income and expenses

4.2.1 Operating expenses by nature

(in million euros)	FISCAL 2024	FISCAL 2023
Employee costs	(11,798)	(11,246)
• Wages and salaries	(9,292)	(8,871)
• Other employee costs (1)	(2,506)	(2,375)
Purchases of consumables and change in inventory	(6,574)	(6,294)
Depreciation, amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets relating to leases (2)	(556)	(536)
• Depreciation of property, plant and equipment, right-of-use assets relating to leases, and amortization of intangible assets	(551)	(538)
• Impairment of property, plant and equipment, intangible assets and right-of-use assets relating to leases	(5)	2
Rent and attached charges (3)	(576)	(522)
Other expenses (4)	(4,223)	(4,102)
TOTAL NET OPERATING EXPENSES (5)	**(23,727)**	**(22,700)**

(1) Primarily payroll taxes, but also including costs associated with defined benefit plans and defined contribution plans (see note 5.1) and restricted share plans (see note 5.2).

(2) Including the depreciation of right-of-use assets relating to leases contracts recognised in accordance with IFRS 16 in the amount of 194 million euros for Fiscal 2024 (200 million euros for Fiscal 2023).

(3) Corresponds to rent not included in the measurement of the lease liabilities, primarily variable lease payments (commissions based on performance indicators of locations operated under concession arrangements), as well as lease expenses relating to short-term lease contracts and lease contracts of low value assets. The increase observed over the year relates mainly to the variable part of commissions due under concession arrangements, explained by the increase in revenues of the sites concerned.

(4) Other expenses mainly comprise professional fees, other purchases used for operations, subcontracting costs and travel expenses, and provision for litigation with the French competition authority (Autorité de la Concurrence) recorded in Fiscal 2023 (see note 10.2).

4.2.2 Other operating income and expenses

(in million euros)	FISCAL 2024	FISCAL 2023
Gains related to changes in consolidation scope (1)	90	2
Gains on disposals of non-current assets	6	—
Other	1	2
OTHER OPERATING INCOME	**97**	**4**
Restructuring and rationalisation costs (2)	(72)	(46)
Losses related to changes in consolidation scope	(2)	(9)
Amortisation of purchased intangible assets	(40)	(43)
Impairment of goodwill and non-current assets	(16)	—
Acquisition-related costs	(10)	(21)
Losses on changes in post-employment benefits	(4)	(2)
Losses on disposals of non-current assets	(1)	—
Other (3)	(107)	(169)
OTHER OPERATING EXPENSES	**(247)**	**(290)**
TOTAL OTHER OPERATING INCOME AND EXPENSES	**(155)**	**(286)**

(1) In Fiscal 2024, gain mainly relates to the disposal of Homecare services (see note 3.2).
(2) Costs recognised in Fiscal 2023 and Fiscal 2024 correspond mainly to rationalisation costs following the reorganisation of Sodexo.
(3) The costs recognised in Fiscal 2024 correspond mainly to costs associated with the Pluxee spin-off project, the rebranding of Pluxee and the sale of Homecare services. For Fiscal 2023, it mainly concerns the provision for the 126-million-euro dispute with the French competition authority (Autorité de la Concurrence) (see note 10.2).

4.3 Working capital

4.3.1 Trade receivables and other current operating assets

ACCOUNTING PRINCIPLES

Trade receivables are initially recognized at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services and are subsequently measured at amortised cost less any impairment charges recorded in the income statement.

Trade receivables and other receivables are impaired to reflect the expected credit losses, assessed using an impairment matrix (application of the simplified impairment model as provided for in IFRS 9 'Financial Instruments'). This approach consists of applying for each aging balance category a separate impairment rate based on historical credit losses adjusted, where appropriate, to take account of prospective factors.

	AUGUST 31, 2024			AUGUST 31, 2023		
(in million euros)	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT
Advances to suppliers	24	—	24	33	—	33
Trade receivables	4,396	(173)	4,223	4,283	(159)	4,124
Other operating receivables	491	(14)	477	564	(11)	553
Prepaid expenses	210	—	210	237	—	237
Other receivables	27	—	27	2	(1)	1
TOTAL TRADE RECEIVABLES AND OTHER CURRENT OPERATING ASSETS	**5,148**	**(187)**	**4,961**	**5,119**	**(171)**	**4,948**

The maturity of trade receivables as of August 31, 2024 and August 31, 2023 were as follows:

	AUGUST 31, 2024			AUGUST 31, 2023		
(in million euros)	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT
Less than 3 months past due	539	(13)	526	463	(9)	454
More than 3 months and less than 6 months past due	68	(13)	55	80	(14)	66
More than 6 months and less than 12 months past due	67	(23)	44	66	(26)	40
More than 12 months past due	121	(101)	20	102	(90)	12
TOTAL TRADE RECEIVABLES DUE	**795**	**(150)**	**645**	**711**	**(139)**	**572**
Total trade receivables not yet due	3,601	(22)	3,578	3,572	(20)	3,552
TOTAL TRADE RECEIVABLES	**4,396**	**(172)**	**4,223**	**4,283**	**(159)**	**4,124**

During the fiscal years presented, the Group was not affected by any significant change resulting from proven client failures. In addition, given the Group's geographical and business dispersion, there is no material concentration of risk in individual receivables due but not written down.

4.3.2 Trade and other payables

ACCOUNTING PRINCIPLES

Trade payables fall into the category of financial liabilities measured at amortised cost, as defined by IFRS 9 'Financial Instruments'. These financial liabilities are recognised at their nominal value, which is a reasonable estimate of their fair value given their short-term nature.

Sodexo has set up several reverse factoring programmes in its main operating countries. These programmes provide suppliers with early payment facilities. In practice, these programmes involve the assignment of trade receivables to a financial institution, the factor, organised by Sodexo. More specifically, relations between the parties are governed by two completely independent contracts:

- Sodexo signs a master agreement with the factor under which it undertakes to pay on the scheduled dates the invoices sold by its suppliers to the factor which have been approved in advance. Each supplier is free to decide whether or not to sell each invoice;
- Sodexo's suppliers can, if they wish, sign a master agreement with the factor enabling them to sell their invoices before the scheduled date, on terms that benefit from Sodexo's credit risk.

Employee-related liabilities include short-term employee benefits (see note 5.1).

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
Operating payables	124	123
Non-operating payables	57	51
OTHER NON-CURRENT LIABILITIES	**181**	**174**
Trade payables	2,839	2,773
Employee-related liabilities	1,289	1,295
Advances from clients	451	473
Tax liabilities	238	249
Other operating payables	121	129
Deferred revenues	141	112
Non-operating payables	59	36
TRADE PAYABLES AND OTHER CURRENT PAYABLES	**5,138**	**5,067**
TOTAL TRADE PAYABLES AND OTHER CURRENT PAYABLES	**5,319**	**5,241**

The amount of receivables assigned by Sodexo's suppliers as of August 31, 2024 under reverse factoring programs was 168 million euros (253 million euros as of August 31, 2023). The Group has maintained the classification of trade payables subject to financing at the closing date within trade payables.

MATURITIES OF TRADE PAYABLES AND OTHER PAYABLES AS OF AUGUST 31, 2024 (in million euros)	CARRYING AMOUNT	UNDISCOUNTED CONTRACTUAL VALUE
Less than 3 months	4,095	4,088
More than 3 months and less than 6 months	304	304
More than 6 months and less than 12 months	671	672
More than 1 year and less than 5 years	186	186
More than 5 years	63	63
TOTAL TRADE PAYABLES AND OTHER PAYABLES	**5,319**	**5,313**

MATURITIES OF TRADE PAYABLES AND OTHER PAYABLES AS OF AUGUST 31, 2024 (in million euros)	CARRYING AMOUNT	UNDISCOUNTED CONTRACTUAL VALUE
Less than 3 months	3,746	3,746
More than 3 months and less than 6 months	294	289
More than 6 months and less than 12 months	922	922
More than 1 year and less than 5 years	193	189
More than 5 years	87	84
TOTAL TRADE PAYABLES AND OTHER PAYABLES	**5,241**	**5,230**

4.4 Client investments

ACCOUNTING PRINCIPLES

Some client contracts provide for a financial contribution from the Group. For example, the Group may participate in financing the purchase of equipment or fixtures on the client site that are necessary to fulfill service obligations, or it may make a financial contribution that will be recovered over the life of the contract. They are recognized in accordance with the application of IFRS 15 “Revenue from contracts with customers” for consideration payable to the customer, as a reduction in the transaction price in the absence of a separate good or service provided by the customer. These contributions are recognized as an asset in “Client investments” and spread as a revenue deduction over the service duration. The amortization is recognized as a reduction to revenues over the life of the contract. The amortization period is in general less than 10 years, in line with the contract duration, but may be amortized over a longer period if the contract duration permits.

In the cash flow statement, changes in the value of these investments are presented as a component of investing cash flows.

Client investments are subject to an impairment test in the same way as other non-current assets directly linked to contracts concluded with clients showing an indication of loss in value (onerous or low profit contracts). The methodology applied for this impairment test is detailed in note 6.4.

(in million euros)	FISCAL 2024	FISCAL 2023
Client investments as of September 1	**687**	**667**
Increases during the fiscal year	173	206
Decreases during the fiscal year	(135)	(140)
Impairment	—	—
Changes in scope of consolidation	—	—
Currency translation adjustment and other movements	(13)	(46)
CLIENT INVESTMENTS AS OF AUGUST 31	**712**	**687**

4.5 Value in circulation and related payables

ACCOUNTING PRINCIPLES

Value in circulation and related payables correspond to (i) the funds loaded on cards not yet used, and the face value of digital solutions and of paper vouchers in circulation, and to (ii) amounts payable to affiliated merchants in relation with cards used, and digital solutions and paper vouchers presented for reimbursement.

(in million euros)	FISCAL 2024	FISCAL 2023
Value in circulation	2,915	2,907
Funds and vouchers payable	813	637
TOTAL VALUE IN CIRCULATION AND RELATED PAYABLES	**3,728**	**3,543**

NOTE 5. EMPLOYEE BENEFITS, SHARE-BASED PAYMENT AND HEADCOUNT

5.1 Employee benefits

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
Post-employment benefits - Net defined benefit plan obligation	144	134
Other long-term employee benefits	139	138
Post-employment benefits – Net defined benefit plan assets [1]	(36)	(58)
Employee benefits	**247**	**214**

[1] Included in 'Other non-current assets' in the consolidated statement of financial position.

ACCOUNTING PRINCIPLES

Short-term benefits

Group employees receive short-term benefits such as vacation pay, sick pay, bonuses and other benefits (other than termination benefits), the payment of which is expected within 12 months of the related service period.

These benefits are reported as current liabilities.

Post-employment benefits

In accordance with IAS 19 "Employee Benefits", the Group measures and recognizes post-employment benefits as follows:

- contributions to defined-contribution plans are recognized as an expense; and
- defined benefit plans are measured using actuarial valuations.

(i) Defined contribution plans

Under a defined contribution plan, periodic contributions are made to an external entity that is responsible for the administrative and financial management of the plan. Under such a plan, the employer is relieved of any future obligation (the external entity is responsible for paying benefits to employees as they become due and the employer is not required to make additional payments related to prior or current years if the entity does not have sufficient funds).

Contributions made by the Group are expensed in the period to which they relate.

(ii) Defined benefit plans

The Group uses the projected unit credit method as the actuarial method for measuring its post-employment benefit obligations, on the basis of the national or Companywide collective agreements effective within each entity. Factors used in calculating the obligation include length of service, life expectancy, salary inflation, staff turnover, and macro-economic assumptions specific to countries in which the Group operates (such as inflation rate and discount rate).

Remeasurements of the net obligation under defined benefit plans – including actuarial gains and losses, differences between the return on plan assets and the corresponding interest income recognized in the income statement, as well as any changes in the effect of the asset ceiling – are recognized in other comprehensive income and have no impact on profit for the period.

Plan amendments or the establishment of new defined benefit plans result in past service costs that are recognized immediately in the income statement.

The accounting treatment applied to defined benefit plans is as follows:

- the obligation, net of plan assets, is recognized as a non-current liability in the consolidated statement of financial position if the obligation exceeds the plan assets;
- if the value of plan assets exceeds the obligation under the plan, the net amount is recognized as a non-current asset. Plan surpluses are recognized as assets only if they represent future economic benefits that will be available to the Group. Where the calculation of the net obligation results in an asset for the Group, the amount recognized for this asset may not exceed the present value of all future refunds and reductions in future contributions under the plan;

- the expense recognized in the income statement comprises:
  - current service cost, past service cost, if any, and the effect of plan settlements, all of which are recorded in operating income,
  - the interest expense (income) on the net defined benefit obligation (asset), calculated by multiplying the obligation (asset) by the discount rate used to measure the defined benefit obligation at the beginning of the period.

These post-employment benefits are reported as non-current liabilities.

The Group contributes to multi-employer plans, primarily in the United States. These plans are accounted for as defined contribution plans, as the information provided by the plan administrators is insufficient for them to be accounted for as defined benefit plans.

Other long-term employee benefits

Other long-term employee benefits are measured in accordance with IAS 19. The expected cost of such benefits is recognized as a non-current liability over the employee's period of service. Actuarial gains and losses and past service costs arising from plan amendments and the establishment of new plans are recognized immediately in the income statement. Other long-term employee benefits are reported as non-current liabilities.

5.1.1 POST-EMPLOYMENT BENEFITS

Defined contribution plans

The amount of contributions to defined contribution plans recognised in operating expenses amounts to 484 million euros for Fiscal 2024 (411 million euros for Fiscal 2023).

The Group's payments are recognised as an expense in the period to which they relate.

Defined benefit plans

- **Pluxee**

Pluxee's defined benefit plans mainly relate to commitments payable upon retirement in many countries, including France, Mexico and the Philippines.

- **Sodexo**

The characteristics of Sodexo's principal defined benefit plans are described below:

• in France, the obligation primarily represents lump-sum benefits payable on retirement if the employee is still with Sodexo at retirement age. These obligations are covered by specific provisions in the consolidated statement of financial position;

• in the United Kingdom, Sodexo's obligation relates to a complementary retirement plan funded by externally held assets, and calculated on the basis of:

- for managers working in the private sector, a percentage of final base salary,
- for managers working on public sector contracts, benefits comparable to those offered in the public sector,
- this plan was closed to new employees effective July 1, 2003 and the level of contributions was increased in order to cover the shortfall in the fund.

The United Kingdom plan is regularly evaluated by the plan's actuary in compliance with United Kingdom law. A formal actuarial valuation by the plan's actuary is required to be conducted every three years, and any shortfall identified at that time must be addressed through mutual agreement between the plan's Trustee and Sodexo United Kingdom . Following a consultation process with the members of the pension plan carried out with a view to freezing benefit accruals for certain members, an agreement was signed in October 2012 between the plan's Trustee and Sodexo United Kingdom whereby from November 1, 2012 the plan would remain open only to employees who transferred to Sodexo United Kingdom from the public sector, as Sodexo United Kingdom has a legal obligation to pay them certain benefits. As part of the 12-year plan to address the funding shortfall, Sodexo United Kingdom also agreed to pay annual contributions of (i) 10 million pounds Sterling per year over the five years from

January 1, 2013 and (ii) 7.5 million pounds Sterling per year over the following seven years. Lastly, in October 2012, Sodexo S.A. issued a Parent company guarantee to the Trustee in order to cover Sodexo United Kingdom's obligations in connection with the plan. This guarantee initially fixed for an amount up to 100 million pounds Sterling for a duration of 12 years, has been changed to 40 million pounds Sterling after an employer contribution of 60 million pounds Sterling during Fiscal 2022. On completion of the most recent valuation of the fund in July 2016, Sodexo United Kingdom and the Trustee agreed to keep unchanged the amount of contributions and the terms and conditions of the Parent company guarantee as set in October 2012.

• in the Netherlands, certain employees are entitled to complementary retirement or early retirement benefits. In Fiscal 2017, Sodexo negotiated an agreement to convert its pension plans in the Netherlands from defined benefit to defined contribution plans as from January 1, 2016. The entitlements accumulated up until that date under the plans in their previous defined benefit form have been frozen and the plans are still accounted for as defined benefit plans in view of the related indexation commitments given by Sodexo. These plans are fully funded;
• in Italy, there is a legal obligation to pay a lump-sum retirement benefit ("TFR").

The present value of the defined benefit obligation and the fair value of the assets of the Sodexo plan have changed as follows:

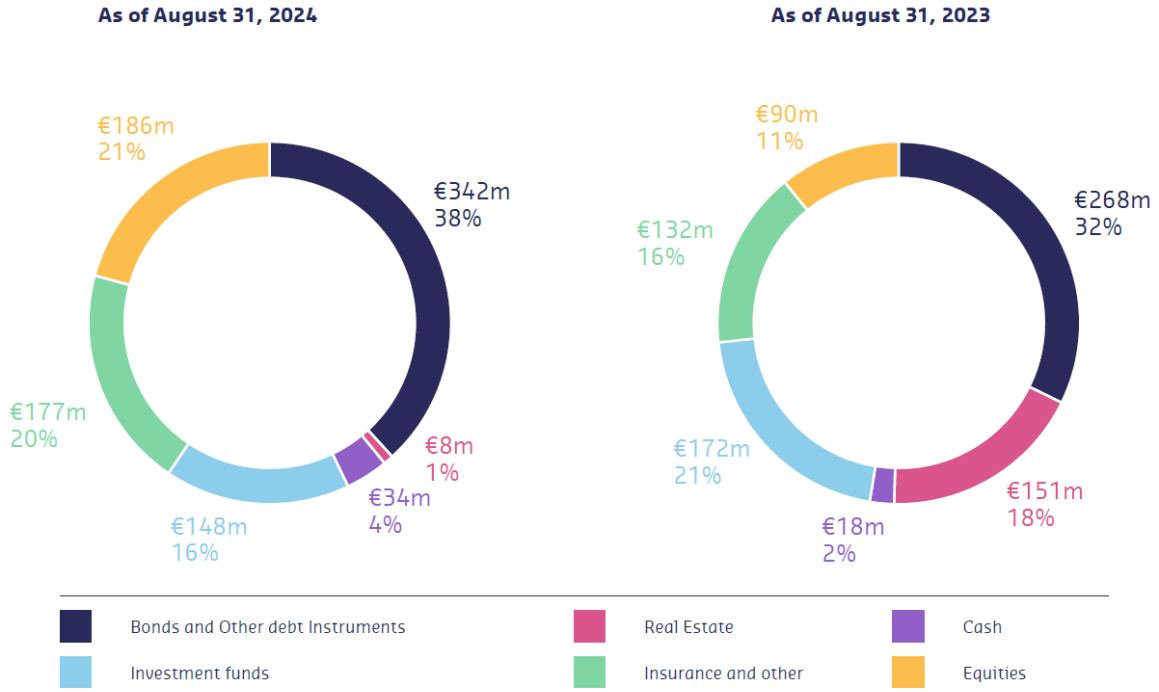
	FISCAL 2024			FISCAL 2023		
(in million euros)	BENEFIT OBLIGATION	PLAN ASSETS	NET BENEFIT OBLIGATION	BENEFIT OBLIGATION	PLAN ASSETS	NET BENEFIT OBLIGATION
As of September 1	**902**	**(831)**	**71**	**1,057**	**(1,076)**	**(19)**
Expense/(Income) recognised in the income statement:	59	(42)	17	53	(40)	13
Current service cost	*15*	*—*	*15*	*14*	*—*	*14*
Past service cost	*—*	*—*	*—*	*1*	*—*	*1*
Effect of settlements	*—*	*—*	*—*	*—*	*—*	*—*
Financial cost/(income)	*44*	*(42)*	*2*	*38*	*(40)*	*(2)*
Remeasurement losses/(gains):	71	(37)	34	(115)	219	104
Actuarial losses/(gains) arising from changes in demographic assumptions	*(7)*	*—*	*(7)*	*(8)*	*—*	*(8)*
Actuarial losses/(gains) arising from changes in financial assumptions	*77*	*(37)*	*40*	*(137)*	*219*	*82*
Actuarial losses/(gains) arising from experience adjustments	*1*	*—*	*1*	*30*	*—*	*30*
Currency translation adjustments	11	(12)	(1)	(5)	2	(3)
Contributions made by plan participants	2	(2)	—	2	(2)	—
Contributions made by the employer (1)	—	(12)	(12)		(9)	(9)
Benefits paid from plan assets	(40)	41	1	(40)	42	2
Benefits paid other than from plan assets	(10)	—	(10)	(13)	—	(13)
Change in scope of consolidation and other	—	—	—	(37)	33	(4)
AS OF AUGUST 31	**995**	**(895)**	**100**	**902**	**(831)**	**71**
Of which:						
Partially funded plans	886	(895)	(9)	792	(831)	(39)
Unfunded plans	109	—	109	110	—	110

(1) Contributions made by the employer to different plan assets of which 3 million euros of contributions to the United Kingdom pension plan assets for Fiscal 2024.

The amounts recorded in Sodexo's income statement for defined benefit plans amount to 17 million euros in Fiscal 2024 (13 million euros as of August 31, 2023) and break down as follows:

- a net expense of 10 million euros (11 million euros in Fiscal 2023) in Cost of sales;
- a net expense of 5 million euros (4 million euros in Fiscal 2023) in Selling, General and Administrative costs;
- a net expense of 2 million euros in financial income (*see* note 12.1).

Defined benefit plan assets, which mainly relate to UNITED KINGDOM defined benefits plans, comprise:



Recognised net actuarial losses arising from changes in financial assumptions amounted to 40 million euros, of which 31 million euros in the United Kingdom. In the United Kingdom, these losses were mainly due to the updated discount rate. The following assumptions were used for actuarial valuations for the principal countries as of August 31, 2024 and August 31, 2023:

AUGUST 31, 2024	FRANCE	NETHERLANDS	UNITED KINGDOM	ITALY
Discount rate (1)	3.55%	3.35%	4.95%	3.55%
Salary long-term inflation rate (2)	2.50%	N/A	3.50%	N/A
General long-term inflation rate (3)	2.00%	N/A	3.00%	2.00%
Net liability (in million euros)	77	1	(32)	10
Average term of the plans (in years)	10	13	14	6

(1) Discount rates in each country have been adjusted to reflect the term of the plans. For the Eurozone and the United Kingdom, the Group uses discount rates based on yield curves for high quality corporate bonds drawn up by an external actuary.
(2) The salary inflation rate disclosed includes general inflation.
(3) The United Kingdom: Retail Price Index (RPI): 3.00%; Consumer Price Index (CPI): 2.50% for Fiscal 2024.

AUGUST 31, 2023	FRANCE	NETHERLANDS	UNITED KINGDOM	ITALY
Discount rate (1)	3.95%	3.95%	5.40%	3.75%
Salary long-term inflation rate (2)	2.50%	N/A	3.70%	N/A
General long-term inflation rate (3)	2.00%	N/A	3.20%	2.00%
Net liability (in million euros)	70	—	(57)	11
Average term of the plans (in years)	9	13	15	7

(1) Discount rates in each country have been adjusted to reflect the term of the plans. For the Eurozone and the United Kingdom, the Group uses discount rates based on yield curves for high quality corporate bonds drawn up by an external actuary.
(2) The salary inflation rate disclosed includes general inflation.
(3) The United Kingdom: Retail Price Index (RPI): 3.20%; Consumer Price Index (CPI): 2.65% for Fiscal 2023.

With respect to the assumptions provided in the above table, for Fiscal 2024, a reduction of 1% in the discount rate would increase Sodexo's gross obligation to 1,125 million euros (compared with 995 million euros based on the assumptions used as of August 31, 2024), while a rise of 0.5% in the general long-term inflation rate would increase the gross obligation to 1,032 million euros.

Based on estimates derived from reasonable assumptions, the amount to be recorded in the income statement for defined benefit plans in Fiscal 2025 is 23 million euros for Sodexo.

Sodexo multi-employer plans

In the United States, as of August 31, 2024, Sodexo contributed to 44 multi-employer defined benefit pension plans under the terms of collective-bargaining agreements ("CBA") that cover its union-represented employees. The risks of participating in these multiemployer plans are different to those of single-employer plans in the following respects:

• assets contributed to the multi-employer plan are used to provide benefits to all beneficiaries of the plan, including beneficiaries of other participating employers;

• if a multi-employer plan is considered to be in "critical" status as defined by the U.S. Pension Protection Act of 2006, the plan will be required to adopt a rehabilitation plan which may require Sodexo to increase its required contributions to the plan;

• if a participating employer ceases to contribute to the plan, the unfunded obligations of the plan may have to be borne by Sodexo and the other remaining participating employers; and

• if Sodexo ceases to participate in a multi-employer plan, entirely or partially in excess of a threshold, or if substantially all of the participating employers of a given plan cease to participate, Sodexo may be required to pay that plan an amount based on the value of unfunded vested benefits of the plan and the Sodexo's *pro-rata* share of total plan contributions, referred to as withdrawal liability.

Sodexo does not have the ability to account for these multiemployer plans as defined benefit plans because it does not have timely access to information about plan assets, plan obligations, actuarial gains and losses, service costs, and interest costs. As such, the multi-employer plans are accounted for as defined contribution plans.

Sodexo contributed 12 million euros to U.S. multi-employer defined benefit plans in Fiscal 2024 (12 million euros in Fiscal 2023). Of the contributions made by Sodexo, 61% were made to plans considered to be in "critical" status as defined by the U.S. Pension Protection Act of 2006 and per each plan's most-recent notice of plan funding status. Plans are generally considered to be in "critical" status when they are funded at less than 65%, among other factors, and are considered to be "endangered" when they are funded at 65% or more, but at less than 80%, among other factors.

5.1.2 OTHER EMPLOYEE BENEFITS

Other employee benefits, for an amount of 139 million euros as of August 31, 2024 (138 million euros as of August 31, 2023), mainly comprise a liability related to a deferred compensation program in the United States and obligations relating to Sodexo's long-service awards.

The expense recognised for these benefits in Fiscal 2024 amounts to 10 million euros (9 million euros in Fiscal 2023).

5.2 Share-based payments

ACCOUNTING PRINCIPLES

Some Sodexo and Pluxee employees receive compensation in the form of share-based payments, for which payment is made in equity instruments.

In accordance with IFRS 2 'Share-based Payment', these plans are classified as equity-settled share-based payment transactions, and consequently the services compensated by these plans, are recognised as an operating expense over the vesting period (i.e. period in which the service and, where applicable, the performance conditions are fulfilled), with corresponding entry recorded in shareholder's equity.

The services compensated by these plans are recognised as an expense, with the offset recognized in shareholder's equity, over the vesting period. The amount of expense recognised in each period is determined by reference to the fair value of the equity instruments granted as of the grant date.

The fair value of restricted shares is estimated at the date of grant based on the share price at that date, after deductions for dividends on the shares that will not be paid to beneficiaries during the vesting period. The fair value of restricted shares subject to a performance condition based on Total Shareholder Return is estimated using a binomial model, taking into account the vesting conditions.

Sodexo and Pluxee annually review the number of shares that are likely to be delivered to beneficiaries of restricted shares based on the applicable vesting conditions. The impact of any change in estimates is recognised in the income statement with the offset recognized in shareholder's equity.

5.2.1 Sodexo performance free share plans

PRINCIPLE FEATURES OF RESTRICTED SHARE PLANS

Rules governing restricted share plans are as follows:

• shares vest only if the beneficiary is still working for Sodexo on the vesting date; in addition, some restricted share grants are subject to performance conditions;

• the presence condition is 3 years from the grant date, which is consistent with the acquisition period and the performance conditions evaluation; this presence condition applies to all beneficiaries;

• the proportion of shares subject to a performance condition ranges from 10% to 100%, depending on the total number of shares awarded and on the role of the beneficiary in the company.

The performance criteria applied are directly linked to Sodexo's main strategic priorities and are described as follows:

- two criteria linked to the financial performance with the revenue and the underlying operating profit margin excluding currency effects from 2020 plans;
- two criteria are subject to the achievement of Corporate Responsibility objectives including diversity in top Sodexo management as well as an internal sustainable development index for the shares granted since 2020;
- a performance criterion is related to stock market performance with the TSR (Total Shareholder Return) of Sodexo compared to that of one peer group. This one is made up of companies selected based on their size, the similarity of their operations to those of Sodexo. For the plan 2022, 7 companies were included in the panel (Aramark, Compass, Edenred, Elior, ISS, Rentokil, Securitas). For the plan 2023, it is composed of the same companies, with the removal of Edenred post the spin-off of Pluxee (ex Benefits & Rewards Services activity). For the 2024 plan, the panel is made up of the six companies mentioned above, excluding Edenred.

MOVEMENTS IN FISCAL 2024 AND FISCAL 2023

The following table shows movements in restricted shares during the fiscal year:

	FISCAL 2024	FISCAL 2023
Outstanding at the beginning of the fiscal year	**2,324,628**	**2,287,665**
Granted during the fiscal year *	1,360,745	852,820
Forfeited during the fiscal year	(397,427)	(478,279)
Delivered during the fiscal year	(679,081)	(337,578)
Outstanding at the end of the fiscal year	**2,608,865**	**2,324,628**

*of which 497,626 shares corresponding to the beneficiaries rights adjusted as per the ratio calculated for the Pluxee spin-off (formerly the Benefits and Rewards Services activity) (see note 3.2).

The weighted average fair value of the restricted shares granted in Fiscal 2024 is 65.45 euros per share (80.68 euros per share granted in Fiscal 2023).

The table below shows the grant dates of restricted shares outstanding as of August 31, 2024, the assumptions used to estimate their fair value at the grant date and the number of restricted shares outstanding at the end of the period.

DATE OF GRANT		VESTING PERIOD (in years)	EXPECTED DIVIDEND YIELD (in %)	RISK-FREE INTEREST RATE (in %)	VOLATILITY * (in %)	NUMBER OF SHARES OUSTANDING AS OF AUGUST 31, 2024
February 1, 2022	International	3	3.0%	0.0%	39.0%	809,444
June 22, 2022	International	3	3.8%	1.4%	43.7%	31,181
January 31, 2023	International	3	3.3%	2.8%	37.9%	886,969
June 28, 2023	International	3	2.9%	3.0%	27.8%	27,030
February 23, 2024	International	3	3.7%	2.8%	26.1%	825,509
June 27, 2024	International	3	3.2%	3.0%	24.6%	28,732
TOTAL						**2,608,865**

* Applicable for the portion of the restricted share grants subject to the TSR performance condition. Volatility is determined by reference to the share's historical weighted average volatility over a certain period prior to the grant date and the implicit volatility expected by the market.

5.2.2 Pluxee restricted share plans

On February 21, 2024, the Board of Directors decided to grant Pluxee's senior management:
- 781,855 free shares to replace the value of unvested equity awards under the Fiscal 2022 and Fiscal 2023 share plans of Sodexo S.A. that have been forfeited as a result of the Spin-off. The shares granted under these plans will only vest if the beneficiaries are still working for the Group on the vesting date and some are subject to a performance condition;
- 432,303 free shares under a new plan. The shares granted under this plan are subject to a 3-year service condition and performance conditions.

PRINCIPLE FEATURES OF THE FISCAL 2024 RESTRICTED SHARE PLAN

Rules governing the new restricted share plan implemented by Pluxee N.V. in Fiscal 2024 are as follows:
- shares vest only if the beneficiary is still working for the Group on the vesting date;
- the presence condition is 3 years from the grant date; this presence condition applies to all beneficiaries;
- all restricted share grants are subject to performance conditions.

The number of shares that vest will depend on the achievement of 4 performance conditions:
- 2 financial performance (non-market) conditions: Organic Growth for 40% and Recurring Operating Profit Margin for 30%;
- 2 non-financial quantitative performance conditions (Women within Pluxee Leadership and NPS) for 30%.

PRINCIPLE FEATURES OF THE FISCAL 2022 AND 2023 RESTRICTED SHARE PLAN AMENDED IN FISCAL 2024

Rules governing the restricted share plans implemented by Pluxee N.V. to replace the Fiscal 2022 and Fiscal 2023 share plans of Sodexo S.A. are as follows:
- shares vest only if the beneficiary is still working for the Group on the vesting date; in addition, some restricted share grants are subject to performance conditions;
- the presence condition, applying to all beneficiaries, remains 3 years from the original grant date of the Sodexo share plans (*i.e.* remaining vesting period of 1 and 2 years respectively from the replacement date);
- the proportion of shares subject to a performance condition ranges from 10% to 100%, depending on the total number of shares awarded.

In accordance with IFRS 2, the restricted shares granted by Pluxee N.V. under the plans implemented in February 2024 correspond to replacement equity instruments awarded for the cancelled equity instruments previously granted under the Fiscal 2022 and Fiscal 2023 share plans of Sodexo S.A. As a result, the granting of replacement free shares are accounted for in the same way as a modification of the original grant.

MOVEMENTS IN FISCAL 2024

The following table shows the changes in restricted shares in Fiscal 2024:

	FISCAL 2024
Outstanding at the beginning of the fiscal year	**0**
Granted during the fiscal year	1,214,158
In replacement of forfeited Sodexo restricted shares	781,855
As part of the new restricted shares plan	432,303
Forfeited during the fiscal year	(64,120)
Delivered during the fiscal year	
Outstanding at the end of the fiscal year	**1,150,038**

The following table shows the main characteristics of the restricted share plans outstanding as of August 31, 2024:

GRANT DATE [1]	FAIR VALUE PER SHARE (in €) [2]	NUMBER OF SHARES OUTSTANDING AS OF AUGUST 31, 2024 [3]	EXPENSE RECOGNIZED IN FISCAL 2024 (€m)
February 1, 2022	19.97	301,859	2
June 22, 2022	15.39	2,286	0
January 31, 2023	23.00	408,345	3
June 28, 2023	26.46	9,930	0
February 23, 2024	24.89	427,618	2
TOTAL		**1,150,038**	**6**

(1) Original grant date (within the meaning of IFRS 2) for the Fiscal 2022 and Fiscal 2023 plans that were modified on February 29, 2024.
(2) For February 1, 2022 plan, the fair value per share is a weighted average due to Total Shareholder Return condition applicable to a limited number of free shares.
(3) For Fiscal 2022 and Fiscal 2023 plans, after application of the 3.81 conversion ratio from Sodexo shares to Pluxee shares.

MOVEMENTS IN FISCAL 2023

The number of outstanding Sodexo restricted shares granted to employees of Pluxee entities was 287,742 as of August 31, 2023 (including 115,174 granted during Fiscal 2023).

The expense recognized for restricted shares settled in Sodexo S.A.'s equity instruments that have been granted to Pluxee's employees was 6 million euros in Fiscal 2023.

5.2.3 Expense recognised during the fiscal year

The expense recognised in the Fiscal 2024 income statement for restricted shares is 43 million euros (45 million euros in Fiscal 2023).

5.3 Headcount

The Group's headcount is as follows:

	AUGUST 31, 2024	AUGUST 31, 2023
AVERAGE HEADCOUNT AS OF AUGUST 31	**429,364**	**429,315**
TOTAL HEADCOUNT AS OF AUGUST 31	**428,848**	**435,169**

5.4 Compensation, loans, post-employment benefits and other benefits granted to corporate officers of Bellon S.A. and its subsidiaries

This relates to director's compensation, and all forms of compensation and benefits paid (or earned during the period for offices held) by Sodexo S.A., other Sodexo group companies, Pluxee N.V., other Pluxee group companies or Bellon S.A. to corporate officers of Bellon S.A., as follows:

(in euros)	FISCAL 2024	FISCAL 2023
Compensation paid by Bellon S.A. to its corporate officers	950,040	950,035
Directors' fees owed by Bellon S.A. to its corporate officers	233,333	230,000
Directors' fees paid by Sodexo to Bellon S.A.'s corporate officers	232,262	170,500
Compensation and benefits paid by Sodexo to Bellon S.A.'s corporate officers	2,761,730	2,273,799
Directors' fees paid by Pluxee to Bellon S.A.'s corporate officers	136,667	—
Total	**4,314,032**	**3,624,334**

No loans were granted to Bellon S.A.'s corporate officers or to members of the Boards of Directors or management teams of Sodexo and Pluxee.

NOTE 6. GOODWILL, OTHER INTANGIBLE AND TANGIBLE ASSETS

6.1 Goodwill

ACCOUNTING PRINCIPLES

The residual difference, corresponding to the surplus of the fair value of the consideration transferred (for example, the amount paid), increased by the amount of the non-controlling interests in the acquired company (valued either at their fair value or for their share in the fair value of the acquired identifiable net assets) in relation to the fair value as of the date of acquisition of the assets acquired and liabilities assumed, is recognized as goodwill in the statement of financial position.

Goodwill is monitored by operating segment, as they appear in:

- the organisation of Sodexo effective since the first quarter of Fiscal 2023 (see note 4.1):

- North America;
- France;
- United Kingdom and Ireland;
- Continental Europe;
- Asia-Pacific/Middle East/Africa;
- Latin America (excluding Brazil);
- Brazil.

- the organisation of Pluxee (see note 4.1):

- Continental Europe, including France
- Latin America, including Brazil
- Rest of the World

The principles applicable to the accounting of business combinations are described in note 3.

Goodwill is not amortised but is subject to impairment tests as soon as there is indicators of impairment and at least once a year. The procedures for impairment tests are described below in note 6.4 'Impairment of non-current assets'. Any impairment losses recognised in the income statement are irreversible.

The change in goodwill during the fiscal year is as follows:

(in million euros)	SEPTEMBER 1, 2023	INCREASE	DECREASE	IMPAIRMENT	RECLASSIFICATIONS (1)	CURRENCY TRANSLATION ADJUSTMENT	OTHER MOVEMENTS	AUGUST 31, 2024
SODEXO								
North America	2,406	51			(6)	(47)		**2,404**
Europe	1,938	5				16	19	**1,978**
France	515							**515**
United Kingdom and Ireland	669					13		**682**
Continental Europe	754	5				3	19	**781**
Rest of the World	1,223	20				(61)		**1,182**
Asia Pacific, Middle East and Africa	629	20						**649**
Latin America	374					(29)		**345**
Brazil	220					(32)		**188**
PLUXEE								
Continental Europe	240							**240**
Including France	175							**175**
Latin America	296	85				(48)		**333**
Including Brazil	224	85				(40)		**269**
Rest of the World	99					7	(9)	**97**
BELLON S.A.	206							**206**
TOTAL	**6,408**	**161**			**(6)**	**(133)**	**10**	**6,440**

6.2 Other intangible assets

ACCOUNTING PRINCIPLES

Intangible assets acquired separately are initially measured at cost. Intangible assets acquired as part of a business combination and that can be reliably measured, are controlled by the Group and are separable or arise from a legal or contractual right, are recognised at their fair value separately from goodwill. After initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses.

Intangible assets, except for certain trademarks with an indefinite useful life, are considered to have finite useful life and are amortised by the straight-line method over their expected useful life:

Integrated management software	3-7 years
Software, patents, licences	3-10 years
Client relationships	3-20 years
Other intangible assets	3-25 years

Acquired trademarks with a finite useful life are generally amortised over a period of less than ten years. Certain trademarks, for which the Group considers as having indefinite useful life, particularly based on criteria of durability and brand recognition, are not amortised. The amortisation periods for client relationships recognised in the context of business combinations are determined by Management based on the estimated attrition rate of the contracts concerned (maximum period of 20 years).

The costs of licences and software recognized in the statement of financial position comprises the costs incurred in acquiring the software and bringing it into use and is amortised over the estimated useful life of the asset.

Subsequent expenditures on intangible assets are capitalised only if they increase the expected future economic benefits associated with the corresponding specific asset. Other expenditures are expensed as incurred.

6.2.1 Gross values of other intangible assets

(in million euros)	LICENCES AND SOFTWARE	CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER	TOTAL
Gross value as of September 1, 2022	**762**	**967**	**1,729**
Acquisitions	153	47	200
Disposals	(29)	(25)	(54)
Currency translation adjustment	(18)	(42)	(60)
Changes in scope of consolidation	(8)	1	(7)
Other	(3)	(43)	(46)
Gross value as of August 31, 2023	**857**	**905**	**1,762**
Acquisitions [(1)]	152	277	429
Disposals	(36)	(19)	(55)
Currency translation adjustment	(5)	(68)	(73)
Changes in scope of consolidation	4	59	63
Other	30	(18)	12
Gross value as of August 31, 2024	**1,002**	**1,136**	**2,138**

(1) Includes the exclusive distribution agreement of Pluxee's Employee benefits solutions in the Santander Brazil network for 25 years, for 226 million euros (see note 3.2).

6.2.2 Amortisation and impairment of other intangible assets

(in million euros)	LICENCES AND SOFTWARE	CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER	TOTAL
Amortisation and impairment as of September 1, 2022	**(509)**	**(542)**	**(1,051)**
Amortization	(86)	(71)	(157)
Disposals	22	15	37
Impairment	—	—	—
Currency translation adjustment	12	19	31
Changes in scope of consolidation	8	—	8
Other	5	32	37
Amortisation and impairment as of August 31, 2023	**(548)**	**(547)**	**(1,095)**
Amortization	(104)	(72)	(176)
Disposals	16	13	29
Impairment	(8)	(1)	(9)
Currency translation adjustment	4	22	26
Changes in scope of consolidation	(3)	(1)	(4)
Other	4	(9)	(5)
Amortisation and impairment as of August 31, 2024	**(639)**	**(595)**	**(1,234)**

Amortization is recognised under either the Cost of sales or the Selling, General and Administrative costs, except for amortisation of intangible assets acquired as part of business combination transactions, which are recorded in Other operating expenses.

6.2.3 Net carrying amount of other intangible assets

(in million euros)	LICENCES AND SOFTWARE	CLIENT RELATIONSHIPS, TRADEMARKS AND OTHER	TOTAL
Net carrying amount as of September 1, 2022	253	425	678
Net carrying amount as of August 31, 2023	309	358	668
Net carrying amount as of August 31, 2024	**363**	**541**	**904**

6.3 Property, plant and equipment

ACCOUNTING PRINCIPLES

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment charges, except for land, which is recognised at cost less accumulated impairment charges. This cost includes expenditures directly incurred to acquire the asset and if applicable, the estimated estimated unavoidable future dismantling, removal and site remediation costs.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate component, if it is probable that future economic benefits associated with this item will flow to the Group and the cost of this asset can be measured reliably. All other maintenance and repair costs are recognised as expenses during the period in which they are incurred, except costs incurred to increase productivity or extend the useful life of the asset, which are capitalised.

Items of property, plant and equipment are depreciated, using the component-based approach, over their useful life and taking into account their residual value. The straight-line method of depreciation is regarded as the method that most closely reflects the expected pattern of consumption of the future economic benefits embodied in items of property, plant and equipment.

The useful lives generally used for the Group are as follows:

Buildings	20-30 years
General fixtures and fittings	3-10 years
Plant and machinery	3-8 years
Motor vehicles	4 years
Boats and pontoons (depending on the components)	5-15 years

The residual values and useful lives of items of property, plant and equipment are reviewed at each period end and adjusted if necessary.

The carrying amounts of items of property, plant and equipment are subject to impairment if there is an indication that an item may be subject to impairment.

6.3.1 Gross value of property, plant and equipment

(in million euros)	LAND AND BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS AND OTHER	TOTAL
Gross value as of September 1, 2022	**75**	**1,847**	**238**	**2,159**
Acquisitions	4	197	50	251
Disposals	(3)	(168)	(17)	(188)
Currency translation adjustment	(1)	(74)	(7)	(82)
Changes in scope of consolidation			1	1
Other		(1)	(37)	(38)
Gross value as of August 31, 2023	**75**	**1,801**	**228**	**2,104**
Acquisitions [1]	6	173	87	266
Disposals	(3)	(150)	(28)	(181)
Currency translation adjustment	(1)	(20)	(2)	(23)
Changes in scope of consolidation		8		8
Other		3	(31)	(28)
Gross value as of August 31, 2024	**77**	**1,815**	**254**	**2,146**

No item of property, plant and equipment is pledged as collateral for a liability.

6.3.2 Depreciation and impairment of property, plant and equipment

(in million euros)	LAND AND BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS AND OTHER	TOTAL
Amortisation and impairment as of September 1, 2022	**(55)**	**(1,438)**	**(157)**	**(1,650)**
Amortization	(5)	(156)	(21)	(182)
Disposals	2	151	12	165
Impairment		4		4
Currency translation adjustment		27	1	28
Changes in scope of consolidation	2	53	5	60
Other				
Amortisation and impairment as of August 31, 2023	**(56)**	**(1,359)**	**(160)**	**(1,575)**
Amortization	(4)	(156)	(29)	(189)
Disposals	2	138	17	157
Impairment		(1)		(1)
Currency translation adjustment	1	11	1	13
Changes in scope of consolidation				
Other	(1)	19	2	20
Amortisation and impairment as of August 31, 2024	**(58)**	**(1,348)**	**(169)**	**(1,575)**

Depreciation is recognised in the Cost of sales or in the Selling, General and Administrative costs.

6.3.3 Net carrying amounts of property, plant and equipment

(in million euros)	LAND AND BUILDINGS	PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS AND OTHER	TOTAL
Net carrying amount as of September 1, 2022	20	409	81	510
Net carrying amount as of August 31, 2023	19	442	68	529
Net carrying amount as of August 31, 2024	**19**	**467**	**85**	**571**

6.4 Impairment of non-current assets

ACCOUNTING PRINCIPLES

Impairment of assets with a finite useful life

Property, plant and equipment and intangible assets with a finite useful life are subject to impairment tests whenever there is evidence of an impairment. Impairment charges, which are recognised in the income statement, may be reversed subsequently.

Impairment of assets with an indefinite useful life

Goodwill and other intangible assets with an indefinite useful life (such as certain acquired trademarks) are subject to impairment tests as soon as there is an indication of impairment and at least once a year, during the last quarter of the fiscal year. The results are then confirmed using actual data as of August 31.

Cash-generating units

Assets that do not generate cash inflows largely independent of those from other assets, and hence cannot be tested for impairment individually, are grouped into cash-generating units (CGUs).

Impairment tests are performed by CGU or by group of CGUs at the lowest level at which goodwill is monitored by Sodexo and Pluxee.

Goodwill is monitored by operating segment for Sodexo and by country for Pluxee (see note 4.1):

Goodwill impairment tests are not performed at a level higher than the operating segment or country before aggregation for segment reporting purposes.

The assets of the CGU or group of CGUs include:

- the goodwill allocated to them insofar as the CGU or group of CGUs are likely to benefit from the business combination;
- other intangible assets, property, plant and equipment, client investments, right-of-use assets relating to leases and net working capital.

Indicators of impairment

The main impairment indicators used for CGUs or groups of CGUs are a significant decline in the revenue and underlying operating profit of the CGU or group of CGUs, as well as a material change in market trends.

Methods used to determine the recoverable amount

An impairment charge is recognised in the income statement when the carrying amount of the asset, CGU or group of CGUs exceeds its recoverable amount.

The recoverable amount of an asset is the higher of:

- its fair value less costs of disposal, *i.e.*, the amount obtainable from the sale of an asset (net of selling costs) in an orderly transaction between market participants at the measurement date; and
- its value in use, which is the present value of the future cash flows expected to be derived from continuing use and ultimate disposal of the asset or CGU or group of CGUs.

The value in use of the CGUs or groups of CGUs is determined using the after-tax cash flow projections based on business plans and a terminal value calculated by extrapolating data for the final year of the business plan. Business plans are generally established over five years. These plans have been drawn up for each operating segment or country resulting from the organisation of Sodexo and Pluxee, described in note 4.1.

The Management of Sodexo and Pluxee and their subsidiaries have prepared forecasts based on past performance and anticipated market trends. The growth rate used beyond the initial period of these plans reflects the growth rate of the operating segment or country, taking into account the geographical areas in which this operating segment or country conducts business.

Expected future cash flows are discounted at the weighted average cost of capital calculated for Sodexo and Pluxee, increased for certain CGUs or groups of CGUs by a premium to take into account the higher risk factors affecting certain countries in which the activities are carried out for the operating segment or the country concerned.

Recognition of impairment charges

An impairment charge recognised for a CGU or group of CGUs is allocated first to reduce the carrying amount of any goodwill allocated to the CGU or group of CGUs, and then to reduce the carrying amount of the other assets of the unit in proportion to the carrying amount of each asset of the unit.

Reversal of impairment charges

An impairment charge recognised for goodwill cannot be reversed.

An impairment charge on any other asset can only be reversed if there are indications that the impairment charge has decreased or no longer exists. The amount reversed is based on the new estimates of its recoverable amount.

The increased carrying amount of an asset, resulting from the reversal of an impairment charge, must not exceed the carrying amount that would have been determined if no impairment charge had been recognised.

Impairment charges, net of reversals, on property, plant and equipment and intangible assets, including goodwill, amounts to 10 million euros as of August 31, 2024 (-4 million euros as of August 31, 2023).

The following table shows the main assumptions used for the main countries of each group of CGUs of Sodexo and Pluxee:

	FISCAL 2024		FISCAL 2023	
	DISCOUNT RATE	LONG-TERM GROWTH RATE	DISCOUNT RATE	LONG-TERM GROWTH RATE
SODEXO				
North America				
Canada	7.8%	2.0%	9.1%	2.0%
United States	8.0%	2.1%	9.1%	2.1%
France	7.0%	1.7%	8.9%	1.6%
United Kingdom and Ireland				
United Kingdom	**8.4%**	2.0%	10.2%	2.0%
Continental Europe				
Belgium	7.2%	2.0%	9.1%	2.0%
Germany	7.0%	2.0%	8.9%	2.0%
Italy	9.5%	2.0%	11.8%	2.0%
Spain	8.6%	1.8%	10.8%	1.7%
Sweden	7.3%	2.0%	8.9%	2.0%
Asia Pacific, Middle East and Africa				
Australia	8.0%	2.5%	8.9%	2.6%
China	7.3%	2.0%	9.3%	2.2%
India	12.0%	4.0%	11.8%	4.0%
Latin America				
Chile	8.8%	3.0%	9.5%	3.0%
Columbia	11.0%	3.0%	11.3%	3.0%
Mexico	10.5%	3.0%	11.3%	3.0%
Brazil	12.1%	3.0%	13.2%	3.0%
PLUXEE				
Continental Europe	7,0%-12,0%	1,8%-3,0%	7,3%-14,0%	1,5%-2,5%
Including France	7.0%	1.8%	7.3%	1.5%
Latin America	9,8%-13,8%	2,0%-4,5%	9,3%-15,0%	2,0%-4,5%
Including Brazil	13.8%	3.0%	15.0%	3.0%
Rest of the World	8,0%-34,8%	2,0%-5,0%	8,0%-36,0%	2,0%-5,0%

SENSITIVITY ANALYSIS

Sodexo has carried out sensitivity analyses on the results of goodwill impairment tests based on different financial and operational scenarios:

- the results of the goodwill sensitivity analysis indicated no probable scenario where a change in the discount rate or long-term growth rate would result in the recoverable amount of segment assets becoming less than its carrying amount. Indeed, the results of the impairment tests show that even a 150 basis point increase in the discount rate or a 150 basis point decrease in the long-term growth rate would not lead to an impairment of the assets tested for each segment;
- Sodexo also carried out sensitivity analyses on the operational assumptions used in order to identify whether a 10% decrease in forecast net cash flows over the horizon of the management business plans as well as on the terminal flow would lead to the recognition of an impairment in Sodexo's consolidated accounts as of August 31, 2024. These analyses did not reveal any risk of impairment for any of the segments.

Pluxee has carried out sensitivity analyses of the results of goodwill impairment tests based on various financial and operational assumptions:

- the results of the impairment tests show that even a 100 basis point increase in the discount rate or a 100 basis point decrease in the long-term growth rate would not lead to an impairment of the assets tested for each country;
- Pluxee also carried out sensitivity analyses on the operational assumptions used to identify whether a 500 basis point decrease in the recurring EBITDA margin on the terminal flow would lead to the recognition of an impairment in Pluxee's consolidated accounts as of August 31, 2024. These analyses did not reveal any risk of impairment for any of the countries.

NOTE 7. LEASES

ACCOUNTING PRINCIPLES

The Group assesses whether a contract is, or contains, a lease at the inception date. The Group classifies as a lease a contract that conveys to the Group the right to control the use of an identified asset for a given period of time.

Leases are recognised on the statement of financial position from the starting date of the contract, with the exception of those eligible for one of the two exemptions proposed by IFRS 16 ‘Leases’ (short-term leases and leases of low-value assets), applied by the Group.

Leases are reflected in the statement of financial position by recognizing an asset representing the right to use the leased asset and a related liability corresponding to the obligation to make future lease payments. In the income statement, a depreciation of the right-of-use assets is recorded in operating expenses, separately from the interest expense on lease liabilities. In the cash flow statement, cash outflows relating to interest on lease liabilities impact operating activities flows, while repayment of the lease liabilities impact financing activities flows.

Short-term leases (i.e. leases with a term of 12 months or less) or leases of low-value assets (such as certain IT equipment) are recognised as an operating expense on a straight-line basis over the term of the lease.

The leases entered into by the Group as lessee mainly relate to the following asset categories:

- real estate (land and buildings): the Group leases land and buildings for its offices. Terms and conditions are negotiated on a case-by-case basis and contain many different clauses, depending on the legal environment specific to each country. These leases are concluded for a period between 1 and 20 years and may include extension options;
- vehicles: the Group leases vehicles for some of its employees. These leases are for a period between 1 and 5 years;
- sites and spaces operated under concessions arrangements: Sodexo operates various sites (restaurants, retail spaces and kitchens) made available under concession agreements. The commissions paid in return are based on performance indicators of the location (variable payment, generally based on revenue) and may include a guaranteed minimum fee. The terms and conditions are negotiated on a case-by-case basis and contain a wide range of different clauses. These contracts are concluded for a period between 1 and 18 years and may include extension options;
- equipment: Sodexo also leases some equipment necessary for its activities (kitchen equipment, vending machines, etc.). The terms and conditions are negotiated on a case-by-case basis and contain many different clauses. These leases are concluded for a period between 1 and 5 years.

7.1 Lease liabilities

ACCOUNTING PRINCIPLES

The Group recognises a lease liability on the date the underlying asset is made available for use. This lease liability corresponds to the net present value of the lease payments still to be made over the lease term.

Lease payments

The lease payments taken into account in the measurement of the lease liability include:

- fixed rents (including minimum guarantee fees to be paid in accordance with concession contracts), less incentive receivable from the lessor;
- variable rents that depend on an index or a rate;
- in-substance fixed payments.

They also include amounts to be paid to the lessor at the termination of the contract (a relatively rare occurrence in practice for the Group), such as:

- residual value guarantees;
- the exercise price of a purchase option when the exercise of this option is reasonably certain; and
- contract termination penalties due to the lessor when the exercise of the termination option is reasonably certain.

Variable lease payments that do not depend on an index or a rate (rents or commissions based on revenue in particular) remain recognised as operating expenses when incurred. Furthermore, the Group has chosen to exclude, where applicable, the non-lease components of the contract in the assessment of the lease liability (vehicle maintenance services, for example). Consequently, payments made for service components of the lease contracts are recognised as operating expenses when incurred, like variable lease payments.

Lease term

The lease term is determined for each contract as the non-cancellable period of the contract, adjusted to reflect periods covered by an option to extend the lease that the Group is reasonably certain to exercise, and periods covered by an option to terminate the lease that the Group is reasonably certain not to exercise.

The legal environment and market practices specific to each country are also considered in assessing the lease term. This applies in particular to open-ended leases, for which an enforceable period is determined in light of circumstances specific to each situation. In assessing the enforceable period of each contract, the Group determines whether it would incur a penalty on termination that is more than insignificant, taking into account various relevant indicators (indemnities arising from contractual obligations and economic penalties based on operational criteria, in accordance with the clarifications provided by IFRS IC). In the specific case of French commercial property leases (also referred to as “3/6/9 leases”), the assessment is made on a case-by-case basis, that may lead to consider an enforceable period that is beyond the residual length of the initial 9-year term in some instances.

Discount rate

The discount rate used is generally the lessee incremental borrowing rate, as the rate implicit in the lease cannot be readily determined for most of the contracts. The incremental borrowing rate is calculated using the following parameters: risk-free rate of the relevant currency, duration of the lease, credit spread of the subsidiary concerned.

The lease liability is then measured at amortised cost, using the effective interest method. It is subject to revaluation after the commencement date of the contract to reflect changes resulting from:

- a change in duration, reflecting a contractual change or a change in the assessment of the probability of exercising an extension option or a termination option;
- a change in the amount of the rent, for example in application of a new index or rate used for lease payments;
- a reassessment of the probability of a purchase option being exercised;
- any other contractual change, for example a change in the nature of the underlying asset.

As of August 31, 2024, the lease liabilities amount to 790 million euros, 632 million euros of which are non-current lease liabilities, and 158 million euros are current lease liabilities. The change in lease liabilities during the fiscal year breaks down as follows:

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
Lease liabilities as ofSeptember 1	**878**	**943**
Increase/(Decrease)	119	215
Repayment of the principal [1]	(198)	(222)
Currency translation adjustments	(9)	(48)
Changes in consolidation scope		—
Other		
Reclassification in liabilities directly associated with assets held for sale or for distribution		(10)
Lease liabilities as of August 31	**790**	**878**

(1) The repayment of the principal includes the paid interest reported in the operating cash flow (see consolidated cash flow statement *cf*. 1.4)

The maturity of lease liabilities is as follows:

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
< 1 year	158	158
1 to 3 years	251	249
3 to 5 years	158	188
> 5 years	223	283
LEASE LIABILITIES CARRYING VALUE	**790**	**878**

7.2 Right-of-use assets relating to leasess

ACCOUNTING PRINCIPLES

A right-of-use asset is recognized for each lease contract (except for those covered by the exemptions), as a counterpart of the lease liability. This right-of-use asset is measured as the initial amount of the lease liability (assessed as specified above) plus, where applicable, the initial direct costs incurred in obtaining the contract (fees and administrative costs), the advance lease payments made to the lessor and the estimated costs to be incurred in restoring the underlying asset to the condition required by the terms and conditions of the contract.

The right-of-use asset is depreciated on a straight-line basis over the lease term used to measure the lease liability and, when necessary, is subject to impairment tests according to the same rules as those used for intangible assets and property, plant and equipment (see note 6.4). The carrying amount is subsequently adjusted to reflect the change in the lease liability arising from amendments to the lease provisions and other remeasurement events (see above).

By type of underlying asset, the right-of-use asset breaks down as follows:

(in million euros)	LAND AND BUILDINGS	SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS	VEHICLES	EQUIPMENT	TOTAL
Gross value as of September 1, 2022	**429**	**838**	**151**	**26**	**1,444**
Increase [1]	94	19	1	(2)	111
Translation adjustments	(18)	(46)	(9)	(1)	(74)
Changes in consolidation scope	—	—	—	—	—
Other reclassifications	(16)	—	(3)	—	(19)
Gross value as of August 31, 2023	**489**	**811**	**140**	**23**	**1,463**
Increase/Decrease [1]	12	(32)	3	3	(14)
Translation adjustments	(4)	(7)	(1)	(1)	(13)
Changes in consolidation scope	2	1	(2)	(2)	(1)
Other reclassifications	(2)		1		(1)
Gross value as of August 31, 2024	**497**	**773**	**141**	**23**	**1,434**

(1) Corresponds to the effects of the introduction of new contracts and changes to contractual provisions

(in million euros)	LAND AND BUILDINGS	SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS	VEHICLES	EQUIPMENT	TOTAL
Depreciation and impairment as of September 1, 2022	**(187)**	**(267)**	**(81)**	**(14)**	**(549)**
Depreciation	(65)	(91)	(39)	(5)	(200)
Reversals	23	20	34	6	83
Impairment	—	—	—	—	—
Currency translation adjustments	8	15	5	1	29
Changes in consolidation scope	—	—	—	—	—
Other reclassifications	5	1	2	—	8
Depreciation and impairment as of August 31, 2023	**(216)**	**(322)**	**(79)**	**(12)**	**(629)**
Depreciation	(70)	(83)	(37)	(5)	(195)
Reversals	49	27	35	3	114
Impairment	—	—	—	—	—
Currency translation adjustments	(1)	3	1	2	5
Changes in consolidation scope	8	2	(8)	(1)	1
Other reclassifications	—	(1)	—	—	(1)
Depreciation and impairment as of August 31, 2024	**(230)**	**(374)**	**(88)**	**(13)**	**(705)**

(in million euros)	LAND AND BUILDINGS	SITES AND SPACES OPERATED UNDER CONCESSION AGREEMENTS	VEHICLES	EQUIPMENT	TOTAL
Net value as of September 1, 2022	242	571	69	12	895
Net value as of August 31, 2023	273	489	61	11	834
Net value as of August 31, 2024	267	399	53	10	729

NOTE 8. SHARE IN EQUITY-ACCOUNTED COMPANIES

ACCOUNTING PRINCIPLES

Associates are companies in which Bellon S.A. directly or indirectly exercises significant influence over financial and operating policy, without exercising exclusive or joint control. Joint ventures are joint arrangements in which Bellon S.A. directly or indirectly exercises joint control and has rights to the net assets of the arrangement. Associates and joint ventures are accounted for using the equity method. The Group has a number of equity interests in project companies established in connection with Public-Private Partnership (PPP) contracts. These contracts enable governments to call upon the private sector for the design, construction, financing and management of public infrastructure (hospitals, schools, barracks, prisons), with detailed performance criteria. An analysis is performed for each of these equity interests, to determine whether they qualify as associates or joint ventures.

When the Group is legally or constructively obligated to make payments on behalf of companies accounted for using the equity method, a provision is made under liabilities in the consolidated statement of financial position for its share in the negative shareholders' equity of the said companies (see note 10.1).

Changes in the Group's share of the net assets of companies accounted for using the equity method in Fiscal 2023 and Fiscal 2024 are shown below:

(in million euros)	FISCAL 2024	FISCAL 2023
Net Carrying amount as of September 1	**60**	**65**
Of which Investments in companies accounted for using the equity method	***67***	***73***
Of which Provisions for negative shareholders' equity	***(7)***	***(8)***
Share of profit for the period *	13	12
Other comprehensive income (loss)	—	—
Divivdend paid for the period	(7)	(8)
Currency translation adjustment	(1)	(3)
Reclassifications	6	(6)
NET CARRYING AMOUNT AS OF AUGUST 31	**71**	**60**
Of which Investments in companies accounted for using the equity method	***77***	***67***
Of which Provisions for negative shareholders' equity	***(6)***	***(7)***

* Corresponds to the sum of the items "Share of profits from companies accounted for using the equity method in the continuation of the Group's activities" and "Share of profits from other companies accounted for using the equity method" of the consolidated income statement.

NOTE 9. INCOME TAX

ACCOUNTING PRINCIPLES

Income tax expense

Income tax expense for the year includes current and deferred taxes. It includes the contribution on the added value of companies (*cotisation sur la valeur ajoutée des entreprises (CVAE*)), a business tax assessed on corporate value-added generated by French subsidiaries, which is reported under income tax expense as the Group considers that it meets the definition of a tax on income contained in IAS 12 "Income Tax.

Tax credits which do not affect taxable profit and are always refunded by tax authorities if they have not been deducted from corporate income tax are recognized as subsidies and therefore presented as a reduction to the expenses to which they relate. Uncertain income tax positions are estimated in accordance with IFRIC 23 " Uncertainty over income tax treatments. The accounting for uncertain tax treatments requires an entity to make estimates and judgments about whether the relevant taxation authority will accept the position taken by the entity in its tax filings (most likely amount or expected value corresponding to the probability-weighted average of the possible outcomes). Uncertain tax positions balances are presented as current or deferred tax assets or liabilities in Income tax payable.

Deferred taxes

Deferred taxes are recognised on temporary differences between the carrying amount and the tax base of assets and liabilities (except in special cases provided for in IAS 12) as well as for tax loss carry-forwards using the tax rate that is expected to apply in the period in which the asset is realised or the liability settled, based on the tax rates (and tax laws) that are enacted or substantially enacted at the closing date.

Taxes relating to items recognised directly in shareholders' equity or in other comprehensive income are accounted for in shareholders' equity or in other comprehensive income respectively and not in the income statement (see note 11).

Residual deferred tax assets on temporary differences and tax loss carry-forwards are recognised only if their recoverability is considered probable, taking into account existing temporary differences giving rise to deferred tax liabilities that are expected to be reversed and taxable profits that will be available in the foreseeable future and against which the temporary difference can be utilised. When assessing the probability that a taxable profit will be available in the foreseeable future, account is taken mainly of previous years' results, forecasted future results based on a business plan produced for each taxable entity, non-recurring items unlikely to occur in the future and the tax strategy.

Deferred tax assets and liabilities are not discounted and are offset if there is a legally enforceable right to offset current tax assets and liabilities, and these deferred taxes relate to the same taxable entity and the same tax authority.

9.1 Breakdown of tax expense

(in million euros)	FISCAL 2024	FISCAL 2023
Current income tax (expenses)/income	(344)	(241)
Withholding taxes	(10)	(13)
Deferred income tax (expenses)/income	14	(6)
INCOME TAX EXPENSE	**(340)**	**(261)**

Pursuant to the transposition of the Pillar 2 Directive in France, the Group has carried out preliminary work and does not anticipate any significant impact related to this measure. As of August 31, 2024, no deferred tax had been recognised in accordance with the amendment to IAS 12 regarding the mandatory temporary exemption from the recognition of deferred taxes in the consolidated financial statements.

9.2 Income tax reconciliation

(in million euros)	FISCAL 2024	FISCAL 2023
Profit for the fiscal year before tax	1,207	916
Share of profit of companies accounted for using the equity method	(13)	(12)
Profit before tax excluding share of profit of companies accounted for using the equity method	**1,194**	**904**
Tax rate applicable to Bellon S.A.	25.83%	25.83%
Theoretical income tax (expense)/income	**(308)**	**(234)**
Effect of jurisdictional tax rate differences	1	14
Permanently non-deductible expenses or non-taxable income	8	(56)
Other tax repayments/(charges), net (1)	(76)	15
Tax loss carry-forwards used or recognized during the period but not recognized as a deferred tax asset in prior periods (2)	61	26
Loss Tax loss carry-forwards and temporary differences arising during the period or prior years but not recognized as a deferred tax asset	(16)	(13)
Actual income tax expense	**(330)**	**(248)**
Withholding taxes	(10)	(13)
TOTAL INCOME TAX EXPENSE	**(340)**	**(261)**

(1) Mainly due to the revision of the tax exposure in France

(2) Including 31 million euros related to the use of tax losses and 16 million euros of tax losses recognition in France for Fiscal 2024

The effective tax rate, calculated on profit before tax and excluding the share of profit of companies accounted for using the equity method, falls from 28.9% for Fiscal 2023 to 28.5% for Fiscal 2024. This decrease is mainly due to the effects of non-taxable capital gains on the disposal of the Homecare business and the use of previously unrecognised tax assets due to better results in France at Sodexo.

9.3 Deferred tax assets and liabilities

The breakdown of deferred taxes for Fiscal 2024 is as follows:

(in million euros)	AUGUST 31, 2023	DEFERRED TAX BENEFIT/ (EXPENSE)	DEFERRED TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	AUGUST 31, 2024
Employee-related liabilities	141	(13)	7	(6)	129
Fair value of financial instruments	3	(2)	(2)		(1)
Goodwill	(210)	1		25	(184)
Intangible assets	12	1		(5)	8
Other temporary differences	(24)	16	(6)	1	(13)
Tax loss carry-forwards	99	10		(3)	106
NET DEFERRED TAX ASSETS/(LIABILITIES)	**21**	**13**	**(1)**	**12**	**45**
of which deferred tax assets	**219**				**216**
of which deferred tax liabilities	**198**				**171**

The breakdown of deferred taxes for Fiscal 2023 was as follows:

(in million euros)	AUGUST 31, 2023	DEFERRED TAX BENEFIT/ (EXPENSE)	DEFERRED TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	CLASSIFICATION AS ASSETS/LIABILITIES HELD FOR SALE OR DISTRIBUTION	AUGUST 31, 2023
Employee-related liabilities	146	(18)	25	(10)	(2)	141
Fair value of financial instruments	3	—	—	—	—	3
Goodwill	(240)	7	—	17	6	(210)
Intangible assets	(22)	23	—	7	4	12
Other temporary differences	8	(27)	(4)	3	(4)	(24)
Tax loss carry-forwards	98	8	—	(3)	(4)	99
NET DEFERRED TAX ASSETS/(LIABILITIES)	**(7)**	**(7)**	**21**	**14**	**—**	**21**
of which deferred tax assets	**154**	**—**	**—**	**—**		**219**
of which deferred tax liabilities	**(161)**	**—**	**—**	**—**		**(198)**

As of August 31, 2024, the deferred tax assets arising from tax loss carry-forwards amount to 106 million euros (99 million euros as of August 31, 2023). The increase is mainly due to the partial recognition of 16 million euros of deferred tax assets on previously unrecognised tax losses in France. The main countries with tax loss carry-forwards that have led to the recognition of deferred tax assets are Brazil, Germany and France (for these countries, the use of tax losses is unlimited over time). The unrecoverability of deferred tax assets on loss carry-forwards has been assessed based on a plan for using tax losses within each tax jurisdiction.

Unrecognized deferred tax assets arising from tax loss carry-forwards due to their recovery being considered uncertain totalled 152 million euros as of August 31, 2024 (194 million euros as of August 31, 2023). The main country with tax loss carry-forwards that did not lead to the recognition of deferred tax assets as of August 31, 2024 is France.

The temporary differences in employee-related liabilities mainly relate to post-employment benefits.

The maturity of the Group's tax loss carry-forwards, whether or not they give rise to the recognition of a deferred tax asset, breaks down as follows:

(in million euros)	FISCAL 2024	FISCAL 2023
2024	—	2
2025	5	5
2026	3	3
2027	3	2
2028	8	5
2029 and beyond	18	13
Unlimited	1,447	1,586
Total	**1,484**	**1,616**

NOTE 10. PROVISIONS, LITIGATION AND CONTINGENT LIABILITIES

ACCOUNTING PRINCIPLES

A provision is recognised if the Group has a legal or constructive obligation at the closing date and it is probable that settlement of the obligation will require an outflow of resources, and a reliable estimate can be made of the amount of the obligation. Provisions primarily cover commercial, employee-related and tax-related risks and litigation (other than those related to income tax) arising in the course of operating activities and are measured using assumptions that take account of the most likely outcomes. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and any risks specific to the liability.

A provision for onerous contracts is established where the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it.

10.1 Provisions

The amount of provisions for exposures and litigation is determined on a case-by-case basis and rely on management's best estimate of the outflows deemed likely to satisfy legal or implicit obligations to which the Group and its subsidiaries are exposed as of the end of the year.

(in million euros)	AUGUST 31, 2023	INCREASES	REVERSALS WITH UTILISATION	REVERSALS WITHOUT UTILISATION	CURRENCY TRANSLATION ADJUSTMENT AND OTHERS (1)	AUGUST 31, 2024
Employee claims and litigation	43	13	(5)	(5)	—	**46**
Tax and social security exposures	29	2	(3)	(8)	1	**21**
Contract termination and loss-making contracts	25	10	(1)	(16)	22	**40**
Client/supplier claims and litigation	23	2	(4)	—	(4)	**17**
Reorganisation costs (2)	19	16	(14)	(4)	—	**17**
Negative net assets of associates (3)	7	—	—	—	(1)	**6**
Other provisions (4)	179	16	(14)	(17)	(3)	**161**
TOTAL PROVISIONS	**325**	**59**	**(41)**	**(50)**	**15**	**308**

(1) Reclassification of provisions for contract termination related to healthcare business, previously presented as accrued payable for 18 million euros.
(2) Reorganisation provisions mainly correspond to rationalisation costs resulting from the reorganisation of Sodexo.
(3) Investments in companies accounted for using the equity method that have negative net assets (*see* note 8).
(4) Other provisions mainly concern the provision for the litigation between Sodexo, Pluxee and the Competition Authority (*see* note 10.2).

(in million euros)	AT 31 AUGUST 2022	INCREASES	REVERSALS WITH UTILISATION	REVERSALS WITHOUT UTILISATION	CURRENCY TRANSLATION ADJUSTMENT AND OTHERS (1)	AUGUST 31, 2023
Employee claims and litigation	55	8	(14)	(11)	5	43
Tax and social security exposures	32	2	(4)	—	(1)	29
Contract termination and loss-making contracts	21	22	(5)	(8)	(5)	25
Client/supplier claims and litigation	37	7	(8)	(13)	—	23
Reorganisation costs (1)	17	17	(11)	(3)	(1)	19
Negative net assets of associates (2)	8	—	—	—	(1)	7
Other provisions (3)	44	141	(8)	(4)	5	179
TOTAL PROVISIONS	**214**	**197**	**(50)**	**(39)**	**2**	**324**

(1) Reorganisation provisions mainly correspond to rationalisation costs resulting from the reorganisation of Sodexo.
(2) Investments in companies accounted for using the equity method that have negative net assets (*see* note 8).
(3) Other provisions mainly concern the provision for litigation between Sodexo, Pluxee and the Competition Authority (*see* note 10.2).

The breakdown of provisions by maturity is as follows:

(in million euros)	AUGUST 31, 2024		AUGUST 31, 2023	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Employee claims and litigation	19	27	19	24
Tax and social security exposures	5	16	14	15
Contract termination and loss-making contracts	3	38	3	22
Client/supplier claims and litigation	7	9	10	13
Reorganisation costs	17	—	19	—
Negative net assets of associates *	—	6	—	7
Other provisions	16	145	141	37
TOTAL PROVISIONS	**67**	**241**	**206**	**118**

* Investments in companies accounted for using the equity method that have negative net assets (*see* note 8).

10.2 Litigation and contingent liabilities

LITIGATION WITH THE FRENCH COMPETITION AUTHORITY

On October 9, 2015, the French company Octoplus filed a complaint with the French Competition Authority concerning several French companies in the meal voucher sector, including Pluxee France S.A. (formerly Sodexo Pass France S.A.). On December 17, 2019, the French Competition Authority ruled against the meal voucher issuers and fined Pluxee France, jointly and severally with Sodexo S.A., 126 million euros. Sodexo S.A. and Pluxee France filed an appeal against the decision with the Paris Court of Appeal, and the hearing took place on November 18, 2021. On November 16, 2023, the Paris Court of Appeal confirmed the conviction issued by the French Competition Authority. Vigorously contesting this decision, Sodexo S.A. and Pluxee France filed an appeal in cassation on December 18, 2023, and the proceedings are still ongoing.

The penalty was paid in full by Pluxee France and an asset was recognised in Other operating receivables. Considering the various legal developments above, Pluxee also recognised a provision of 127 million euros in Other operating expenses and income as of August 31, 2023.

Following the decision of the Paris Court of Appeal, the company Octoplus and certain affiliated merchants and restaurant owners are seeking compensation for damages they believe they have suffered and have taken legal action, either directly in their own name or through private funds, against certain issuers of meal vouchers, including Pluxee France.

The separation agreement entered into as part of the Pluxee spin-off includes a commitment by Pluxee to compensate Sodexo for any liability or damage related to the above litigation.

LITIGATION WITH THE BRAZILIAN TAX AUTHORITIES

During Fiscal 2021, the subsidiary Sodexo do Brasil Comercial received a tax reassessment notice mainly linked to the tax deductibility of the amortization of goodwill recognized on the purchase of the Company Puras. The reassessment covers the period from 2015 to 2017 and amounts to 225 million Brazilian real, *i.e.*, 41 million euros as of August 31, 2024 (of which 9 million euros in principal and 32 million euros in penalties and late payment interests). In August 2021, the competent administrative Court ruled in favor of Sodexo do Brasil Comercial but the Brazilian tax authorities appealed this first instance decision. In March 2024, the Administrative Court (CARF) has unanimously confirmed the first instance decision in favor of Sodexo do Brasil Comercial. The Federal Tax Administration has already taken note of the decision, without expressing any request for clarification, thus definitively ending the dispute in favor of Sodexo do Brasil Comercial.

In addition, Sodexo and its main competitors have a different interpretation from that of the Brazilian tax administration on the deductibility of PIS/COFINS on certain purchases made at a zero rate. Several proceedings are underway, either at the initiative of the tax authorities, which have notified Sodexo do Brasil Comercial of an adjustment in respect of credits recognized in 2016 of 10 million euros (including penalties and interest for late payment), or at the initiative of the Company, which has filed several claims in the courts. One of these proceedings initiated by Sodexo do Brasil Comercial was suspended, on the initiative of the judge, until the Supreme Court's decision on another company's case. In February 2023, the Supreme Court issued its decision, which was unfavorable to the Group concerned: the judges essentially ruled that ordinary law may provide for limitations on the use of PIS/COFINS credits, provided that such law respects all constitutional principles, in particular equality of treatment of taxpayers and free competition. This decision, which should not be considered automatically unfavorable for the individual cases of each taxpayer, does not affect the appeals filed by Sodexo, which will continue to follow their respective courses. Sodexo do Brasil Comercial believes that it has different and strong enough arguments to ultimately succeed in court on this issue. After consultation with its advisors, Sodexo considers that its chances of success in these proceedings are good and that to date the risk of an outflow of resources associated with the PIS/COFINS credits deducted since 2016 remains unlikely; therefore, no provision has been accounted for in the consolidated financial statements as of August 31, 2024.

FRENCH TAX AUDIT
In December 2021, Sodexo S.A. was notified of a proposed tax reassessment for the fiscal years 2016, 2017 and 2018. Another proposed tax reassessment was issued by the French tax authorities in December 2022 for the fiscal years 2019, 2020 and 2021 in order to reproduce certain adjustments that it had initiated during the previous tax audit. In consultation with its advisors, Sodexo S.A. has revised the risk associated with these procedures in light of the progress of discussions with the tax authorities (*see* note 9.2).

LEGAL PROCEEDINGS IN MEXICO
During 2022, Pluxee was the subject of a sophisticated fraud scheme in Mexico relating to its postpaid fuel and fleet business. As a result, Pluxee has launched a thorough investigation to better understand the fraud scheme and has initiated legal proceedings, which are ongoing. The estimated loss was 170 million Mexican pesos as of August 31, 2023 (approximately 7.6 million euros) and the corresponding provision has been recognised. The probability assumptions were reviewed in 2024 and an additional provision of 70 million Mexican pesos (approximately 3.7 million euros) was recognised as of August 31, 2024.

OTHER
To the knowledge of the Group and its subsidiaries, there are no other governmental, legal or arbitration proceedings, either pending or threatened, which may have, or have had in the last twelve months, significant effects on the financial position or profitability of the Group. In addition, the Group is involved in other litigation that have arisen in the normal course of business. The Group does not expect the liabilities relating to this litigation to be significant overall in relation to the consolidated financial position or activity.

In accordance with the articles of association of Bellon S.A., the transfer of shares between shareholders is unrestricted. All other transfers or conveyances of shares are subject to the prior approval of the supervisory board. In the event of refusal of the proposed transferee, the management board is required to have the shares acquired either by one or more shareholders or by third parties, or with the consent of the transferor, by the company. In this context, Bellon S.A. may be required to buy back its shares depending on the outcome of proceedings pending before the competent courts.

NOTE 11. EQUITY

ACCOUNTING PRINCIPLES

Own shares in Bellon S.A.
Bellon S.A.'s shares held by itself or other Group companies are deducted from consolidated shareholders' equity at their acquisition cost.
Gain and losses on acquisitions and disposals of treasury shares are directly allocated to consolidated shareholders' equity and does not affect profit or loss for the fiscal year. The gain or loss on a disposal is recognised net of tax.

Transactions in non-controlling interests
Changes in non-controlling interests while retaining control are recognized in shareholders' equity. In particular, when additional shares in an entity already controlled by the Group are acquired, the difference between the acquisition cost of the shares and the share of net assets acquired is recognized in equity attributable to equity holders of the parent. The value of the assets and liabilities of the subsidiary (including goodwill) remains unchanged.

Commitments to purchase non-controlling interests
As required by IAS 32 "Financial instruments: Presentation, the Group recognizes commitments to purchase non-controlling interests as a liability within borrowings in the consolidated statement of financial position. Commitments to purchase non-controlling interests given in connection with business combinations are recognized as follows:
· the liability arising from the commitment is recognized in other borrowings at the present value of the purchase commitment;
· the corresponding non-controlling interests are cancelled; and
· additional goodwill is recognized for the balance.
Subsequently, the financial liability is remeasured at each year-end in accordance with the contractual arrangements (at fair value or at present value if fixed price) and, in the absence of any guidance provided by IFRS, with a counterparty in shareholders' equity.

11.1 Equity

Composition of share capital

(number of shares)	AUGUST 31, 2024	AUGUST 31, 2023
Share capital (nominal value of 16 euros)	24,255	24,255

Dividends

(number of shares)	AUGUST 31, 2024	AUGUST 31, 2023
Dividend paid (in million euros)	40	15
Dividend per share paid (in euros)	1,800	840

Other comprehensive income

Items recognised directly in Other comprehensive income are detailed as follows:

	FISCAL 2024			FISCAL 2023		
(in million euros)	CHANGE DURING THE YEAR (PRE-TAX)	INCOME TAX (EXPENSE)/ BENEFIT	CHANGE DURING THE YEAR (NET OF TAX)	CHANGE DURING THE YEAR (PRE-TAX)	INCOME TAX (EXPENSE)/ BENEFIT	CHANGE DURING THE YEAR (NET OF TAX)
Financial assets measured at fair value through other comprehensive income [1]	(7)	(7)	(14)	16	(7)	9
Share of other components of comprehensive income/(loss) of companies accounted for using the equity method	—	—	—	—	—	—
Remeasurement of the net defined benefit obligation	(34)	7	(27)	(104)	39	(65)
Currency translation adjustment	296		296	(398)	—	(398)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)	**255**	**—**	**255**	**(486)**	**32**	**(454)**

[1] See note 12.3.

11.2 Capital management policy

Bellon S.A. manages its shareholder equity with a long-term view, aiming to support the development of its subsidiaries and optimise its financial structure.

NOTE 12. CASH AND CASH EQUIVALENTS, ASSETS, LIABILITIES AND FINANCIAL RESULTS

ACCOUNTING PRINCIPLES

(A) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of a qualifying non-current asset are included in the cost of that asset. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying noncurrent asset are recognized as an expense using the effective interest method.

(B) Financial instruments
Financial assets and liabilities are recognised in the Group's statement of financial position on the transaction date, which is the date when the Group becomes a party to the contractual provisions of the instrument. The fair values of financial assets and derivative instruments are generally determined on the basis of quoted market prices, of values resulting from recent transactions or of valuations carried out by the depositary bank.

FINANCIAL ASSETS

For valuation and accounting purposes, financial assets are classified into three broad categories:

- • financial assets measured at amortised cost are debt instruments whose contractual cash flows are solely payments of principal and interest on the principal amount outstanding and whose business model is to hold the instrument in order to collect the contractual cash flows. They include financial and security deposits, and loans to non-consolidated entities. These financial assets are initially recognised in the statement of financial position at fair value and subsequently at amortised cost, using the effective interest method. These assets are subject to impairment corresponding to estimated expected losses;
- • financial assets measured at fair value through other comprehensive income include investments in non-consolidated entities, which correspond to equity instruments that the Group has irrevocably elected to classify in this category. When an equity instrument is sold, the cumulative fair value adjustment recognized in other comprehensive income is not transferred to the income statement; only dividends are booked in the income statement. For securities listed on an active market, fair value is considered to equal the market value. If no active market exists, the fair value is generally determined based on an appropriate financial criteria for the specific security;
- • financial assets measured at fair value through profit or loss include marketable securities with maturities greater than three months and other financial assets held for trading and acquired for the purpose of resale in the near term (instruments that are not eligible to be classified as financial assets measured at amortized cost or at fair value through other comprehensive income). These assets are measured at fair value, with changes in fair value recognized in financial income or expense in the income statement, with the exception of changes in the fair value of financial assets related to Pluxee's activity, which are recognised in other operating income and expenses.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group's policy is to finance the majority of acquisition costs insofar as possible in the currency of the acquired entity, generally at fixed rates of interest.
Derivative financial instruments are initially recognized at fair value in the statement of financial position. Subsequent changes in the fair value of derivative instruments are recognized in the income statement, except in the case of instruments that qualify as cash flow hedges.
For cash flow hedges, the necessary documentation is prepared at inception and updated at the end of each period. Gains or losses arising on the effective portion of the hedge are recognized in other comprehensive income and are not recognized in the income statement until the underlying asset or liability is realized. Gains or losses arising from the ineffective portion of the hedge are recognized in the income statement.
Interest-rate derivatives are also used as fair value hedges (fixed-rate bond swapped for a floating rate). In the case of fair value hedge relationships, the portion of financial liabilities hedged by the interest-rate derivatives are remeasured to the extent of risk hedged.
Changes in the value of hedged items are recognized in profit and loss for the period and are offset by symmetrical adjustments in interest-rate derivatives.
The fair value of these derivative instruments is generally determined based on valuations provided by the bank counterparties.

BANK BORROWINGS AND BOND ISSUES

All borrowings, including bank credit facilities and overdrafts, are initially recognized at the fair value of the amount received less directly attributable transaction costs.
Subsequent to initial recognition, borrowings are measured at amortized cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of a financial liability to the net carrying amount of that liability. The calculation includes the effects of transaction costs, and of differences between the issue proceeds (net of transaction costs) and reimbursement value.
Amortized cost is equivalent to historical cost (nominal amount) insofar as no significant transaction costs are incurred.

(C) Cash and cash equivalents

Cash and cash equivalents include bank current accounts, cash on hand and short-term investments in money-market instruments. These investments correspond mainly to short-term notes and bonds admitted for trading on regulated markets and bank term deposits have an initial maturity of less than three months at the moment of purchase (or may be withdrawn at any time at a known cash value with no material risk of loss in value) are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and that are held for the purpose of meeting short-term cash commitments.

12.1 Financial income and expenses

(in million euros)	FISCAL 2024	FISCAL 2023
Gross borrowing cost [1]	(193)	(159)
Interest income from cash or cash equivalents	114	119
NET BORROWING COST	**(79)**	**(40)**
Interests on lease liabilities [2]	(26)	(21)
Net foreign exchange gains / (losses)	(4)	(5)
Net interest cost on net defined benefit plan obligation	(2)	2
Interest income from loans and receivables at amortised cost	19	11
Other finance income	15	10
Other financial expenses	8	(33)
Hyperinflation adjustment	(6)	
NET FINANCIAL EXPENSES	**(75)**	**(36)**
Of which Financial income	**185**	**142**
Of which Financial expenses	**(260)**	**(218)**

(1) Gross borrowing cost corresponds to the interest expense on financial liabilities at amortised cost and interest expense on hedging instruments.

(2) Interests on lease liabilities recognised in accordance with IFRS 16.

12.2 Cash and cash equivalents

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
Marketable securities	1,186	783
Cash [1][2]	2,387	2,346
CASH AND CASH EQUIVALENTS	**3,573**	**3,129**
Bank overdrafts	(9)	(5)
CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**3,564**	**3,124**

(1) including 15 million euros as of August 31, 2024 (16 million euros as of August 31, 2023) for Sodexo and 10 million euros as of August 31, 2024 for Pluxee allocated to the liquidity contract signed with investment service providers, in accordance with the Code of Ethics established by the French Association of Financial Markets (AMAFI) and approved by the Financial Markets Authority (AMF), aimed at promoting the liquidity of securities and the regularity of their listings.

(2) On August 31, 2023, the Bellon group reclassified Cash and cash equivalents to Pluxee's restricted cash and financial assets in the amount of 155 million euros.

Marketable securities break down as follows:

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
Short-term notes	131	643
Term deposits	852	124
Mutual funds and others	203	16
TOTAL MARKETABLE SECURITIES	**1,186**	**783**

Cash, cash equivalents and overdrafts are broken down by currency as follows:

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
Euro (EUR)	1,942	1,351
Brazilian real (BRL)	642	635
Pound sterling (GBP)	222	209
US dollar (USD)	98	191
Other currencies	660	738
TOTAL CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS [1]	**3,564**	**3,124**

(1) On August 31, 2023, the Bellon group reclassified Cash and cash equivalents to Pluxee's restricted cash and financial assets in the amount of 155 million euros.

Over 81% of the Group's cash and cash equivalents are held in A-1+, A-1 or A-2 rated financial institutions.

No significant amount of cash or cash equivalent is subject to restrictions at the closing date.

12.3 Financial assets

12.3.1 Current and non-current financial assets

(in million euros)	AUGUST 31, 2024		AUGUST 31, 2023	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Investments in non-consolidated companies	**—**	**214**	**—**	**216**
Pluxee's financial assets, including restricted cash (1)	**1,787**	—	**1,475**	**—**
Gross value (2)	1,787	—	1,475	—
Impairment	—	—	—	—
Receivables from investees	—	**75**	**—**	**69**
Gross value	—	75	—	69
Impairment	—	—	—	—
Loans and deposits	**60**	**102**	**74**	**96**
Gross value	60	132	74	127
Impairment	—	(30)	—	(31)
Other	—	**1**		
Derivative financial instruments	**1**	**1**	**2**	**4**
FINANCIAL ASSETS	**1,848**	**393**	**1,551**	**385**
Gross value	1,849	422	1,396	416
Impairment	(1)	(29)	—	(31)

(1) The breakdown of gross value between financial assets at fair value through profit or loss and financial assets at amortised cost can be found in note 12.6.

(2) On August 31, 2023, the Bellon group reclassified Cash and cash equivalents to Pluxee's restricted cash and financial assets in the amount of 155 million euros.

PRINCIPAL INVESTMENTS IN NON-CONSOLIDATED COMPANIES

As part of the disposal of its global Childcare activities in France and Spain on March 11, 2022, Sodexo acquired a 19% minority stake in the Grandir group (recognised as non-consolidated investment) and bonds convertible into shares. The carrying amount is valued at 154 million euros as of August 31, 2024 (147 million euros as of August 31, 2023). In accordance with IFRS 9, these financial assets are measured at fair value through other comprehensive income (non-recyclable) and through profit or loss (financial), respectively.
The methods for determining fair value are specified in note 12.6 'Financial instruments by category'.

PLUXEE RESTRICTED CASH RELATED TO THE FLOAT

The restricted cash related to the float mainly correspond to the funds set aside to comply with regulations governing the issuance of digitally delivered services, cards and paper vouchers in the following countries:

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
France	310	312
Belgium	217	162
Romania	170	157
India	157	137
China	58	64
Other countries	61	103
TOTAL RESTRICTED CASH RELATED TO THE FLOAT	**973**	**936**

They are broken down by currency as follows

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
Euro (EUR)	527	488
Romanian leu (RON)	170	157
Indian rupee (INR)	157	137
Chinese yuan (CNY)	58	64
Other currencies	61	89
TOTAL RESTRICTED CASH RELATED TO THE FLOAT	**973**	**936**

The funds remain the property of Pluxee but are subject to restrictions on their use, cannot be used for any purpose other than reimbursing affiliated merchants and must be kept separate from Pluxee's unrestricted cash. They are invested in interest-bearing instruments.

CURRENT FINANCIAL ASSETS OF PLUXEE

These are marketable securities with a maturity between 3 and 12 months:

(in million euros)	AUGUST 31, 2024	AUGUST 31, 2023
Euro (EUR)	454	223
Brazilian real (BRL)	151	165
Other currencies	209	154
TOTAL CURRENT FINANCIAL ASSETS OF PLUXEE	**814**	**542**

12.3.2 Change in current and non-current financial assets excluding derivative instruments

CARRYING AMOUNT (in million euros)	AUGUST 31, 2023	INCREASE/ DECREASE	IMPAIRMENT	CHANGE IN FAIR VALUE		CURRENCY TRANSLATION ADJUSTMENTS AND OTHER	AUGUST 31, 2024
				INCOME	OCI [1]		
Investments in non-consolidated companies	**216**	2			3	(7)	**214**
Pluxee restricted cash	**936**	57				(20)	**973**
Pluxee current financial assets [2]	**539**	286				(11)	**814**
Receivables from investees	**69**			6			**75**
Loans and deposits	**170**	(6)				(1)	**163**
FINANCIAL ASSETS EXCLUDING DERIVATIVE INSTRUMENTS	**1,930**	**339**		**6**	**3**	**(39)**	**2,239**

(1) Other comprehensive income

(2) On August 31, 2023, the Bellon group reclassified Cash and cash equivalents to Pluxee's restricted cash and financial assets in the amount of 155 million euros.

CARRYING AMOUNT (in million euros)	AUGUST 31, 2022	INCREASE/ DECREASE	IMPAIRMENT	CHANGE IN FAIR VALUE		CURRENCY TRANSLATION ADJUSTMENTS AND OTHER	AUGUST 31, 2023
				INCOME	OCI [1]		
Investments in non-consolidated companies [2]	**322**	1	—	—	16	(123)	**216**
Pluxee restricted cash	**960**	6	—	—	—	(30)	**936**
Pluxee current financial assets [3]	**664**	(114)				(11)	**539**
Receivables from investees	**79**	1	—	—	—	(11)	**69**
Loans and deposits	**137**	48	(5)	(3)		(7)	**170**
FINANCIAL ASSETS EXCLUDING DERIVATIVE INSTRUMENTS	**2,162**	**(58)**	**(5)**	**(3)**	**16**	**(182)**	**1,930**

(1) Other comprehensive income.

(2) Mainly due to The Grandir Group SAS for 11 million euros, Zeta Singapore for (59) million euros and Epassi for (74) million euros.

(3) On August 31, 2023, the Bellon group reclassified Cash and cash equivalents to Pluxee's restricted cash and financial assets in the amount of 155 million euros. On August 31, 2022, the Bellon group reclassified Cash and cash equivalents to Pluxee's restricted cash and financial assets in the amount of 367 million euros.

12.4 Borrowings

12.4.1 Changes in borrowings

Changes in borrowings during Fiscal 2024 and Fiscal 2023 are as follows:

(in million euros)	AUGUST 31, 2023	INCREASE	REPAYMENT	DISCOUNTING EFFECTS AND OTHER	CURRENCY TRANSLATION ADJUSTMENT	CHANGES IN CONSOLIDATION SCOPE	AUGUST 31, 2024
Bond issues	**5,501**	1,187	(872)	11	(17)		**5,810**
Private placements and bank borrowings [1]	**157**	2,326	(1,957)				**526**
Other borrowings	**87**	(1)	(76)	4	(1)	(4)	**9**
TOTAL BORROWINGS EXCLUDING DERIVATIVE INSTRUMENTS	**5,745**	**3,512**	**(2,905)**	**15**	**(18)**	**(4)**	**6,345**
Net fair value of derivative instruments [2]	**36**	20	(8)	(10)	(9)		**29**
TOTAL BORROWINGS	**5,781**	**3,532**	**(2,913)**	**5**	**(27)**	**(4)**	**6,374**

(1) Commercial papers were issued during the fiscal year and repaid in full as of August 31, 2024.
(2) Including 31 million euros of derivative financial instruments as of August 31, 2024 (41 million euros as of August 31, 2023).

(in million euros)	AUGUST 31, 2022	INCREASE	REPAYMENT	DISCOUNTING EFFECTS AND OTHER	CURRENCY TRANSLATION ADJUSTMENT	CHANGES IN CONSOLIDATION SCOPE	AUGUST 31, 2023
Bond issues	**5,600**	70	(65)	(8)	(96)	—	**5,501**
Private placements and bank borrowings	**248**	579	(670)	(1)	—	—	**157**
Other borrowings	**108**	—	(19)	(15)	(9)	23	**87**
TOTAL BORROWINGS EXCLUDING DERIVATIVE INSTRUMENTS	**5,956**	**649**	**(755)**	**(23)**	**(105)**	**23**	**5,745**
Net fair value of derivative instruments [1]	**33**	7	(2)	7	(9)	—	**33**
TOTAL BORROWINGS	**5,989**	**656**	**(757)**	**(16)**	**(114)**	**23**	**5,781**

(1) Including 41 million euros of derivative financial instruments as of August 31, 2023 (35 million euros as of August 31, 2022).

12.4.1.1 Bond issues

(in million euros)	Principal (in local currency)	Currency	Principal (in euros)	Rate type	Rate	Issuance date	Maturity	Accrued interest (in euros)	Unamortised costs	Total (in euros)
Sodexo S.A.	500	EUR	500	Fixed	2.500%	24/06/2014	24/06/2026	2		**502**
Sodexo S.A.	600	EUR	600	Fixed	0.750%	14/10/2016	14/04/2027	2	(3)	**599**
Sodexo S.A.	200	EUR	200	Fixed	0.750%	01/08/2017	14/04/2027		(2)	**198**
Sodexo S.A.	250	GBP	297	Fixed	1.750%	26/06/2019	26/06/2028	1	(1)	**297**
Sodexo S.A.	700	EUR	700	Fixed	0.750%	27/04/2020	27/04/2025	2		**702**
Sodexo S.A.	800	EUR	800	Fixed	1.000%	27/04/2020	27/04/2029	3	(6)	**797**
Sodexo S.A.	500	EUR	500	Fixed	1.000%	17/07/2020	17/07/2028	1	(2)	**499**
Sodexo Inc.[1][2]	500	USD	451	Fixed	1.634%	16/04/2021	16/04/2026	3		**454**
Sodexo Inc.	714	USD	644	Fixed	2.718%	16/04/2021	16/04/2031	7		**651**
Pluxee N.V.	550	EUR	550	Fixed	3.500%	04/03/2024	04/09/2028	9	(4)	**555**
Pluxee N.V.	550	EUR	550	Fixed	3.750%	04/03/2024	04/09/2032	10	(4)	**556**
			5,792							**5,810**

(1) Of which 125 million euros are covered by a swap indexed to LIBOR and 250 million US dollars are covered by an interest rate swap indexed to SOFR rates. The interest rate applicable to these swaps was 6.69% as of August 31, 2024.
(2) The principal corresponds to the revalued value of the bond and the associated swap as of August 31, 2024. The historical value of the bond is 750 million US dollars.

The coupons of the bonds issued by Sodexo S.A. and Pluxee N.V. are payable annually on their anniversary date. In addition, the coupon on the bonds issued by Sodexo, Inc. is payable twice a year on April 16 and October 16.

The increase in the amount of the Group's bonds during Fiscal 2024 by 1.1 billion euros is due to:

- Pluxee's issuance of two bonds on March 4, 2024 totalling 1.1 billion euros (550 million euros maturing on September 4, 2028 and bearing interest at an annual rate of 3.500% and 550 million euros maturing on September 4, 2032 and bearing interest at an annual rate of 3.750%) in order to refinance the bridge loan set up in October 2023 as part of the spin-off.

The reduction in the principal of the Group's bonds during Fiscal 2024 by 800 million euros is due to the repayments made by Sodexo S.A.:

- early repayment of the 300-million-euro bond issued on May 22, 2018 (maturing in May 2025 and bearing interest at an annual rate of 1.125%) on November 10, 2023; and
- the maturity of the 500-million-euro bond (redeemable at par on January 17, 2024 and bearing interest at an annual rate of 0.5%).

As a reminder, in July 2023, Sodexo launched a consent solicitation process for its 4.4 billion euros of outstanding euro and sterling bonds, in order to obtain approval to spin off Pluxee (formerly Benefits & Rewards Services). The proposal was approved for 7 of the 8-bond series. The consent solicitation in respect of the 300 million euros 1.125% Notes due May 22, 2025 (the 'May 2025 Notes') was terminated and, on October 25, 2023, the Board of Directors decided to repay the May 2025 Notes and to publish the early redemption notice on October 26, 2023. Sodexo thus repaid the total principal amount of the May 2025 bonds outstanding on November 10, 2023.

None of the bond issues include any financial covenant.

12.4.1.2 Private placements and bank borrowings

Sodexo multi-currency confirmed credit facility of July 2011

On July 18, 2011, Sodexo S.A. signed a multi-currency credit facility for a maximum of 600 million euros plus 800 million US dollars, with an initial maturity date of July 18, 2016. This credit line has been amended on a number of occasions, most recently in July 2024 (*see* note 1.3), with a new maturity date of July 30, 2029, with two options to extend the maturity by one year each July 30, 2031. The overall limit of the line is now 1,750 million euros, which can be drawn in euros, US dollars and pound sterling. As part of the 2024 amendment, the three existing bilateral lines were cancelled and merged with the credit line. The latest amendment also includes an updated sustainability clause that links the cost of the credit line to Sodexo's ability to meet its public commitment to reduce its food waste by 50% by 2025. This clause remains in the current credit line until 2025 and there is a rendezvous clause in the most recent amendment that ensures Sodexo will update its commitments after 2025 and continue to link its public ESG commitments to the credit facility. Amounts drawn on this facility carry floating interest indexed to EURIBOR, SOFR and SONIA rates. This line of credit does not include a financial covenant.

As of August 31, 2024, nor as of August 31, 2023, no drawdowns are outstanding on this line of credit.

Financing set up by Pluxee as part of the spin-off

In preparation for the spin-off, Pluxee N.V. set up with a syndicate of international banks a 1.5-billion-euro bridge loan with a maturity of 12 months and a confirmed credit line of 650 million euros with a maturity of 5 years in October 2023. The bridge loan was drawn down in full in the first half of 2024 to enable the repayment of the internal debt with Sodexo. It was repaid on March 4, 2024 with the bonds issuance. The confirmed credit line, which had an initial maturity date of October 2028, has been extended by one year to October 2029 and can be further extended by one year at the discretion of Pluxee. Drawdowns can be made in euros and dollars.

As of August 31, 2024, there are no drawdowns in progress on this line of credit.

Bridge loan and forward sale of shares with share price hedging by Bellon S.A.

On November 2, 2022, Bellon S.A. signed an ELS (Equity Linked Swap) with Cacib, BNP and Natixis (forward sale of Sodexo shares coupled with a swap exchanging changes in interest rates for changes in Sodexo share price) for an amount of 300 million euros, 102 million euros of which had been borrowed as of August 31, 2023. This debt bore interest at a rate indexed to Euribor +1.85%.

In the context of the spin-off operation and its impact on the shares pledged by Bellon S.A., Bellon S.A. amended this ELS on January 31, 2024 with the aforementioned banks. On February 2, 2024, Bellon S.A. repaid the 102 million euros outstanding as of August 31, 2023.

On July 23, 2024, Sodexo and Bellon S.A. signed a purchase agreement whereby Bellon S.A. bought from Sodexo the latter's stake in Sofinsod (*see* note 1.2). On the same day, Bellon S.A. signed a bridge loan of 500 million euros, maturing on January 23, 2025, with an option for a six-month extension, and a new ELS to replace the one in November 2022, maturing on July 23, 2029 with two tranches, one of 420 million euros one-time drawable, and the other of 200 million euros revolving.

On August 22, 2024, Bellon S.A. drew down the entire bridge loan (bearing interest at the Euribor rate for the period + 0.40%) and the first tranche of the ELS (bearing interest at the 3-month Euribor rate + 1.60%) in order to proceed with the payment for the acquisition of Sofinsod. The receipt of the exceptional interim dividend paid by Sodexo SA on August 29, 2024 enabled Bellon S.A. to repay 394 million euros of the bridge loan on August 30, 2024.

As of August 31, 2024, the outstanding amount in the bridge loan stood at 106 million euros and in the first tranche of the ELS at 420 million euros. The second tranche of the ELS has not been drawn.

Commercial papers of Sodexo and Bellon S.A.

As of August 31, 2024, there is no outstanding commercial paper issued by Sodexo S.A., Sodexo Finance DAC or Bellon S.A.

Changes

The increase in the amount of private placements and bank borrowings in Fiscal 2024, amounting to 2.3 billion euros, is mainly due to:

- The drawdown of the Pluxee bridge loan of 1.1 billion euros to refinance internal debt
- The drawdowns of the 500 million euros bridge loan and the first tranche of 420 million euros of Bellon S.A.'s ELS.
- The issuance of commercial paper by Sodexo

The decrease in the amount of private placements and bank borrowings in Fiscal 2024 by 2 billion euros is explained by:

- The repayment of the Pluxee bridge loan drawdown of 1.1 billion euros thanks to its bond issuance
- Bellon S.A.'s repayment of the 102-million-euro ELS put in place in November 2022 thanks to the dividend received from Sodexo in December 2023, as well as part of its bridge loan in the amount of 394 million euros following the payment of the exceptional interim dividend from Sodexo
- Sodexo's repayment of its commercial paper

12.4.1.3 Financing rate

In order to comply with the Group's financing policy, most of the debt is fixed rate and long-term.

As of August 31, 2024, 88% of the Group's consolidated debt is fixed rate and the average financing rate on that date is 2.4%.

As of August 31, 2023, 95% of the Group's consolidated debt was fixed rate and the average financing rate on that date was 1.7%.

The bond issues and bank borrowings described above include the usual early repayment clauses. These early repayment clauses include cross-default or change of control clauses that apply to all borrowings.

12.4.2 Breakdown of borrowings by currency

(in million euros)	AUGUST 31, 2024		AUGUST 31, 2023	
	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Bond issues (1)				
US Dollar	10	1,095	10	1,107
Euro	726	3,682	507	3,586
Pound sterling	1	296	1	290
TOTAL	**737**	**5,073**	**518**	**4,983**
Private placements and borrowings (2)				
Euro	107	420	56	101
TOTAL	**107**	**420**	**56**	**101**
Other borrowings				
Euro	2	1	11	30
Pound sterling		1	6	1
Other currencies	4		18	21
TOTAL	**6**	**2**	**35**	**52**
BORROWINGS EXCLUDING DERIVATIVE INSTRUMENTS	**850**	**5,495**	**609**	**5,136**
Net fair value of derivative instruments (3)	3	26	4	37
BORROWINGS	**853**	**5,521**	**614**	**5,173**

(1) Including 3,594 million euros bonds issued by Sodexo S.A., 1,105 million euros bonds issued by Sodexo, Inc., and 1,111 million euros bonds issued by Pluxee N.V. as of August 31, 2024.
(2) Including 106 million euros bridge loan and 420 million euros ELS from Bellon S.A. as of August 31, 2024.
(3) Described in note 12.5.

12.4.3 Maturity of borrowings

Borrowings by maturity excluding derivative instruments as of August 31, 2024

(in million euros)	Total	Less than a year	Between 1 to 3 years	Between 3 to 5 years	Over 5 years
Carrying amounts as of August 31, 2024	**6,345**	850	1,744	2,559	1,192
Undiscounted contractual maturities as of August 31, 2024	**5,608**	916	1,892	2,118	682
Carrying amounts as of August 31, 2023	**5,744**	609	1,992	1,698	1,446
Undiscounted contractual maturities as of August 31, 2023	**5,184**	698	2,147	1,802	1,537

For borrowings expressed in a foreign currency, the amounts are translated at the fiscal year-end closing rate.

Maturities include interest accrued as of the period end. The renewal rights of credit facilities are taken into account to determine the maturities.

Undiscounted contractual maturities include the payment of future interest not yet due.

12.5 Derivative financial instruments

The fair value of financial derivatives is as follows:

(in million euros)	IFRS CLASSIFICATION	AUGUST 31, 2024	AUGUST 31, 2023
Currency derivative instruments		**1**	**4**
Assets	Trading	2	5
Liabilities	Trading	(1)	(1)
Interest derivative instruments *		**(30)**	**(40)**
Assets	Fair value hedge		—
Liabilities	Fair value hedge	(30)	(40)
NET DERIVATIVE FINANCIAL INSTRUMENTS		**(29)**	**(36)**

* Correspond to the floating-rate swaps on fixed-rate bonds issued by Sodexo, Inc. described in note 12.4.1.

The face value and fair value of currency derivative instruments and cross-currency swaps are as follows by maturity:

	AUGUST 31, 2024				AUGUST 31, 2023			
(in million euros)	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS	TOTAL	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS	TOTAL
Currency instruments								
Currency lender positions	**1**	**73**	**—**	**74**	**—**	**5**	**55**	**60**
Pound sterling/Euro	1	60	—	61	—	—	—	—
Hong Kong Dollar/Euro	—	13	—	13	—	—	—	—
Other	—	—	—	—	—	5	55	60
Currency borrower positions	**(16)**	**(26)**	**—**	**(42)**	**(9)**	**(48)**	**(3)**	**(60)**
Australian Dollar/Singapore Dollar	(13)	—	—	(13)	—	—	—	—
Australian Dollar/Euro	—	(13)	—	(13)	—	—	—	—
Hong Kong Dollar/Euro	(2)	(4)	—	(6)	—	—	—	—
Other	(1)	(9)	—	(10)	(9)	(48)	(3)	(60)
TOTAL FACE VALUE	**(15)**	**47**	**—**	**32**	**(9)**	**(43)**	**52**	**—**
Interests instruments								
Floating-rate swaps	(3)	—	(24)	(27)	(3)	—	(37)	(40)
TOTAL FACE VALUE	**(3)**	**—**	**(24)**	**(27)**	**(3)**	**—**	**(37)**	**(40)**
Derivatives fair value	**(2)**	**(3)**	**(24)**	**(29)**	**(3)**	**4**	**(37)**	**(36)**

The face value represents the nominal amount of currency hedging instruments including amounts related to forward agreements. Foreign currency amounts are translated at fiscal year-end closing rate.

12.6 Financial instruments per category

The table below details the categories of financial instruments, their carrying amount and their fair value by item in the consolidated statement of financial position.

The levels used for the classification of financial instruments (hierarchy defined in IFRS 13 'Fair Value Measurement') are defined in note 2.3.

			AUGUST 31, 2024		FAIR VALUE LEVEL			
FINANCIAL ASSETS (in million euros)	**CATEGORY**	**NOTE**	**CARRYING AMOUNT**	**FAIR VALUE**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**	**TOTAL**
Marketable securities	Cash equivalents	12.2	1,186	1,186	268	918		1,186
Financial Assets Pluxee	Financial assets at amortised cost	12.3	814	814				
Restricted cash	Financial assets at amortised cost	12.3	480	480				
	Financial assets at fair value through profit or loss	12.3	493	493	493			493
Trade receivables and other receivables	Financial assets at amortised cost	4.3	4,700	4,700				
Other financial assets	Financial assets at fair value through other comprehensive income	12.3	214	214			214	214
	Financial assets at amortised cost	12.3	183	183				
	Financial assets at fair value through profit or loss	12.3	55	55			55	55
Derivative financial instrument assets	Derivative financial instruments	12.5	2	2		2		2

			AUGUST 31, 2024		FAIR VALUE LEVEL			
FINANCIAL LIABILITIES (in million euros)	**INSTRUMENT CATEGORY**	**NOTE**	**CARRYING VALUE**	**FAIR VALUE**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**	**TOTAL**
Bond issues [1]	Financial liabilities at amortised cost	12.4	5,810	5,504				
Private placements and bank borrowings	Financial liabilities at amortised cost	12.4	527	527				
Other borrowings	Financial liabilities at fair value (through equity) [2]	12.4	2	2			2	2
	Financial liabilities at amortised cost	12.4	6	6				
Trade payables and other payables	Financial liabilities at amortised cost	4.3	5,138	5,138				
Derivative financial instrument liabilities	Derivative financial instruments	12.5	31	31		31		31
Bank overdrafts	Financial liabilities at amortised cost	12.2	9	9				
Value in circulation and related payables	Financial liabilities at amortised cost	4.5	3,728	3,728				

(1) The market value is determined on the basis of the listed bond prices on August 31, 2024.
(2) Commitments to buy out non-controlling interests.

			AUGUST 31, 2023		FAIR VALUE LEVEL			
FINANCIAL ASSETS (in million euros)	**INSTRUMENT CATEGORY**	**NOTE**	**CARRYING VALUE**	**FAIR VALUE**	**LEVEL 1**	**LEVEL 2**	**LEVEL 3**	**TOTAL**
Marketable securities	Cash equivalents	12.2	783	783	16	767	—	783
Financial Assets Pluxee	Financial assets at amortised cost	12.3	855	855	—	—	—	—
Restricted cash	Financial assets at amortised cost	12.3	465	465	465	—	—	465
Customers and other receivables	Financial assets at fair value through profit or loss	4.3	4,678	4,678	—	—	—	—
Trade receivables and other receivables	Financial assets at amortised cost	12.3	216	216	—	—	216	216
	Financial assets at fair value	12.3	172	172	—	—	—	—
	through other comprehensive income	12.3	62	62	—		62	62
Other financial assets	Financial assets at amortised cost	12.5	5	5	—	5	—	5

FINANCIAL LIABILITIES (in million euros)	INSTRUMENT CATEGORY	NOTE	AUGUST 31, 2023 CARRYING VALUE	AUGUST 31, 2023 FAIR VALUE	FAIR VALUE LEVEL LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Bond issues (1)	Financial liabilities at amortised cost	12.4	5,501	5,018	—	—	—	—
Private placements and bank borrowings	Financial liabilities at amortised cost	12.4	157	157				
Other borrowings	Financial liabilities at fair value (through equity) (2)	12.4	65	65	65	—	—	65
	Financial liabilities at amortised cost	12.4	22	22	—	—	—	—
Trade payables and other payables	Financial liabilities at amortised cost	4.3	5,068	5,068	—	—	—	—
Derivative financial instrument liabilities	Derivative financial instruments	12.5	41	41	—	41	—	41

(1) The market value is determined on the basis of the bond price on 31 August 2023.
(2) Commitments to buy out non-controlling interests.

There was no transfer between the different levels between the Fiscal 2023 and Fiscal 2024.

NOTE 13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The Group policies are designed to prevent any speculative position. They mainly concern exposure to interest rate, foreign exchange rate, liquidity and counterparty risks. They are adapted to the constraints of Sodexo and Pluxee.

13.1 Interest rate risk exposure

The Group's preference is to keep the bulk of its debt at a fixed rate or converted through hedging instruments. With regards to Pluxee, which has a significant amount of its cash at variable rates, Pluxee may decide in the future to swap its gross financial debt to floating to create a natural hedge.

As of August 31, 2024, with 88% of liabilities at fixed rates, an increase or decrease in interest rates would not have a significant impact on profit before tax or on shareholders' equity.

13.2 Exposure to foreign exchange risks

As the Group is present in 51 countries, all items in the financial statements are impacted by foreign currency translation effects, particularly fluctuations in the US dollar. These exchange rate fluctuations do not entail any operational risks, as for each subsidiary, the revenues and expenses mainly realised in the same currency.

The Group uses derivative instruments to manage the risks to which it is exposed due to the volatility of exchange rates.

SENSITIVITY TO ECHANGE RATES

IMPACT OF A 10% APPRECIATION OF THE EXCHANGE RATE OF THE FOLLOWING CURRENCIES AGAINST THE EURO (in million euros)	AUGUST 31, 2024 IMPACT ON REVENUES	AUGUST 31, 2024 IMPACT ON SHAREHOLDERS' EQUITY	AUGUST 31, 2023 IMPACT ON REVENUES	AUGUST 31, 2023 IMPACT ON SHAREHOLDERS' EQUITY
US dollar (USD)	1,060	218	1,000	219
Brazilian real (BRL)	132	87	133	79
Pound sterling (GBP)	200	65	189	66

13.3 Exposure to liquidity risk

The characteristics of the Group's bond issues and bank borrowings as of August 31, 2024 are described in detail in note 12.4.

As of August 31, 2024, 91% of the Group's consolidated debt was raised on capital markets (compared to 95% as of August 31, 2023). The repayment terms of the main borrowings are spread between Fiscal 2025 and Fiscal 2032 (see note 12.4.3). The maturity of lease liabilities is presented in note 7.1.

13.4 Exposure to counterparty risk

Exposure to counterparty credit risk is limited to the carrying amount of financial assets. The Group's policy is to manage and distribute counterparty risk.

Counterparty risk is mainly bank-related. The Group limits its exposure to counterparty risk by diversifying its investments and limiting the concentration of risk in the hands of each counterparty. Transactions are carried out with highly creditworthy counterparties taking into consideration country risk. Regular reporting is in place to monitor the distribution between counterparties and their quality.

In order to further reduce this risk, Sodexo and Pluxee have set up cash pooling mechanisms between their main subsidiaries, with the right to offset, therefore reducing the liquidity placed with third parties by concentrating it in their financial holdings.

The maximum counterparty is approximately 16% of the Group's operating cash with respect to a banking group with an A-2 rating (23% as of August 31, 2023).

With regards to derivative instruments, each transaction with a bank must be based on a framework agreement such as the Association Française des Banques (AFB) or the International Swaps and Derivatives Association (ISDA) agreement.

The counterparty risk associated with trade receivables is not significant. Given the geographical and sectoral spread of the Group and its subsidiaries, there is no concentration of risk in terms of individual receivables that are past due and not impaired. In view of the deterioration of the economic and commercial environment after the Covid-19 health crisis, the Group has strengthened its credit risk monitoring tools.

Thus, the Group did not record any significant change in the impacts related to proven financial failures of its clients during the fiscal year. The net carrying amount of overdue receivables is 645 million euros, including 65 million euros over 6 months (i.e. 1.5% of the total net amount of trade receivables as of August 31, 2024, compared with 1% as of August 31, 2023).

NOTE 14. OTHER INFORMATION

14.1 Commitments and contingencies

14.1.1 Sureties

The commitments relating to collateral (pledge, equipment lien or mortgage on a building) granted by Bellon S.A. and its subsidiaries in the course of their operating activities during Fiscal 2024 are not significant.

14.1.2 Other commitments given

ACCOUNTING PRINCIPLES

The performance bonds given to Sodexo's clients relate to around fifteen sub-contracting contracts, where Sodexo considers that it may be exposed to indemnity payments if it is unable to fulfill the service obligation. These bonds are subject to regular review by the management of the business unit and a provision is recorded as soon as payment under a bond becomes probable. For all other contracts with a performance bond, Sodexo considers that it can deploy the additional resources needed to avoid paying compensation under the bond.

Pluxee's performance bonds relate to bank guarantees regarding funds already received for cards, digital solutions or paper vouchers and not yet reimbursed to affiliated merchants.

Sodexo also has performance commitments to its clients but considers that these are more in the nature of performance guarantees than an insurance contract intended to compensate the client in the event of non-performance of the service (compensation being generally reserved for cases where Sodexo would not have been able to implement alternative or additional means to satisfy the client).

	AUGUST 31, 2024				AUGUST 31, 2023
(in million euros)	**Less than a year**	**Between 1 to 5 years**	**Over 5 years**	**Total**	**Total**
Financial guarantees to third parties [1]		8	119	127	80
Site management commitments					—
Performance bonds given to Sodexo clients	143	41	142	326	168
Other commitments [2]	63	67	48	178	104
TOTAL OTHER COMMITMENTS GIVEN	**206**	**116**	**309**	**631**	**352**

[1] Including Imagor's electronic money bank guarantee

[2] Including the guarantee issued by Sodexo S.A. in December 2021 in favour of the Trustee of the United Kingdom pension plan to cover Sodexo UK's obligations, up to a limit of 40 million pounds as of August 31, 2024, for a period of 10 years, i.e. until December 2031.

14.2 Scope of consolidation

As of August 31, 2024, Bellon S.A. holds:

- 42.8% of the capital and 58% of the exercisable voting rights of Sodexo S.A.
- 42.8% of the capital and 60% of the exercisable voting rights of Pluxee N.V.

For Sodexo, the main companies consolidated as of August 31, 2024, and presented in the table below together represent over 80% of consolidated revenues, operating profit, profit for the period attributable to equity holders of the parent, and shareholders' equity. The other entities individually represent less than 0.6% of each of these items. The first column shows the percentage interest held by Sodexo, and the second column the percentage of voting rights held by Sodexo. Percentage interests and percentage of voting rights are only shown if less than 97%.
Where applicable, the letter N indicates companies that entered the scope of consolidation during the fiscal year.

	INTÉRÊTS %	CONTRÔLE %	ACTIVITÉ PRINCIPALE	PAYS
France				
Sodexo S.A.			*Holding*	France
Sodexo Entreprises			Sur Site	France
Sodexo Santé Médico Social			Sur Site	France
Société Française de Restauration et Services			Sur Site	France
Sogeres			Sur Site	France
Sodexo Sports et Loisirs			Sur Site	France
Société d'Exploitation des Vedettes Paris Tour Eiffel (SEVPTE)			Sur Site	France
Sodexo Energie et Maintenance			Sur Site	France
LENOTRE S.A.			Sur Site	France
Amérique				
Sodexo do Brasil Comercial SA			Sur Site	Brésil
Sodexo S.A.S.			Sur Site	Colombie
Sodexo Canada Ltd			Sur Site	Canada
Sodexo Chile SpA			Sur Site	Chili
Sodexo Mexico SA de CV			Sur Site	Mexique
Sodexo, Inc.			Sur Site	États-Unis
Centerplate Ultimate Holdings, Corp.			Sur Site	États-Unis
Sodexo Global Services, LLC			*Holding*	États-Unis
Sodexo Peru SAC			Sur Site	Pérou
Europe				
Sodexo Services GmbH			Sur Site	Allemagne
Sodexo Beteiligungs BV & Co. KG			Sur Site	Allemagne
GA-tec Gebäude und Anlagentechnik GmbH			Sur Site	Allemagne
Sodexo Services Solutions Austria GmbH			Sur Site	Autriche
Sodexo Belgium SA			Sur Site	Belgique
Sodexo Iberia SA			Sur Site	Espagne
Novae Restauration SA			Sur Site	Suisse
Sodexo Italia SpA			Sur Site	Italie
Sodexo Nederland BV			Sur Site	Pays-Bas
Sodexo Ltd			Sur Site	Royaume-Uni
Sodexo Global Services UK Ltd			*Holding*	Royaume-Uni
Sodexo Luxembourg SA			Sur Site	Luxembourg
Sodexo Finances USD Ltd			Sur Site	Royaume-Uni
Sodexo Holdings Ltd			Sur Site	Royaume-Uni
Sodexo Finance Designated Activity Company			*Holding*	Irlande
Sodexo Ireland Ltd			Sur Site	Irlande
Sodexo Remote Sites Scotland Ltd			Sur Site	Royaume-Uni
Sodexo AB			Sur Site	Suède
Asie, Océanie, Moyen-Orient, Afrique				
Sodexo Remote Sites Australia Pty Ltd			Sur Site	Australie
Sodexo India Services Private LTD			Sur Site	Inde
Sodexo (China) Enterprise Management Sces Co., Ltd			Sur Site	Chine
Sodexo Management Company Ltd Shanghaï			Sur Site	Chine
Sodexo Singapore PTE Ltd			Sur Site	Singapour
Kelvin Catering Services (Emirates) LLC	49 %	49 %	Sur Site	Émirats Arabes Unis

For Pluxee, the main companies consolidated as of August 31, 2024 and presented in the table below together represent 92% of consolidated revenues, operating profit, profit for the year attributable to equity holders of the parent, and shareholders' equity. The other entities individually represent less than 3% of each of these items. The first column shows the percentage interest held by Pluxee, and the second column the percentage of voting rights held by Pluxee.

	% interests	% voting rights	Country
Pluxee N.V. (formerly Sodexo Asset Management 2 B.V.)	100 %	100 %	France
Pluxee International SAS (formerly Sodexo Pass International SAS)	100 %	100 %	France
Continental Europe			
Pluxee France SA (formerly Sodexo Pass France SA)	100 %	100 %	France
Glady SAS	98.51 %	98.51 %	France
Pluxee Austria GmbH (formerly Sodexo Benefits & Rewards Services Austria GmbH)	100 %	100 %	Austria
Imagor SA	100 %	100 %	Belgium
Pluxee Belgium SA (formerly Sodexo Pass Belgium SA)	100 %	100 %	Belgium
Pluxee Česká Republika AS (formerly Sodexo Pass Česka Republika AS)	100 %	100 %	Czech Republic
Pluxee Italia SRL (formerly Sodexo Benefits & Rewards Services Italia SRL)	100 %	100 %	Italy
Pluxee Deutschland GmbH (formerly Sodexo Pass GmbH)	100 %	100 %	Germany
Pluxee España SAU (formerly Sodexo Soluciones de Motivacion España SAU)	100 %	100 %	Spain
Pluxee Polska Sp. zoo (formerly Sodexo Benefits & Rewards Services Polska Sp. zoo)	100 %	100 %	Poland
Pluxee Romania SRL (formerly Sodexo Pass Romania SRL)	100 %	100 %	Romania
Latin America			
Pluxee Beneficios Brasil SA (formerly Sodexo Pass do Brasil Serviços E Comércio SA)	80 %	80 %	Brazil
Pluxee Frota e Combustivel Brasil LTDA (formerly Sodexo Pass do Brasil Gestao de Despesas e Frota LTDA)	100 %	100 %	Brazil
Pluxee Mexico SA de CV (formerly Sodexo Motivation Solutions Mexico SA de CV)	100 %	100 %	Mexico
Pluxee Chile (formerly Sodexo Soluciones de Motivation Chile SA)	100 %	100 %	Chile
Pluxee Panama S.A. (formerly Sistemas de Incentivos Empresariales)	100 %	100 %	Panama
Rest of the world			
Pluxee UK LTD (formerly Sodexo Motivation Solutions UK LTD)	100 %	100 %	United Kingdom
Pluxee India Private Limited (formerly Sodexo SVC India Private LTD)	100 %	100 %	India
Pluxee Çalışan Deneyimi Danışmanlık ve Pazarlama Hizmetleri AS (formerly Sodexo Avantaj Ve Ödullendirme Hizmetleri AS)	100 %	100 %	Türkiye
Pluxee Israël LTD (formerly Sodexo Pass Israël LTD)	100 %	100 %	Israel
Inspirus LLC	100 %	100 %	United States

14.4 Auditor's fees

	AUGUST 31, 2024			
(in millions of euros excluding VAT)	**Ernst & Young**	**KPMG**	**PWC**	**Total**
Audit services	3	5	2	10
Other services	2	1	0	3
TOTAL FEES	**5**	**6**	**2**	**13**

14.4 Main exchange rates

			Closing rates on 31/08/2024
ISO CODES	**Country**	**Currency**	**1 EURO =**
USD	United States	US Dollar	1.109
GBP	United Kingdom	Pound sterling	0.841
BRL	Brazil	Brazilian Real	6.216
AUD	Australia	Australian Dollar	1.630
CAD	Canada	Canadian Dollar	1.494
CNY	China	Renminbi Yuan	7.859
SEK	Sweden	Swedish Krona	11.336
INR	India	Indian Rupee (1000 units)	0.093
MXN	Mexico	Mexican Peso	21.758
TRY	Turkey	Turkish Pound	37.765
RON	Romania	Romanian Leu	4.977