Groupe

Pierre & Vacances CenterParcs

UNIVERSAL REGISTRATION DOCUMENT 2019/2020

Including the Annual Financial Report

Summary

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Pierre & Vacances CenterParcs

UNIVERSAL REGISTRATION DOCUMENT

Including the Annual Financial Report

2019/2020

The Universal Registration Document
from the **www.groupepvcp.com**
website can be consulted and downloaded

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This Universal Registration Document has been filed on 22 December 2020 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

** French market regulator.*

PROFILE AND KEY FIGURES at 30 September 2020

A leading European operator of holiday residences

12,600 employees serving almost 8 million customers

2 COMPLEMENTARY BUSINESS LINES

- Design and construction /renovation of holiday residences and villages
- Sale of built units to individual (57%) or institutional investors (43%)

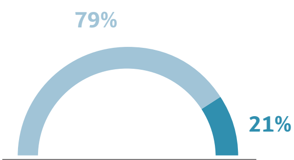
- Operation of residences and villages under a lease or management agreement
- Sale of holidays (Group products or third party accommodation) to French (44%) or international (56%) clients

6 TOURISM BRANDS

Pierre & Vacances, Center Parcs, Sunparks, Les Villages Nature Paris, Adagio Aparthotel, maeva.com

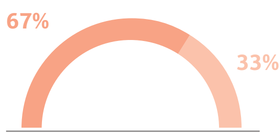
€1,298 million of revenue in 2019 / 2020

Breakdown of Group revenue by business lines



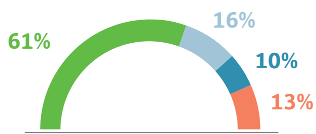
- Tourism
- Property development

Breakdown of Tourism business revenue by activity



- Rental
- Related businesses (events, services, shops, catering, marketing businesses...)

Breakdown of rental revenue by destination



- Countryside (Center Parcs and Villages Nature Paris)
- Seaside (Pierre & Vacances)
- Mountain (Pierre & Vacances)
- City (Adagio)

OVER 50 YEARS OF HISTORY

1967

Gérard Brémond launches Avoriaz, a new resort concept, with no cars and an architecture which fits in with the surroundings. He offered apartments for sale off-plan on the condition that the buyers rent their property when not in use, taking over the management and upkeep work.

1970-1997

The Group grows by acquiring companies, taking over sites and completing major resort developments such as Cap Esterel, Port-Bourgenay, Port-Crouesty, Pont-Royal, etc.

1999

The Group is floated on the stock exchange, to obtain the funds required to expand in France and abroad.

2000s

Growth intensifies with the acquisition of Orion Vacances, GranDorado (2000), Maeva (2001), Center Parcs Europe (50% in 2001 then 100% in 2003), Résidences MGM (2002), Sunparks (2007), Les Senioriales (2007) and Citéa (2011). In 2007, PVCP and Accor come together to develop a network of city residences under the brand name Adagio City Aparthotel.

2014

PVCP develops a new distribution of online holiday rentals and rental management business through its platform maeva.com

2015

PVCP signs strategic partnership agreements for the development of its activities internationally in Spain and in China.

2016

PVCP acquires "La France du Nord au Sud", a renowned online holiday rentals operator in France and Spain.

2017

A unique tourist destination at the heart of a unique green space opens: Villages Nature Paris, a joint-venture with the Eurodisney Group.

2018

Opening of the 6th German Center Parcs, Park Allgaü.

2019

Yann Caillère becomes CEO of the Group.

2020

Launch of Change Up strategic plan.

282 SITES* OPERATED IN EUROPE

45,800

apartments, houses and cottages, by the sea, in the mountains, in the cities and in the countryside, in France (59%) and internationally (41%)

38%

of Pierre & Vacances and Center Parcs sites under a lease agreement are eco-labelled or have an environmental certification

* *excluding the marketing business, multiple ownership and franchise.*

3 DIRECTORS

General Management Committee

CHAIRMAN
Gérard Brémond

CHIEF EXECUTIVE OFFICER
Yann Caillère

DEPUTY CHIEF EXECUTIVE OFFICER
Patricia Damerval

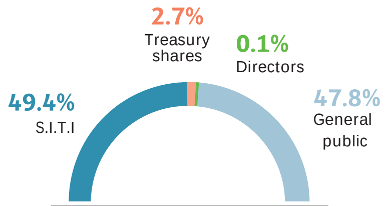
12 BOARD MEMBERS

2 NATIONALITIES

4 INDEPENDENT MEMBERS

5 WOMEN

SHARE CAPITAL DISTRIBUTION



S.I.T.I : Holding company held by Gérard Brémond
Public : 80% institutionals
20% individuals

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PRESENTATION OF THE GROUP 1

1.1 Presentation of the Group

Established in 1967 by its Chairman, Gérard Brémond, the Pierre & Vacances-Center Parcs Group **is the European market leader for holiday accommodation and holiday property investments.**

The Group has a holiday residence portfolio with 282 destinations worldwide, owned by third-party investors and operated under six brands: Pierre & Vacances, Center Parcs, Sunparks, Villages Nature® Paris, maeva.com and Adagio.

The Group provides accommodation to almost eight million customers each year, attracted by a diverse holiday rental offering with *à la carte* services and activities, in residences or villages, in the mountains, at the seaside, in the countryside or in cities, both in France and internationally.

1.1.1 Business model

1.1.1.1 The complementary nature of two businesses

The Group's holiday residence portfolio is made up of successive **external acquisitions** (acquisition of Maeva in 2001, takeover of Center Parcs Europe in 2003, acquisition of Sunparks and creation of Adagio in 2007, acquisition of Intrawest in 2009, etc.), lease contracts on existing residences (particularly in the case of Adagio), but also **new residences and villages built** by the Group's real estate services.

The main feature that sets the Pierre & Vacances-Center Parcs Group apart from other tourism operators is that it is **both a property developer and a tourism operator:**

- the Group's property subsidiaries design, build and/or renovate holiday residences in a capacity as project manager (Pierre & Vacances Développement), and market them off plan to individual buyers (Pierre & Vacances Conseil Immobilier) or institutional buyers;
- once delivered, these residences are managed by the Group's tourism subsidiaries via a 9- to 15-year lease signed with the owners of the properties (the predominant operating method), or via a management mandate. 78% of the marketing of holidays to tourist customers is carried out through direct distribution channels, including 46% via the Group's websites, and 22% through agencies and tour operators.

The complementary nature of the Property Development and Tourism businesses provides a dual advantage: these two businesses have separate cycles, which protect the Group from cyclical or industry crises. For customers, the integration of the two provides strong fundamentals such as quality sites and architecture, as well as sustainable and comfortable houses and apartments.

The Group property subsidiaries also support the qualitative development of the tourism offer.

Regular renovation work at the residences and villages is one of the main pillars ensuring that the brands remain appealing and maintaining them permanently in line with current market trends.

While the Group ensures regular maintenance work on the buildings it operates, renovation works are financed by:

- mostly individual owners for individual leases, at the end of the lease;
- the Group and/or by institutional investors, under the framework of multi-year renovation programmes for institutional leases;
- property renovation operations, consisting of the resale, on behalf of institutional owners, of Domaines Center Parcs in a future state of renovation to individual and/or institutional investors.

This strategy gives a second wind to the Domaines Center Parcs by ensuring the investments necessary for financing renovations while offering institutional owners some liquidity to their investment. It also makes it possible to generate real estate income (collection of real estate marketing and project management fees as a service provider) and to increase the average selling prices of holiday stays thanks to the new standing of the services offered.

Finally, the size of these operations enables the Group to highlight its expertise in countries where Center Parcs is often better known than the Group's other brands and where its tourism business stands out better than its property businesses. This reputation becomes a measure of confidence for institutional investors and strengthens the adherence of partners. It also ensures the maintenance of a high-quality property network that is becoming increasingly difficult to acquire in attractive tourism regions.

By 2024, €660 million will have been invested in the renovation of all Domaines Center Parcs, with €400 million remaining to be invested over the 2020-2024 period.

1.1.1.2 An asset-light model

Operation of real estate assets held by third-party investors

The Group does not aim to be or remain the owner of the assets it operates.

- tourist **accommodation units** built or renovated by the Group are sold off-plan (in VEFA – sale in future state of completion/VEFR – sale in future state of renovation) to third-party investors:
  - **individual investors** are the traditional owners of the Group.

    The sale of the properties to these individuals is managed by the property marketing subsidiary, Pierre & Vacances Conseil Immobilier, via a network of dedicated sales professionals, partners and private advisors (banking networks, asset managers and specialist entities).

    Although the Group historically targeted French investors, it has successfully applied its property sales model to individual investors in Europe, in markets with no tax incentives aimed at this type of personal investment. Thus, the 500 cottages of Center Parcs Bostalsee and more recently the Center Parcs cottages of Port Zeland, Vielsalm, Nordseekuste and Hochsauerland have been sold to German, Dutch, French and Belgian owners;
  - in addition to sales to individuals, the Group also targets **institutional investors** (mainly for Center Parcs programmes): groups of accommodation units are thus marketed *en bloc* to banking institutions or insurance companies. For example, 80% of the 800 cottages at Center Parcs Bois aux Daims are owned by the MACSF, MAIF, Amundi, Allianz and DTZ Asset Management groups on behalf of CNP Insurance, Groupama and La Française. In Germany, the cottages at Center Parcs Allgäu are owned by Batipart and La Française.

    In some cases, these assets go on to be resold to new investors: thus, of the 916 accommodation units at Villages Nature® Paris, 783 were initially sold as a block to Batipart (50%), Pierre & Vacances-Center Parcs (37.5%) and Euro Disney (12.5%), and then resold to individual and/or institutional investors.

At 30 September 2020, 57% of the apartments operated under lease agreements were owned by individuals (73% for Pierre & Vacances Tourisme Europe, with the vast majority of its holiday residence portfolio in France, and 31% for Center Parcs Europe), and 43% by institutional investors.

- Within the Domaines Center Parcs, the **central facilities,** made up of businesses, shops and water parks belong to institutional owners or semi-public companies (which financed their construction as far as new projects are concerned). The collective facilities of the Center Parcs du Bois aux Daims, or the Center Parcs project in Lot-et-Garonne, were financed by a public-private partnership with local public-sector players.
- As a general rule, in the Pierre & Vacances residences and villages, the Group still owns some of the **commercial premises** (restaurants, bars, conference rooms, etc.), general services and leisure facilities (aquatic centres, sporting facilities, kids' clubs, etc.).

Development of asset-light models

maeva.com

maeva.com was born in 2014 from the Group's desire to create the first French platform for selling holiday rentals online. Specialising in holiday rentals in campsites, residences, holiday villages but also in houses, villas and apartments for individuals, maeva.com offers a rich and complete range of 50,000 rentals in France by forging special partnerships with:

- more than 3,500 private owners who wish to rent out their second homes, managed in about a hundred destinations through ten of its own agencies (four of which are open all year round) and a network of professional partners;
- more than 1,700 tourism professionals: camp-sites, real-estate agents, tourism residences, holiday villages, etc.

Thanks to this comprehensive offering, every year, maeva.com generates traffic of more than 12 million views on its websites and assists almost 500,000 holidaymakers in finding their holiday rental.

To strengthen its links with its partner campsites, owners and real estate agencies, and to help them in their strategy to enhance the value of their products, maeva.com has built a unique platform of services and distribution:

- for private owners of second homes, maeva.com offers an "all-in-one" service (optimisation of rental income and complete management of the property), aimed at the Group's former leaseholders looking for an alternative, professional and efficient management solution, and at other owners initially attracted by the services of estate agencies or web players such as Abritel or Airbnb;
- for professional partners in the tourism industry, maeva.com deploys a range of professional solutions (revenue management, central purchasing, web acquisition, etc.) and launched an affiliation programme in 2018. To date, twelve affiliated campsites and eight rental management agencies in the mountains and the sea are rolling out the maeva.com brand experience in their holiday locations.

Through the ongoing development of these new services, which testify to the significant appeal and evolution of the maeva.com business model, the brand is pursuing its aim to position itself as the leading European distribution and services platform for the campsite and individual property rental market.

Marketing mandates for partner residences

In a bid to expand the Pierre & Vacances offer outside France, the Group has signed marketing agreements for some of the stock of independent partner sites that meet all the brand's quality and services standards.

In 2020, Pierre & Vacances marketed almost 227 residences or villas in France or outside France, representing an increase of 36 sites relative to 2019. This network of partners covers 24 high-quality destinations in 10 countries: France (Corsica and Reunion Island), Spain (including the Canaries and the Balearics), Italy (Sardinia, continental Italy), Croatia, Portugal (including Madeira), Greece (continental and the islands), Malta, Cyprus, Mauritius, the United Kingdom (England and Scotland). Nearly a third of these residences offer a very high standard in terms of setting and services, thus doubling the Pierre & Vacances premium offering (193 residences have a score of more than 4 out of 5 on Trip Advisor and 93 have won the TA 2020 Travellers' Choice award). Thanks to these sites, the Group also proposes new accommodation types such as villas with private swimming pools (in Mauritius, Crete, Ibiza, Portugal and Corsica).

Management mandates

In addition to lease management, the Group is expanding internationally through residence management mandates for the Pierre & Vacances, Center Parcs and Adagio brands.

- For Pierre & Vacances, several management mandate projects are under advanced negotiation, including a first contract signed in France for a site opening in 2022. In Spain, the Group manages nine residences under mandate.
- For Center Parcs, one Domaine is currently managed under mandate: Parc Sandur in the Netherlands; a second will open in Belgium in the spring of 2021 (Terhills Resort). Other projects are in the research or study phase in Germany and Scandinavia, and in the development phase in Denmark.
- For Adagio, 12 aparthotels are managed under mandates by the joint-venture (in addition to the 53 mandates Pierre & Vacances has entrusted to the joint venture).

Tourism operation of Pierre & Vacances and Sunparks sites that are due to be developed in China is also set to be organised through management mandates.

Franchise

So far franchise contracts are favoured by Adagio for its international development: 21 residences are operated under franchise or master franchise abroad (United Arab Emirates, Brazil, Russia, Germany, the Netherlands). In France, six aparthotels are operated under franchise.

Franchises are also being developed under the Pierre & Vacances brand. In 2020, five franchise agreements have been signed, including three on premium residences in Corsica, in the commune of Lecci-Porto Vecchio, open from the summer. Other contracts are under negotiation. At the same time, prospecting is continuing internationally, with a priority focus on known or nearby markets such as Italy, Portugal and Switzerland.

1.1.1.3 A unique tourism offering

Under its different brand names, the Group offers a wide range of destinations, accommodation and comfort levels. The Group provides *à la carte* services for holiday rentals, so that customers are free to manage their holiday budget and select their preferred activities.

167 sites – 18,483 apartments and houses

(383 sites – 24,517 units including the marketing/multiple ownership and franchise business)

Holiday residences in France, southern Europe and worldwide, in the most attractive seaside resorts, countryside and mountain locations.

Fully-equipped apartments or houses and included or *à la carte* services for holidays which combine comfort, freedom and nature.

25 sites – 16,572 cottages

In large holiday sites close to major European cities, spacious and comfortable cottages are arranged around a dome containing shops, restaurants and services as well as the Aqua Mundowater park, providing multiple relaxation and leisure opportunities.

1 site – 868 apartments and cottages

An original holiday destination where man meets nature, in a unique forest and lake-land setting, Villages Nature® Paris offers the chance to escape fully into five recreational universes and reconnect with nature, family and friends.

89 sites – 9,878 apartments

(111 sites – 12,528 apartments including franchise and master-franchise)

Fully-equipped, spacious apartments with kitchens and hotel services in the heart of European cities and all over the world, for medium to long stays, business or leisure.

50,000 marketed holiday rentals – 3,500 accommodation units under management

maeva.com is a web platform listing holiday rentals in France and Spain. It offers a wide range of person-to-person accommodation or accommodation within holiday residences and campsites.

maeva.com addresses both holiday customers and second-home owners with an exclusive service for managing and marketing their property.

A European presence focused on local tourism

One of the Group's distinguishing features is the diverse range of its European destinations, enabling most customers to travel to their holiday destination by car. The aim is to have sites close to large cities to facilitate access to short stays, but also to offer long stays for more traditional holidays.

At 30 September 2020, 59% of the apartments operated by the Group were located in France, 12% in the Netherlands, 10% in Spain, 9% in Germany and 7% in Belgium. The Group also operatesin other European countries (Switzerland, England, Italy, Austria, Morocco), via its Adagio residences.

A diversified customer base

Our customers are essentially families. However, the Group's wide range of offers (short-stays, flexible arrivals, development and expansion of on-site activities, packaged-offers, etc.) enables the Group to attract seniors as well as millennials, groups and couples without children. In Adagio Aparthotels®, the customer base comprises business men/women (55%) and holiday customers (45%).

Leading the way in direct distribution

The holiday residence portfolio is marketed through direct distribution (78%), of which 46% via the Group websites, offering a more affordable solution. In order to broaden the customer base and attract customers on shoulder season, the Group also uses indirect distribution (22%), through international agencies and tour operators active in all European countries.

1.1.2 Competitive environment

1.1.2.1 A reference player

With 282 sites and 45,801 apartments, the Pierre & Vacances-Center Parcs Group is the European holiday residence market leader.

In France, holiday residences and aparthotels generated revenue of €3.6 billion in 2019. The sector represents about 25% of the built commercial accommodation portfolio, the other components being hotels (48%), furnished units (16%) and holiday villages (9%).

On the French market, the Pierre Group & Vacances-Center Parcs occupies a leading position with 202 residences (27,058 apartments) and an occupancy rate of 75%, compared with an average of 63% for the entire holiday residence market in 2019.

It faces competition from multiple sources – traditional players (holiday residences – Odalys, Appart'City, Lagrange, Goelia Vacanceole, Belambra, Club Med, etc.– open-air accommodation, etc.) but also online players (specialist companies and C2C – Airbnb, HomeAway, etc.). In Northern Europe, the main competitors of Center Parcs France are Landal Greenparks (95 villages, or almost 12,000 bungalows in the Netherlands, Germany, Austria, Belgium, etc.) and Roompot (144 bungalow parks and 19 campsites in the Netherlands, Germany and Belgium).

In such a competitive environment, the Group has been focusing on what sets it apart, i.e. the guarantee of a level of quality that only large brands can provide, flexibility with long and short holidays, customisable themes and offers, various price range (combining transportation, services and activities) and a broad choice of destinations.

Pierre & Vacances-Center Parcs also has a property development business with **Senioriales,** non-medicalised residences for active, independent senior citizens. They are usually sold under property ownership, even if this model is now evolving with the marketing of some residences to institutional investors.

The main rivals in this market are specialist retirement home property developers such as Aegide and Les Villages d'Or, and more general property developers such as Akerys Promotion, Bouwfonds Marignan, Bouygues Immobilier, Cogedim and Nexity.

1.1.2.2 Strong competitive advantages

Its range of complementary and distinguished brands enables the Group to provide a comprehensive and unique offering in furnished rentals with *à la carte* services. Against the current backdrop, the Group's **ability to meet the needs of each customer** is a decisive factor, particularly in terms of furnished rentals (fully-equipped apartments and houses, autonomous units), flexibility (length of stays, check-in and check-out days), services and entertainment for all, catering, price and security.

In this regard, the Pierre & Vacances-Center Parcs Group has **many advantages over its competitors:**

- a wide range of European destinations in four different settings: seaside resorts, mountain resorts, countryside and city residences;
- a unique position as the only provider active in the holiday residence, holiday village and city residence segments;
- a strong brand image with wide recognition, an extensive business network and a significant social media presence;
- a balanced portfolio of brand names ranging from a budget offering (e.g. Maeva) to premium tourism (e.g. Pierre & Vacances premium, Center Parcs VIP, Adagio premium);
- local tourism offers low-cost holidays (over 90% of our customers travel to our sites by car) and is less exposed to geopolitical risks and health- and weather related hazards;
- a flexible offering (*à la carte* services, flexible break lengths and check-in and check-out dates);
- a secure offering in comparison with "C2C" options (Airbnb, Homeaway, etc.): reception, caretakers and a standardised offering ensures the quality of the apartments and surrounding.

1.1.3 Strategy and outlook

1.1.3.1 Change Up

On 29 January 2020, the Pierre & Vacances-Center Parcs Group presented its strategic plan for 2024, "**Change Up**"[1]**,** with the aim of accelerating and strengthening the Group's transformation to ensure its long-term profitability.

This plan rests on three pillars:

- an optimisation of the existing portfolio, including a selective review of the holiday residence portfolio, a development of the tourism offering and an optimisation of real estate costs;
- targeted and profitable development, with new development projects;
- an agile and entrepreneurial organisation, notably through the creation of a lean holding company focused on corporate functions and the implementation of autonomous Business Lines integrating their main support functions for better control of their entire value chain.

Progress of the Change Up Plan

The Group's operating performance as of 15 March 2020, before the announcement of measures related to the health crisis, was ahead of the targets set in the Change Up plan. Revenue from tourism activities were up +6.7% on a like-for-like basis (vs. +4.7% expected on an annual average basis), driven by the Center Parcs division, which is benefiting from the first effects of the Domaines renovation.

Roll-out of the plan also continued during the lockdown period:

- operationally, by carrying out renovation work on the Domaines Center Parcs in the Netherlands/Belgium/Germany;
- at the employment level, through the information/consultation process of the Social and Economic Committee on the structural transformation project, which ended on 14 April 2020 with the delivery of the Committee's opinions. On 10 June, the Regional Directorate for Enterprise, Competition, Consumer Affairs, Labour and Employment also validated the Employment Protection Plan and the agreements signed on 7 April, a necessary prerequisite for its implementation;
- on the cost-cutting side, with the first savings achieved.

As of 30 September 2020, the implementation of the new organisation was almost complete. On 1 October, the HR and Legal teams joined the Business Lines and Holding segments, followed by the Finance teams from mid-November.

In addition, the cost-cutting plan is proceeding according to schedule, with nearly 75% of the expected savings secured over the duration of the plan.

1.1.3.2 Outlook

A second wave of the Covid-19 pandemic is currently underway, prompting various European governments to take new restrictive measures as of early November. The Group was therefore obliged to close virtually all of its Pierre & Vacances and Center Parcs sites for a period of around eight weeks starting on 2 November 2020.

Consequently, as for 2019/2020, operating performances and cash generation for 2020/2021 will not be in line with the underlying targets of the Change Up plan as presented on 29 January 2020 and prevent the prospect of a return to profitability as of this year. The Group nevertheless has sufficient liquidity at present to overcome this new crisis from a 12 month perspective.

The healthy performances seen in the fourth quarter of 2019/2020 testified to the Group's ability to rapidly bounce back and restore the trajectory of the Change Up plan, whose operating roll-out (cost savings, premiumisation, digitalisation etc.) are continuing in accordance with the initial time-frame.

(1) For more information on Change Up, please refer to the press release and presentation dated 29 January 2020, available on the Group website: www.groupepvcp.com

1.1.4 Summary of business model

CAPITAL

Share capital

- A Group listed on the stock exchange since **1999**
- Almost **50%** of its shares are owned by its Founding Chairman, Gérard Brémond

Human capital

- Almost **12,600** talented employees committed to customer satisfaction every day
- **66%** of employees under the age of 45

Environmental capital

- Over **280** destinations in the heart heart of natural environments with vast, responsibly-managed natural spaces

Social capital

- **8** million customers with a range of profiles
- Over **18,000** individual owners and nearly **45** institutional owners
- A **trust-based** relationship with our clients, all of our financial partners and local authorities

Industrial capital

- A multiproduct **"asset light"** business model able to be rolled out globally and combining property development and tourism operation
- Recognised know-how: **50** years of expertise in creating, developing and operating tourism destinations
- **6** tourism brand names with strong recognition

VALUE CREATION PROCESS

Change Up

A rigorous strategic plan through to 2024 for sustainable profitability

3 pillars

- **Growth:** optimisation of the existing and targeted development of Center Parcs and Pierre & Vacances mountain holidays
- **Efficiency:** creation of a lean holding company focused on corporate functions and the implementation of autonomous Business Lines for an agile and entrepreneurial organisation
- **Values:** CSR strategy, Group purpose and employer promise

Business lines

PROPERTY DEVELOPMENT

- Land prospection and site design
- Marketing to individual and/or institutional investors
- Development /renovation

TOURISM BUSINESS

- Operation of sites (lease agreements or management mandates)
- Marketing of holidays

Brand names

Pierre & Vacances, Center Parcs, Sunparks, Les Villages Nature, adagio, maeva.com

CREATING SHARED VALUE

Strong fundamentals

- **€1.3 billion** of revenue in 2020
- A local tourism which is resilient in times of crisis
- Financing secured
- More than **€450 million** of liquidity as of 30 September 2020

"Happy@work" employees

- **82%*** of employees satisfied by the company in general
- Over **60,000** training hours
- **53%** loyalty rate of seasonal workers for Pierre & Vacances France
- **51%** of women managers

Loyal customers and owners

- Over **80 %*** of customers satisfied
- **89%*** intend to return to our sites
- **67%** renewal rate by our owners at the end of the lease

Enhanced territories and preservation of their environment

- High quality tourist sites in terms of architecture and landscapes
- Relationships built with local stakeholders for an improved customer experience
- Up to **600** direct jobs created and an estimated of **€30,000** contributed to local GDP for a Domaine Center Parcs
- **100%** of the Center Parcs sites offer a nature activity and 5,385 children have participated in a nature activity at Pierre & Vacances

Preservation of the environment

- **38%** of sites with an eco-label in the operational phase (Green Key or ISO 14001 labels)
- **100%** of projects delivered with an environmental building certification
- **24%** of Center Parcs Europe energy needs covered by renewable energies

** 2018-2019 data.*

1

1.2 Company information

1.2.1 General information

Legal name

Pierre et Vacances.

Registered office

L'Artois – Espace Pont de Flandre – 11, rue de Cambrai – 75947 Paris Cedex 19, France.

Telephone number: +33 (0)1 58 21 58 21.

Legal form

A French public limited company *(société anonyme)* with a Board of Directors, incorporated under French law and governed by the French Commercial Code and by its articles of association.

Date of incorporation and term of the Company

The Company was incorporated for a term of 99 years with effect from its registration in the Paris Trade and Companies Register on 7 August 1979, except in the event of an early dissolution or extension.

Corporate purpose (Article 2 of the articles of association)

The purpose of the Company is to:

- acquire equity interests in other companies, by means of the formation of companies, contributions of companies, subscriptions for or purchases of shares or equity interests, mergers, alliances, partnerships or any other means, and particularly in companies that:
  - sell and manage property,
  - acquire, develop and resell land, and construct property,
  - operate, in whatever form, residences, hotels, motels, unfurnished or furnished premises and restaurants of all kinds; all operations related to the organisation and management of stays, leisure activities and holidays; all direct or indirect equity investments in any French or foreign companies involved in the above businesses or likely to promote the development thereof;
- manage and provide technical, administrative, legal and financial assistance to these companies and their subsidiaries;
- and generally, carry out all commercial and financial transactions, and all transactions involving property and equipment, relating directly or indirectly to the above business purpose or likely to help in the development thereof.

Trade and companies register, business activity code (NAF) and LEI

Registered in the Paris Trade and Companies Register under number 316,580,869.

Business activity code: 7010Z.

LEI: 9695009FXHWX468RM706.

Financial year

The Company's financial year runs from 1 October to 30 September of the following year.

Access to documents and information relating to the Company

The corporate documents for the last three financial years (parent company financial statements, minutes of the Shareholders' Ordinary Meetings, attendance sheets for these meetings, list of directors, Statutory Auditors' reports, articles of association, etc.) can be viewed at the Pierre et Vacances registered office.

In addition, the Company's articles of association and, where applicable, the reports, correspondence, assessments and declarations made by an expert at the Company's request, and the Company's historic financial information for the last two financial years are available at the Pierre et Vacances registered office.

Appropriation of earnings (Article 20 of the articles of association)

Net income generated during the financial year, after deducting overheads and other expenses incurred by the Company, including all depreciation, amortisation and impairment losses, represents the profit (or loss) for the financial year.

Of this profit, less any losses carried forward, at least one twentieth shall be appropriated in order to build up the regulatory reserve required by law. Such transfers should continue for as long as the regulatory reserve represents less than one tenth of the total share capital.

The residual balance, plus any profit carried forward, constitutes the profit available for distribution to shareholders.

The Shareholders' Ordinary Meeting may appropriate whatever sums it deems fit, either to be carried forward as retained earnings to the following financial year, or to be transferred to one or more general or special reserves, the use or allocation of which is determined by the Meeting.

The Shareholders' Ordinary Meeting may also decide to make payouts from the reserves available for this purpose; where this is the case, the applicable resolution must expressly indicate from which reserves the payout shall be made.

The Meeting may offer each shareholder the option to receive all or part of the dividend payment in the form of shares (subject to legal conditions) or in cash.

Specific clauses in the articles of association

Preference shares (Articles 6 and 7 of the articles of association)

Class B preference shares are preference shares within the meaning of Article L. 228-11 of the French Commercial Code, whose issue was agreed by the Board of Directors on 9 February 2018, using the delegation granted by the Shareholders' Meeting of 4 February 2016, the characteristics of which were amended by the Shareholders' Extraordinary Meeting of 5 February 2020.

Class C preference shares are preference shares within the meaning of Article L. 228-11 of the French Commercial Code, whose issue was agreed by the Board of Directors on 18 April 2019, using the delegation granted by the Shareholders' Meeting of 4 February 2016, the characteristics of which were amended by the Shareholders' Extraordinary Meeting of 5 February 2020.

Class B and C preference shares must be held in nominee form and cannot be contractually divided.

Class B and C preference shares do not carry voting rights at Shareholders' Ordinary and Extraordinary Meetings for holders of ordinary shares.

Class B and C preference shares do not have dividend rights.

Class B and C preference shares confer entitlement to liquidation dividends.

Class B and C preference shares will be converted by law into ordinary shares on 28 February 2022 at a conversion parity based on the weighted average price of Pierre et Vacances' shares over the three months preceding 28 February 2022, with a floor of one new ordinary share for one converted preference share and a ceiling of 101 new ordinary shares for one converted class B preference share and a ceiling of 100 new ordinary shares for one converted class C share.

Double voting rights (Article 16 of the articles of association)

With effect from the Shareholders' Extraordinary Meeting of 28 December 1998, a voting right which is double the right conferred on the other ordinary shares, in view of the portion of share capital that they represent, shall be attributed to all fully paid-up ordinary shares for which proof of registration in the name of the same shareholder for a period of at least two years has been provided.

In the event of an increase in the share capital by incorporation of reserves, profits or issue premiums, double voting rights shall be attributed from the date of issue to registered ordinary shares allotted free of charge to a shareholder as a result of their ownership of existing ordinary shares that are already entitled to double voting rights.

All ordinary shares converted to bearer shares or whose ownership is transferred lose their double voting rights.

Notwithstanding the above, the transfer by inheritance, by liquidation of spouses' joint property, or by inter vivos donation to a spouse or relative in the line of succession shall not entail the loss of double voting rights, and shall not interrupt the time period stipulated in Article L. 225-123 of the French Commercial Code. The same applies in the event of a transfer as a result of a merger or demerger of a shareholding company.

Identifying shareholders (Article 7 of the articles of association)

The Company may at any time, subject to the conditions laid down by regulations, ask the body responsible for clearing its shares to reveal the names, addresses and nationalities of holders of shares conferring an immediate or future right to vote at its Shareholders' Meetings, as well as the number of shares they own and any restrictions attached to these shares; at the Company's request, the above information may be limited to shareholders holding a minimum number of shares set by the Company.

Breaching of thresholds (Article 8 of the articles of association)

In addition to the disclosure concerning legal thresholds, the Company's articles of association provide that any individual or entity who, acting alone or in concert, comes to hold a percentage of the capital or voting rights equal to or exceeding 5% or a multiple thereof, directly or indirectly, within the meaning of Article L. 233-9 of the French Commercial Code, is required to notify the Company by registered letter with proof of receipt within five trading days of crossing each of these thresholds, indicating the number of voting rights and shares held and the voting rights attached thereto. This notice of the crossing of shareholding thresholds also indicates if the shares or attached voting rights are or are not held on behalf of or in concert with any other individual or entity.

If not disclosed as provided above, the shares that exceed the percentage and should have been disclosed are deprived of voting rights at future shareholders' meetings, if one or more shareholders holding collectively at least 5% of the Company's share capital or voting rights so request and the request is recorded in the minutes of the Shareholders' Ordinary Meeting. The deprivation of voting rights applies to all future Shareholders' Meetings until the expiry of a period of two years from the date the disclosure is made.

Shareholders' Ordinary Meetings (Articles 16, 17 and 18 of the articles of association)

Shareholders' Ordinary Meetings shall be held at the registered office of the Company or at any other place indicated in the meeting notice.

Any shareholder is entitled to attend Shareholders' Ordinary Meetings in person or by proxy, on proof of their identity and share ownership (it being stipulated that class B and C preference shares do not have voting rights).

The right to participate in Shareholders' Ordinary Meetings is subject:

- in the case of registered shareholders, to entry of the shares in the name of the shareholder in the Company registers at least two working days before the Shareholders' Ordinary Meeting;
- in the case of holders of bearer shares, to the filing, according to the conditions stipulated by law, of the certificate drawn up on the basis of the shareholder certificate *(attestation of participation)* issued by the authorised intermediary two working days before the date of the Shareholders' Ordinary Meeting.

Any shareholder shall be entitled to exercise a postal vote using a form that may be obtained under the terms specified in the meeting notice and under the conditions provided by law.

Any shareholder may also, if the Board of Directors so decides at the time the Meeting is convened, participate and vote at the Shareholders' Ordinary Meeting by electronic means of telecommunication enabling their identity to be established under the conditions provided by law.

Shareholders participating in the Meeting by videoconference, or by any other electronic means of telecommunication or teletransmission enabling their identity to be established under the conditions provided by law, shall be deemed to be present for the purposes of establishing quorum and majority.

Methods of convening

Shareholders' Ordinary Meetings are convened by the Board of Directors or, failing this, by the Statutory Auditors, in accordance with the requirements of Article R. 225-162 of the French Commercial Code, or else by a corporate officer designated by the Presiding Judge at the Commercial Court ruling in summary proceedings upon request or, in an emergency, by any interested party or by one or more shareholders together holding at least 5% of the issued capital.

Meetings are convened by a notice published in a one of the newspapers authorised to publish legal notices in the administrative department in which the Company's registered office is located. Shareholders holding registered shares shall be convened by formal letter, which can be sent by registered post at the shareholders' request with the latter bearing the postage costs.

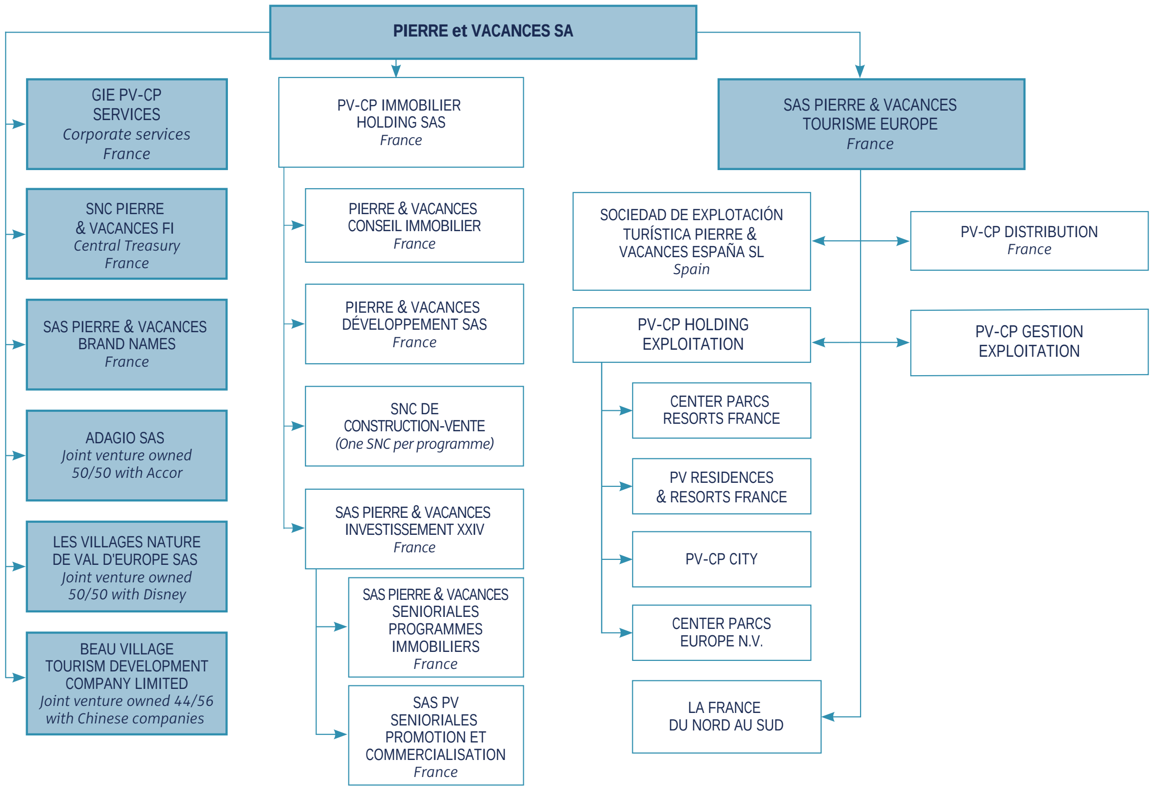
If all the shares are held in registered form, the notices provided for in the previous paragraph may be replaced by a meeting notice sent by registered post to each shareholder, with the Company bearing the cost of postage.

1.2.2 Description of the S.I.T.I. group

Société d'Investissement Touristique et Immobilier SA – S.I.T.I., a Pierre & Vacances-Center Parcs Group management holding company, indirectly controlled by Gérard Brémond via S.I.T.I. SC "R", has a 49.36% stake in Pierre et Vacances SA. The Pierre & Vacances sub-group is the only asset of S.I.T.I. SA and is fully consolidated.

1.2.3 Legal form of Pierre et Vacances

Simplified organisational structure at 30 September 2020



The companies above (apart from the three joint ventures) are fully owned and consolidated.

Pierre et Vacances SA, the Group holding company, listed on Eurolist of Euronext Paris, holds equity interests in all the subholdings. It pays the external fees and expenses relating to the registered office at Artois, in the 19th district of Paris (particularly the rents), which it reinvoices to the various Group entities according to certain allocation criteria, particularly the square footage occupied. Pierre et Vacances SA is required to give sureties or guarantees to banks on behalf of its subsidiaries when setting up corporate financing or financial completion guarantees.

GIE PV-CP Services provides and invoices for management, administration, accounting, financial and legal services for the Group and handles the services shared by the Group's companies through service agreements.

Pierre & Vacances FI is the Group's central cash management company. It collects the surplus cash from the subsidiaries, redistributes it to those that need it and invests the balance.

Pierre & Vacances Marques SAS owns and manages the Pierre & Vacances, Maeva and Multivacances brands. As such, it reinvoices the Tourisme France operating entities for brand royalties.

Pierre & Vacances Tourisme Europe, the holding company for tourism activities, controls:

- PV-CP Gestion Exploitation SAS, the holding company for the business segment involved in portfolio management activities and relationships with owners;
- PV-CP Distribution SA, a travel agency, dedicated to promoting and selling residences and villages (not including selling and marketing of Center Parcs products for the BNG area, which are handled by Center Parcs Europe NV and its subsidiaries). In this capacity, PV-CP Distribution SA reinvoices its selling fees to PV Résidences & Resorts France and Center Parcs Resorts France;
- PV-CP Holding Exploitation SAS, the holding company for the business segment involved in tourism operations, which controls:
  - Center Parcs Resorts France SAS which groups together all Bois Francs, Hauts de Bruyères, Les Trois Forêts and Domaine du Bois aux Daims operating activities, and which itself controls Domaine du Lac d'Ailette SNC, a subsidiary responsible for operating the Domaine du Lac d'Ailette holiday village in France,
  - PV Résidences & Resorts France SAS, which includes all the operating activities of the Maeva and Pierre & Vacances, villages and residences;
- PV-CP City SAS, which includes all the operating activities of the 31 city residences acquired from Lamy on 15 June 2011;
  - Center Parcs Europe NV, a tourism holding company, wholly owns the Center Parcs Europe sub-group, which manages the domains i the Netherlands, Germany and Belgium. This company performs shared services for the Center Parcs Europe sub-group, which it re-invoices to its subsidiaries. It is also responsible for sales operations in the Netherlands. Center Parcs Europe NV indirectly controls:
    - Center Parcs Netherlands NV, a subsidiary which manages all the villages in the Netherlands (eight villages),
    - Center Parcs Germany Holding BV, which manages six villages in Germany through various subsidiaries,
    - CPSP België NV which, through various subsidiaries, markets and manages six villages in Belgium;
- La France du Nord au Sud, a recognised player in the online holiday rental market in France and Spain;
- Sociedad de Explotación Turística Pierre & Vacances España SL, which manages the Pierre & Vacances tourism operation in Spain.

PV-CP Immobilier Holding SAS controls:

- Pierre & Vacances Investissement XXIV, a holding company of Senioriales, which controls:
  - PV Senioriales Programmes Immobilier, which holds the construction-sale companies,
  - PV Senioriales Promotion et Commercialisation which promotes, constructs and markets the Senioriales residences;
- Pierre & Vacances Conseil Immobilier (PVCI), which sells to individual investors new or renovated apartments and homes developed and managed by the Pierre & Vacances-Center Parcs Group. It is also responsible, for the owners that require it, for selling these apartments and thus provides the investors with liquidity from their investment. PVCI bills the construction-sale companies for the marketing fees;
- Pierre & Vacances Développement SAS (PVD), which carries out land prospection and delegated project management. PVD invoices project management fees to the construction-sale companies;
- construction-sale companies.

The property development operations are in facthandled by special construction-sale SNCs in order to simplify management and set-up of financing. Some property development operations can be carried out jointly with other parties. In such cases, Pierre & Vacances allows other developers to invest in these construction-sale companies.

The aim of PV-CP Immobilier Holding SAS is to wind up these companies and provide the ten-year warranty.

Different types of internal reinvoicing transactions are carried out between the entities of the tourism business segment and those of the property development business segment. These transactions are carried out under normal market conditions.

The construction-sale companies receive rents from the tourism business segment for the apartments that are not yet sold to investors but are operated by tourism entities. Conversely, for renovation operations, the property development companies that carry out the work indemnify the tourism operating companies for the costs incurred during the period of closure for the renovation work. Finally, the construction-sale companies sometimes pay the rent on apartments sold to investors before the site is opened to the public.

Finally, the tourism operating companies help to manage certain property development programmes by participating in the design of the product, setting up the lease, delivering and accepting the site and putting it into operation. They also contribute to the marketing of certain property development programmes by actively helping with the sales performed by their teams on the sites. For doing this work, they invoice project management and marketing fees to the property development companies concerned.

1.3 Information about the share capital

1.3.1 Share capital

At 30 November 2020, the share capital stood at €98,934,630, split into 9,891,447 ordinary shares, 1,349 class B preference shares and 667 class C preference shares, all of which have a par value of €10 and are fully paid-up.

Ordinary shares are in nominee or bearer form at the shareholder's discretion. Preference shares must be registered in a purely nominee account the Company's books.

The Company keeps itself informed of the ownership of its shares under the conditions provided by law.

Ordinary shares are freely transferable, unless otherwise stipulated by law or regulations.

The transfer of the shares, whether free of charge or for a consideration and whatever their form, is done by transfer between accounts in accordance with the procedure laid down by law.

Double voting rights are attributed to ordinary shares held in nominee form for more than two years. At 30 November 2020, with double voting rights being granted on 4,001,630 shares and preference shares having no voting rights attached, the total number of voting rights stood a 13,893,077 for 9,891,447 ordinary shares.

1.3.2 Potential share capital

After taking into account (i) the impact of the issue on 30 November 2017 of new ORNANEs maturing on 1 April 2023, (ii) the issue on 9 February 2018 of class B preference shares and (iii) the issue on 18 April 2019 of class C preference shares (the terms and conditions for the conversion of the preference shares into ordinary shares are set out on page 67 of this Universal Registration Document, it being recalled that the Shareholders' Extraordinary Meeting of 5 February 2020 modified these conversion terms and conditions), the theoretical potential capital of Pierre et Vacances, if all of the ORNANEs were converted into new shares and after conversion of all of the preference shares according to the maximum parity applicable to each class of preference shares, would be €117,430,080 corresponding to 11,743,008 shares:

9,891,447 ordinary shares existing at 30/11/2020

+ 1,648,261 ORNANEs (maturing on 01/04/2023)

+ 1,349 B preference shares issued on 09/02/2018 under the plan of 04/02/2016, which will be converted by law into a maximum of 136,600 ordinary shares on 28/02/2022

+ 667 C preference shares issued on 18/04/2019 under the 18/04/2017 plan, which will be converted by law into a maximum of 66,700 ordinary shares on 28/02/2022

= 11,743,008 potential shares at 30/11/2020.

1.3.3 Changes in share capital over the last five financial years

Date	Operation	Par value *(in €)*	Capital amount *(in €)*	Issue premium *(in €)*	Accumulated share capital *(in €)*	Number of shares accumulated
30/03/2016	Capital increase reserved for HNA Tourism Group	10	9,801,720	14,879,010.96	98,017,230	9,801,723
09/02/2018	Capital increase through issuing class A and B preference shares	10	28,420	/	98,045,650	9,804,565
18/04/2019	Capital increase through issuing class C preference shares	10	6,670	/	98,052,320	9,805,232
20/04/2020	Capital increase by conversion of preference shares	10	4,090	/	98,056,410	9,805,641
22/07/2020	Capital increase by conversion of preference shares	10	878,220	/	98,934,630	9,893,463

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1.4 Shareholders

1.4.1 Ownership of share capital and voting rights at 30 November 2020

As at 30 November 2020, the estimated shareholder structure of Pierre et Vacances is as follows:

	Number of shares	% of issued capital	Value of equity investments as of 30 November 2020 *(in thousands of euros)*	Number of voting rights	% of voting rights
S.I.T.I.[1]	4,883,720	49.36	70,081	8,787,268	63.25
Board members	13,170	0.13	189	13,810	0.10
Treasury shares[2]	264,587	2.67	3,797	264,587	1.90
of which shares acquired as part of the buyback programme	*262,442*		*3,766*		
of which shares acquired as part of the liquidity agreement	*2,145*		*31*		
Public[3]	4,731,986	47.83	67,904	4,827,412	34.75
TOTAL	**9,893,463**	**100.00**	**141,971**	**13,893,077**	**100.00**

(1) S.I.T.I. SA is directly owned by S.I.T.I. SC "R" in the amount of 63.71%, the latter being held by Gérard Brémond in the amount of 40.18% of the share capital and 92.86% of the voting rights.
(2) Treasury shares for which the voting rights cannot be exercised.
(3) Of which employees (2,016 class B and C preference shares without voting rights and 49,938 ordinary shares i.e. 0.52% of the capital)

The Company has taken a number of measures to prevent the control exerted by S.I.T.I. SA from being abusive (see the report on corporate governance and internal control procedures, which is included in the annual financial report).

To the Company's knowledge, no other shareholder owns more than 5% of the share capital or voting rights (other than those listed above).

In accordance with Article L. 223-13 of the French Commercial Code and given the disclosures and notifications received in accordance with Articles L. 233-7 and L. 233-12 of said Code, it is stated that:

- S.I.T.I. SA directly holds more than a third of the share capital and more than half of the voting rights at Shareholders' Ordinary Meetings;
- the S.I.T.I. SC "R" indirectly holds more than a third of the share capital and more than half of the voting rights at Shareholders' Meetings.

1.4.2 Changes in share capital and voting rights

Shareholders	Situation at 30 September 2018 Number of shares	% capital	% voting rights	Situation at 30 September 2019 Number of shares	% capital	% voting rights	Situation at 30 September 2020 Number of shares	% capital	% voting rights
S.I.T.I.	3,903,548	39.81	52.78	4,883,720	49.81	63.62	4,883,720	49.36	63.23
HNA Tourism Group	980,172	9.99	13.25[(4)]	-	-	-	-	-	-
CONCERTED TOTAL	**4,883,720**	**49.80**	**66.03**	**-**	**-**	**-**	**-**	**-**	**-**
Board members	17,939[(1)]	0.18	0.22	13,789[(5)]	0.14	0.18	13,165	0.13	0.10
Treasury shares[(2)]	267,726	2.73	1.81	270,428	2.76	1.96	264,587	2.67	1.90
Public	4,635,180	47.28	31.93	4,637,295	47.29	34.24	4,731,991	47.83	34.77
of which employees	*92,458[(3)]*	*0.94*	*1.18*	*89,770[(6)]*	*0.91*	*1,260*	*55,763[(7)]*	*0.56*	*0.77*
TOTAL	**9,804,565**	**100**	**100**	**9,805,232**	**100**	**100**	**9,893,463**	**100**	**100**

(1) Including 1,476 class A preference shares without voting rights.
(2) Treasury shares for which the voting rights cannot be exercised.
(3) Including 1,366 class B preference shares without voting rights.
(4) HNA Tourism Group did not declare that it had crossed the 10% threshold of voting rights.
(5) Including 1,107 class A preference shares without voting rights.
(6) Including 2,033 class B and C preference shares without voting rights.
(7) Including 2,016 class B and C preference shares without voting rights.

Article 222–12 of the General Regulations of the AMF states that, to calculate shareholding thresholds, the total number of voting rights is determined on the basis of all of the shares to which voting rights are attached, including shares stripped of voting rights.

1.4.3 Group share ownership plan

The Group Share Ownership Plan, set up with the payment of the employees' profit-sharing entitlement for 1997/1998, received voluntary payments from employees and the Company's matching contributions to subscribe for Pierre et Vacances shares in connection with the initial public offering and capital increase of March 2002. It also receives voluntary payments from employees.

Within this Group Share Ownership Plan, the mutual fund consisting exclusively of Pierre et Vacances shares represented 0.13% of the capital at 30 September 2020 (12,720 shares).

1.4.4 Employee profit-sharing

A special Group employee profit-sharing agreement, covering the majority-controlled French entities, distributes the Group's special profit-sharing reserve (equalling the total special profit-sharing reserves calculated in each company) between all Group employees having an employment contract for more than three months with a participating entity. For 2019/2020, the Group derogatory agreement triggered no profit-sharing. In contrast, an amount of €35,800 is to be paid to the profit-sharing fund on behalf of the legal shareholdings of certain companies.

Amounts due for Group profit-sharing in previous financial years:

For the 2018/2019 financial year	€101,413
For the 2017/2018 financial year	€61,557
For the 2016/2017 financial year	/
For the 2015/2016 financial year	€363,515

1.4.5 Notice of threshold crossing

La Financière de l'Echiquier, acting on behalf of funds under its management, reported that it had fallen below:

- on 13 December 2019, the threshold of 5% of the voting rights of Pierre et Vacances and that it held, on behalf of said funds, 643,000 shares representing the same number of voting rights, i.e. 6.56% of the share capital and 4.66% of the voting rights;
- on 24 January 2020, the threshold of 5% of the share capital of Pierre et Vacances and that it held, on behalf of said funds, 471,983 shares representing the same number of voting rights, i.e. 4.81% of the share capital and 3.42% of the voting rights.

Moneta Asset Management, acting on behalf of funds under its management, reported that it had crossed:

- on 5 February 2020, the threshold of 5% of the share capital of Pierre et Vacances and that it held, on behalf of said funds, 510,000 shares representing the same number of voting rights, i.e. 5.20% of the share capital and 3.69% of the voting rights;
- on 21 February 2020, the threshold of 5% of the share capital of Pierre et Vacances and that it held, on behalf of said funds, 488,240 shares representing the same number of voting rights, i.e. 4.98% of the share capital and 3.54% of the voting rights;
- on 26 February 2020, the threshold of 5% of the share capital of Pierre et Vacances and that it held, on behalf of said funds, 497,419 shares representing the same number of voting rights, i.e. 5.07% of the share capital and 3.60% of the voting rights;
- on 29 June 2020, the threshold of 5% of the share capital of Pierre et Vacances and that it held, on behalf of said funds, 485,153 shares representing the same number of voting rights, i.e. 4.95% of the share capital of 3.51% of the voting rights.

Phison Capital reported that on 12 March 2020, it had crossed the threshold of 5% of the share capital of Pierre et Vacances and that it held, on that date, 497,200 shares representing the same number of voting rights, i.e. 5.07% of the share capital and 3.60% of the voting rights.

All of these threshold crossings are the result of acquisitions/sales of Pierre et Vacances shares on the market.

1.4.6 Report on treasury shares

Under the AMAFI liquidity contract, no shares were purchased or sold between 5 February 2020 and 30 September 2020 under the treasury share buyback programme authorised by the Shareholders' Meeting of 5 February 2020.

Using the authorisations granted by the Shareholders' Ordinary Meeting of 3 March 2011, the Board of Directors instituted a Pierre et Vacances share purchase option plan on 3 March 2011 involving 222,500 shares for the benefit of 41 senior Group managers. Under this plan, options were granted to 41 beneficiaries for the purchase of 222,500 treasury shares at €63.93 each. The option price at grant date reflects the average Pierre et Vacances SA share price during the 20 trading sessions preceding the launch of the plan. To date, 107,000 options are outstanding and 115,500 options have lapsed.

Using the authorisations granted to it by the Shareholders' Meeting of 7 February 2019, the Board of Directors instituted, on 13 December 2019, a free allocation plan concerning a maximum of 260,000 ordinary shares for the benefit of 72 key managers of the Group, the free allocation being subject to conditions of presence and performance, which are only definitive at the end of a vesting period expiring on 13 December 2020 and said shares coming from repurchases made by the Company itself. However, it is specified that the conditions of presence and performance have been restricted to beneficiaries who do not have a minimum of 15 years of service within the Group.

At 30 September 2020, the Company held 264,587 treasury shares, of which 2,145 shares were held under the liquidity agreement and 262,442 shares were held pursuant to the buyback programme.

The 262,442 shares held under the buyback programme are reserved for the plans listed above.

On 2 July 2018, the Company asked ODDO BHF to implement a liquidity agreement pursuant to the Code of Ethics established by the *Association Française des Marchés Financiers* (the French Financial Markets Professional Association, or AMAFI) and approved by the *Autorité des Marchés Financiers* (the French Financial Markets Authority, or AMF). This contract had been previously concluded with Natixis.

As the authorisation given by the Shareholders' Ordinary Meeting of 5 February 2020 authorising a share buyback programme expires on 5 August 2021, a new authorisation will be submitted for approval to the Shareholders' Ordinary Meeting called to approve the financial statements for the financial year ended 30 September 2020.

1.4.7 Description of the programme submitted for approval to the Shareholders' Combined Ordinary and Extraordinary Meeting of 1 February 2021

As the authorisation given by the Shareholders' Ordinary Meeting of 5 February 2020 is valid until 5 August 2021, it was necessary to issue a new authorisation which will bring to an end, for the unused fraction, the authorisation given by the Shareholders' Combined Ordinary and Extraordinary Meeting of 5 February 2020 to the Company to perform transactions on its own shares.

The object of this authorisation will be to enable the Company to perform transactions on its own shares for the purposes of:

1) stimulating the market via a liquidity agreement in accordance with the AMAFI code of conduct;

2) allocating bonus shares and/or share purchase options to executive and non-executive corporate officers or employees, or selling shares to employees as part of a profit-sharing programme, employee shareholder plans or company savings plans;

3) using shares to exercise rights attached to marketable securities carrying the right to company shares by redemption, conversion, exchange, presentation of a warrant or any other way;

4) using shares as payment or exchange in the context of external growth operations, to minimise the acquisition cost or, more generally, to improve the conditions of a transaction;

5) cancelling shares, subject in this latter case, to a vote by the Shareholders' Extraordinary Meeting of a specific resolution.

Pierre et Vacances will have the option to acquire 10% of its share capital, i.e. as of 30 November 2020, 989,346 shares with a par value of €10 each. In view of the 264,587 treasury shares already held at 30 November 2020, the maximum number of shares that can be acquired under this buyback programme is therefore 724,759, which corresponds to a theoretical maximum investment of €36,237,950 based on the maximum purchase price of €50 provided for in the resolution which will be put to the vote at the Shareholders' Ordinary Meeting of 1 February 2021 for approval.

The authorisation will be granted for a period of eighteen months from the Shareholders' Combined Ordinary and Extraordinary Meeting of 1 February 2021, i.e. until 1 August 2022.

1.4.8 Policy of dividend payments over the last five financial years – time limit for dividend claims

Over the last five financial years, Pierre et Vacances SA has made no dividend payments.

The dividend policy is based on the Group's profit (loss) from ordinary activities, financial position and projected financial needs. Thus, no guarantee can be given as to the amount of dividend payments for a given financial year. Unclaimed dividends are forfeited to the French government five years after they become payable.

Given the Group's 2020 results, the non-payment of a dividend will be proposed to the Shareholders' Ordinary Meeting of 1 February 2021.

Financial instrument pledges granted involving Pierre et Vacances SA shares

Name of shareholder recorded on the purely nominee account	Beneficiary	Start date	Maturity date	Number of shares pledged
S.I.T.I. SA	BNP PARIBAS NEUFLIZE OBC	31/08/2018	30/03/2024	3,829,217 i.e. 38.70% of the issuer's share capital

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1.5 Stock market indicators

Share

As at 30 November 2020, Pierre et Vacances shares have been listed on the Eurolist of Euronext Paris (Compartment B) and included in the CAC All-Tradable, CAC Mid & Small 190, CAC Travel & Leisure and CAC Small 90 indexes.

Share trading over the last 18 months

Period	Number of shares exchanged	Adjusted highs and lows	
		Highest	Lowest
June 2019	392,614	17.2	15.02
July 2019	202,782	17.36	15.44
August 2019	72,336	17.62	15.72
September 2019	109,305	16.48	15.5
October 2019	122,964	16	14.38
November 2019	311,415	16.5	14.62
December 2019	488,704	20.50	17.02
January 2020	463,991	26.05	19
February 2020	718,466	33.90	22.35
March 2020	773,556	24.80	10.32
April 2020	786,074	15	9.90
May 2020	634,471	19.85	12.75
June 2020	546,936	21.9	15.55
July 2020	320,217	17	13.10
August 2020	201,054	15.10	12.80
September 2020	170,196	15.20	11.90
October 2020	404,336	12.5	9.42
November 2020	1,355,160	16.2	9.26

(Source: Euronext).

Convertible bonds

In November 2017, the Company issued bonds redeemable in cash and new and/or existing shares (ORNANEs), maturing on 1 April 2023. These bonds were admitted for trading on Euronext Paris on 6 December 2017.

Share trading over the last 18 months

Period	Price	
	Highest	Lowest
June 2019	52.92	52.92
July 2019	53.35	53.35
August 2019	53.96	53.96
September 2019	53.90	53.90
October 2019	53.36	53.36
November 2019	53.85	52.24
December 2019	53.84	52.59
January 2020	55.10	52.97
February 2020	56.97	53.80
March 2020	54.31	49.88
April 2020	54.02	49.33
May 2020	52.88	49.75
June 2020	53.53	50.35
July 2020	52.92	50.40
August 2020	51.52	50.26
September 2020	51.93	50.52
October 2020	50.79	49.39
November 2020	50.45	49.44

(Source: Bloomberg, BGN).

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RISK MANAGEMENT 2

2.1 Internal control and risk management mechanisms

2.1.1 Objectives and approach

The internal control procedures and organisation presented below are those in force during the 2019/2020 financial year. The reorganisation of the Group rolled out as part of the Change Up plan, which will be fully effective in the 2020/2021 financial year, will be described in the next Universal Registration Document.

The purpose of internal control procedures is to identify, prevent and control the risks facing the Group. Like any control system, it cannot however provide certainty that the risks are totally eliminated.

The internal control procedures are mainly aimed at:

- supporting the Group in achieving its strategic and operational objectives;
- protecting the reliability, quality and availability of the financial information;
- protecting the Group's assets, human capital and brands;
- complying with the applicable laws and regulations.

The delegation and internal control structure results from the overlaying of:

- a legal arrangement for each entity: a wholly-owned holding company, under a "flattened" organisation and legally independent subsidiaries with their own "business" Chief Executive Officers, and whose corporate governance bodies, where such exist (depending on the company's legal form), are made up of Group executives from outside the relevant business segment, in order to ensure optimum consultation, coordination and control by the parent company;
- an organisation which centralises activity support and control resources Group-wide.

This organisation ensures that policies and procedures are consistently applied across the Group, while allowing a high level of delegation of day-to-day responsibilities. Because the Company is organised by legal entity, a formal delegation scheme has been put in place by which each operational manager is given both the resources and personal responsibility for his or her actions.

2.1.2 Internal control procedures

Internal control is provided by the different governance bodies, at several levels:

Board of Directors

- as the **corporate body of the Group's parent company,** the Board takes decisions which go beyond the sole control of the Group's corporate officers (guarantees and pledges, allocation of share options, preparing the parent company financial statements and the half-yearly and full-year consolidated financial statements, etc.) and, pursuant to these decisions, confers upon them special and limited powers;
- as the **Group's supervisory body,** the Board is responsible for appointing and supervising the executive and non-executive corporate officers of the parent company and indirectly oversees the principal subsidiaries, which regularly report to it on the activities of the Tourism and Property development businesses in particular.

Executive Management Committees

The Group's major Managers are employees of S.I.T.I., the Pierre et Vacances SA holding, and are made available to the Group by S.I.T.I. as part of its management activities. As a result, they sit on the various decision-making bodies. The other members of the Executive Management Committees are operational staff from Pierre & Vacances and Center Parcs, ensuring that decisions are shared. The rules of governance put in place ensure – amongst other things – that S.I.T.I. SA does not abuse its powers of control.

Cross-cutting services

Several of the Group's cross-departmental divisions have internal control responsibilities (Internal Audit, the Finance Department, as well as the Legal, Insurance and Risk Management Departments and the Human Resources Department).

These corporate departments are centralised at the Group's Paris head office. Their responsibilities include:

- ensuring the correct application of the policies defined at the Group level and within the operational subsidiary and services departments;
- implementing shared actions on behalf of the subsidiaries and departments (e.g. risk hedging, contract preparation and approval, recording of accounting transactions, collective work agreement preparation, etc.);
- assisting operational employees, at their request.

Composition and roles of the Executive Management Committees

Group Executive Management Committee (CDG)

- Three members: the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officer.
- Weekly meetings.
- The Executive Management Committee decides on the strategic guidelines that need to be implemented to enhance the Group's growth and operational performance (such as major financial balances, consolidated risk management, brand strategy, product segmentation, the geographical distribution of the development zones for the various brands, the human resources policy, etc.) and it drives internal synergies.
- The Executive Committees below are chaired by a member of the Executive Management Committee. Those Committees allow this member to supervise the actions of the management bodies of the Group's subsidiaries and corporate departments before, during and after important decisions are implemented, and to monitor the Group's day-to-day business.

Group Executive Committee (COMEX)

- 14 members (members of the Group Executive Management Committee and the main operational and functional Directors) as at the date this Universal Registration Document was filed.
- Monthly meetings.
- The Group Executive Committee steers the implementation of strategic plans and discusses the major operational initiatives required to enhance the Group's growth and performance.

Tourism

- Tourism Committee: this committee, made up of the Brand Directors, the Sales and Digital Director and the Information Systems Director, is supervised by the Group Chief Executive Officer. It meets on a monthly basis to decide on the actions necessary for the development and performance of the Tourism activity.
- Supervisory Board of Center Parcs Europe: this committee generally meets four times a year. Its role is to supervise, consult and advise the Managing Director of Center Parcs Europe. It also oversees the general conduct of business.

Property Development:

- France Property Development Committee: this committee, chaired by Gérard Brémond, meets every three weeks. It is responsible for launching and monitoring property development programmes in France (studies, marketing, construction starts, issues related to construction progress, sales formulae, potential disputes, etc.).
- International Development Committee: this committee meets bimonthly to study new Domaines projects and Center Parcs sale-renovation operations in the Netherlands, Belgium and Germany.
- Adagio Development Committee: this committee meets monthly to review Adagio's development projects.
- Senioriales Strategic Committee: during this monthly committee, the Pierre & Vacances-Center Parcs Group and Senioriales chairmen review business and current projects, and decide on the purchase of land.

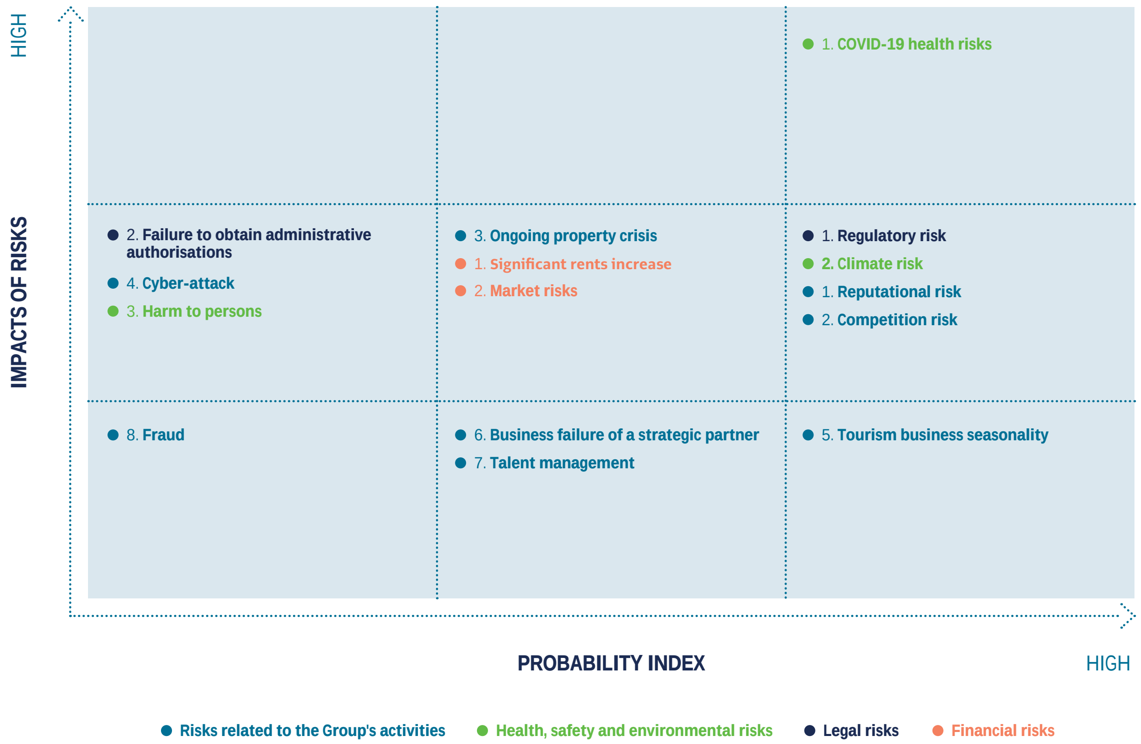
2.2 Risk factors

Mapping of risks specific to the Group

The Pierre & Vacances-Center Parcs Group has carried out a review of the risk factors that may have a significant negative impact on its activities, the profitability of these activities or its income. The Pierre & Vacances-Center Parcs Group has not found any significant risks other than those presented below.

The Group risk matrix, shown below, is a management tool for controlling risks. It lists risks by importance and probability of occurrence. Risk factors are presented in a limited number of categories depending on their type. In each category, the highest risk factors are presented first. The categories chosen are the following:

- Risks related to the Group's activities
- Health, safety and environmental risks
- Legal risks
- Financial risks



2.2.1 Risks related to the Group's activities

2.2.1.1 Reputational risks

Description of the risk

These risks are considered to be significant in the Tourism business, as well is in that of property marketing and new project development.

Reputational risk is becoming increasingly important given the evolution of the regulatory environment (e.g. duty of care, strengthening of environmental protection rules) and the expectations of society at large.

For the Group, the risk factors are primarily related to the safety of customers and employees, to customer satisfaction with product and service quality, to ethics and to the corporate, societal and environmental responsibility of the company.

Potential impact on the Group

- Impact on bookings related to the Group's reputation and image, notably on social networks.
- Loyalty effect on lessor-owners and investors.
- Impact on the local acceptance of projects under development which could prevent the granting of building and operating permits.

Risk management and mitigation

The quality of relations with stakeholders (customers, owners, partners, local residents, suppliers, etc.) is a key element in managing these risks.

The measures implemented by the Group are described in chapter 4. They primarily cover:

- the analysis and management of customer satisfaction (tourism and lessor-owners) and the Group's reputation management policy for social networks;
- the implementation of a special organisation to deal with any situation likely to endanger its personnel, its customers, its interests and/or its reputation;
- the policy of local consultation in the context of new developments and involvement in local economic and social life (tourism partnerships, local employment);
- the ethics compliance policy with, in particular, the implementation of a code of conduct (or code of ethics) and a warning system;
- the strengthening of service provider control measures (compliance with environmental regulations, human rights and labour rights) via the implementation of a vigilance plan.

2.2.1.2 Increased competition from digital platforms

Risk identification and description

The C2C platforms used to put private individuals in contact with each other, such as Airbnb and Abritel, have significantly expanded their lodging offering over the past years in major cities as well as at the seaside and in the mountains.

The significant growth in additional entry-level to luxury lodging, providing houses and flats combined with a services offering (recreation, concierge, etc.) may increase the competitive environment in which the Group operates.

Potential impact on the Group

The increased competition from these platforms could impact the occupancy rate of the Group's tourist sites and/or create price tensions.

Risk management and mitigation

The Pierre & Vacances-Center Parcs Group derives more than 60% of its revenue from the internet, via its own platforms (pierreetvacances.com, centerparcs.fr, maeva.com, adagio-city.com website), and those of its trade partners (e.g. Booking.com, Vente privée, Voyage Privé, etc.). This notably provides a way to attract customers from regions where the Group's commercial presence is insufficient, to develop new emerging markets or to expand occupancy in the tourist sites operated by the Group at the beginning and end of seasons.

C2C platforms (Airbnb and Abritel) also contribute to developing the name recognition of holiday rentals, which can benefit the Group.

The development of measures aimed at supervising the rental of furnished tourist properties, such as those stemming from the ALUR and Digital Republic laws, also help reduce processing inequalities between the platforms and tourism professionals, especially in terms of regulatory factors and tax aspects.

Finally, Pierre & Vacances-Center Parcs Group has numerous assets that set it apart from these players and help it resist their competition: the guarantee of a level of quality that only major brands can provide, flexibility in holiday durations, offers and themes that can be customised, varied price ranges (combining transport, services and activities) and a large choice of destinations.

The Group has also invested significantly in recent years in overhauling its websites (new technologies, improving the customer experience on distribution channels, development of additional services sales) and rounding out its offer (in quantitative and qualitative terms) to consolidate its positioning and attract new clients.

2.2.1.3 Ongoing property crisis in a key market

Risk identification and description

The Group's Property development unit supports the development of its tourism offering. The Group's ability to grow and ensure the marketing of its property development offering can be impacted by:

- a lack of available properties (notably in France where the Group already has an extensive presence);
- appeals relating to building permits by associations or local residents;
- a loss of interest on the part of investors due to an unfavourable economic, tax and interest rate environment.

Potential impact on the Group

- Property development could slow due to the lack of available real estate in the target locations.
- The profitability of the property development activities could be impacted by the temporary interruption of projects being appealed.
- Some projects could be deferred due to property marketing difficulties (inventory risk).

Risk management and mitigation

To reduce its sensitivity to the cyclical nature of the property market, the Group has put in place several measures based mainly on:

- the diversification of investors with the development of property project financing by institutional investors in addition to sales to private individuals;
- the diversification of investors in different regions (British, German, Dutch, etc.);
- the diversification of the Group's locations (Northern and Eastern Europe and China);
- pre-sales constraints implemented by the Group prior to starting work to ensure limited inventory time for property and finished products. The same thinking applies to sales of existing property renovated by the Group where the stock risk is mitigated by the effective use of the property, generating rental income even when there is no resale;
- a change in the business model, with the development of property disposal/renovation operations of existing Domaines Center Parcs.

2.2.1.4 Cyber-attacks

Risk identification and description

The Group has implemented an in-depth digital transformation over the past several years. It began with the online booking system for its various brands and is continuing, leading to greater exposure to the risk of cyber-attack and to risks resulting from the malfunction of IT systems, networks and telecommunications.

These systems condition the execution, processing, transmission and storage of the Group's operations and accounting and financial data.

They also handle communications with the Group's customers, suppliers and employees.

In addition, the new personal data protection regulations (GDPR) require quick adjustments to avoid any risk of non-compliance.

Potential impact on the Group

The potential impact resulting from a cyber-attack and its effects depend on the type of attack:

- loss and/or theft of personal and confidential data and the resulting chain reaction;
- the failure of the main operational systems;
- the inability to carry out daily transactions.

Confronted with the growing threat of cybercrime, the Group is dedicating significant amounts to the maintenance and protection of its information systems.

Any significant breakdown or interruption of the information system, or any loss of sensitive data, could have a negative impact on the Group's normal business activities, notably the Tourism business, and have financial, operational or reputational consequences.

Risk management and mitigation

A formalised critical incident handling process has been implemented by the Information Systems Department.

The Group has a Disaster Recovery Plan which is regularly tested so that applications identified as critical are able to restart within an acceptable time-frame, in case a major problem occurs affecting the systems.

2.2.1.5 Tourism business seasonality

Risk identification and description

The European tourism sector has a seasonal nature with considerable changes in business depending on the period (school holidays) and the destination (stronger mountain business in winter and seaside business in summer).

The Group's Tourism business is based around two seasons: a winter season (November to April) which accounts for about 40% of the Group's annual revenue and a summer season (May to October), with the main activity in the summer season (the 4th quarter of the financial year alone accounts for over 35% of annual revenue).

This seasonality results in a structural deficit for the first half of the financial year.

Potential impact on the Group

Fewer stay sales during the high and very high seasons could negatively impact the Group's results.

In addition, depending on the destinations, the Group could also encounter difficulties recruiting seasonal staff, which could impact the promise made to customers and the quality of services.

Risk management and mitigation

The Group strives to decrease the seasonality of its business by:

- increasing foreign sales (partnerships with foreign tour operators, development of sales contracts for partner residences);
- boosting sales of stays outside of school holiday periods (selection of short stays for private individuals and professional seminars);
- increasing flexibility in terms of the length of stays and arrival and departure dates;
- using pricing which varies according to the different periods, with large differences between high and low seasons;
- targeted advertising campaigns.

The seasonal nature of the Group's Tourism business is also lessened thanks to the increased offering of city residences (Adagio & Adagio access) and the Domaines Center Parcs (all of which have roofed facilities), which are open all year round.

The Human Resources Department works in close cooperation with the Operations Department to improve the recruiting process for seasonal seaside and mountain staff.

2.2.1.6 Business failure of a strategic partner/service provider

Description of the risk

The companies of the Pierre & Vacances-Center Parcs Group primarily interact with partners in the tourist distribution and e-commerce, bank financing and institutional investment and construction and public works sectors.

Potential impact on the Group

Non-compliance of a partner or co-contractor and, notably, of those who participate in a building project or a distribution contract could have a significant negative impact on the cost plans budgeted or on the expected revenue volumes.

Risk management and mitigation

The relationships agreed with the partner companies of the Group are selected according to the type and size of the contracts by the various operational departments of the Group in close cooperation with the Purchasing Department and the Legal Department.

The match between the type of commitments undertaken and the operational reliability and financial stability of the partner and their level of financial dependence are taken into account as part of the Group's responsible purchasing policy.

In addition, the companies of the Pierre & Vacances-Center Parcs Group strive to maintain commercial relationships with a range of partners in order to limit market concentration, as is notably the case for distribution, in addition to a dominant direct sales policy.

2.2.1.7 Talent management

Description of the risk

The tourism sector has changed a great deal over the last few years, notably as a result of digitisation which has changed the way holidaymakers book, assess and recommend their holidays to their family and friends. In addition, their expectations in terms of lodging quality, cleanliness and service are increasing, which is why our teams and our organisation must evolve, improve and develop their business lines.

Potential impact on the Group

Given this context, if the Group were no longer able to attract and recruit new employees with the right skills, or if it were no longer able to hire and develop key staff, its reputation, business activities and results could be significantly impacted.

Risk management and mitigation

In order to manage these risks, the Group has implemented an HR policy intended to support the business throughout its transformation, changes and evolution. The policy is based on four pillars: appeal, recruitment, development and employee commitment.

The policy is based on a performance management process called the Talent Review, which is intended to identify, together with the managers, the key personnel in their teams, to prepare action plans to develop their skills, ensure their commitment or replace them.

With respect to appeal and recruitment, the Group has established a new employer brand platform, which emphasises the benefits for potential candidates of joining the group in terms of career development and professional challenges.

With respect to development, the Group has decided on an ambitious training policy intended to develop the customer service skills of its employees and enable them to develop new skills (agility, innovation, digital) to better meet the changes taking place in the tourism sector.

In addition, the Group addresses the risk of skill, knowledge and expertise flight due to internal mobility or departure from the Group by implementing a succession plan for each key person, via their identification during their Talent Review. The succession plan can involve mentoring, training or transmission to a potential successor by identifying a scheduled departure date in advance.

Lastly, with respect to commitment, the Group has implemented a leadership training programme called BCORE, which enables managers to understand their new role as coaches and change agents. The Happy@Work programme is intended to assess and improve team commitment by working on their satisfaction and motivation at work.

2.2.1.8 Fraud

Risk identification and description

The Pierre & Vacances-Center Parcs Group is exposed to the risk of fraud due to the acceleration of its digitisation, its presence in several countries, and the rapid development of new forms of potential threats, including international hacker networks, viruses and others.

Potential impact on the Group

Any fraud or theft could result in a financial loss or the loss of confidential data.

Major fraud could harm the Group's reputation if it resulted in negative comments on social networks or in the media.

Risk management and mitigation

The Group has raised awareness among teams exposed to the risk of fraud, and regularly carries out control operations (internal audits, mystery site visits).

The Group has an experienced "communication and crisis" team.

2.2.2 Health, safety and environmental risks

2.2.2.1 Risks related to the COVID-19 sanitary crises

Description of the risk

The Pierre & Vacances-Center Parcs Group is confronted, like all other players in economic life, with the generic risk represented by the COVID-19 pandemic. In this context, the Group's priority is to protect the health of its customers and employees, while ensuring as far as possible the continuity of its operations (health measures on site and at the head office, roll-out of digital and organisational solutions, adaptation of processes, etc.).

For the 2019/2020 financial year, the decisions of public authorities have forced the Group to close almost all sites operated from mid-March to the end of May/early June.

Potential impact on the Group

The main impact of the health crisis lies in:

- the potential contamination of our guests at the sites and of all our staff at the sites and at the head office.
- the lack of revenue due to the widespread closure of tourist sites operated by the Group during lockdown periods, and more generally in a decline in activity in a general context of health, economic and social crisis.

Risk management and mitigation

During the lockdown period, a crisis unit including the Management Committee of each Business Line and the Group's Management Board was held once a week to review developments in the situation (health and economic review) ineach country where the Group is located, to assess the impact for the Group and its employees, and to plan the reopening of sites.

In order to overcome this period without tourism income during periods of sites closure, exceptional cost-cutting and cash-flow preservation measures have been implemented: making staff costs more flexible by resorting to partial activity, adapting expenditure on sites, non-payment of rents on the principal basis of inexecution exception.... The Group also secured its existing financing (extension of the maturity of the revolving credit facility by 18 months and easing of financial ratios) and obtained a State-guaranteed loan to cover operating losses related to the crisis.

Moreover, a business recovery plan has been rigorously drawn up for operating, health and commercial aspects:

- on the operating front, the Center Parcs domains re-opened at the end of May in the Netherlands and in Germany, as of 8 June in Belgium and all of our sites in France open between 5 and 12 June and as of 22 June in Spain;
- on the health front, the Group has implemented strict protocols, certified by specialised companies, at the sites and the head office (masks, protective equipment, shift working, adjusted opening times for our infrastructures, specific training for managers and teams on the ground);
- on the sales front, our reservation and cancellation terms currently offer maximum flexibility with very low or symbolic upfront-payments and reimbursements right up to within a few days of the holiday.

The Group is carefully analysing the potential consequences of the COVID-19 health crisis on its future activities. However, estimates made as of a given date may differ from actual amounts depending on an upsurge in crisis episodes, their scale and duration, and the measures taken by all countries to combat the pandemic.

The Group remains confident in the relevance of its business model and its offering, which are perfectly in line with new customer trends favouring local and sustainable tourism.

2.2.2.2 Climate risks

Description of the risk

There are two types of risks related to climate change:

- physical risks resulting from damage caused by weather and climate phenomena (operating risks, material damage risks);
- transition risks resulting from the effects of the implementation of a low-carbon economic model (regulatory, tax and legal risks, market risks related to changes in demand).

The Property development and Tourism sectors are known to be particularly exposed to climate change risks (see the 2018 Fédération Française de l'Assurance study). The Group's activities are, therefore, impacted by changing climate and weather conditions over the short, medium and long term.

During the 2019/2020 financial year, a study was conducted with a specialised firm to fine-tune the Group's carbon assessment (first step in the work launched to define a carbon neutrality trajectory compatible with the Paris agreement – to be established during the 2019/2020 financial year) and to provide a more detailed analysis of the climate risks to which it is exposed (identify risks with significant potential financial impacts (on a 1 to 3 scale) across the Group's entire value chain, map their intensity by region and estimate their temporality (according to the most extreme IPCC scenario)).

Potential impact on the Group

- Consequences for the conditions of stays, customer satisfaction and demand: summer comfort, snow conditions, presence of harmful species which could impact stay quality.
- Strengthening of environmental regulations and taxes: rules governing the energy performance of buildings, the carbon tax.
- Impact on the operating conditions and costs of the sites: increase in energy prices, rationing or increases in water prices in destinations experiencing water stress, higher insurance costs and management costs.
- Material consequences related to extreme events: damage to buildings (including during the construction phase) and related costs (construction delays, major renovation costs, etc.), potential long-term loss in the value of the properties managed by the Group.

Risk management and mitigation

The Group's contribution to global warming and climate risks are major material challenges addressed within the framework of the Group's CSR policy.

The measures taken to control and mitigate greenhouse gas emissions are as follows:

- management of energy and water consumption via a road map with calculated objectives;
- choices made in terms of construction (bioclimatic design of new developments, choice of wood as a building material, etc.) and commitment to eco-certify all our new property development projects in order to take into account their carbon footprint from design to construction;
- review of carbon assessment on Tourism and Property development activities, the first step towards defining a carbon neutrality trajectory;
- in addition, the Group's positioning on a local tourism offering (sites accessible by car) is a major asset in terms of carbon footprint.

The measures taken to control and mitigate climate risks are as follows:

- mapping of climate risks and assessment of the potentially-related financial impacts, established as part of the study carried out with a specialised firm (see above), constitute a first step in the definition of dedicated action plans (to be finalised over the 2019/2020 financial year);
- a wide variety of locations (sea, mountains, countryside) makes it possible to reduce the potential impacts of extreme weather events or natural disasters. It also makes it possible to respond to a growing demand for destinations offering cooler temperatures in summer, such as the mountains, Brittany or Normandy, or destinations offering wide open spaces, in the countryside or mountains, in a health crisis context.

2.2.2.3 Risk of bodily harm

Description of the risk

The Group hosts several million customers a year in its establishments where they enjoy recreational activities and food services as part of their stay. During these activities, customers and employees can be exposed to the risk of a domestic accident, an incident, infection, or poisoning.

Potential impact on the Group

The main effect will be suffered by the person in question and the Group can potentially be held liable in this respect. The Group's reputation and its image can also be negatively impacted by random incidents occurring within its establishments.

Risk management and mitigation

The Group must guarantee the safety of its customers and employees. For this purpose, the Group has implemented a prevention and safety policy based on several pillars:

- an upstream risk analysis intended to identify any potential dangers for customers and employees;
- a prevention policy as the driver for safety;
- awareness raising for all departments and employees with the shared goal of "risk management";
- ongoing verification and measurement of the effectiveness of the prevention and safety policy to ensure that it is understood and applied by all.

In addition, the Group has implemented a specific crisis management organisation to ensure the handling of any situation with the potential to endanger its employees, its customers, its interests and/or its reputation. This specific crisis management system consists of a dedicated, multi-disciplinary team headed by the Operational Risks Department.

2.2.3 Legal risks

2.2.3.1 Regulatory risks

Description of the risk

The Group's business activities in France and in Europe are governed by legal and regulatory business and real estate law systems, including those covering consumer and renter protection, which can change from time to time. This is the case of the European Directive of 25 November 2015, the so-called "package travel and linked travel arrangements" directive, which came into effect on 1 July 2018.

In addition, the Group is also impacted by the recent regulatory systems on compliance which include laws on the duty of vigilance, the General Data Protection Regulation (GDPR) and the law on transparency, the prevention of corruption and the modernisation of the economy, known as the Sapin II law.

Potential impact on the Group

Failure to anticipate new regulations could lead to an increase in financial expenses or limit the Group's activities.

In addition, non-compliance with these regulations could result in sanctions for the company or its employees. This could also harm the brand image and reputation of the Group.

Risk management and mitigation

In addition to its involvement in professional tourism and property development bodies, the Group, via its Legal Department, monitors legal changes which may affect its commitments and obligations so as to adapt its contractual practices and tools to the new rules and standards in force, which did not lead to any major effect on its performance being identified.

In addition, as part of its risk management policy, the Group has implemented an overall approach intended to strengthen measures to prevent corruption based on:

- the implementation of a code of conduct included in the Internal Regulations, with an inherent disciplinary sanctions policy;
- training for Company managers and the people who have the greatest exposure;
- the implementation of an internal warning system;
- the creation of a risk map specific to corruption risks;
- the establishment of a procedure to assess the situation of customers, leading suppliers and intermediaries;
- the setting up of an internal control and assessment system for the measures taken;
- the implementation of internal and external accounting controls.

Moreover, in view of the new regulatory requirements for the protection of personal data, the Group has implemented technical and organisational measures for all of the countries in which it operates. A Data Protection Officer has been nominated and a steering committee set up to ensure the smooth roll out of the practices to be implemented to respect European regulations and maintain trusting relations with prospects, customers and all of the Group's staff.

2.2.3.2 Failure to obtain administrative authorisations (stakeholders)

Description of the risk

As part of the process of launching new property development and significant renovation programmes, a number of prior authorisations are requested from the administrative authorities by construction/marketing companies which are subject to preparation, investigation, delivery and third-party appeal deadlines.

Potential impact on the Group

Potential appeals of the administrative authorisations can significantly hamper the progress of the property development programmes and expose the Group to significant commitment costs.

Risk management and mitigation

The legal risk associated with failure to obtain local government authorisations for new programmes is limited to preliminary study costs, pre-selling expenses and internal fees, since the Pierre & Vacances-Center Parcs Group only purchases land if the local government authorisations have been obtained. For programmes undergoing renovation, the Pierre & Vacances-Center Parcs Group may have to acquire former operations already being operated, which generate an income to offset the cost of financing the purchase of the asset.

Nevertheless, the time scales for obtaining the authorisations purged of any third-party recourse can slow down development, and when the project is affected by a lasting dispute (such as the Roybon project), additional expenditure may make the cost of the property development programme significantly more expensive.

2.2.4 Financial risks

2.2.4.1 Risk related to rental commitments

Description of the risk

The Pierre & Vacances-Center Parcs Group strategy is not to commit its own equity to ownership of the premises of the holiday apartments and villages that it operates, so it sells these assets to individual or institutional investors. The sales are accompanied by lease-back agreements signed between the new owners and the Group tourism operating companies usually for between 9 and 15 years.

Tourism income generated by the leased apartments and houses offset these rents payable to the owners which constitute, along with personnel expenses, the main source of fixed expenses associated with the Tourism business.

Lease agreements for the Pierre & Vacances Tourisme Europe residences and villages entered into with private or institutional investors are usually signed for between 9 and 12 years with the option of renewal on expiry. These rents are subject to indexation clauses corresponding in France to the rent reference index and in Spain to the consumer price index applicable in the respective country.

The Group is thus exposed to index variations.

Potential impact on the Group

A significant difference between growth on the rental reference indices and growth in revenue generated by the tourism operations would have a substantially negative impact on the Group's financial results.

Risk management and mitigation

At 30 September 2020, less than 10% of the individual Pierre & Vacances leases are still indexed to the French construction costs index – ICC (the former reference index), and half of these have a maximum indexation of 2% to 3%. Further, for any new contract signed or any renewal of an expired lease, the indexation to the French rental reference index (IRL) is limited to an annual maximum of 2%. At the end of the leases, the Group may have to adjust the proposal put to the owner to ensure consistency between changes in tourism industry performance and changes in property market performance (change of the reference index from the ICC to the IRL, stability or reduction of rents in cash, introduction of variable rents, and in some special cases, operation under management agreements and potentially timely withdrawal from the operation).

The agreements to lease the land and buildings of the villages operated under the Center Parcs and Sunparks brands are generally signed for periods of between 11.5 and 15 years, with the option of renewal. The rents are primarily comprised of a fixed element. They are subject to fixed or variable indexation in line with inflation or the rent reference index applicable in the country in which the assets are located.

2.2.4.2 Market risk

The market risks are described in Note 21 to the consolidated financial statements.

In particular, the Group has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future maturities. At 30 September 2020, available cash amounted to €450 million (available cash plus more than €250 million in revolving credit and undrawn overdraft lines).

In 2019/2020, the Group also benefited from a number of arrangements in terms of financing, in particular with an exemption for the financial ratio on 30 September 2020 and an easing of that to respect on 30 September 2021, which will have to be renegotiated depending on developments in the second wave of Covid-19 and the impacts on the tourism operations. On this basis, the Group considers that it currently has sufficient liquidity to overcome the crisis from a 12 month perspective.

2.3 Insurance and risk coverage

Insurance policy is defined at Group level, including BNG, by the Risk Management section reporting to the Legal Department.

The overall budget allocated to this cover was €5 million (excluding construction) for the 2019/2020 financial year, a stable figure in terms of premium volumes and coverage levels compared with the previous financial year. Most of this budget goes on all-risks insurance covering operation of the tourism sites against damage and operating losses for all brands.

The Pierre & Vacances-Center Parcs Group is covered for property damage and operating losses with a contractual indemnity limit set at €250 million per claim, this amount corresponding to the Maximum Possible Claim assessment.

The level of cover set for business interruption and its compensation period correspond to the time required for the total reconstruction of a large site.

There are still a number of types of risk that may affect the Group's income which are not covered by the policies taken out, namely:

- uninsurable risks: the Group is obviously not insured against risks that are subject to common, regulatory or structural exclusions from any insurance contract, such as: risks not subject to contingencies, operating losses resulting from strikes, breach of the dykes in the Netherlands, pandemics, as well as the consequences of intentional faults or liability arising from failure to comply with contractual commitments, etc.;
- special risks which are not included under any specific cover, such as risks of operating losses as a result of economic or political instability.

Risks related to terrorism are covered for a significant portion of the Group's Tourism business through the GAREAT regulatory system (French national system for covering acts of terrorism) for sites located in France and through specific insurance coverage for sites outside France.

With regard to the coverage of property damage and business interruption risks, the Allianz insurance company is the lead insurer for the main insurance policies taken out.

Royal Sun Alliance is the main insurer in the blanket cover programme for public liability.

The Group does not have a captive insurance or reinsurance company.

2.4 Preparation of financial and accounting information

The organisation, the role of the finance departments and the reporting system presented below are those in force during the 2019/2020 financial year.

The Change Up strategic plan, presented in January 2020, contains a section on the evolution of the Group's organisation, rolled out since 15 June 2020, with the creation of a lean holding company and the implementation of autonomous Business Lines, integrating their main support functions, including Finance Departments. On 1 October 2020, the HR and Legal teams joined the Business Lines and Holding organisations, followed by the Finance teams from mid-November 2020.

2.4.1 Organisation and role of the finance departments

Deputy Executive Management (DGA) handles essential internal audit missions for the development of financial and accounting information. A body of procedures and practices has been defined to ensure that action is taken to control risks, which could have a material effect on the Group portfolio or adversely affect its ability to achieve its corporate objectives. The DGA is responsible for central and operational management functions within a framework of delegated responsibilities for each business.

2.4.1.1 Group Finance Department

This Department has four main segments:

Tourism Operational Finance Department

- Leads and measures the economic performance of the Group's Tourism business.
  - It applies the financial objectives of the Group for each brand, checks and measures their achievement via the reporting system, and proposes any corrective action necessary.
  - Management of the budgeting process, business forecasts and medium-term operating profit (loss).
- Assistance to operational staff for all financial subjects (simulations, calculations-pricing policy, special shares, etc.).
- Assistance for development issues (business plans, financial profitability simulations for new and renovated property programmes), for the renewal or creation of leasing formulae and for the reorganisation and optimisation of the operational activities.
- Active participation in designing and implementing new front- and back-office tools.

Property Development Finance Department

- Preparation of accounting information; leads and measures the economic performance of the Group's Property Development business.
- Monitoring and financial control of projects (expenditure commitments, status of works, calls for funds, etc.).
- Implementation of the financial goals of the Group and of each of the property development and marketing activities, controls and measures their implementation via the proposal and reporting of actions.

Tourism/Holdings Accounting and Financial Systems Department

Tourism/Holdings Accounting Department

- Preparation of financial statements, coordination and control of accounting applications and procedures in close cooperation with management control, internal audit, operations control and the consolidation department for each "organisational sub-group". Accounting closes are carried out every month for all brands.
- Support for operational staff for the supply of financial information and participation in the implementation of administrative and commercial tools.
- Financial management of owners and joint owners.
- Sales administration (invoicing, collections, customer account, litigation and reimbursements management).

Transformation and Financial Systems Department

- Project management assistance for the information tools/systems required by the operations and financial departments.

Corporate Finance Department

Cash/Financing Department

- Setting up the Group's financing.
- Plays an active role in securing finance from institutional partners, which invest in these assets operated by the Group.
- Manages the cash flow of the subsidiaries, centralised in a cash pool.
- Implementation of cash flow forecasts at Group level in connection with the monitoring of the Group's commitments in terms of Banking Documentation.
- Manages the distribution of business between banks, organises the Group's invitations to tender and ensures the consistency of information published in its scope of activity.

Tax Department

- Supervises and coordinates the Group's specific tax policies in each of the countries where it operates.
- Participates in tax structuring, with the support of tax advisers, in terms of development for both property development projects and tourism operations.
- Advice and assistance to the Operational Departments for all transactions involving tax law.
- Tax monitoring for changes in tax law and, in this context, supervision of the implementation of new regulations in Group entities (example: "BEPS" regulations).

Consolidation Department

- Preparation, analysis and reporting on the Group's consolidated financial statements, established using the IFRS in force:
  - before each consolidation phase, preparation and transmission by the Consolidation Department of precise instructions for the subsidiaries, including a detailed schedule;
  - preparation and analysis of the consolidated financial statements based on accounting and management information that is passed on to it for the entire scope of consolidation;
  - use of a unique software package tool deployed in the Group's subsidiaries. Maintenance of this tool and training for users is undertaken by the Consolidation Department with temporary assistance from external consultants if necessary.
- Standards monitoring and determination of the impact of the first application of new standards with the support of its advisers when required;
- Implementation of Group impairment tests.

2.4.1.2 Investor Relations, Corporate Finance and Mergers/Acquisitions Department

- Management of all equity transactions with an impact on capital (capital increase, bond issues with an equity component, etc.).
- Management of merger/acquisition/disposal operations.
- Supervision of external financial communication to financial analysts, investors and shareholders.
- Control and approval of all financial information intended for the media, thereby ensuring the overall consistency of the financial information disseminated outside of the company.

2.4.1.3 Group Internal Audit Department

This Department is involved in recurring assignments (site audits), thematic assignments (head office or sites), or special assignments at the request of the Group's General Management. The tasks and themes dealt with may affect all of the Group's businesses and subsidiaries.

For Pierre & Vacances sites, the Operational Finance Department, Human Resources and Operational Control participate on a case-by-case basis with Group Internal Audit in site audits of a financial nature, but also in audits of a social and regulatory nature in relation to the operation of tourism residences.

These audits are mainly carried out on the operating sites (residences or villages from all the brands). The main aim of the on-site audit missions is to ensure that procedures are correctly applied, but also, working closely with the Human Resources Department, to ensure that social obligations and labour laws concerning advertising, keeping of registers, etc. are correctly applied.

The main areas of risk covered by the internal audit are:

- ensuring that revenue generated on-site is reported correctly and is optimised. It verifies that services provided have been invoiced correctly. Checks are also made on the correct application of pricing terms and justification of any discounts given. Finally, revenue deletions and reimbursements are traced and analysed;
- the security of property and financial assets. As such, the audit verifies in particular that proper security procedures are deployed on each site to protect cash receipts and deposits. Checks are also made on bank deposits to ensure their accuracy and consistency;
- collection and level of payments outstanding from customers. To ensure optimum recovery, many points are examined: drafting and strict enforcement of standardised contracts for the groups and seminars, reminders to debtors according to the deadlines given, collection of guarantee deposits, due recording of client addresses.

The choice of the sites audited is established by Group Internal Audit in view of the typology of the site (a village presents more risks than a small residence), specific requests from General Management, but also on a randomised basis. Center Parcs Villages are subject to a more intense programme due to their unit volume of activity: a complete audit is conducted every three years at most, followed by a second audit within six months and a "mystery visit" by Group Internal Audit or, if required, by a specialised company. The visits can be preventive in nature or be initiated by suspected fraud.

In addition, since early April 2018, an Internal Auditor has been dedicated to Pierre & Vacances Tourisme sites, enabling a significant number of additional site audits.

Group Internal Audit also carries out audits on specific subjects (application of ISO 14001 and 50001 environmental management standard, compliance with procedures, etc.).

At the end of each audit assignment, audit reports are drawn up and submitted to the audited sites, to Executive Management and to the external auditors for the larger sites. An action plan is drawn up in collaboration with the managers of the sites audited and follow-up assessments of the implementation of recommendations are performed within a maximum of six months of the initial audit.

Theft and fraud prevention procedures have been put in place. These procedures include, for Center Parcs villages, a matrix of tests to be carried out on control points, and for Pierre & Vacances sites, a self-assessment questionnaire.

2.4.1.4 Portfolio Management Department

The Portfolio Management Department acts as the liaison between the owners and all of the Group Operational Departments for all issues relating to leases and property management of the owners' portfolio.

It brings together all the teams and functions dedicated to management of relationships, contracts and properties with regard to owners and multiple owners.

This Department works in three areas:

- owner relations (communication, management of stay fees, etc.);
- property management (management activity, asset administration and co-ownership syndicates);
- lease renewals.

2.4.1.5 Development Department

This Department is responsible for:

- the search for development opportunities (notably via property asset acquisitions consisting of tourism residences or the goodwill of businesses);
- structuring finance (equity/debt – in partnership with the Cash/Financing Department) for projects (search for institutional investors – Center Parcs, Villages Nature® Paris, etc.);
- asset disposals.

2.4.2 Reporting system

The operations monitoring and control process is built upon a medium-term business plan, budget planning, re-forecasting and the reporting cycle for all of the Group's activities.

The five-year business plan setting out the Group's strategy is usually produced in July and updated during the year in order to ensure consistency between short and medium-term objectives. This plan is drawn up based on the Group's strategic choices and developments, taking into account property developments, changes in site inventory, recovery and renovation of assets, pricing trends and forecasts for occupancy rates. The first year of this business plan is used to define, at the end of July, a budgetary framework for the next financial year.

The budgeting process is organised and supervised by the Finance Department in coordination with the business lines and Operational Departments. It has three phases:

- the pre-budget makes it possible for Property development to identify the programmes and corresponding margins and for the Tourism business to estimate the revenue by season and by brand from the development of the offering, the sales strategy and the operational expenses (advertising, personnel, rent, etc.) according to the assumptions of distribution policies, investment plans, salary policy, indices, etc.;
- the framework refines the pre-budget assumptions, in particular for all of the personnel structures and on the tourism businesses through operator validation of the sales targets, variable expenses, and additional revenue streams on each site;
- the budget, finalised in September, consolidates all the assumptions validated for each property development programme and for sites that are already operational. Approved by the Executive Management Committee, it is broken down on a monthly basis to use as a reference for Group reporting and is sent to each of the operating entities.

Regular reforecasts for all businesses mean that the budget for the year can be revised in light of achievements to date.

In addition to regular monitoring, the Finance Department provides **reporting tools** suited to each business line which are analysed during the monthly operational reviews and forwarded to the Executive Management Committee.

- Weekly monitoring of tourism bookings enables the General Tourism Department, the General Sales Department and the Business Lines to optimise the sales policy and yield management, and allows operators to adapt the organisation of operating sites in line with occupancy forecasts.
- The monthly report on site results is compared with monthly budgets and the actual results recorded the previous year and given to the Business Line Managers and to the various operating managers in the regions concerned. These reports are also reviewed with the Business Lines. Marketing budgets and general expenses are also monitored on a monthly basis.
- Budgets for property development programmes are reviewed regularly and systematically revised each quarter with the relevant property Programme Manager.
- For the marketing of properties, the number of signed sales is reviewed twice a month and monthly reports are examined with General Management, notably marketing expenses (network and private advisers), marketing expenses and general overheads.

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CORPORATE GOVERNANCE 3

This corporate governance report was prepared in accordance with the final paragraph of Article L. 225-37 of the French Commercial Code. It was approved by the Board of Directors at its meeting of 14 December 2020. This report will be presented to the shareholders at the next annual Shareholders' Ordinary Meeting, to be held on 1 February 2021.

3.1 Administrative and management bodies

3.1.1 Composition of the Board of Directors

3.1.1.1 Composition on 30 September 2020

At 30 September 2020, the Board of Directors of Pierre et Vacances SA was composed of twelve members, four of whom qualified as independent directors according to the criteria set out in the AFEP-MEDEF Code.

Director	Nationality	Date of birth	Gender	Term start date	Date of most recent renewal	Term end date: Shareholders' Ordinary Meeting to approve the	Independent director[1]	Member of Board Committees	Number of Company shares held
Gérard Brémond, *Chairman of the Board of Directors*	French	22/09/1937	M	03/10/1988	07/02/2019	2021 financial statements	-	-	10
Yann Caillère *Chief Executive Officer* and Director	French	05/08/1953	M	02/09/2019 14/10/2019	-	2021 financial statements[2]	-	-	12,500
S.I.T.I. SA Represented by Olivier Brémond	French	03/10/1962	M	10/07/1995[3]	07/02/2019	2021 financial statements	-	-	4,883,720 10
Andries Arij Olijslager	Dutch	01/01/1944	M	06/10/2008	07/02/2019	2021 financial statements	[4]	Audit Committee	500
Delphine Brémond	French	14/07/1966	F	02/12/2008	07/02/2019	2021 financial statements	-	-	10
Annie Famose	French	16/06/1944	F	04/02/2016	07/02/2019	2021 financial statements	-	Audit Committee	20
Bertrand Meheut	French	22/09/1951	M	04/02/2016	07/02/2019	2021 financial statements	Yes	CRN[5]	40
Alma Brémond	French	22/06/1996	F	21/02/2017	05/02/2020	2022 financial statements	-	-	10
Amélie Blanckaert	French	16/03/1975	F	21/02/2017	05/02/2020	2022 financial statements	Yes	CRN[5]	25
Jean-Pierre Raffarin	French	03/08/1948	M	09/02/2018	-	2020 financial statements	Yes	-	10
Léo Brémond	French	30/06/1999	M	31/12/2018	07/02/2019	2021 financial statements	-	-	10
Marie-Christine Huau	French	20/01/1965	F	14/10/2019	-	2021 financial statements	Yes	-	20

(1) The criteria set out in the AFEP-MEDEF Code are used to determine whether or not a director is independent. The position of each director with regard to the independence criteria has been examined by the Board of Directors during its self-assessment of the way in which it operates.
(2) Expiry date of the Chief Executive Officer's term of office: Shareholders' Ordinary Meeting called to approve the 2022 financial statements.
(3) This is the first date on which Olivier Brémond took office as a director.
(4) Andries Arij Olijslager lost his status as independent director in October 2020, due to the seniority of his term.
(5) Remuneration and Appointments Committee.

Family ties between the directors: Delphine Brémond and Olivier Brémond are the children of Gérard Brémond. Alma Brémond and Léo Brémond are the grandchildren of Gérard Brémond.

To the Company's knowledge, there is no potential conflict of interest between the Company's executives' and directors' duties and their private interests and/or duties.

The Board's Internal Regulations specify that directors must inform the Board of any conflict of interest or potential conflict, and must abstain from any Board meeting debates and vote in relation to any such conflict of interest situation.

In addition, to the Company's knowledge, no executive or non-executive corporate officer has:

- been convicted of fraud during at least the last five years;
- been made bankrupt, or placed in compulsory administration or liquidation during at least the last five years;
- been charged with an offence and/or had an official public penalty pronounced against him or her by the statutory or regulatory authorities during at least the last five years.

Finally, to the Company's knowledge, no executive or non-executive corporate officer has been barred by a court from serving as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of the affairs of an issuer during at least the last five years.

At the time of writing this Universal Registration Document, no executive or non-executive corporate officer was bound to the Company, or to any of its subsidiaries, by a service agreement.

3.1.1.2 Changes to the composition of the Board of Directors in 2019/2020

On 14 October 2019, the Board of Directors:

- made official the resignation of Olivier Brémond (which took place on 1 October 2019) as director and decided to co-opt Yann Caillère to replace Olivier Brémond, with effect from 14 October 2019 and for the remainder of his term of office, i.e. until the end of the Shareholders' Ordinary Meeting held to approve the financial statements for the financial year ended 30 September 2021;
- made official the appointment of Olivier Brémond (which took place on 1 October 2019) as permanent representative of S.I.T.I. SA on the Pierre et Vacances Board of Directors, to replace Patricia Damerval, who resigned on 30 September 2019;
- made official the resignation of Martine Balouka-Vallette (which took place on 30 September 2019) as director and decided to co-opt Marie-Christine Huau to replace Martine Balouka-Vallette, with effect from 14 October 2019 and for the remainder of her term of office, i.e. until the end of the Shareholders' Ordinary Meeting held to approve the financial statements for the financial year ended 30 September 2021.

The Shareholders' Ordinary Meeting of 5 February 2020:

- ratified the appointment by cooptation of Yann Caillère;
- ratified the appointment by cooptation of Marie-Christine Huau;
- renewed the terms of office as directors of Alma Brémond and Amélie Blanckaert.

3.1.1.3 Changes in the composition of the Board of Directors since 1 October 2020

Employee representation on the Board of Directors is ensured by two directors who have been appointed in accordance with the provisions of the articles of association:

- on 30 October 2020, Emmanuel de Pinel de la Taule was elected by the employees;
- on 9 November 2020, Dominique Girard was appointed by the European Works Council.

It should be recalled that the term of office of the directors representing the employees is set at three years from the date of their election or appointment and is renewable.

As of the date of this Universal Registration Document, the Board of Directors is composed of fourteen members, including four independent directors, five women and two directors representing employees.

3.1.1.4 Changes in the make-up of the Board of Directors submitted to the Annual Shareholders' Meeting of 1 February 2021

During the meeting of 1 February 2021, the Annual Shareholders' meeting will be asked to vote on the renewal of the mandate for Mr Jean-Pierre Raffarin.

3.1.2 Directors in office on 30 September 2020

Gérard BRÉMOND, *Chairman of the Board of Directors*

Business address: L'Artois – Espace Pont de Flandre – 11, rue de Cambrai – 75947 Paris Cedex 19

Expertise: Gérard Brémond is the founder of the Pierre & Vacances-Center Parcs Group. He was also Chairman of the Association "Alliance 46.2" – Entreprendre en France pour le Tourisme – from February 2014 to beginning of February 2016, Foreign Trade Consultant for France and National Tourism Consultant. He was Chairman of Maison de la France from 1999 to 2005. Gérard Brémond is Chairman of Fondation Ensemble and the Pierre & Vacances-Center Parcs Group Foundation. He has a degree in Economic Sciences, and is a graduate of the Institut d'Administration des Entreprises (University Schools of Management).

Terms of office in other companies (outside the Pierre & Vacances-Center Parcs Group) at 30 September 2020:

- Chairman and Chief Executive Officer of Société d'Investissement Touristique et Immobilier – S.I.T.I. SA
- Chairman of GB Développement SAS
- Chairman of S.I.T.I. Holding SAS
- Manager of S.I.T.I. R. SC
- Director of Voyageurs du Monde (listed company)

Terms that ended during the last five financial years (outside the Pierre & Vacances-Center Parcs Group):

- Director of Lepeudry et Grimard, until 31 August 2018

Yann CAILLÈRE, *Chief Executive Officer*

Business address: L'Artois – Espace Pont de Flandre – 11, rue de Cambrai – 75947 Paris Cedex 19

Expertise: Yann Caillère began his career at Pullman. From 1995 onwards, he held a series of positions in succession at Disneyland Resort Paris: CEO for luxury accommodation and conventions, Deputy Chair of Hotel Management, Deputy CEO in charge of operations, then Deputy CEO. In 2004, he was appointed Chairman of the Louvre Hotels Group. In 2006, he joined the Accor Group as CEO for Europe, the Middle East and Africa Hotels and of Sofitel Monde. In August 2010, he was appointed Deputy CEO in charge of global operations and, in 2013, he was briefly CEO of the Accor Group. From 2014 to 2016, Yann Caillère was CEO of the Spanish group Parques Reunidos. In early 2016, he set up his hotel and leisure consultancy company. Yann Caillère is a graduate of the Ecole Hôtelière in Thonon-les-Bains.

Terms of office in other companies (outside the Pierre & Vacances-Center Parcs Group) at 30 September 2020:

- Deputy Chief Executive Officer (non-director) of Société d'Investissement Touristique et Immobilier – S.I.T.I. SA
- Chairman of Yann Caillère Consulting SAS
- Chairman of Qbic Hotels
- Director of Le Duff Group
- Member of the Supervisory Board of Basilique Hospitality SAS
- Director of Trois G SAS

Terms of office, which have expired over the last five financial years:

- CEO of Parques Reunidos, up to March 2016
- Director of Compagnie du Ponant, up to August 2018
- Director of Hôtels Kempinski, up to June 2018

Olivier BRÉMOND

Business address: L'Artois – Espace Pont de Flandre – 11, rue de Cambrai – 75947 Paris Cedex 19

Expertise: Olivier Brémond was Chief Executive Officer of the Pierre & Vacances-Center Parcs Group from 3 September 2018 to 2 September 2019. For almost 30 years, Olivier Brémond has been a successful entrepreneur outside the Group. After taking over at Gamma TV in 1988, he set up Marathon Productions and Marathon International in 1990. He then brought in and implemented concept stores in Iceland and New York. Since 2 September 2019, Olivier Brémond has been Deputy CEO of S.I.T.I. responsible for strategy and investment at S.I.T.I. Group.

Terms of office in other companies (outside the Pierre & Vacances-Center Parcs Group) at 30 September 2020:

- Deputy Chief Executive Officer (director) of Société d'Investissement Touristique et Immobilier – S.I.T.I. SA
- Chairman of Mercer Productions

Terms of office, which have expired over the last five financial years:

- Director of Kisan Inc. (United States) until April 2019

Andries Arij OLIJSLAGER

Expertise: Andries Arij Olijslager is Chairman of the Supervisory Board of Arriva Nederland NV. He also served as Chairman of the Supervisory Board of Detailresult Groep NV, Chairman of the Board of Directors of Royal Friesland Foods and Frieslands Dairy Foods Holding NV, Chief Executive Officer of MIP Equity Fund NV, and Chief Executive Officer and co-shareholder of Leopack. Andries Arij Olijslager is a graduate from the University of Nyenrode *(Business University).*

Terms of office in other companies at 30 September 2020:

- Chairman of the Supervisory Board of Arriva Nederland NV
- Member of the Supervisory Board of Renewi Holding NV

Terms of office, which have expired over the last five financial years:

- Until 15 April 2016, Chairman of the Supervisory Board of Heijmans NV
- Until 1 April 2017, Chairman of the Supervisory Board of Detailresult Groep NV
- Until 1 May 2017, Director of Foundation Stichting Administratiekantoor Unilever
- Until 1 May 2017, Chairman of the Supervisory Board of OOK (Ondernemend Oranje Kapitaal), a listed company
- Until 31 December 2019, member of the Supervisory Board of Investment and Innovation fund Gelderland

Delphine BRÉMOND

Business address: 5, rue Saint-Germain – 94120 Fontenay-sous-Bois

Expertise: Delphine Brémond has a degree in animal behaviour and a passion for sustainable development. She began her career as a writer and director. She now supports families and young people.

Terms of office in other companies at 30 September 2020:

- Director of Société d'Investissement Touristique et Immobilier – S.I.T.I. SA

Annie FAMOSE

Business address: Place centrale – 74110 Avoriaz

Expertise: Annie Famose is Chair of the Annie Famose Group (sportswear shops, restaurants, ski school in ski resorts). She also founded the Skiset network (the world's leading ski rental network). Annie Famose has a degree from ESSEC (DESS in General Management).

Terms of office in other companies at 30 September 2020:

- Chair of Société des Commerces Touristiques SCT
- Chairman of SA SPC
- Manager of Le Yak SARL and Le Village des Enfants SARL
- Manager of SCI LDV, Brémond Lafont-SDF, LR, Kiwi, David, ST Invest, Fina, Sarah, SCI Invest 2, SCCV la Cabane
- Director of the Olympique Lyonnais Group

Terms of office, which have expired over the last five financial years:

- General Manager of SCT Web SARL
- General Manager of Skiset Finances-SKF SARL
- General Manager of Sport Boutique 2000 SARL
- General Manager of La Panèterie EURL
- Chair of Skishop SAS
- Chair of the Board of Directors of Skiset Group SA-Compagnie des Loueurs de Skis
- Representative of CLS SA, director of Compagnie Internationale des Loueurs de Ski, CILS
- Permanent representative of SCT SAS on the Board of Directors of Compagnie Française des Loueurs de Skis SA, and of Dunette Holding SAS and La Ferme SAS

Bertrand MEHEUT

Business address: 4, rue de Franqueville – 75116 Paris

Expertise: Bertrand Meheut has a background in civil engineering (mines), and was Chairman of the Canal+ Group Management Board from 2002 to 2016. He previously worked in industry. He spent most of his career at Rhône-Poulenc, then Aventis. He joined in 1984 as deputy to the CEO for Europe. He was responsible for the central functions of the "Agro" branch. He then became CEO of the German subsidiary, Deputy CEO of Rhône-Poulenc Agro, then Deputy Executive Chairman and CEO Europe. When Rhône-Poulenc and the German chemicals company Hoechst merged within Aventis at the end of 1999, Bertrand Meheut became Chairman and Chief Executive Officer of Aventis CropScience.

Terms of office in other companies at 30 September 2020:

- Director of Aquarelle.com

Terms of office, which have expired over the last five financial years:

- Chairman of the PMU Board of Directors
- Director of Edenred (a listed company)
- Director of Ly&Lo
- Director of Accor (listed company)
- Director and Deputy Chairman of the Board of SFR Group (listed company)
- Chairman of the Management Board of the Canal+ Group and Canal+ France
- Member of the Vivendi Management Board
- Chairman of the Board of Directors of the Société d'Édition de Canal+
- Chairman of the Supervisory Board of StudioCanal
- Chairman of Canal+ Régie
- Permanent representative of the Canal+ Group on the Board of Directors of Sport+
- Permanent representative of the Canal+ Group, co-manager of Canal+ Éditions
- Representative of Canal+ France, active partner of Kiosque
- Member of the Management Committee of Canal+ Overseas
- Member of the Supervisory Board of TVN (Poland)

Alma BRÉMOND

Expertise: Alma Brémond is a graduate of Barnard College, Columbia University, New York (BA Political Science, majoring in political science and minoring in economics), and of the HEC business school in Paris (Master in Entrepreneurship). Alma Brémond founded the company GoBox.

Terms of office in other companies at 30 September 2020:

- Chair of GoBox SAS

Amélie BLANCKAERT

Business address: 5-7, rue d'Aumale – 75009 Paris

Expertise: After beginning her career at Trinity College (Cambridge), Amélie Blanckaert founded Coup de Plume SARL, a communications consultancy for directors. For 12 years, she has been a regular guest speaker at CAC40 companies and French grandes écoles. Amélie Blanckaert is a graduate of École Normale Supérieure, having specialised in Modern Letters. She is also a graduate of IHEDN.

Terms of office in other companies at 30 September 2020:

- General Manager of Coup de Plume SARL

Jean-Pierre RAFFARIN

Business address: 63, avenue de Suffren – 75007 Paris

Expertise: Jean-Pierre Raffarin was Prime Minister of France from May 2002 to May 2005. He was also President of the regional council of Poitou-Charentes, Member of the European Parliament, Minister for SMEs, Commerce and Craft, Senator for the Vienne department, Vice-President of the Senate and Head of the Senate's Foreign Affairs, Defence and Armed Forces Committee. Jean-Pierre Raffarin is now special representative for China and Chairman of the Leaders Pour la Paix foundation. He is a graduate of the École Supérieure de Commerce business school in Paris.

Terms of office in other companies at 30 September 2020:

- Director of Plastic Omnium Holding (Shanghai)
- Member of the Supervisory Board of Idinvest Partners

Léo BRÉMOND

Expertise: After obtaining a degree in sports management in May 2018 and an economics degree in September of the same year, Léo Brémond is continuing his studies at New York University.

Léo Brémond does not hold a term of office in any other company.

Marie-Christine HUAU

Business address: 30, rue Madeleine Vionnet – 93300 Aubervilliers

Expertise: With experience in French and international large state bodies and large private groups, Marie-Christine Huau has been championing the environment, water management, water environments, the sea and the coast for over 30 years. She began her career at the Australian Institute of Marine Science. In 1988, she joined SAUR (Bouygues subsidiary), where she held consecutive roles in engineering, export chargée d'affaires and R&D management. From 2003 to 2007, she worked at Ifremer as Head of development and industrial partnerships. In 2007, she joined the Veolia Group, where she is Head of the large water cycle market, environment and coast. Marie-Christine Huau graduated from the French national Institute of Agronomy Paris-Grignonin in agronomic engineering, and is also a graduate of the French Institute of Management. She was elected Chair of the AgroParisTech Alumni association.

Marie-Christine Huau does not hold a term of office in any other company.

3.1.3 Diversity policy applied within the Board of Directors and its Committees

The Board of Directors ensures that it applies the principles of the AFEP-MEDEF Code concerning its composition and that of its Committees. In particular, the Board pursues its objective of improving the diversity and complementarity of skills and experience and the diversity of profiles, while maintaining a balanced representation of women and men and a proportion of independent directors in the spirit of the recommendations of the AFEP-MEDEF Code in order to guarantee shareholders and the market that its missions are carried out with the necessary independence, objectivity and expertise.

At the time of writing this Universal Registration Document, there were five women on the Board of Directors, more than the 40% minimum required by the provisions of the French Commercial Code[1]. Furthermore, four out of twelve directors qualified as independent, equivalent to the rate of a third recommended by the AFEP-MEDEF Code.

The Board of Directors believes its composition to be balanced, as its members include:

- members of the founder's family;
- directors who are familiar with the Company and its operating environment;
- directors appointed more recently from different backgrounds;
- directors representing employees.

(1) Excluding the 2 Board members representing employees.

3.1.4 General Management

On 3 September 2018, the roles of Chairman of the Board of Directors and Chief Executive Officer were separated.

Since this date, Gérard Brémond has been Chairman of the Board of Directors.

Yann Caillère has been Chief Executive Officer since 2 September 2019.

Powers of the Chairman of the Board of Directors

As Chairman of the Board of Directors, Gérard Brémond organises and oversees the work of the Board of Directors and reports to the Shareholders' Ordinary Meeting. He ensures that the Company's corporate decision-making bodies operate effectively and in particular that the directors are in a position to fulfil their duties.

Powers of the Chief Executive Officer

As Chief Executive Officer, Yann Caillère is vested with full powers to act on behalf of the Company in all circumstances. He represents the Company in its relations with third parties. No limitation has been placed on the powers of the Chief Executive Officer. However, these powers are subject to the limits of the Company purpose and the powers explicitly allocated by the law to shareholders' meetings and the Board of Directors.

Composition of the Executive Management Committee

At 30 September 2020, the Group Executive Management Committee had three members: the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer.

The powers and workings of this Committee are outlined in the Group's management report (page 27 of this Universal Registration Document).

3.1.5 Conditions for preparing and organising the work of the Board of Directors

3.1.5.1 Reference code

The Company refers to the Code of corporate governance for listed companies produced by the AFEP and the MEDEF, which were most recently reviewed in January 2020. The Code can be consulted on the website of the MEDEF (www.medef.com).

The Code's recommendations are part of the approach to corporate governance taken by the Pierre & Vacances-Center Parcs Group, it being specified that their application must be appropriate for the size and history of the Company.

In accordance with the "comply or explain" rule referred to in Article 27.1 of the AFEP-MEDEF Code, the Company believes that its practices are in line with the AFEP-MEDEF Code recommendations, apart from the following points:

Staggering of terms of office Article 14.2 of the Code: Terms of office are staggered so as to avoid block renewals and to encourage the smooth re-election of directors.	The interplay between various cooptations and appointments over recent years has prevented the organisation of a staggered renewal of terms of office, without this resulting in an identical end date for all current terms of office.
Proportion of independent directors within the Audit Committee Article 16.1 of the Code: At least two thirds of the directors on the Audit Committee must be independent.	The Company considers that Annie Famose and Andries Arij Olijslager are persons external to the Group whose freedom of judgment is not called into question, even though they do not meet all the criteria for independence set forth in the AFEP-MEDEF Code.
Time limit for inspection of the financial statements by the Audit Committee Article 16.3 of the Code: The time-scales for inspection of the financial statements by the Audit Committee must be sufficient.	As the Chairman of the Audit Committee is a non-resident, the Audit Committee meeting is, generally speaking, held on the evening prior to the Board of Directors' meeting. Members of the Audit Committee do, however, have access to all of the documents and disclosures required for them to perform their duties within deadlines allowing them to satisfactorily familiarise themselves with, and examine, such documents and disclosures.
Remuneration of executive corporate officers Article 23 of the Code: Executive corporate officers shall retain a minimum number of registered shares, to be set by the Board of Directors, until the end of their term of office. For as long as this share ownership target is not met, executive corporate officers shall make up the shortfall with a portion of the options or performance share allocations as determined by the Board.	Gérard Brémond owns 49.36% of issued capital via his asset holdings. Yann Caillère holds 12,500 Pierre et Vacances shares. Furthermore, neither Gérard Brémond nor Yann Caillère are allocated options or performance shares.
Management remuneration policy : information on "equity ratios" Article 26.2 of the Code: The section concerning the management remuneration policy provides information on ratios enabling the measure of the difference between the remuneration of managing corporate officers and that of the Company's employees. For companies that have no or few employees relative to the overall headcount in France, these take into account a more representative scope relative to payroll expenses or headcount in France of companies for which they have exclusive control.	Since the Company has no employees, the information set out in Articles L. 225-37-3 6° and L. 225-37-3 7° ("equity ratios") have no object and are not to be integrated into the information required in terms of the ex-post vote on the application of the remuneration policy during the past year. For this first year following the implementation of measures relative to equity ratios, the Company has chosen to extend their application to the Group's employees in France. Since the Change Up transformation plan involves a radical reorganisation of the Group, the Company decided it was more relevant to postpone the application of equity ratios in order to determine a coherent scope once the plan is completed.

3.1.5.2 Organisation of the Board of Directors

Internal Regulations

The Board of Directors has adopted a Directors' Charter and Internal Regulations governing how it functions and a Code of Conduct for directors with regard to their office. These rules incorporate a number of legal requirements along with provisions designed to reinforce directors' independence of action and judgement in relation to the Company and to enhance control of the Company.

The Board of Directors amended its Internal Regulations on (i) 6 March 2012 to define "blackout periods" for transactions by directors on Company securities, in accordance with AMF recommendations aimed at preventing insider misconduct and (ii) 10 October 2018 to set out a procedure for managing conflicts of interest in line with AMF corporate governance recommendations. An insider trading clause was incorporated taking into account European regulation no. 596/2014 on market abuse.

The Board's Internal Regulations specify that the Board should carry out an annual appraisal of its operations.

In accordance with the AFEP-MEDEF Code, the Board's Internal Regulations are available on the Company's website.

The Internal Regulations state that each director must hold at least ten shares in the Company.

Meetings of the Board of Directors

The meetings of the Board of Directors are scheduled on an annual basis. This schedule is adjusted and supplemented, if applicable, by additional meetings as and when the directors need to be consulted.

In the past financial year, the Board of Directors met eight times. The individual attendance records for Board directors are provided in the table below.

Director	Board of Directors	Audit Committee	Remuneration and Appointments Committee
Gérard Brémond, *Chairman of the Board of Directors*	100%		
Yann Caillère, *Chief Executive Officer*	100%		
Olivier Brémond *S.I.T.I. Representative*	100%		
Andries Arij Olijslager	87.5%	100%	
Delphine Brémond	100%		
Annie Famose	100%	100%	
Bertrand Meheut	100%		100%
Alma Brémond	100%		
Amélie Blanckaert	87.5%		100%
Jean-Pierre Raffarin	87.5%		
Léo Brémond	100%		
Marie-Christine Huau	87.5%		

The average duration of each meeting was two hours and allowed examination and detailed discussion of the items on the agenda. Meetings of the Board of Directors are called by the Chairman. Documentation relating to agenda items is included with the meeting notice sent to each member of the Board of Directors in advance of Board meetings to allow them to prepare for discussions. The Chairman ensures that the directors receive all the information they require to perform their duties, in particular by the attendance of operational managers to present their activities and main results during meetings of the Board of Directors. Minutes of meetings of the Board of Directors are drawn up after each meeting and approved at the next meeting.

In accordance with Article L. 823-17 of the French Commercial Code, the Statutory Auditors were invited and attended Board meetings held to examine and close the annual and half-yearly financial statements.

Meetings of the Board of Directors are usually held at the registered office or at any other venue as permitted by the articles of association. According to the provisions of Article L. 225-37, paragraph 3 of the French Commercial Code, directors also have the option to take part in the deliberations of the Board via videoconference or other methods of telecommunication. This option was used six times during the 2019/2020 financial year due to the health situation related to Covid-19. In general, after the Board has reviewed and approved the minutes of the previous meeting's deliberations and decisions, the members discuss the items on the agenda. The discussions are organised and directed by the Chairman. He ensures that the Board examines all items on the agenda.

The Chairman organises and directs the debates. He makes sure that all of the points on the agenda are examined by the Board.

3.1.5.3 Duties and operation of the Board of Directors and its specialised committees

Role of the Board of Directors

The Board of Directors determines the Company's key strategies and ensures their proper implementation and execution. Subject to the powers explicitly allocated to the shareholders' meetings and within the limits of the corporate purpose, it is responsible for all matters relating to the smooth running of the Company and settles such matters through its deliberations. Moreover, it carries out any checks it deems necessary. Furthermore, any significant operation outside the Company's stated strategy must be approved in advance by the Board of Directors.

The Board of Directors is notified of the Company's financial position, cash situation and commitments at Board meetings held twice a year.

The Board of Directors is briefed at least once a quarter on the activities of the Group's Tourism and Property development businesses, and examines the strategic aims of each business. It is regularly informed of the Group's revenue, the progress of significant operations and trends in the Group's markets. The Board approves significant changes to the Group's legal structure and major external and internal growth operations (acquisitions, launch of major property development programmes, property deliveries, etc.). Prior approval is required for transactions involving external financing, except in the case of normal property financing transactions that are not backed by guarantees issued by the parent company. At its meeting held on 25 May 2020, the Board of Directors renewed for a period of one year the authorisation for the Chief Executive Officer to grant pledges, guarantees and similar undertakings up to an overall maximum amount of €200 million; there was no limit on the amount relating to tax and customs procedures.

In addition to reviewing the annual and half-yearly financial statements and regularly reviewing the business and results of the tourism and property development divisions, the main subjects studied by the Board of Directors concerned real estate transactions, developments, corporate governance (allocation of attendance fees, self-assessment by the Board of Directors, resignation and co-optation of directors), the remuneration policy for executive directors, the transformation plan, management of the Covid-19 crisis, and the business recovery plan.

Functioning of the Board of Directors

The functioning of the Board is determined by the Company's articles of association, the Board's Internal Regulations and Articles L. 225-17 et seq. of the French Commercial Code. The term of office of directors is three years. The Company's articles of association stipulate that a person aged over 75 May not be appointed as a director if their appointment would result in over a third of the Board members being over this age. The Company's articles of association also provide for the possibility of holding Board meetings via video-conferencing or other means of telecommunication.

In accordance with its Internal Regulations, the Board of Directors' agenda includes, once a year, an agenda item on its assessment and the assessment of its committees. Note that in view of the Company's size, the Board of Directors has not retained the AFEP-MEDEF measures concerning the assessment mechanism by an external consultant. In 2020, the annual assessment, which was carried out using a questionnaire, was discussed at the Board of Directors meeting of 24 November 2020. During this meeting, the directors confirmed they were happy with the operation of the Board and its Committees. In particular, the directors consider that the number of directors and the composition of the Board in terms of independence, gender, diversity and experience are very satisfactory.

Role of the specialist Committees

The Board of Directors has three permanent specialist Committees to help it prepare its decisions effectively: the Audit Committee, the Remuneration and Appointments Committee and the CSR Committee.

The specialist Committees are composed of members of the Board of Directors. The Board appoints the members and the Chairman of each of the Committees.

The Audit Committee

The Audit Committee is composed of two members (Board members without operational functions). These members have the required skills in accounting, finance, internal control and risk management.

The Committee assists the Board in examining and approving the annual and half-yearly financial statements and, occasionally, with all operations or events that could have a significant impact on the situation of the Group, or its subsidiaries, in terms of commitments and/or risk.

In accordance with Article L. 823-19 of the French Commercial Code, and without prejudice to the powers of the Board of Directors (which are not replaced), the Audit Committee is responsible for:

- monitoring the process used to prepare the financial information, and making recommendations (if needed) to ensure the integrity of this information;
- monitoring the effectiveness of internal control, risk management and (if necessary) internal audit systems, by examining the procedures used to prepare and process the accounting and financial information, without its independence being compromised;
- making a recommendation to the Board of Directors on the Statutory Auditors whose appointment or renewal will be put to the Shareholders' Ordinary Meeting;
- ensuring that the Statutory Auditors fulfil their mission and taking account of the observations and conclusions of the Haut Commissariat aux Comptes following its statutory inspection;
- ensuring that the Statutory Auditors meet the independence conditions and taking any necessary measures;
- approving the provision of services other than the certification of the financial statements and, more generally, any role or right enshrined by the applicable legislation;

- reporting back regularly to the Board of Directors on the completion of its work, the results of the work to certify the financial statements, the way this work has contributed to the integrity of the financial information and the role it has played in this process. It must report any difficulties it encounters without delay;
- and, more generally, performing any work and/or asserting any right provided for by the applicable legislation.

In order to carry out its duties, the Audit Committee has access to all accounting and financial documents. It interviews those in charge of preparing the financial statements and the Statutory Auditors in order to obtain assurance that the latter have had access to all the information required to perform due diligence.

During the 2019/2020 financial year, the Audit Committee met twice (in November 2019 and June 2020), to examine the 2018/2019 financial statements and the half-yearly financial statements at 31 March 2020.

The Remuneration and Appointments Committee

The Remuneration and Appointments Committee has two members (Board members without operational functions).

The Remuneration and Appointments Committee is responsible for presenting proposals or recommendations to the Board of Directors relating in particular to:

- the overall remuneration policy of the Company's executive corporate officers;
- the type and method of calculating the remunerations of these executives after comparison with the practices observed in other companies;
- share options or bonus share grants;
- the appointment of directors and the appropriateness of renewing terms of office;
- and, generally, any matter submitted to it by the Chairman or the Board of Directors regarding the remuneration of corporate officers and the composition of the Board of Directors.

The Remuneration and Appointments Committee met twice in the 2019/2020 financial year. During these meetings, the Committee mainly worked on the variable remuneration of eligible employees, on the remuneration of the Chairman and Chief Executive Officer and on the Group's bonus share allocation policy.

The CSR Committee

The CSR Committee was set up by the Board of Directors during the meeting on 14 December 2020. This new Committee is made up of three members (members of the Board with no operating function): Mrs Marie-Christine Huau (Chairman of the Committee), Mrs Amélie Blanckaert and Mr Bertrand Meheut.

The mission of the CSR Committee is to contribute and ensure execution of the Group's CSR Plan, primarily:

- to ensure that CSR is positioned at the heart of the Group's vision, strategy and governance;
- to issue recommendations on the developments of the Group's CSR commitments;
- to ensure the Group's CSR management, risk management, respect of human rights and ethical measures.

3.2 Remuneration of corporate officers

3.2.1 Remuneration of corporate officers

The so-called "say on pay" system, which organises a double vote at the Shareholders' Meeting on the remuneration of corporate officers of companies whose shares are traded on a regulated market, was amended by Order no. 2019-1234 of 27 November 2019 and Decree no. 2019-1235, issued pursuant to Law no. 2019-486 of 22 May 2019, known as the "Pacte Law". This paragraph 3.2.1. reflects the requirements of this new mechanism.

In accordance with legal and regulatory provisions, in particular Articles L. 225-37-2, L. 225-37-3 and L. 225-100 of the French Commercial Code, the Shareholders' Meeting called to meet on 1 February 2021 is invited to vote:

- on the information referred to in Article L. 225-37-3 I of the French Commercial Code concerning each of the Pierre et Vacances SA corporate officers in office during the financial year ended 30 September 2020, as well as on the remuneration items paid during this financial year, duly approved by the Shareholders' Meeting of 5 February 2020 or allocated in respect of this 2019/2020 financial year in accordance with the principles and criteria approved by the same meeting to the Chairman and Chief Executive Officer of Pierre et Vacances SA (see 3.2.1.2 below); and
- on the remuneration policy for the Pierre et Vacances SA corporate officers, within the meaning of Articles L. 225-37-2 and R. 225-29-1 of the French Commercial Code, for the financial year beginning 1 October 2020 (see 3.2.1.1 below).

3.2.1.1 Remuneration policy for corporate officers applied for the 2020/2021 financial year

In accordance with the provisions of Articles L. 225-37-2 and R. 225-29-1 of the French Commercial Code, this paragraph 3.2.1.1 presents the remuneration policy for the corporate officers of Pierre et Vacances SA, submitted for approval to the Shareholders' Meeting of 1 February 2021 (Resolutions 8 to 10).

This policy describes all the components of the remuneration of corporate officers as well as the information required to understand and assess this remuneration and explains the decision-making process followed for its determination, review and implementation.

A separate remuneration policy is established for (i) the Chairman of the Board of Directors (§ B), (ii) the Chief Executive Officer (§ C) and (iii) the directors (§ D), (iv) each of these policies including common principles (§ A).

(A) General principles underpinning the remuneration policy for corporate officers

Determination process – conflict of interest management

The elements of remuneration of the Company's corporate officers and the remuneration policy within which they are remunerated are determined by the Board of Directors, on the recommendation of the Remuneration and Appointments Committee.

In addition to the specific features of the Group, its strategy and continuity, the Board and the Committee are committed to taking into account the expectations of shareholders, as expressed where appropriate, particularly at shareholders' meetings.

In order to eliminate any conflict of interest in determining the remuneration policy, the Board deliberates and decides without the presence of the executive corporate officers for decisions concerning them. If they are directors, they do not take part in the debate and vote on these decisions.

In addition, when setting the remuneration of corporate officers, the Board seeks to limit the creation of specific conflicts of interest. The simplicity of the remuneration structure for corporate officers, including executive corporate officers, as well as the search for alignment of interests between all stakeholders tends to limit the emergence of conflicts of interest related to the remuneration policy.

Objectives of the remuneration policy

The remuneration policy for the corporate officers of Pierre et Vacances SA is designed to provide long-term support for the Group's strategy, reflect the characteristics of its governance and shareholding structure, adapt to the situation of the Company and the Group and thus best serve the interests of the Company. It also strives to be consistent with the remuneration principles governing the management bodies, in particular the General Management Committee and the Group Executive Committee.

The remuneration structure emphasises simplicity, clarity and prudence. The Committee and the Board shall also ensure the comprehensiveness and transparency of its description.

The Committee and the Board also ensure, on an annual basis, that the remuneration policy for corporate officers contributes to the alignment of interests between officers, shareholders and employees. In particular, the structure of the remuneration and its evolution must not be inconsistent with the Group's performance and its development, nor with the development of the remuneration of the Group's employees, in particular its key managers. In this sense, the remuneration policy must also contribute to retaining talent within the Group, to enable the achievement of the strategic plan over its entire duration, to boost the Group's long-term development and to enable the achievement of the strategic plan over its entire duration.

Reference to the AFEP-MEDEF Code

The process for determining the remuneration policy for the corporate officers of Pierre & Vacances SA also considers the recommendations of the AFEP-MEDEF Code, to which the Company refers, whenever they are compatible with the specific features of the Group and its strategy.

As such, the remuneration policy for the corporate officers of Pierre et Vacances SA, notably its executives, incorporates the following principles:

- comprehensiveness and transparency: for each of the corporate officers, all the remuneration elements due in respect of their office are published and precisely described, accompanied by information on any other remuneration element, where applicable, due to the corporate officer in another capacity (employment contract or other mandate within the Group in particular);
- comparability and consistency: remuneration is established and assessed according to several elements (sector context, level of responsibility, etc.) that contribute to its consistency, both intrinsic and in relation to the remuneration of the Group's executives. In particular, the remuneration policy aims to ensure an effective correlation between remuneration levels, Group performance and the motivation of executives, especially executive managers. The remuneration structure is also designed to apply over time (consistency in structure and amounts), subject to cyclical elements that may require a temporary adaptation of the components and/or amounts. In any event, it is reviewed annually by the Remuneration and Appointments Committee and by the Board of Directors in order to ensure that it remains consistent and relevant with regard to the objectives of the remuneration policy and changes in the context, the sector and the Group (below);
- transparency: the principles and structure of the remuneration of corporate officers are based on simplicity, stability and transparency, making it easier for all stakeholders, particularly shareholders, to understand them;
- prudence: the determination of the remuneration structure and its components is designed to reflect and reconcile the corporate interest of the Company and the Group, the development plan and the interests of all stakeholders.

Leading role in Société d'Investissement Touristique et Immobilier (S.I.T.I.)

Société d'Investissement Touristique et Immobilier (a company controlled by Gérard Brémond, founder, majority shareholder and Chairman of the Board of Directors of Pierre et Vacances SA) is the Group's holding company. In the interests of efficiency, the management agreement between S.I.T.I. and the Company provides for the provision by S.I.T.I. of various services, including remunerated chairmanship and general management. Thus, the Chairman of the Board and the Chief Executive Officer, both of whom hold a position within S.I.T.I., each receive their full remuneration from S.I.T.I., which invoices the Company in the form of fees for the portion of this remuneration corresponding to the performance of the duties of Chairman and Chief Executive Officer of the Company (increased by the related employer's contributions, other direct costs – travel expenses, premises costs, secretarial expenses – and with the application of a margin of 5%).

Review of remuneration policy – Possible adjustment

The remuneration policy for corporate officers is reviewed annually by the Board of Directors, on the basis of the work of the Remuneration and Appointments Committee.

On this occasion, the Board discusses the appropriateness of a change, if necessary temporary, in the remuneration policy, particularly in light of changes in the economic environment and the specific characteristics of the Group's sector, changes in strategy, the general development of the Group and, where applicable, any other specific events (new functions, acquisitions, integrations, new businesses, new countries, etc.) that have or are likely to have an impact on the Company, the Group, their organisation or their profitability.

In this context, at its meeting of 24 November 2020, the Board of Directors, on the recommendation of the Remuneration and Appointments Committee and in accordance with the provisions of Article L. 225-37-2 III of the French Commercial Code, wished to reserve the right, if necessary depending on the evolution of the health crisis related to Covid-19 during the 2020/2021 financial year, to specify or subsequently adjust certain of the criteria on which the annual variable remuneration and long-term variable remuneration in the form of performance shares for executive officers are based.

The Board will thus be able to adjust, on an exceptional basis, both upwards and downwards, some of the objectives conditioning all or part of the annual variable remuneration and the long-term variable remuneration in the form of shares of the Chief Executive Officer if these objectives and the parameters on which they are based become obsolete as a result of the currently unpredictable evolution of the health crisis. The assessment of these performance criteria will naturally take into account the economic environment, especially the tourism sector, and its consequences, notably on growth. If such an adjustment proves necessary, it will be made in accordance with the principles determining the remuneration policy (set out in this § 3.2.1.1 A).

In any event, the Board of Directors shall annually ensure:

(i) in the context of determining the remuneration policy: compliance with the principles described above; and

(ii) in the context of the definition of the remuneration components for corporate officers, notably executives: compliance with the remuneration policy thus adopted.

(B) Remuneration policy for the Chairman of the Board of Directors for the 2020/2021 financial year

The remuneration policy for the Chairman of the Board of Directors of Pierre et Vacances SA for the 2020/2021 financial year consists of (i) the general principles set out in § A) above, common to all the officers of Pierre et Vacances SA (directors and executive officers) and (ii) the specific principles, information and items detailed in this paragraph B).

In accordance with the provisions of Article L. 225-37-2 II of the French Commercial Code, this policy will be submitted to the shareholders for approval at the Shareholders' Meeting of 1 February 2021 (Resolution no 8 - *ex-ante* vote).

In accordance with the general principles on which the remuneration policy for corporate officers is based, simplicity and prudence governed the choice of the remuneration structure for the Chairman of the Board of Directors, which is limited to a fixed annual salary and a company car and health and welfare benefits available for all the Group's managers and employees, to the exclusion of any other element. Following the separation of the functions of Chairman and Chief Executive Officer decided on 9 February 2018 with effect from 3 September 2018, the Board considered that such a structure was the most appropriate to support the development strategy of Pierre et Vacances SA.

The Chairman of the Board receives his full remuneration from Société d'Investissement Touristique et Immobilier – S.I.T.I., which is re-invoiced by S.I.T.I. to the Company, in accordance with the management agreement between the Company and S.I.T.I. (above, § A).

It should also be noted that the term of office of Gérard Brémond as Chairman of the Board is equal to his term of office as a Director, i.e. a three-year term ending at the close of the Shareholders' Meeting called to approve the financial statements for the year ending 30 September 2021.

At its meeting of 24 November 2020, the Board reviewed the relevance of the aforementioned policy and, on the recommendation of the Remuneration and Appointments Committee, decided, for the 2020/2021 financial year, to renew the policy and the fixed remuneration and benefits in kind awarded to Gérard Brémond in respect of his term of office as Chairman of the Board of Directors of Pierre et Vacances SA notably in consideration of:

- the approval by the Shareholders' Meeting of 5 February 2020 of the remuneration elements determined for the 2019/2020 financial year;
- the Company and Group position and the strategy for the 2020/2021 financial year, which is part of the implementation of the Change Up transformation plan, not called into question by the health crisis linked to Covid-19.

Given the structure of the remuneration policy for the Chairman of the Board, the Board of Directors, in agreement with the Remuneration and Appointments Committee, did not consider it appropriate to adjust this policy to the situation brought about by the Covid-19 pandemic.

Chairman's Remuneration Elements for the 2020/2021 financial year

Fixed remuneration	€500,000 (gross)
Variable remuneration	n/a
Special remuneration	n/a
Stock options, performance shares or other long-term benefits	n/a No long-term benefits, of any kind, will be available to the Chairman in respect of the 2020/2021 financial year due to his office.
Remuneration for directorship	€0 For the 2020/2021 financial year, the Chairman will not receive any remuneration for serving as a director of the Company (below, § D)
Benefits in kind	€1,386 As a benefit in kind, the Chairman is entitled to (i) the use of a company car and (ii) eligibility for health and welfare benefits available to all Group managers and employees.
Severance pay or pay for taking office	n/a There are no commitments relating to the start or termination of the duties of Chairman.
Additional retirement benefits	n/a There is no commitment on additional retirement benefits for the Chairman of the Company by virtue of his office.
Non-competition remuneration	n/a The termination of the duties of the Chairman shall not entitle him to any non-competition indemnity in respect of his office.

The Shareholders' Meeting of 1 February 2021 is invited to decide on this policy and to this end to approve the following resolution (Resolution no. 8 – *ex ante* vote):

"The Shareholders' Meeting, voting under the quorum and majority conditions required for Shareholders' Ordinary Meetings, having reviewed the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code describing the components of the remuneration policy for corporate officers, approves, pursuant to the provisions of the French Commercial Code (Article L. 225-37-2 II until 31 December 2020, which became Article L. 22-10-8 II as of 1 January 2021), the remuneration policy for the Chairman of the Board of Directors as presented in the Universal Registration Document".

(C) Remuneration policy for the Chief Executive Officer for the 2020/2021 financial year

The remuneration policy for the Chief Executive Officer of Pierre et Vacances SA for the 2020/2021 financial year consists of (i) the general principles set out in § A) above, which are common to all the corporate officers of Pierre et Vacances SA (directors and executives) and (ii) the specific principles, information and items detailed in this paragraph C).

In accordance with the provisions of Article L. 225-37-2 II of the French Commercial Code, this policy will be submitted to the shareholders for approval at the Shareholders' Meeting of 1 February 2021 (Resolution no 9 – *ex-ante* vote).

The remuneration policy for the Chief Executive Officer is reviewed each year by the Board of Directors on the recommendation of the Remuneration and Appointments Committee. In accordance with the guiding principles governing the remuneration policy for corporate officers (see § 3.2.1.1 A, above), the Board ensures that the components of the remuneration of the Chief Executive Officer, as an executive officer, are closely aligned with strategy, promote the Group's development and reward the Group's performance and growth. In order to make the remuneration policy for the Chief Executive Officer easier to read and understand, the Board also strives to comply with the objectives of simplicity and prudence.

It should be recalled that the Chief Executive Officer receives his full remuneration from the Société d'Investissement Touristique et Immobilier – S.I.T.I., which is re-invoiced by S.I.T.I. to the Company, in accordance with the management agreement between the Company and S.I.T.I. (above, § A).

It should also be recalled that the term of office of Yann Caillère as Chief Executive Officer will expire at the end of the Shareholders' Meeting called to approve the financial statements for the financial year ending 30 September 2022.

At its meeting of 24 November 2020, the Board reviewed the relevance of the policy defined for the 2019/2020 financial year (below, § 3.2.1.2 B) and, on the recommendation of the Remuneration and Appointments Committee, decided, for the 2020/2021 financial year, to renew the structure of the remuneration of the Chief Executive Officer by adapting some of its elements to take into account the challenges related to the Covid-19 health crisis, in particular in consideration of:

- the approval by the Shareholders' Meeting of 5 February 2020 of the remuneration elements determined for the 2019/2020 financial year;
- the Company and Group position and the strategy for the 2020/2021 financial year, which is part of the implementation of the Change Up transformation plan, not called into question by the Covid-19 health crisis;
- the issues and challenges brought about by the Covid-19 health crisis, the duration of which and, correlatively, the extent of which remain undetermined, making it necessary to integrate these uncertainties into the executive remuneration policy;
- the specificities of the tourism sector, which has been particularly affected by the health crisis, and the priority missions of the Chief Executive Officer in this context, i.e. the preservation of the Group's sustainability and performance in compliance with the fundamentals of its CSR policy.

The adjustments made to the Chief Executive Officer's remuneration policy for the 2020/2021 financial year are limited to the variable components of this remuneration: annual variable remuneration and long-term remuneration in the form of performance shares. As indicated (supra, § 3.2.1.1 A), given the uncertainties affecting the duration and, correlatively, the extent and impact of the Covid-19 health crisis, the Board, in agreement with the Remuneration and Appointments Committee, wished (i) to integrate the health crisis, the management of which is essential for the pursuit of the Group's activities and strategy and (ii) to reserve the right to adjust, if necessary, some of the objectives underlying the granting of all or part of the variable remuneration of the Chief Executive Officer. Any adjustment that the Board may exceptionally decide to make will be made public as soon as the Board has made its decision.

Thus:

- regarding the variable annual remuneration: its maximum amount remains unchanged, i.e. a (gross) amount of €400,000, so that the variable annual remuneration of the Chief Executive Officer represents up to 80% of his fixed annual remuneration as for the 2019/2020 financial year. The objectives governing the achievement of all or part of the variable remuneration are based on four main objectives identified as priorities for the preservation of the Group's interests. The criteria thus adopted by the Board at its meeting of 24 November 2020 are weighted between quantitative criteria (70%) and qualitative criteria (30%).

  The objectives and elements associated with each of these criteria are not made public for reasons of confidentiality necessary to preserve the interests of the Group.

  In addition, due to the strategic importance of the objectives defined to date and the unpredictability of the period brought about by the health crisis, the Board wished to reserve the possibility of deciding, for the 2020/2021 financial year, the payment of an exceptional additional bonus to the Chief Executive Officer in the event that some of these objectives are exceeded, without this additional bonus being able to increase the total variable component of the remuneration to more than 100% of his fixed remuneration.

  In accordance with Article L. 225-100 III of the French Commercial Code, the payment of the variable remuneration due to the Chief Executive Officer in the event of achievement of all or part of the objectives for the 2020/2021 financial year is subject to the approval by the Shareholders' Ordinary Meeting to be held in 2022 of the elements of his remuneration paid during the 2020/2021 financial year or allocated for the 2020/2021 financial year in respect of his office as Chief Executive Officer;
- with regard to long-term annual remuneration: at its meeting on 24 November 2020, the Board reiterated the Chief Executive Officer's eligibility for a free allocation of performance shares (it being specified that, given the health crisis, no allocation was made to the Chief Executive Officer for the 2019/2020 financial year – below, § 3.2.1.2 C), this incentive mechanism being adapted to his position as executive corporate officer in the context of the implementation of the strategic plan.

  The main characteristics that must be met for the free allocation of performance shares to the Chief Executive Officer for the 2020/2021 financial year are as follows:

  - cap on attributable bonus shares: (i) in value terms, 80% of the fixed component of the CEO's remuneration, and (ii) in quantity terms, 5% of the total number of bonus shares attributed to the Group's employees during a same year,
  - share of bonus shares attributed and definitively acquired that the CEO is obliged to retain in registered form until the end of his mandate: 30%,
  - pledge to not use risk hedging operations for the bonus shares attributed until the end of the conservation period,
  - ambitious performance conditions in line with the Group's performance indicators and the Group's strategic plan,
  - condition of presence, with the Board of Directors nevertheless having the ability (barring revocation for a fair reason), at the time of the CEO's departure, to decide to maintain all or some of the performance shares not definitively acquired in view especially of the departure terms and the CEO's effective contribution to the Group's performance,
  - term: maximum 3 years (cumulative vesting and retention periods).

The components of the total remuneration and benefits of any kind of the Chief Executive Officer for the 2020/2021 financial year, decided by the Board of Directors, are summarised in the table below.

Elements of the Chief Executive Officer's remuneration for the 2020/2021 financial year

Fixed remuneration	€500,000 (gross)
Variable remuneration	€500,000 (gross) of which
	(i) a basic amount capped at €400,000 (gross) (if 100% of the objectives are met)
	(ii) an additional amount capped at €100,000 (gross) at the discretion of the Board of Directors in the event that targets are exceeded by 100%, exceptionally bringing the total ceiling on the variable remuneration that may be due to the Chief Executive Officer to 100% of his fixed remuneration
	Voluntary exceptional bonus due to the strategic importance of the targets set for the 2020/2021 financial year and the unpredictability of the period brought about by the health crisis.
	In accordance with the provisions of Article L. 225-100 III, paragraph 2, of the French Commercial Code, the payment of the variable remuneration to be granted to Yann Caillère in respect of the 2020/2021 financial year for his position as Chief Executive Officer is subject to the approval by the Shareholders' Ordinary Meeting to be held in 2022 of the elements of his remuneration paid during the 2020/2021 financial year or granted in respect of the 2020/2021 financial year for his position as Chief Executive Officer
Special remuneration	n/a
Stock options, performance shares or other long-term benefits	Eligibility for the free allocation of performance shares (for the characteristics of such an allocation, see above
	No long-term benefits, of any kind, will be available to the Chief Executive Officer in respect of the 2020/2021 financial year due to his office
Remuneration for directorship	€0
	For the 2020/2021 financial year, the Chief Executive Officer will not receive any remuneration for serving as a director of the Company (below, § 3.2.1.1 D)
Benefits in kind	€22,950
	As a benefit in kind, the Chief Executive Officer is entitled to (i) the use of a company car and (ii) eligibility for health and welfare benefits available to all Group managers and employees
Severance pay or pay for taking office	n/a
	There are no commitments relating to the commencement or termination of the duties of the Chief Executive Officer
Additional retirement benefits	n/a
	There is no commitment on additional retirement benefits for the Chief Executive Officer of the Company by virtue of his office
Non-competition remuneration	n/a
	The termination of the duties of the Chief Executive Officer does not entail any form of CEO compensation by virtue of the office

The Shareholders' Meeting of 1 February 2021 is invited to decide on this policy and to this end to approve the following resolution (Resolution no 9 – *ex ante* vote):

"The Shareholders' Meeting, voting under the quorum and majority conditions required for Shareholders' Ordinary Meetings, having reviewed the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code describing the components of the remuneration policy for corporate officers, approves, pursuant to the provisions of the French Commercial Code (Article L. 225-37-2 II until 31 December 2020, which became Article L. 22-10-8 II as of 1 January 2021), the remuneration policy for the Chief Executive Officer as presented in the Universal Registration Document".

(D) Directors' remuneration policy

The remuneration policy for the directors of Pierre et Vacances SA for the 2020/2021 financial year consists of (i) the general principles set out in paragraph 3.2.1.1 A) above, common to all the directors and corporate officers of Pierre et Vacances SA (directors and executives) and (ii) the specific principles, information and items detailed in this paragraph D).

In accordance with the provisions of Article L. 225-37-2 II of the French Commercial Code, this policy will be submitted to the shareholders for approval at the Shareholders' Meeting of 1 February 2021 (Resolution no. 10 resolution).

This policy was adopted by the Board of Directors at its meeting of 24 November 2020, based on the recommendations of the Remuneration and Appointments Committee. The Board has concluded that the rules for allocating directors' remuneration applied until now are appropriate, notably for the 2019/2020 financial year, and are therefore essentially renewed for the 2020/2021 financial year; these rules make it possible to significantly take into account the directors' attendance record.

In accordance with the recommendations of the AFEP-MEDEF Code, the rules for allocating among directors the total annual remuneration decided by the Shareholders' Meeting (formerly attendance fees) largely take into account their effective participation in meetings of the Board and, where applicable, of the Board's committees.

The rules pertaining to the policy thus adopted by the Board of Directors for the 2020/2021 financial year are as follows:

- directors meeting the following criteria do not receive any remuneration for their directorship: (i) directors with an employment contract for an indefinite period of time with Pierre et Vacances SA or with one of the companies controlled by Pierre et Vacances SA within the meaning of Article L. 233-16 of the French Commercial Code or with S.I.T.I., including directors representing employees, and (ii) directors whose remuneration paid by S.I.T.I. in respect of a directorship is invoiced by S.I.T.I. to companies in the Pierre & Vacances-Center Parcs Group under the management agreement between them (see §A, above);
- each of the directors other than those meeting the above non-eligibility criteria is entitled to receive a total sum of €27,000 (before taxes and withholdings at source in accordance with applicable legislation) as remuneration for his or her term of office as a director for the 2020/2021 financial year (subject to attendance at 100% of the Board meetings);
- this total amount, €27,000, will be reduced in proportion to the number of meetings of the Board of Directors in which the director did not participate, in relation to the total number of meetings held during the financial year; thus, as from the second meeting the director did not attend, a €5,000 reduction shall be applied per missed meeting;
- equally, the following will be allocated:
  - to directors who are members of the Audit Committee (other than those meeting the above-mentioned non-eligibility criteria) an additional remuneration of €1,000 for each meeting of the Audit Committee in which they effectively participate, the Chairman of the Audit Committee also receiving a fixed fee of €1,000 per financial year,
  - to directors who are members of the Remuneration and Appointments Committee (other than those meeting the above-mentioned non-eligibility criteria) an additional remuneration of €1,000 for each meeting of the Remuneration and Appointments Committee in which they effectively participate, the Chairman of the Remuneration and Appointments Committee also receiving a fixed fee of €1,000 per financial year,
  - to directors who are members of the CSR Committee (other than those meeting the above-mentioned non-eligibility criteria) an additional remuneration of €1,000 for each meeting of the CSR Committee in which they effectively participate, the Chairman of the CSR Committee also receiving a fixed fee of €1,000 per financial year.

In consideration of the above-mentioned elements, the Board, in accordance with the recommendation of the Remuneration and Appointments Committee, proposes to the Shareholders' Meeting of 1 February 2021 (Resolution no. 10) to set the total remuneration package for directors at the total sum of €300,000.

In addition, the Board reserves the right to remunerate an exceptional mission that may be entrusted to a director (other than a director meeting the aforementioned non-eligibility criteria). Such remuneration will then be determined by the Board, after recommendation of the Remuneration and Appointments Committee, taking into account the importance of the assignment for the Group, its duration, the involvement required of the director, his or her expertise, the travel required, if any, and other terms and conditions of performance. The granting of such an exceptional assignment will, in any event, follow the procedure for regulated agreements, in accordance with the provisions of Article L. 225-46 of the French Commercial Code.

Finally, it should be recalled that, in accordance with the provisions of Article L. 225-100 II of the French Commercial Code, the payment of the remuneration to be paid to the directors in consideration of the exercise of their mandate in respect of the 2020/2021 financial year will require the approval of the Shareholders' Meeting called to approve the accounts for the financial year ending 30 September 2021 under the so-called global ex-post vote (approval of the remuneration policy implemented in 2020).

The Shareholders' Meeting of 1 February 2021 is invited to decide on this policy and to this end to approve the following resolution (Resolution no 10 – *ex ante* vote):

"The Shareholders' Meeting, deliberating with the quorum and majority required for ordinary shareholders' meetings, after a reading of the report on corporate governance referred to in Article L. 225-37 of the French Commercial Code:

- *Approves, pursuant to the provisions of the French Commercial Code (Article L. 225-37-2 II until 31 December 2020, which became Article L. 22.10-8 II as of 1 January 2020), the directors' remuneration policy as set out in the Universal Registration Document; and*
- *Sets the annual sum allocated to the directors as remuneration pursuant to Article L. 225-45 of the French Commercial Code at €300,000".*

3.2.1.2 Remuneration policy for corporate officers applied for the 2019/2020 financial year

Order no. 2019-1234 of 27 November 2019, issued pursuant to the Pacte Act, extended the so-called ex-post vote of the Shareholders' Meeting to include:

- a "global" ex-post vote on the information provided for in Article L. 225-37-3 I of the French Commercial Code, reflecting the implementation of the remuneration policy for each of the corporate officers (directors and executive corporate officers) for the past financial year;
- an "individual" ex-post vote on the fixed, variable and exceptional items making up the total remuneration and benefits of all kinds of the Chairman of the Board and the Chief Executive Officer in respect of their office; as such, shareholder approval relates (i) to items and benefits granted in respect of the past financial year, as before the entry into force of the Order and (ii) also, now, to items and benefits paid during the past financial year, regardless of the financial year to which they relate.

In accordance with these provisions, this paragraph 3.2.1.2 reports on the implementation, for the 2019/2020 financial year, of the remuneration policy applicable to the directors and executive corporate officers of Pierre et Vacances SA. The principles and criteria for determining, distributing and allocating the fixed, variable and exceptional elements making up the total remuneration and benefits of any kind attributable by virtue of their office to executive corporate officers for the 2019/2020 financial year, on which the remuneration policy applicable to them is based, were the object of a favourable vote at the Shareholders' Meeting of 5 February 2020.

In accordance with the provisions of Article L. 225-100 II of the French Commercial Code, the information thus presented, for all corporate officers, in support of the implementation of this policy, as provided for in Article L. 225-37-3 I of the French Commercial Code, will be submitted to the shareholders for approval at the Shareholders' Meeting to be held on 1 February 2021 (Resolution no. 5). This information is detailed in paragraphs A), B), and C) below.

In addition, in accordance with the provisions of Article L. 225-100 I II of the French Commercial Code, this meeting will also be invited to approve the components of the total remuneration and benefits of any kind paid during the 2019/2020 financial year or allocated in respect of the 2019/2020 financial year to each executive officer in respect of his or her term of office (Resolutions no 6 and 7). These elements and benefits are detailed in the tables in paragraphs B) and C) below.

Summary of the remuneration, options and shares granted to executive corporate officers

(in €)	2019/2020	2018/2019
Gérard Brémond, Chairman of the Board of Directors		
Remuneration payable for the financial year	501,386	501,948
Value of options granted during the financial year	-	-
Value of performance-related shares granted during the financial year	-	-
TOTAL	**501,386**	**501,948**
Yann Caillère, Chief Executive Officer		
Remuneration payable for the financial year	762,950	40,278
Value of options granted during the financial year	-	-
Value of performance-related shares granted during the financial year	-	-
TOTAL	**762,950**	**40,278**

Summary of commitments given to the executive corporate officers

Executive corporate officer	Employment contract	Supplementary retirement plan	Compensation benefits due or liable to be due if positions are discontinued or changed	Compensation relating to a non-compete clause
Gérard Brémond, Chairman of the Board of Directors	No	No	No	No
Yann Caillère, Chief Executive Officer	No	No	No	No

(A) Remuneration policy for the Chairman of the Board of Directors, Gérard Brémond, applied for the 2019/2020 financial year (*ex-post* vote on remuneration)

The remuneration package for the Chairman of the Board of Directors, Gérard Brémond, for the 2019/2020 financial year was approved at the Shareholders' Meeting of 5 February 2020 (details presented on page 53 of the 2018/2019 Registration Document).

In line with the objectives set and taking into account the support of the shareholders, it was decided to grant the Chairman of the Board, for the 2019/2020 financial year, the same remuneration as that granted to him for the 2018/2019 financial year.

Thus, in accordance with the summary table below, the remuneration of Gérard Brémond for his office as Chairman of the Board of Directors of Pierre et Vacances SA is limited to:

(i) a fixed remuneration of a total (gross) amount of €500,000, it being specified that, in the context of the Covid-19 crisis, Gérard Brémond waived a portion of this amount (reduction of 30% as of 1 April 2020 and for the duration of the partial unemployment compensation schemes for the Group's salaried employees in France), so that the amount actually paid to him in respect of his fixed annual remuneration for 2019/2020 amounts to €475,000; and

(ii) the following benefits in kind: the provision of a company car and eligibility for the health and welfare benefits available to all Group managers and employees;

to the exclusion of any other element of remuneration or benefit.

This remuneration was paid to him by the Société d'Investissement Touristique et Immobilière (S.I.T.I.) and was then re-invoiced to Pierre et Vacances SA in accordance with the provisions of the current management agreement between them (see section 3.2.1.1 A, above).

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Remuneration and benefits of any kind granted to Gérard Brémond in respect of the 2019/2020 financial year or paid to Gérard Brémond in respect of the 2019/2020 financial year, in respect of his mandate as Chairman of the Board of Directors

	FY 2019/2020		FY 2018/2019	
(in €)	**Amounts allocated** (1)	**Amounts paid**(2)	**Amounts allocated**(1)	**Amounts paid**(2)
Fixed remuneration	500,000	475,000(3)	500,000	500,000
Variable remuneration	-	-	-	-
Special remuneration	-	-	-	-
Director's remuneration	-	-	-	-
Benefits in kind	1,386	1,386	1,948	1,948
Options granted during the year	-	-	-	-
Value of performance-related shares granted during the financial year	-	-	-	-
Other long-term remuneration plans	-	-	-	-
Non-competition remuneration	-	-	-	-
Severance pay or pay for taking office	-	-	-	-
Supplementary retirement plan	-	-	-	-
Other remuneration(4)	-	-	-	-

(1) Remuneration granted in respect of the financial year in question shall include any element of remuneration and any benefit actually granted in consideration of the duties performed during that financial year, whether paid or received during that financial year or during a subsequent financial year.

(2) Remuneration paid during the financial year in question includes all remuneration and benefits actually paid or received during that financial year, regardless of the financial year to which they relate.

(3) In view of the 30% reduction in the fixed annual remuneration awarded to Gérard Brémond in respect of the 2019/2020 financial year in the context of the Covid-19 health crisis, with effect from 1 April 2020 for a period of two months, period during which the partial activity arrangements were significantly in force within the Group in France.

(4) Gérard Brémond does not receive any other remuneration from Pierre et Vacances SA or from any company included in the scope of consolidation of Pierre et Vacances SA in any capacity whatsoever.

The remuneration awarded to Gérard Brémond for the 2019/2020 financial year is therefore fully in line with the remuneration policy approved by the Shareholders' Meeting of 5 February 2020. It contributes, through its simplicity, prudence and stability, to the Company's development strategy.

Ex-post vote on the elements of remuneration allocated or paid to the Chairman of the Board in respect of or during the 2019/2020 financial year

In accordance with the provisions of Article L. 225-100 III of the French Commercial Code, the Shareholders' Meeting of 1 February 2021 will be asked to approve the items (fixed, variable and exceptional items) making up the total remuneration and benefits of any kind paid during the 2019/2020 financial year or allocated in respect of the same 2019/2020 financial year to Gérard Brémond by virtue of his term of office as Chairman of the Board of Directors.

The Shareholders' Meeting of 1 February 2021 is therefore asked to vote on the following resolution:

"The Shareholders' Meeting, deliberating with the quorum and majority required for ordinary shareholders' meetings, after a reading of the report on the Company's corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to the provisions of the French Commercial Code (Article L. 225-100 III until 31 December 2020, which became Article L. 22-10-34 II as of 1 January 2021), the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid or granted for the 2019/2020 financial year, to Gérard Brémond in respect of his duties as Chairman of the Board of Directors, as they appear in the Universal Registration Document".

(B) Remuneration policy for the Chief Executive Officer, Yann Caillère, applied for the 2019/2020 financial year

The items of remuneration of the Chief Executive Officer, Yann Caillère, for the 2019/2020 financial year were approved at the Shareholders' Meeting of 5 February 2020 (items presented on pages 53 and 54 of the 2018/2019 Registration Document).

The remuneration policy for the Chief Executive Officer is recent. It was approved for the first time by the Shareholders' Meeting of 7 February 2019 as a result of the separation of the functions of Chairman and Chief Executive Officer and the corresponding appointment of Olivier Brémond as Chief Executive Officer as of 3 September 2018.

Following the replacement of Olivier Brémond, who resigned, by Yann Caillère as Chief Executive Officer as of 2 September 2019, the Remuneration and Appointments Committee and the Board of Directors have reviewed the relevance of the Chief Executive Officer's remuneration policy. This review was conducted taking into consideration, notably:

- the objectives assigned to the Chief Executive Officer, who is in charge of the Group's strategic review with a view to building and leading an ambitious transformation and development plan to restore sustainable growth and optimise the profitability levers of the tourism business;
- the need for consistency between the components of Yann Caillère's remuneration with his experience and expertise and with the mission and responsibilities entrusted to him;
- the Group's business sector, including the associated issues and the remuneration practices of the main competitors.

This review led to changes in the remuneration policy with respect to the following two components: (i) annual variable remuneration, which since the 2019/2020 financial year represents up to 80% of the Chief Executive Officer's annual fixed remuneration and (ii) long-term variable remuneration in the form of shares, the Chief Executive Officer being eligible since the 2019/2020 financial year for the free allocation of performance shares.

It is further specified that:

- in the context of the Covid-19 crisis, Yann Caillère waived a share of the (gross) amount of €500,000 allocated as part of his fixed annual remuneration (reduction of 30% as of 1 April 2020 for a period of two months, during which the partial activity arrangements were significantly in force within the Group in France), so that the amount actually paid to him as part of his fixed annual remuneration for 2019/2020 amounts to €475,000;
- the Board of Directors, in agreement with the Chief Executive Officer, decided to defer the implementation of the free allocation of performance shares provided for under the Chief Executive Officer's remuneration policy for the 2019/2020 financial year; the challenges and uncertainties associated with the situation generated by the Covid-19 health crisis did not allow for a calm reflection, during the 2019/2020 financial year, on the characteristics of an allocation likely to achieve an alignment of the interests of the Chief Executive Officer with those of the shareholders and employees of the Group and to measure the Chief Executive Officer's actual performance;
- the Board of Directors, at its meeting of 20 April 2020, after consulting the Remuneration and Appointments Committee and in agreement with Yann Caillère, revised the criteria for the variable remuneration of the Chief Executive Officer in the context of the Covid-19 health crisis: the exceptional health and economic circumstances that occurred in March 2020 and the lack of visibility as to the conditions for resuming business invalidated the relevance of the financial forecasts initially foreseen and used to define the objectives for the allocation of the variable remuneration of the Chief Executive Officer, although his involvement and mobilisation to take emergency measures to preserve the Group's interests and relaunch its business were essential; the criteria used were based on the achievement of the Group's priority objectives, namely (i) the development and implementation of emergency measures to minimise the impact of the crisis on the Group (30%) (ii) the implementation of the Change Up plan at the end of the 2020 financial year (40%) and the development and implementation of a plan to relaunch business at the end of the health crisis, accompanied by adjustments to the Group's costs and commitments (30%);
- the Board of Directors, at its meeting of 24 November 2020, deemed that each of the objectives relating to the variable remuneration of the Chief Executive Officer had been achieved at 100%, with the exception of certain final phases of the operational roll-out of the Change Up plan to be put in place during the 2020/2021 financial year; however, in accordance with the policy of allocating the variable remuneration paid to the executive manager employees of the PVCP Group in line with the achievement of their revenue targets for the fourth quarter 2020, demonstrating the effectiveness of the business recovery plan implemented at his instigation, Yann Caillère agreed to weight the variable portion of his remuneration at 60%; the Board thus set the amount of the variable annual remuneration due to Yann Caillère in respect of the 2019/2020 financial year by virtue of his office as CEO at €240,000. It should be recalled that, in accordance with the provisions of Article L. 225-100 III of the French Commercial Code, the payment of this remuneration to Yann Caillère is subject to the approval by the Shareholders' Meeting of 1 February 2021 of the fixed, variable and exceptional items making up the total remuneration and benefits of any kind awarded to the Chief Executive Officer for the 2019/2020 financial year or paid to him during the same financial year (Resolution no 7).

It should be recalled that the remuneration and benefits due to Yann Caillère are paid to him by Société d'Investissement Touristique et Immobilière (S.I.T.I.), which re-invoices them to Pierre et Vacances SA in accordance with the stipulations of the management agreement in force between them (see § 3.2.1.1 A, above).

The items of the total remuneration and benefits of any kind paid to Yann Caillère in respect of the 2019/2020 financial year in his capacity as Chief Executive Officer, as well as those paid to him in this capacity during this financial year (regardless of the financial year to which they are attached), are summarised in the table below:

Remuneration and benefits of any kind granted to Yann Caillère in respect of the 2019/2020 financial year or paid to Yann Caillère in the 2019/2020 financial year, by virtue of his mandate as Chief Executive Officer

	2019/2020		2018/2019	
(in €)	Amounts allocated(1)	Amounts paid(2)	Amounts allocated(1)	Amounts paid(2)
Fixed remuneration	500,000	475,000(4)	475,000(3)	40,278(3)
Variable remuneration	240,000(6)	0	0(5)	0(5)
Special remuneration	-	-	-	-
Director's remuneration	-	-	-	-
Benefits in kind	22,950	22,950	0	0
Options granted during the year	-	-	-	-
Performance shares granted during the year(5)	-	-	-	-
Other long-term remuneration plans	-	-	-	-
Non-competition remuneration	-	-	-	-
Severance pay or pay for taking office	-	-	-	-
Supplementary retirement plan	-	-	-	-
Other remuneration(6)	-	-	-	-

(1) Remuneration granted in respect of the financial year in question shall include any element of remuneration and benefits actually granted in consideration of duties performed during that financial year, whether paid or received during that financial year or in a subsequent financial year.
(2) Remuneration paid during the financial year in question includes all remuneration and benefits actually paid or received during that financial year, regardless of the financial year to which they relate.
(3) Yann Caillère's mandate as Chief Executive Officer took effect on 2 September 2019. In accordance with the remuneration policy of the Chief Executive Officer in force at the time, he received for the period from 2 to 30 September 2019 a fixed remuneration of €40,278 (calculated pro rata temporis on the basis of a fixed annual remuneration of €500,000), to the exclusion of any other item of remuneration or benefit.
(4) Taking into account the reduction of 30% in the annual fixed remuneration awarded to Yann Caillère for the 2019/2020 financial year.
(5) As Yann Caillère's term of office as Chief Executive Officer took effect on 2 September 2019, no variable remuneration was awarded to him for the period from 2 September to 30 September 2019.
(6) Taking into account the weighting of 60% of the variable remuneration granted by Yann Caillère in accordance with the policy of allocating variable remuneration shares paid to the Group's executive employees.
(7) The remuneration policy for the Chief Executive Officer for the 2019/2020 financial year includes the principle of a free allocation of performance shares to the Chief Executive Officer. As indicated, in the exceptional context linked to the Covid-19 health crisis, the Board, in agreement with the Chief Executive Officer, did not consider it appropriate to make such an allocation during the 2019/2020 financial year.
(8) Yann Caillère does not receive any other remuneration from Pierre et Vacances SA or from any company included in the scope of consolidation of Pierre et Vacances SA in any capacity whatsoever.

Ex-post vote on the elements of remuneration allocated or paid to the Chairman of the Board in respect of or during the 2019/2020 financial year

In accordance with the provisions of Article L. 225-100 III of the French Commercial Code, the Shareholders' Meeting of 1 February 2021 will be called upon to approve the items (fixed, variable and exceptional) making up the total remuneration and benefits of any kind paid during the 2019/2020 financial year or allocated in respect of the same 2019/2020 financial year to Yann Caillère, in respect of his term of office as Chief Executive Officer.

The Shareholders' Ordinary Meeting of 1 February 2021 is therefore asked to vote on the following resolution (Resolution no 7):

"The Shareholders' Meeting, deliberating with the quorum and majority required for ordinary shareholders' meetings, after a reading of the report on the Company's corporate governance referred to in Article L. 225-37 of the French Commercial Code, approves, pursuant to the provisions of the French Commercial Code (Article L. 225-100 III until 31 December 2020, which became Article L. 22-10-34 II as of 1 January 2021), the fixed, variable and exceptional items making up the total remuneration and benefits of any kind paid or granted for the 2019/2020 financial year, to Yann Caillère in respect of his duties as Chief Executive Officer, as they appear in the Universal Registration Document".

(C) Remuneration of non-executive corporate officers applied for the 2019/2020 financial year

Director remuneration structure and allocation rules for 2019

At its meeting of 24 November 2020, the Board of Directors, on the recommendation of the Remuneration and Appointments Committee, allocated among its members the remuneration package (formerly attendance fees) decided for the 2019/2020 financial year by the Shareholders' Meeting of 5 February 2020.

For the 2019/2020 financial year, this global amount totalled €300,000.

The Board has thus:

- set the principles for allocating directors' remuneration; these principles are identical to the allocation principles underlying the directors' remuneration policy described in 3.2.1.1 C above (to which reference is made), the Board having decided to reiterate, for the 2020/2021 financial year, the rules set for the 2019/2020 financial year;
- decided, after reviewing attendance over the 2019/2020 financial year, to allocate a total amount of €30,000 in application of the above-mentioned principles, it being specified that in order to take into account the context of the Covid-19 health crisis, the Board exceptionally decided to reduce said amount to €27,000;

The attendance rate of directors at Board and committee meetings is described in paragraph 3.1.5.2 above.

No other form of remuneration was paid to a director for his or her term of office for the 2019/2020 financial year.

Remuneration awarded in respect of FY 2019/2020 or paid in the 2019/2020 financial year

The table below summarises the remuneration awarded in respect of the 2019/2020 financial year and paid during 2019/2020 to directors (non-executive corporate officers) in office for all or part of the 2019/2020 financial year.

	FY 2019/2020		FY 2018/2019	
(in €)	Remuneration granted for the financial year(1)	Remuneration paid during the financial year(1)	Remuneration granted for the financial year(1)	Remuneration paid during the financial year(1)
Olivier Brémond				
Attendance fees	27,000	-	-	27,500
Other remuneration	-	-	507,808(2)	467,808(3)
Delphine Brémond				
Attendance fees	27,000	25,000	25,000	30,000
Other remuneration	-	-	-	-
Andries Arij Olijslager				
Attendance fees	30,000	33,000	33,000	33,000
Other remuneration	-	-	-	-
Annie Famose				
Attendance fees	29,000	33,000	33,000	33,000
Other remuneration	-	-	-	-
Bertrand Meheut				
Attendance fees	30,000	30,000	30,000	30,000
Other remuneration	-	-	-	-
Alma Brémond				
Attendance fees	27,000	30,000	30,000	30,000
Other remuneration	-	-	-	-
Amélie Blanckaert				
Attendance fees	29,000	30,000	30,000	30,000
Other remuneration	-	-	-	-
Jean-Pierre Raffarin				
Attendance fees	27,000	30,000	30,000	20,000
Other remuneration	-	-	-	-
Léo Brémond				
Attendance fees	27,000	22,500	22,500	NA
Other remuneration	-	-	-	NA
Marie-Christine Huau				
Attendance fees	27,000	NA	NA	NA
Other remuneration	-	NA	NA	NA

(1) Amounts are before tax and withholdings at source in accordance with applicable legislation.
(2) Total remuneration awarded to Olivier Brémond in respect of his duties as Chief Executive Officer for the 2018/2019 financial year.
(3) Remuneration paid to Olivier Brémond in respect of his position as Chief Executive Officer (by S.I.T.I. SA and re-invoiced to Pierre et Vacances under the management agreement between them – see above, § 3.1.1 A).

3.2.2 Stock options and free shares

3.2.2.1 Allocation policy

The grant policy followed hitherto by the Group identifies:

- occasional grants to a large number of Group managers;
- more regular grants, in principle on an annual basis, to key Group employees;
- special grants to Group employees (managers and non-managers).

This policy is likely to change during future financial years due to the legislative and regulatory changes in the accounting treatment for share options.

The Company states that, having signed up to the AFEP-MEDEF Corporate Governance Code:

- all bonus share plans are generally subject to performance-related conditions (with the exception of two plans, see table on pages 66 and 67);
- bonus shares are only granted to corporate officers if all performance-related conditions have been met;
- the Company has set up a system for linking employees' performance to that of the Company (introduction of a special profit-sharing agreement);
- share options are granted over the same calendar periods;
- the share subscription and purchase plans are subject to conditions of presence and/or performance, it being specified, however, that these conditions may, if necessary, be subject to limitations or derogations depending on specific and justified circumstances;
- the corporate officers have undertaken not to use a hedging mechanism until the expiry of their term of office;
- in accordance with the Internal Regulations, corporate officers are required to comply with the negative window periods covering (i) the 30 calendar days preceding the date of publication of the half-year and annual consolidated financial statements, as well as the day of such publications, and (ii) the 15 calendar days preceding the date of publication of the quarterly revenue figures, as well as the day of such publication. The timetable for such closed periods is prepared on an annual basis. Since early 2018, the obligation to abide by blackout periods has been extended to all beneficiaries of bonus shares.

3

3.2.2.2 Stock option plans

History of share subscription option plans

At the end of the past reporting period, there were no share subscription options outstanding, it being specified that no options were granted after this closing date.

	2003 option plan	**2004 option plan**	**2005 option plan**
Date of Shareholders' Meeting	10/03/2003	11/03/2004	11/03/2004
Date of Board of Directors' Meeting	03/11/2003	07/09/2004	26/09/2005
Total number of shares that may be subscribed for at grant date	7,150	162,300	1,000
Number of shares that may be subscribed for by the ten Company employees granted the largest number of share options	7,150	51,000	1,000
Number of shares that may be subscribed for by members of the Board of Directors (who are still members at 30/09/2020)	/	/	/
Vesting date	04/11/2007	08/09/2008	27/09/2009
Subscription price[(1)]	€63.83	€66.09	€59.89
Expiry date	04/11/2013	08/09/2014	27/09/2015
Number of shares subscribed for	/	/	/
Total number of share options lapsed or forfeited	7,150	162,300	1,000
Total number of options outstanding at the end of the financial year	/	/	/

(1) The subscription price is the average share price quoted during the 20 trading sessions preceding the grant decision, less a 5% discount.

History of share purchase option plans

	2005 share purchase option plan	2006 share purchase option plan	2007 share purchase option plan	2008 share purchase option plan	2009 share purchase option plan	2011 share purchase option plan
Date of Shareholders' Meeting	11/03/2004 and 10/03/2005	02/03/2006	02/03/2006	02/03/2006	14/02/2008	03/03/2011
Date of Board of Directors' Meeting	26/09/2005	21/07/2006	09/01/2007	07/01/2008	12/01/2009	03/03/2011
Total number of shares that may be subscribed for at grant date	28,000	16,500	46,875	38,375	5,000	222,500
Number of shares that may be subscribed for by the ten employees granted the largest number of share options	28,000	16,500	45,375	38,375	5,000	80,000
Number of shares that may be subscribed for by members of the Board of Directors (who are still members at 30/09/2020)	/	/	/	/	/	/
Vesting date	27/09/2009	22/07/2010	10/01/2011	08/01/2012	13/01/2013	04/03/2015
Purchase price	€59.89(1)	€80.12(1)	€87.40(1)	€86.10(1)	€39.35(2)	€63.93(2)
Expiry date	27/09/2015	22/07/2016	10/01/2017	08/01/2018	13/01/2019	04/03/2021
Number of shares purchased	/	/	/	/	/	/
Total number of share purchase options lapsed or forfeited	28,000	16,500	46,875	38,375	5,000	115,500
Total number of options outstanding at the end of the financial year	/	/	/	/	/	107,000

(1) The purchase price corresponds to the average share price quoted during the 20 trading sessions preceding the grant decision, less a 5% discount.
(2) The purchase price corresponds to the average share price quoted during the 20 trading sessions preceding the grant decision without a discount.

Share options granted during the financial year to each corporate officer by the Company itself and by any Group company

None.

Share subscription or purchase options exercised during the financial year by each corporate officer

None.

Share options granted to the top ten employee beneficiaries who are not corporate officers, and options exercised by the latter

None.

3.2.2.3 Bonus shares

History of bonus share plans as of 30 September 2020

	2007 plan	2007 plan	2008 plan	2009 plan
Kind of shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares
Date of Shareholders' Ordinary Meeting	10/03/2005	10/03/2005	10/03/2005	14/02/2008
Date of Board of Directors' Meeting	09/01/2007	09/01/2007	07/01/2008	12/01/2009
Total number of beneficiaries	2,207	9	8	57
Total number of shares granted initially	11,035	16,010	13,010	84,135
Total number of shares granted to current members of the Board of Directors (who are still members at 30/09/2020)	/	/	/	/
Starting date of the vesting period	09/01/2007	09/01/2007	07/01/2008	12/01/2009
Starting date of the lock-in period	10/01/2009	10/01/2009	08/01/2010	13/01/2011
Duration of the lock-in period	2 years	2 years	2 years	2 years
Grant conditions and criteria	Attendance conditions	Attendance and performance related conditions	Attendance and performance related conditions	Attendance and performance related conditions(3)
Number of shares to be granted	Shares to be issued	Treasury shares	Treasury shares	Treasury shares
Number of shares cancelled	2,370	/	/	40,727(4)
Number of shares vested	8,665	16,010	13,010	43,408

(1) The number of shares to be vested under this plan is subject to a performance-related condition based on share price performance. The performance-related requirement at maturity will be calculated on the volume-weighted average Pierre & Vacances share price for all trading days in October, November and December 2015. The volumes appearing in this table are the maximum for 100% achievement of the performance-related condition.

(2) The number of shares to be vested under this plan is subject to a performance-related condition based on share price performance. The performance-related requirement at maturity will be calculated on the volume-weighted average Pierre & Vacances share price for all trading days in October, November and December 2016. The volumes appearing in this table are the maximum for 100% achievement of the performance-related condition.

(3) Performance conditions applicable to the first half of the allocated shares: the indicators are EBIT, cash flows from operations (excluding acquisitions), as well as external indexes (SBF 250, property values and tourism values).

(4) Performance conditions applicable to the second half of the allocated shares: the indicators are net income Group share, operating cash flow generated (excluding acquisitions) and the external indexes referred to above.

2009 plan	2009 plan	2013 plan	2013 plan	2013 plan	2014 plan	2014 plan	2016 plan[9]	2016 plan[9]	2017 plan[9]	2019 plan
Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Preference shares	Preference shares	Preference shares	Ordinary shares
12/02/2009	12/02/2009	06/03/2012	06/03/2012	06/03/2012	13/03/2014	13/03/2014	04/02/2016	04/02/2016	04/02/2016	07/02/2019
12/02/2009	12/02/2009	28/05/2013	03/09/2013	02/12/2013	26/05/2014	02/12/2014	04/02/2016	04/02/2016	18/04/2017	13/12/2019
2	1	50	2	4	3	1	3	63	42	72
3,325	6,575	229,768[1]	13,333[1]	15,555[1]	20,889[2]	2,222[2]	1,476	1,544	797	260,000
/	/	/	/	/	/	/	/	/	/	/
12/02/2009	12/02/2009	28/05/2013	03/09/2013	02/12/2013	26/05/2014	02/12/2014	04/02/2016	04/02/2016	18/04/2017	13/12/2019
13/02/2011	13/02/2011	01/01/2016	01/01/2016	01/01/2016	01/01/2017	01/01/2017	09/02/2018	09/02/2018	18/04/2019	14/12/2020
2 years	2 years	2 years	2 years	2 years	2 years	2 years	2 years	2 years	2 years	1 year
Attendance and performance related conditions[3]	Attendance conditions	Attendance and performance related conditions	Attendance and performance related conditions	Attendance and performance related conditions	Attendance and performance related conditions	Attendance and performance related conditions	Attendance and performance related conditions	Attendance and performance related conditions	Attendance and performance related conditions	Attendance and performance related conditions[10]
Treasury shares	Treasury shares	Treasury shares	Treasury shares	Treasury shares	Treasury shares	Treasury shares	Treasury shares	Treasury shares	Treasury shares	Treasury shares
2,685[5]	/	145,184	7,172	8,366	15,215	322	/	178	130	/
640	6,575	84,584[5]	6,162[5]	7,189[5]	5,674[6]	1,900[6]	1,476[7]	1,366[7]	667[8]	/[11]

(4) At its meeting of 1 December 2009, the Board of Directors found that only some of the performance-related conditions had been met for the first half of the shares granted on 12 January 2009 and 12 February 2009.
At its meeting of 18 January 2011, the Board of Directors found that the performance-related conditions had not been met for the second half of the shares granted on 12 January 2009.
At its meeting of 14 February 2011, the Board of Directors found that none of the performance-related conditions had been met for the second half of the shares granted on 12 February 2009.

(5) At its meeting of 5 January 2016, the Board of Directors noted the number of shares vested as a result of the performance conditions stated in[2] being attained.

(6) At its meeting of 5 January 2017, the Board of Directors noted the number of shares vested as a result of the performance conditions stated in[3] being attained.

(7) At its meeting of 9 February 2018, the Board of Directors carried out the final allocation of the preference shares in view of the attendance conditions. The 1,476 category A preference shares were converted into 89,298 common shares during the 2019/2020 financial year. Of the 1,366 category B preference shares, 17 were converted into 426 common shares during the 2019/2020 financial year. The 1,349 existing category B preference shares will be converted by law into a maximum of 136,600 common shares on 28 February 2022.

(8) At its meeting of 18 April 2019, the Board of Directors carried out the final allocation of the preference shares in view of the attendance conditions. The 667 category C preference shares will be converted by law into a maximum of 66,700 common shares on 28 February 2022.

(9) The characteristics of the preference shares granted under the 2016 and 2017 plans were modified by the Shareholders' Meeting of 5 February 2020.

(10) Presence and performance conditions have been restricted to beneficiaries who do not have at least 15 years' seniority within the Group.

(11) In view of the performance conditions applying to this plan, the Board of Directors, which met on 14 December 2020, noted that the final allocation concerns 175,629 shares for the benefit of 26 beneficiaries.

Bonus shares granted during the 2019/2020 financial year to each corporate officer

None.

Bonus shares that became available during the 2019/2020 financial year for each corporate officer

None.

Bonus shares granted in the 2019/2020 financial year to the top ten employee beneficiaries who are not corporate officers (general information)

172,147.

3.2.3 Other items and commitments

3.2.3.1 Loans and guarantees granted by Pierre et Vacances SA

No loan or guarantee has been granted by Pierre et Vacances SA to the members of the Group Executive Management Committee or the Board of Directors.

3.2.3.2 Director investment in the capital of Pierre et Vacances SA

As at 30 September 2020, there is no convention, agreement or partnership concluded between the Company and the members of the Group Executive Management Committee or the Board of Directors concerning a restriction on the sale of their investments within a period of time.

3.2.3.3 Privileged information – share transactions

Because of the particular knowledge they have of the Company, its plans and its results, the directors are required to exercise strict vigilance in their transactions involving the Company's shares.

The directors undertake to keep, in registered form, throughout their term of office, the shares they acquired when they took up office; they also undertake to register in their name all shares subsequently acquired.

The directors more generally undertake to strictly observe the recommendations of the AMF (French Market Authority) concerning executive and non-executive corporate officers declaring transactions involving shares in their Company.

In order that Pierre et Vacances SA can itself abide by these AMF recommendations, directors must declare to the AMF and Pierre et Vacances SA any transactions concerning their shares within three days of the transaction. This obligation does not apply when the total value of transactions performed over the calendar year is less than €20,000.

Further, the Internal Regulations of the Board of Directors stipulate that, in addition to the period preceding the publication of privileged information to which they are privy, directors must also refrain from any share transactions during the 30 days prior to the publication of the annual and half-yearly results and during the 15 days prior to the publication of the quarterly revenue. They must also abstain from such transactions on the day on which this information is published.

3.2.3.4 Other securities convertible to equity

None.

Summary of transactions on the Company's securities

Summary of transactions on the Company's securities referred to in Article L. 621-18-2 of the French Monetary and Financial Code [(1)] over the course of the last financial year:

None.

(1) Transactions on the Company's shares performed by the executives, related persons and their close relatives.

3.3 Summary of valid powers granted to the Board of Directors regarding capital increases

The Shareholders' Extraordinary Meetings of 7 February 2019 and 5 February 2020 conferred certain powers upon the Board of Directors, authorising it to increase the share capital, with the option to sub-delegate said powers under the conditions provided for by law.

A list of the resolutions adopted during the Shareholders' Extraordinary Meeting and authorising the Board of Directors to increase the share capital is given below.

3

Shareholders' Extraordinary Meeting of 5 February 2020

Resolution no.	Purpose	Term	Use in 2019/2020
16	Authorisation to issue shares and/or securities convertible to equity either immediately or in future and/or securities giving right to the allotment of debt securities with maintenance of the preferential subscription rights and up to the par value of €50,000,000.	26 months	Not used
17	Authorisation to issue shares and/or securities giving immediate or future access to the Company's share capital and/or securities giving entitlement to the allocation of debt securities, with waiver of preferential subscription rights and by means of a public offering other than those referred to in Article L. 411-2 of the French Monetary and Financial Code, and up to a maximum par value of €50,000,000, this amount being deducted from the overall ceiling set by the 16th resolution.	26 months	Not used
18	Authorisation to issue shares and/or securities giving immediate or future access to the Company's share capital and/or securities entitling their holders to the allocation of debt securities, with cancellation of preferential subscription rights, and by means of a public offering referred to in Article L. 411-2 1° of the French Monetary and Financial Code, and up to a maximum par value of €50,000,000, this amount being deducted from the overall ceiling set by the 16th and 17th resolutions.	26 months	Not used
19	Authorisation to increase the amount of issues made with or without cancellation of preferential subscription rights, up to 15% of the initial issue, subject to the ceilings set out in the 16th, 17th and 18th resolutions.	26 months	Not used
20	Authorisation to set the issue price of shares to be issued within the framework of the 17th and 18th resolutions, with cancellation of preferential subscription rights, up to 10% of the capital per year.	26 months	Not used
21	Authorisation to increase the share capital through the incorporation of reserves, profits, premiums or other amounts that may be capitalised, up to the par value of €50,000,000, this amount being applied to the general ceiling set by the 16th resolution.	26 months	Not used
22	Authorisation to increase the share capital up to the limit of 10% of issued capital to cover contributions in kind to the Company outside a public exchange offer.	26 months	Not used
23	Authorisation to carry out capital increases reserved for members of the Group Share Ownership Plan and up to the par value of €850,000.	26 months	Not used
28	Authorisation to issue ordinary Company shares to be allocated free to the corporate officers and/or some salaried members of staff of the Company or of related companies or groupings, up to the value of 5% of the share capital.	38 months	Not used

Shareholders' Extraordinary Meeting of 7 February 2019

Resolution no.	Purpose	Term	Use in 2019/2020
21	Authorisation to issue Company shares with cancellation of preferential subscription rights in order to grant share subscription options to the corporate officers and/or some salaried members of staff of the Company or of related companies or groupings.(1)	38 months	Not used

(1) The total number of options granted under this authorisation may not carry entitlement to subscribe for or purchase a total number of shares in excess of 5% of the share capital. This 5% limit is overall and is shared by the 21st and 22nd resolutions of the Shareholders' Ordinary Meeting of 7 February 2019.

3.4 Information likely to have an impact in the event of a public offering (Article L. 225-37-5 of the French Commercial Code)

Structure of the Company's share capital

Information about the structure of the Pierre et Vacances share capital is presented on page 19 of the Universal Registration Document.

Statutory restrictions on the use of voting rights and share transfers

The Company's articles of association include a reporting obligation applicable to any person holding a percentage of the share capital or voting rights, of 5% or more, or a multiple of this percentage. If this reporting obligation is not adhered to and on the request of one or more shareholders holding at least 5% of the share capital, the shares in excess of the fraction which should have been declared shall be deprived of voting rights under the conditions provided for by law. This mechanism is outlined on page 14 of the Universal Registration Document.

Direct or indirect investments in the Company's share capital of which it is aware

The Pierre et Vacances shareholder base is outlined on pages 19 and 20 of the Universal Registration Document.

Securities with special controlling rights and description of said securities

In accordance with the "Double voting rights" paragraph of Article 16 of the articles of association, an additional voting right to the one conferred to other ordinary shares in respect of the portion of the share capital they represent is allocated to all ordinary fully paid-up shares when they are proven to have been held in nominee form for at least two years in the same shareholder's name.

Category B and C preference shares must be held in nominee form and cannot be contractually divided.

Category B and C preference shares do not carry voting rights at Shareholders' Ordinary and Extraordinary Meetings of holders of ordinary shares.

The category B and C preference shares do not have dividend rights.

The category B and C preference shares are entitled to the liquidation bonus.

The category B preference shares will be converted by law into a maximum of 136,600 common shares at 28/02/2022, according to the statutory conversion parity.

The category C preference shares will be converted by law into a maximum of 66,700 common shares at 28/02/2022, according to the statutory conversion parity.

Control mechanisms in the event of an employee shareholding system, when controlling rights are not exercised by the employees

None.

Agreements between shareholders of which the Company is aware and which could entail restrictions on the transfer of shares and the exercise of voting rights

None.

Rules on the appointment and replacement of members of the Board of Directors and on amendments to the Company's articles of association

The Company's articles of association in these areas do not deviate from the usual customs regarding French Public Limited Companies *(Sociétés Anonymes)*.

Powers of the Board of Directors, particularly as regards the issue or purchase of shares

A summary of the valid powers granted by the Shareholders' Ordinary Meeting held on 7 February 2019 and by the Shareholders' Ordinary Meeting held on 5 February 2020 regarding capital increases can be found at point 2.3 above. The Company's current authorisation to buy back its treasury shares prohibits any buybacks during a public offering on the Company's securities.

Agreements entered into by the Company which are amended or come to an end in the event of a change in the Company's control, unless such disclosure, excluding cases where there is a legal obligation for disclosure, would severely harm its interests

Financing contracts in which Pierre et Vacances is the borrower generally contain change of control clauses enabling lenders to demand repayment of all debt in the event of a change in control. No commercial contracts which, if terminated, would have a major impact on the Group's business, contain a change in control clause.

Agreements providing for compensation for members of the Board of Directors or employees, if they resign or are unfairly dismissed, or if they are made redundant as a result of a public offering

None.

3.5 Agreements entered into between an executive officer or significant shareholder and subsidiaries of the Company

No agreement had been made, either directly or via an intermediary, between, on the one hand, a Company corporate officer or a shareholder owning a fraction of the voting rights in excess of 10% and, on the other, another company controlled by the Company within the meaning of Article L. 233-3 of the French Commercial Code, with the exception of agreements relating to ongoing transactions completed under normal conditions.

3.6 Special procedures for the involvement of shareholders in the Shareholders' Ordinary Meeting

Detailed information on special procedures for the involvement of shareholders in the Shareholders' Ordinary Meeting can be found in the Company's articles of association (Title V – Shareholders' Ordinary Meetings), available on the Company's website; a reminder is also provided on pages 14 and 15 of this Universal Registration Document.

According to Article 16 of the articles of association, any shareholder, irrespective of the number of shares they hold, is entitled, on proving their identity and shareholder status, to participate in Shareholders' Ordinary Meetings subject to book-entry of their shares at midnight (Paris time) at least two working days before the Shareholders' Ordinary Meeting. The recording or entry in the books of bearer shares held by an authorised intermediary is proven by a certificate of participation issued by the latter in accordance with legal and regulatory provisions.

Category B and C preference shares do not carry any voting rights at Ordinary and Extraordinary Shareholders' meetings for ordinary shareholders.

3.7 Regulated agreements

3.7.1 Regulated agreements submitted for approval by the Shareholders' Ordinary Meeting of 1 February 2021

None.

3.7.2 Regulated agreements already approved by the Shareholders' Ordinary Meeting remaining in effect during the 2019/2020 financial year

None.

3.7.3 Procedure to assess current agreements

In accordance with Article L. 225-39 of the French Commercial Code, at its meeting of 25 November 2019, the Board of Directors implemented an internal procedure for the regular assessment by the Audit Committee, in the presence of the Statutory Auditors, of the terms and conditions for the conclusion of current agreements.

The terms and conditions of agreements qualified as current and concluded under normal conditions are assessed each year by the Audit Committee, and then by the Board of Directors at the meeting called to approve the financial statements for the past financial year.

This procedure also provides for the abstention of any interested person, directly or indirectly, when the audit committee or the Board votes on this procedure or its application.

3.8 Statutory Auditors' special report on regulated agreements

Financial year ended 30 September 2020

To the Shareholders,

In our capacity as your Company's statutory auditors, we hereby present our report on regulated agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions as well as the reasons justifying the interest for the Company of those agreements indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to evaluate the benefits resulting from these agreements prior to their approval.

In addition, it is our responsibility, where applicable, to report to you the information required by Article R. 225-31 of the French Commercial Code relating to the execution, during the financial year under review, of agreements previously approved by the Shareholders' Ordinary Meeting.

We performed the procedures we deemed necessary pursuant to the professional guidelines of the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) regarding this type of assignment.

Agreements submitted for approval by the Shareholders' Ordinary Meeting

We hereby inform you that we have not been advised of any agreement authorised during the past financial year to be submitted to the Shareholders' Ordinary Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code.

Agreements already approved by the Shareholders' Ordinary Meeting

We hereby inform you that we have not been advised of any agreement already approved by the Shareholders' Ordinary Meeting remaining in effect during the financial year.

Neuilly-sur-Seine and Paris-La Défense, France, 22 December 2020

The Statutory Auditors

GRANT THORNTON French member of Grant Thornton International	ERNST & YOUNG et Autres
Virginie PALETHORPE Partner	Anne HERBEIN Partner

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EXTRA-FINANCIAL PERFORMANCE DECLARATION 4

4.1 A Group committed to responsible tourism

4.1.1 A reaffirmed role for the CSR approach

4.1.1.1 A CSR approach integrated into the new strategic plan

The year was marked by two major elements: a transformation plan announced by General Management at the end of January 2020, accompanied by the affirmation of the Group purpose, and the health crisis which severely affected the economy as a whole and the tourism sector in particular.

The "Change Up" transformation plan[1] rests on three pillars:

1. growth, driven by the optimisation of our existing assets (review of site performance, upgrading of the tourism offer, etc.) and by targeted development at Center Parcs and Pierre & Vacances mountain facilities;
2. efficiency, with the creation of autonomous Business Lines, integrating their own support functions, and a lean holding company focused on corporate functions, in support of the Business Lines;
3. Our values, with an emphasis on our social and environmental responsibility and the affirmation of the Group's purpose "We are the European leader in local tourism, committed to helping people get back to basics in a protected environment", demonstrating the major contribution of the CSR approach to the stated vocation of the Pierre & Vacances-Center Parcs Group.

The place of the CSR approach has been reaffirmed in this new plan. This is on two levels: on the one hand, it contributes to the Group's overall value creation in terms of its non-financial performance by addressing all of its employment and societal challenges; on the other hand, the CSR policy supports the strategic axes of this plan through specific commitments such as the systematic certification of all new real estate projects, the Green Key labelling of 100% of the Pierre & Vacances premium residences or the launch of the awareness-raising campaign for customers of the maeva.com campsites.

Moreover, in the particular context of this financial year, the CSR approach undertaken by the Group for several years has demonstrated that it contributes to its resilience. Faced with the health crisis linked to the COVID-19 epidemic, the processes in place within the teams, their commitment, and the attention paid to employees, were all assets in meeting the challenge of this exceptional situation, the consequences of which were particularly difficult in the tourism sector. See section 4.4.2.

A Group purpose

At the end of 2019, the Pierre & Vacances-Center Parcs Group launched a reflection on its Group purpose, a challenge at the heart of its strategy and its ecosystem. This reflection enabled the Group to create a strategic, structuring and engaging foundation, and initiated the change management process included in the "Change Up" transformation plan.

To achieve this, a collective approach through interviews was undertaken with our employees and stakeholders (journalists, directors, investors).

This collegial work has enabled us to define our purpose which rests on 3 pillars: local tourism, a return to basics and the preservation of the environment.

"We are the European leader in local tourism, committed to helping people get back to basics in a protected environment."

In September 2020, the integration phase was launched with the organisation of 4 "ambassador" workshops within each brand and the holding company. It consisted in establishing an evidence base and the actions to be considered for the implementation of the purpose at the brand level.

The completion of this project is scheduled for early 2021 and will be materialised by, among other things, a manifesto, a roadmap for the Holding Company and the Business Lines.

4.1.1.2 Governance and organisation of the CSR approach

The CSR policy is managed at the highest level of the company:

- at the level of General Management: the CSR Department reports directly to Group General Management;
- at the level of each Business Line: drawing up an annual roadmap with the Business Line's CSR focal point and bimonthly or quarterly monitoring of their progress in the operational committee.

Furthermore, CSR governance has been extended to the Board of Directors with the creation, on 14 December 2020, of a CSR Commitee consisting of 3 members of the Board. In addition, two employees were elected employee representatives to the Board of Directors in November 2020.

(1) More information in the press release "CHANGE UP STRATEGIC PLAN", available on the Group's website: http://www.groupepvcp.com/

Operational governance

The CSR Department, which reports to the General Management, is responsible for defining the Group's CSR strategy and actions, supporting the Business Lines in the definition and implementation of roadmaps, and overseeing non-financial reporting at Group level. The Change Up plan has made it possible to refine and formalise this organisation and to extend it to all Business Lines. Moreover, new focal points have been identified for some of them: Pierre & Vacances Spain, maeva.com, Individual Owners Department, Pierre & Vacances Développement, Développement Center Parcs BNG (Belgium/Netherlands/Germany), Construction & Maintenance Center Parcs BNG[1]. The existing focal points within the Business Lines Pierre & Vacances France (a duo consisting of one person in marketing and the person in charge of managing water and energy consumption), Center Parcs Europe (a country director who is also responsible for the CSR approach with two dedicated employees) and the Purchasing Department (a buyer in charge of the responsible purchasing approach) remain unchanged.

4.1.1.3 A CSR approach creating shared value based on 4 axes

The aim of the CSR approach is to guide the Group towards a creation of value shared by all its stakeholders. It is based on an analysis of employment, societal and environmental issues, and aims to respond to both the CSR risks and opportunities identified for the Group (see section 4.1.4).

The Group's CSR approach is structured around four main areas, which are backed by specific commitments:

- develop a culture of responsible entrepreneurship, with a HR policy aimed at maximising employee commitment, offering them the best working conditions and professional development, and implementing a responsible purchasing approach;
- make sustainable development a lever for enriching the customer experience by leveraging the assets of the regions where the Group operates and by raising the awareness of customers of the challenges facing the planet, with the following commitments by 2022:
  - roll out a responsible catering charter with our catering partners,
  - have our sites labelled to attest to our commitment among our customers and mobilise teams,
  - offer a nature activity on 100% of our Domaines Center Parcs Europe and in all the children's clubs of Pierre & Vacances in metropolitan France;
- create value in the regions where the Group operates through a local inclusion approach aimed at contributing to the economy and social life of the regions with the following commitments:
  - monitor our purchases during the operating phase and make specific commitments for each new major project, such as a target of 70% of purchases made from the region for the work on the next Center Parcs under construction in Lot-et-Garonne, and 65% of people recruited from among job seekers,
  - provide an offering of local and authentic activities on all our Domaines and residences;
- limit our environmental and carbon footprint by taking steps to:
  - reduce our water and energy consumption with commitments made for the Pierre & Vacances and Center Parcs brands,
  - have 100% of our new real estate projects ecocertified and equipped with a renewable energy source,
  - work to reduce carbon emissions related to our activities with a view to defining a 2°C trajectory for the Group,
  - maximise the sorting of waste generated on our residences and Domaines,
  - preserve the biodiversity of our sites with specific commitments for each new site, and define a biodiversity management plan for 100% of the Domaines Center Parcs.

These commitments are taken up at each Business Line, whether it is a support business or a pillar brand of the Group, and adapted to their specificity. An operational roadmap is co-constructed by the CSR Holding Department and the Business Lines Pierre & Vacances France, Pierre & Vacances Spain, Center Parcs, the Individual Owners Department, Maeva.com, Pierre & Vacances Développement (development and construction of real estate projects in France, all brands), Construction & Maintenance Center Parcs BNG and Développement Center Parcs BNG. It is based on the Group's commitments, the "fundamentals" described above, as well as other projects specific to each Business Line.

For the Group's two pillar brands, Pierre & Vacances and Center Parcs, the initiatives are respectively called "Let's do more together" and "Naturall", and are made up of the following commitments:

"Let's do more together" – Pierre & Vacances:

- have premium residences and villages located in metropolitan France labelled Green Key 100%;
- provide a Nature activity in all the children's clubs in the villages;
- reduce water and energy consumption by 5% by 2024 (vs 2019);
- set up a responsible catering charter with catering partners;
- abolish the use of agrochemical products for the management of green spaces;
- raise customer awareness of the challenges facing the planet, in particular through on-site communication;
- engage employees to be players in the CSR approach.

The "Naturall" approach – Center Parcs proposes to combine the protection of "Nature" and "all" :

- protect and enhance the natural capital of our sites, as well as defining a biodiversity management plan;
- reduce water and energy consumption by 25% by 2022 (vs 2010);
- achieve a 60% waste sorting rate in operations by 2022;
- be a responsible employer;
- raise our customers' awareness in an entertaining and playful way;
- contribute to local socio-economic development;
- engage our teams in environmental protection.

The maeva.com approach was launched this year with a first founding project: the environmental label (see section 4.2.1.1).

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(1) *The Senioriales and Adagio entities are not part of the scope of the CSR approach – see methodological note.*

4.1.1.4 Recognised non-financial performance

The Group is, for the 11th year in a row, one of the companies selected for inclusion in the Gaia-Index 2019 (the Gaia-Index 2020 index had not been published at the date of publication of this document), and retains its place in the top 20 of the index, ranking 16th out of 230 companies. This ranking demonstrates the Group's non-financial performance in relation to other SMEs and intermediate-sized businesses listed on the French stock market.

The Group has been awarded a B rating by CDP Carbon 2020, a clear improvement compared to the previous year (D). The work carried out on climate change in 2020 by the Group made it possible to respond more precisely to the CDP 2020 questionnaire and to provide quantified estimates for the various items in the rating scale.

Since 2014, the Group has also been eligible for listing on the Ethibel Excellence investment register and its CSR performance was judged better than average in its sector. Moreover, the Group regularly responds to ratings agency questionnaires, giving investors access to detailed external analysis of the progress of its CSR policy and initiatives undertaken. In addition, the Group was rated AA in the MSCI index.

4.1.2 Our business model

The business model is described at the beginning of the URD, see section 1.1.4.

4.1.3 Listening to our stakeholders

The Group's sustainable development policy is designed to meet the expectations of our stakeholders, with whom we have specific channels of communication and dialogue:

- customers (nearly 8 million customers): satisfaction questionnaires, presence of teams on site, social networks and advice sites, dispute tracking service, etc.;
- employees (nearly 12,600 employees): intranet, satisfaction surveys, company agreements, individual interviews, etc.;
- shareholders: Shareholders' Meeting, roadshow, one-on-one meetings, socially-responsible investment (SRI) questionnaires, etc.;
- owners and institutional investors: website and online customer relations, co-owner meetings, follow-up of disputes;
- suppliers: individual meetings, questionnaires, call for tender, audits, etc.;
- public and local authorities: dialogue, consultations, public meetings, steering committees, etc.;
- civil society (local residents, associations, etc.): working groups/workshops, public meetings, advisory committees, website, partnerships, etc.

4.1.4 Our main non-financial risks

In 2018, the Group conducted an internal study to assess its main non-financial risks. Each risk was assessed according to its impact, likelihood of occurrence and level of management by teams. The main non-financial risks are listed below in order of priority:

- priority issues: land search, access to water resources in areas under water stress, anticipation of the consequences of climate change on the business;
- major issues: management of the risk of water pollution and deterioration of natural environments, quality of relations with owners, recruitment and development of the skills of teams, waste management;
- important issues: quality of relations with our local stakeholders and our customers, health and safety of our employees, management of energy consumption and energy fares.

The CSR strategy, based on the 4 pillars set out above, is structured to respond to these CSR risks through policies established at Group and Business Line level. The impact of these policies is monitored using Key Performance Indicators (KPIs).

4.2 Making sustainable development a lever to enrich the customer experience

For 50 years, the Group has been offering its customers stays in exceptional places in the mountains, at the sea or in the countryside with the Pierre et Vacance residences and the Domaines Center Parcs, but also in the city with the Adagio aparthotels(1). The 8 million customers who visit our sites are major stakeholders in our CSR approach. We wish to involve them in our efforts to limit our environmental impact, but we also aim to make this stay a moment to make them aware of the challenges facing the planet and help them discover the richness of each region.

4.2.1 Provide a nature-oriented vacation experience

4.2.1.1 Highlighting the natural heritage of our sites and raising customer awareness of environmental preservation and eco-gestures

One aim of the Pierre & Vacances and Center Parcs brands is to increase the number of fun and educational activities focused on nature and the regions. The teams offer nature-based activities, either alone or in partnership with associations. The Group also offers activities to discover the region through the RendezVousChezNous platform for the Pierre & Vacances brand and by acting as a relay for the tourist offices at the Center Parcs.

Context

Following the example of the Hévana residence opened in December 2019 in Méribel in the heart of the Domaine des 3 Vallées, the Pierre & Vacances residences and villages are located in a wide variety of destinations, often in the heart of natural environments (mountains, seaside, countryside) while the Domaines Center Parcs are most of the time located in forest areas. The Group's ambition is to make the most of this natural capital and to help its customers discover it.

Governance

The Pierre & Vacances and Center Parcs Marketing teams are in charge of the operational implementation of the roll-out of nature activities, and activities focused on the regions.

Policy and action plan

One aim of the Pierre & Vacances and Center Parcs brands is to increase the number of fun and educational activities focused on nature. The teams offer nature-based activities, either alone or in partnership with associations.

Showcasing natural heritage and encouraging customers to preserve the environment

Center Parcs

The link with nature is an undeniable asset that the Group wishes to continue to enhance in its range of activities for families. Thus, Center Parcs continues to develop the range of Nature activities offered in these Domaines in Europe. There are more than 80 of them to date, such as: "When I grow up, I wanna be an animal keeper", an activity offered at the Domaine du Bois aux Daims, the raccoon feeding session at the Center Parcs De Huttenheugte in the Netherlands, or the discovery of a farm at the Center Parcs Hoch Sauerland in Germany.

The Domaine du Bois aux Daims, a biodiversity reserve

On this 86-hectares Domain, immersion enclosures have been designed to offer clients a privileged observation of their surroundings from their cottage. At the heart of the Domaine, a 10 hectare animal centre shelters species from our forests: from observation points or along footpaths, our guests can observe the life of deers, bucks, wild boars, etc.

In 2019, two new "Nature" activities were offered to our customers:

- "Discovering the Pond" which makes it possible to discover the fauna and flora of the wetlands and more specifically the marbled newt and the crested newt;
- "The secrets of the Sanctuary" which consists of a stroll through the 35 hectares of the Sanctuary (protected natural area) that leads to a discovery of the different environments and ecosystems that compose it, including: the forest trails with scabious flowers, the forest environment, the ponds, the clearings.

(1) Adagio is excluded from this reporting scope – see methodological note

Concerning animal welfare, an inventory of practices and recommendations was carried out in partnership with two veterinary schools over the past year. The Kid's Farm teams from all the Center Parcs France facilities have undergone training aimed at harmonising and improving practices for caring for the animals. This approach is part of a process of continuous improvement of our operational risk management system.

Pierre & Vacances

In 2019/2020, Pierre & Vacances broadened its range of activities to include raising awareness of nature protection by extending the number of activities offered in children's clubs. Thus, for children from 3 to 11, 4 activities were offered: Gardener, Farmer, Adventurer, Circus. For example, the Adventurer activity is a treasure hunt during which at least two clues take into account the richness of the village's fauna and flora (local plants, educational beehives). As for the Circus activity, it includes raising awareness of species protection.

maeva.com

In order to meet the aspirations of our customers who are increasingly concerned about the environment, maeva.com and the Ecolodges "L'Etoile d'Argens" have joined forces to develop a "sustainable outdoor hotel" offering that is unique in France. The goal is to open 20 "maeva.com – Ecolodge" establishments by 2025. This new concept of "organic and eco-designed camping" offers quality accommodation fully integrated into its environment.

maeva.com is committed to the environmental signage of its affiliated campsites

During the year, maeva.com deployed the environmental display (or "Environmental Label") on 11 affiliated campsites (100% of the range). 8 audits were conducted this year, and the next 3 will be held before the summer of 2021. This initiative, supported by ADEME and the Ministry of Ecological and Solidarity Transition, enables campsites to measure their carbon impact, their water and energy consumption and the proportion of organic and eco-labelled products used. An environmental label results from these calculations. The latter is posted on sites and communicated to clients to raise awareness. The campsites concerned are committed to a sustainable transition process to protect our ecosystems and fight against climate change.

Encouraging environmentally-responsible behaviour during stays

Pierre & Vacances has disseminated "eco-tip" stickers in all Pierre & Vacances units in France and Spain to remind customers to sort waste, close windows when the heating or air conditioning is on, save water, etc. The brand's improved CSR standards also enable these criteria to be incorporated into its service system (use of environmentally-friendly cleaning products, reusable tableware or failing this, tableware made of cardboard or other biodegradable materials for meetings, option to compost organic waste on some sites, etc.).

Results

- 100% of our Center Parcs sites offer Nature activities.
- 5,385 children registered for Nature-oriented activities (Gardener/Farmer, Adventurer and Circus themes) in the 7 Villages Pierre & Vacances having set up these activities (over the period July-August 2020).

4.2.1.2 Enhancing stays with local experiences

In order to enhance the value of the regions in which our residences are located, Pierre & Vacances relies on the RendezVousChezNous platform, which offers more than 3,200 atypical activities, to broaden its offer. A selection of "Green" activities focusing on the discovery of natural heritage, ethical and responsible practices and local know-how is available on the site. As an example, we can mention the organic cosmetics manufacturing workshop in Noisy-le-Roy, or the waterbike orienteering course in Navarrosse. The objective is to provide our clients with unique experiences in various fields (arts and crafts, gastronomy, sports, oenology, etc.).

4.2.1.3 Acting with our partners to promote sustainable and healthy diets and the fight against the use of single-use plastics

Context

The customer experience is at the heart of our CSR approach. The catering offer offered on our sites, although managed by partners, is a major part of the experience we offer our customers. These are increasingly concerned about the environmental footprint of their food. We aim for this offer to be in line with our CSR commitments: to promote the value of local expertise and products from sustainable food chains.

Governance

The policy and action plans described below are managed by the Group CSR Department in consultation with the teams working with catering service providers (marketing teams from Pierre & Vacances France and Pierre & Vacances Spain, and the CSR team from Center Parcs) of the Business Lines.

Policy and action plan

Center Parcs

The Center Parcs sustainable catering policy is based on 7 priority areas:

- food quality;
- waste sorting and reduction;
- banning single-use plastic;
- The health of our employees through a healthy food choice ;
- raising the awareness of our employees and our customers;
- partnerships with local associations;
- the requirements of the Green Key certification.

A catering charter including these elements has been established with our catering partners. It will be applied to all items over the next year. With regard to the quality of the products served, this charter includes the following commitments: offer a vegetarian option at every meal in all restaurants; serve eggs from free-range chickens and commit to 100% of the chicken meat supplied to its sites in the Netherlands and Belgium coming from farms and slaughterhouses that meet all the criteria of the *European Chicken Commitment* by 2026; offer fish from responsible supply chains (MSC or ASC) and ban certain endangered species; promote the purchase of local products (at least one per meal, per restaurant) and fair trade products (coffee, tea or chocolate).

Regarding the use of single-use plastic, the restaurants at our Center Parcs sites no longer use plastic food straws, cups, cutlery, stirrers, bags and containers. Measures related to the health crisis led to the return to certain single-use plastics when the sites reopened in the summer. However, a major practice has been tested and extended to all Center Parcs France sites: the replacement of single-use containers with a reusable crockery system for "delivery" (dishes delivered in cottages).

Pierre & Vacances

On Pierre & Vacances sites with the Green Key label, an approach is already in place for a catering offer with fair trade products and local products at the breakfast buffet. In addition, work has been launched with the catering partner at all sites in France on subjects related to the offering (broadening the references of organic products, vegetarian menus and those responding to specific diets), and local supplies. This work will continue next year.

At the Spanish sites, the Group has banned plastic cups, cutlery and plastic food containers for alternatives based on vegetable matter.

Results

- Drafting and validation of the responsible catering charter with Center Parcs' catering partners.

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4.2.2 Putting customer satisfaction and safety at the heart of our priorities

4.2.2.1 An innovative eco-system to enhance the customer experience

The Group puts the customer at the centre of its operations to facilitate the on-site experience. To support this policy, the Group's Innovation Laboratory has identified 2 key missions:

- cooperate with start-ups to build a personalised and fluid customer pathway (by testing new services via "Proofs of concepts");
- disseminating innovation, building a community of innovators (also called ambassadors) within the Group and across all departments.

In 2019/2020 this enabled a community of innovator of around thirty Group employees from a variety of professions to develop their skills. The Group's Innovation Department has created an environment to foster innovation in several ways:

- the organisation of two Inno Day a workshop and coaching session for the ambassadors;
- the holding of two thematic Demo Day (including one on sustainable development) in order to raise awareness about startups among the community of innovators, and more generally among interested employees, which could be the subject of experimentation;
- the "Innovation Breakfasts", whose objective is to inspire employees and develop their culture of innovation by highlighting a company's best practices (Google, CDiscount) in digital matters.

In addition to its employee training activities, the Innovation Laboratory has contributed to the development of 20 "Proofs of Concepts", 9 of which have been successfully implemented. Of these, 3 have been industrialised by our teams. As an example, the Innovation Unit tested the implementation of a chatbot on the Pierre & Vacances France website to answer the 5 most recurring questions about COVID-19. The aim of this experiment was to make it easier for our customers to search online and to ease the burden of the call centre, which has been particularly busy during the health crisis.

A Proof of Concept has also been developed to test the "gobox", a 4G wifi box, which provides a stable internet connection throughout France. This product made it possible to test the teleworking offer in 23 Pierre & Vacances residences in France. It was first tested among employees who had experienced teleworking on sites, and was then extended to our customers in August 2020. The aim of this service is to adapt to the development of teleworking by encouraging a mix of time and uses.

In the field of CSR, several reflections were carried out during the year concerning food waste, micro-donations and mobility. The micro-donation project is being implemented at a pilot site.

4.2.2.2 Driving customer satisfaction

Tourism customers

Governance

The Pierre & Vacances and Center Parcs Business Lines set up a process to evaluate and manage customer satisfaction. Within these two entities, teams are dedicated to the processing of customer satisfaction questionnaires that enable the monitoring of the Net Promoter Score (NPS)[1], the intention to return and overall satisfaction. The "Social Room" (responsible for social media interactions with customers) analyses scores left online. Sites receive a monthly report to notify employees of the things they are doing well and areas where the service could be improved.

Policy and action plan

The Net Promoter Score of the Center Parcs and Pierre & Vacances brands deteriorated this year due to the unique conditions linked to the health crisis (barriers to reopening sites, adaptation of our customers and teams, etc.).

However, in 2020, 135 Pierre & Vacances residences were awarded the TripAdvisor Travellers' Choice 2020 prize (which replaces the former TripAdvisor Certificate of Excellence): 38 Pierre & Vacances fungible-type residences, 3 timeshare residences, 1 franchised residence and 93 partner residences. The TripAdvisor Travellers' Choice award honours a selection of accommodations that consistently demonstrate a commitment to excellence in hospitality. About 10% of companies on TripAdvisor receive a Travellers' Choice award.

Results

- Pierre & Vacances NPS (all Pierre & Vacances, premium, villages, maeva.com brands): 18.1%, down 3.2 points compared to the previous year. However, this NPS score is up 1.3 points compared to the weighted average of the last 3 years (2017 to 2019), reflecting a long-term improvement in customer satisfaction. In particular, customer satisfaction with our residences and teams remains high.
- Center Parcs Europe NPS: -2.10% (vs 3.2% in 2018/2019) due to the particular reopening context linked to the health crisis.

Owner clients

Governance

The relationship with individual owners is handled by a team based at the Head Office, which manages all requests relating to the life of their property, and by locally-based management teams, which are responsible for managing part of the co-ownerships operated by the Group. As part of the Change Up plan, these teams report to a newly created division, the Individual Owners Department, which is also in charge of marketing real estate programmes (Pierre & Vacances Conseil Immobilier). One of the missions of this department is to establish a fluid and quality relationship with the owners, at all stages of the life of their real estate assets: collection of rents, accounting assistance, management of ownership association through to the resale of their property when they wish to do so.

Policy and action plan

Personalising relationships with our owner customers

The Group's business model is based on the use of real estate owned by private and institutional owners. It is therefore essential for the Group to establish a long-term relationship of trust with these stakeholders.

Major efforts were continued this year to improve landlords' satisfaction with the responsiveness to their requests throughout the life of the lease, the organisation of their stays, the handling of disputes, and the fluidity of the procedure when renewing a lease via the digital platform. More than 93% of our owners use the website to carry out day-to-day operations and find the information they need. Our challenge is to further improve digital tools to simplify our relations and shorten our response times.

In terms of lease renewals, the 67% rate marks a pause this year. The leases of 3 residences were not renewed. This choice of another management method by the owners is very classic in the context of these 3 residences: the advanced age of the owners and the fact that this is the third renewal of their lease does not encourage them to maintain this management method. Outside these 3 sites, the renewal rate is 73%, close to the target of 76% set for this year.

A Group Development Director was recruited in September 2019 to specifically handle relations with institutional owners. He is also responsible for prospecting and participating in the negotiations of new real estate acquisitions and the search for investors.

In the context of the health crisis and the lockdown, the health emergency led the French public authorities to decide to close all places hosting the general public which were "not essential to the life of the nation", including tourism residences. As we were unable to use our owners' assets to operate them, the Group suspended the payment of rents during closure periods. At the end of its term, the rents were again paid.

The litigation rate for the year as a whole rose sharply as a result of the exceptional circumstances of the COVID-19 crisis (4.42%). Outside this period, it marked a 30% improvement.

Results

Owner satisfaction:

- processing of owner litigations took 3.1 days on average (1.9 days in 2018/2019);
- volume of owner disputes (number of disputes compared to the total number of owners): 1.21% outside the COVID period (1.72% in 2018-2019);
- lease renewal rate: 67% (83% in 2018-2019).

(1) The Net Promoter Score is the difference between the number of "promoters" and the number of "detractors" in response to the question: "would you recommend this site to your friends and family?".

4.2.2.3 Ensuring the safety of our customers

The financial year was strongly marked by the health crisis. The measures implemented by the Group to guarantee the safety of its customers and employees are described in detail in chapter "4.4.2.7 Commitment to health and safety".

In addition, the Group continues its "Sécuri-Site" labelling process for French sites, which certifies the implementation of a complete security system, both inside the park and around the site, as well as close cooperation with local authorities, particularly the national police force (the Center Parcs and most of Villages Nature® Paris are located in gendarmerie zones). Issued by the State, this label is mainly based on prevention, exchange of information and preparation for crisis management (through security exercises with local gendarmerie teams). The Center Parcs Trois Forêts, Lac d'Ailette, Bois aux Daims, Hauts de Bruyères and Villages Nature® Paris sites are labelled.

ISO 14001 standards have been introduced at Center Parcs sites and a safety plan is in place at Pierre & Vacances to monitor customer safety. The accident rate is 0.002% for Pierre & Vacances and 0.001% for Center Parcs.

This accident rate refers to damages as a result of personal injury involving civil liability (above the insurance franchise) in relation to the number of customers (Center Parcs) and the number of units occupied (Pierre & Vacances).

4.3 Creating value in the regions where we operate

4.3.1 Favouring a development model with reduced environmental impact

Context

Land availability is one of the non-financial risks identified by the Group in the context of its property development business. The Group therefore rolls out a strategy that integrates this constraint to ensure its development in the countries where it operates (France, the Netherlands, Belgium, Germany, Spain).

Governance

The following action plans are implemented by the teams in charge of business development and the property development and construction teams.

Policy and action plan

In the design and development phase

The Group has implemented a growth strategy with three focus areas:

- broaden the tourism offer by relying on external growth through management mandate, marketing of partner sites and franchises. In terms of marketing, the Pierre & Vacances brand focuses on the development of new partnerships in local destinations in Europe. Pierre & Vacances also inaugurated its first 3 franchises in Corsica during the year.

  In Belgium, the "Terhills Resorts by Center Parcs" premium resort project, a medium-sized Domaine, will be managed under a management mandate (opening planned for mid 2021). In Denmark, this mode of development has also been adopted, with a first project at the conceptual finalisation phase and two projects identified in Scandinavia;
- capitalise on existing real estate by renovating our holiday residence portfolio, with an investment of nearly €400 million financed by the owner-landlords, and by launching extension projects on certain sites (Villages Nature® Paris);
- reduce the environmental impact of our real estate projects by:
  - choosing already partially artificial land, as is the case for the development projects Pierre & Vacances Téléphérique in Avoriaz (+36% of the additional land surface) and Aime-la-Plagne (+6% of the additional artificial surface) or for the two Center Parcs projects under development in Germany, located on former military grounds. Efforts are also being made to reduce the artificial surface area, such as for the Center Parcs project under construction in Lot-et-Garonne, notably with two-storey cottages (artificial surface area of 12%),
  - favouring projects to renovate existing buildings, such as two of the three projects under construction this year: the Capella project, a major renovation of a building in Avoriaz, and the Bâtiment des Douanes, rehabilitation of an apartment building in Deauville (see section 4.5.1.1),
  - taking into account the environmental issues of each plot of land, in particular by adapting the mass plan to sensitive areas. An environmental pre-diagnosis is done, for projects with more than 100 housing units and located in natural or unbuilt areas, in order to consider the environmental sensitivity of the sites prior to implementation. For instance, a black corridor housing an otter has been created on the Center Parcs Lot-et-Garonne. This corridor was protected during the construction phase and made inaccessible during the operation phase. 6 projects are under development this year in France under the Pierre & Vacances and Center Parcs France brands (Pierre & Vacances Aime-La-Plagne, Pierre & Vacances Flaine, the extension of Villages Nature® Paris, Pierre & Vacances Téléphérique Avoriaz, Center Parcs Jura, Center Parcs Saône et Loire), including 5 with more than 100 homes and located in natural or unbuilt areas. 3 of these projects and the 2 projects located in Germany have been the subject of a prior environmental study. For the Avoriaz cable car project: the land in the resort has been identified by the commune of Morzine-Avoriaz for tourist development, and an environmental study has therefore been carried out by the commune as part of the modification of the Local Urban-Planning Plan. In the same way, for the Aime-la-Plagne project, an impact study was conducted as part of the touristic development of the area.

Results

- Number of new destinations offered under franchise or management mandate: 3.
- Number of new affiliated campsites including Ecolodge campsites: 20 maeva.com affiliated campsites including 3 Ecolodge.
- Environmental pre-diagnoses carried out by the Group for projects under development > 100 units and located in natural areas: 5/7.
- Number of operations delivered on partially artificial sites: 0.
- Number of operations under construction on partially artificial sites: 2/3; under development: 4/8.
- Number of renovations in progress: 5.

Policy and action plan

In the operational phase

During the operating phase, the Group deploys an environmental safety policy and standards on the Center Parcs and Pierre & Vacances sites, aiming for zero accidental pollution of the natural environment (see sections 4.5.2.1 and 4.5.3).

4.3.2 Committing to the local economy

Context

In addition to being a simple tourist operator, the Group wishes to contribute to boosting the local economy in the regions where it operates. Our largest Domaines Center Parcs sites, employ up to 600 people in order to provide a full range of leisure activities, catering and maintenance services. More than 290 people (including the employees of our partners) will be employed by the Domaine des Landes de Gascogne (Lot-et-Garonne) which will open its doors in 2022. Mainly located in the countryside or in rural areas, Center Parcs are mostly far from major employment centers. The Group is therefore heavily dependent on the quality and availability of the local workforce while providing work and jobs across its entire supplier chain.

Governance

The teams in charge of development and the operating teams participate in the implementation of the local anchoring policy.

Policy and action plan

The Group positions itself as a player in the development of the local economy. During the construction phase, the Group favours local businesses. Prior to opening, employees work with local economic players (Department, Region, job centre) to release job vacancies on the new site and we train future employees in the skills required to work in the tourism sector.

In the construction phase

For the Lot & Garonne Center Parcs which is currently under construction, initiatives are in place to boost the local economy, prior to project delivery. Set up in 2019, the employment committee met several times this year in order to put in place the optimum conditions for finding employees with a view to their subsequent training and recruitment. The purpose of this committee is to guide and decide on employment and training decisions, to draw up an inventory of manpower needs, to facilitate the provision of resources and the establishment of relations with multiple partners for recruitment, to activate the levers necessary to prepare the operation of the site.

The Group encourages the use of local companies. A commitment was made to reach 75% of the purchases made in the region for the construction phase. In September 2020, 57% of the companies designated to make cottages, equipment and VRD are based in Lot-et-Garonne, and 77% of the designated companies come from the Nouvelle Aquitaine Region. In addition, specific measures have been taken to ensure that all the wood used during site preparation is sourced locally (for the manufacture of paper pulp, crates, plywood, etc.).

In the operational phase

Our sites contribute to regional vitality, providing the local population with jobs and favouring purchases from local companies. Thus, on the future Domaine Les Landes de Gascogne, the Group has committed to sourcing 65% locally for its operating purchases (maintenance, etc.) on the one hand, and for food supplies (purchases from catering partners, local markets, etc.) on the other.

Results

- Local purchases on sites in Europe (within a 150 km radius of the site): 76% local purchases in the construction phase.
- Local purchases/Operation Center Parcs France (within a 150 km radius of the site): 39% local purchases in the operation phase.

4.3.3 Engage in a sustainable relationship with local partners from the conception of new projects

Context

Ensuring an ongoing dialogue with stakeholders is a fundamental step in the development process of our projects in France and Europe. Indeed, public authorities, local residents, local associations, etc. represent key partners to carry out our development projects, make the project known locally, work on its local anchoring (local purchases and recruitment during the construction and operation phase), and integrate the life of the construction site and the future tourist site into the local socio-economic fabric. This approach contributes to the local acceptability of the project.

Governance

The consultation process is led by the development teams. For major projects such as the Domaines Center Parcs, the teams are also in early contact with consular chambers, business associations and public bodies, and work to cooperate with organisations in charge of employment, training and integration. This work continues in the operational phase, where the sites encourage their partners to use short circuits to supply restaurants, and ensure that local products and know-how are showcased.

Policy and action plans

For each development project, the Group has undertaken to set up local consultation at least 6 months before submitting applications for authorisation, thus going beyond regulatory requirements. It is adapted to the local context, the characteristics of the project and the regulatory framework, and aims to facilitate the presentation of the project to local residents, to answer their questions about the project, and to detail the phases and needs of the project to the consular chambers and local businesses.

The dialogue initiated on the Domaine des Landes de Gascogne (Lot-et-Garonne) project in the design phase (local consultation), continued this year in the construction phase, notably through dedicated committees such as the environmental committee held annually with local associations and public authorities, or through site visits organised regularly with local partners.

For projects under development, the following consultations have been set up:

- cable car project, Avoriaz (France): a consultation with the town hall, representatives of owner associations and the ski lifts and retailers; Aime-la-Plagne project: Economic feasibility study of the overall Aime 2000 mixed development zone project involving the local authority and various potential partners, consultation with local stakeholders (owners' association, etc.);
- Villages Nature® Paris extension project, Ile-de-France (France): public enquiry in summer 2019;

Two Center Parcs projects of 400 cottages are being developed in the Burgundy – Franche Comté region, one in Saône et Loire in the commune of Rousset, the other in the Jura in the commune of Poligny. For the Rousset project, the feasibility of the Domaine's development project was confirmed by the administrative courts at the stage of the town planning documents. In the case of Rousset, the PLU was cancelled once and was the subject of an appeal by the Community of Communes.

For these two projects, defined in 2015, it appeared necessary to integrate the latest environmental advances from the latest Center Parcs projects currently under way, in France or abroad, and current techniques, particularly in terms of energy performance.

In this respect, for the Rousset project, it is more a question of carrying out additional studies to reinforce the environmental commitments and propose adaptations to the initial project aimed at reinforcing the "low carbon" approach. This review of the project will be presented to elected officials and State departments.

For the Jura project, it is a question of revisiting the project from an environmental point of view, in the light of current techniques and requirements, but also of taking into account the evolution of customer expectations by looking for new types of accommodation, by accentuating the territorial anchorage, by strengthening the link with nature.

Finally, the Group has initiated a project to set up a Domaine Center Parcs in the town of Roybon, in Isère. This project has received constant support from all the local authorities for its environmental qualities, its benefits in terms of jobs and income and its ability to revitalise and rebalance the area. For more than 10 years, legal proceedings challenging the administrative authorisations have hindered the project's implementation. As the authorisation to clear the land, which was essential for its implementation, has lapsed and access to the site has been blocked by "zadists" who have been illegally occupying the land since 2014, Center Parcs has decided to withdraw from this project.

Results

- 6 out of 7 projects of more than 100 units under development in France and Germany, have been the subject of a consultation adapted to the local context (one of the sites under development in Germany is not yet at the stage of initiating the consultation process.

4.3.4 Supporting general interest projects that benefit local populations

4.3.4.1 Getting involved through the action of the Pierre & Vacances-Center Parcs Group Foundation

Created at the end of 2017, the Pierre & Vacances-Center Parcs Group Foundation aims to contribute to the vitality of the regions and to encourage the creation of social links in the regions where the Group is established, in France, Germany, Belgium, Spain and the Netherlands. Relying on a strong geographical proximity between the public interest projects supported and Pierre & Vacances, Center Parcs, Adagio and the Paris Head Office sites, the Foundation extends the Group's commitments to the regions.

Each project supported must work within a radius of 50 kilometres maximum and include concrete synergies between the associative partner and local employees.

The PVCP Foundation is active in 3 areas:

- leisure and nature for all: promoting access to leisure for all and/or raising awareness about the preservation of nature;
- culture and local memory: revitalising social life and local cultures;
- social and professional integration: enabling excluded or isolated people to integrate through economic activity or through activities that create social links.

During the financial year, the PVCP Foundation supported 15 projects for a total amount of €250,000. By way of illustration, the BioLit project (see below).

BioLit by the Planète Mer association

Supported financially in the amount of €25,000 in 2019/2020 by the Foundation and through manpower by the teams of the Pierre & Vacances Saint Malo residence.

This is a national programme of participatory science, created in 2010 in partnership with the National Museum of Natural History, which relies on citizen involvement to collect and transmit to researchers observations useful for coastal protection. The objective is twofold: to carry out participatory monitoring to contribute to research issues in the service of coastal protection and management, and to develop social links (intergenerational, intercultural, inter-social) between citizens through different actions around shared objectives.

The 2019-2020 financial year has unfortunately shortened many of the projects planned by the associations. Nevertheless, the link with the latter has been maintained to adapt human support in particular, despite the closure of our sites and the partial activity for most of the employees involved with the associations.

From October 2019 to March 2020, the 15 associations supported by the PVCP Group Foundation were able to carry out the first part of their local actions for their beneficiaries: awareness-raising activities for children, organisation of discovery stays and cultural activities for teenagers, as well as professional integration programmes.

During the lockdown, some associations have been able to digitise these methods and practices, such as the association Special Olympics Belgium, which normally trains and prepares people with a mental disability for the Paralympic Games. During the lockdown, the association completely digitised its approach and its support for the latter. Nevertheless, most associations will need an additional year to complete their projects with the support of the Pierre & Vacances-Center Parcs Group Foundation.

In 2020/2021, the Foundation's roadmap will focus on several areas: strengthening our support for associations, refining our positioning around a single area of intervention, and accelerating the commitment of our teams to solidarity projects.

4.3.4.2 Showing solidarity during the period of health crisis

During this period of health crisis, the Group and its employees volunteered their time, and many initiatives were launched in the various countries where the Group operates, such as the following:

- accommodation for care staff (Adagio, Villages Nature® Paris) and reception of vulnerable people (Pierre & Vacances residences);
- the donation of food reserves to food banks (Center Parcs De Eemhof - Netherlands, Center Parcs Les Bois Francs - France) with our catering partners Albron and Areas;
- the donation of protective equipment (overshoes, masks, hydro-alcoholic gel) to the health services (Center Parcs Zandvoort – The Netherlands), Villages Nature® Paris, Senioriales, French Head Office);
- the donation of sheets and fabrics to the association "Les Amis de Pont Royal" to make overblouses for hospital staff (Village Pierre & Vacances Pont Royal);
- the donation of €2,500 to the carers of Martinique, collected thanks to the solidarity race "Alone but all together" Village Pierre & Vacances Sainte Luce;
- the donation of hygiene products for the homeless (Pierre & Vacances residences).

Suit blouses

In order to thank healthcare personnel for their commitment and dedication during the health crisis, the Group has mobilised in a spirit of solidarity to offer them a holiday at one of our sites to allow them to rest. Thus Business Lines maeva.com, Pierre & Vacances and Center Parcs offered nearly 2,000 stays to caregivers. This initiative was implemented with the assistance of the Assistance Publique – Hôpitaux (AP-HP) of Paris and the University Hospitals of Strasbourg, Lille and Lyon. In total, healthcare personnel benefited from 1,074 stays offered by the Group between July and September 2020, i.e. approximately 4,000 people who have stayed in our residences thanks to this initiative.

4.4 Developing a culture of responsible entrepreneurs

4.4.1 Ethical and responsible practices

Business ethics

Context

The enforcement of Sapin II Law was a further step in the legislator's desire to increase transparency regarding specific economic activities and extend its right of control over international activities. In this context and in order in to be compliant with laws and regulations, the Group established measures to ensure its reputation and integrity in the eyes of its customers, stakeholders and employees. The enforcement of the French Sapin II Law marked a new phase in the legislator's commitment to increasing transparency in various economic activities and to extending its right of scrutiny over international operations.

Governance

A Group Compliance Officer was appointed on 1 July 2020. She is responsible in particular for ethical issues, the SAPIN II law and the duty of vigilance. The Group Compliance Officer will be supported by Ethics & Compliance referents within each Business Line who are in charge of implementing the compliance program.

Policy and action plan

The Legal Department continued to implement the action plan to strengthen prevention and protection measures against the risk of corruption. It is based on six requirements: distribution of a code of conduct (or code of ethics); implementation of a warning system (charter distributed to employees, Whispli online tool guaranteeing the confidentiality of the identity of whistleblowers); training for employees exposed to significant risks; development of a risks map; accounting control; steering and evaluation of the approach.

The Legal Department has chosen to deploy these actions in France within the central functions (at headquarters) and at the Pierre & Vacances and Center Parcs sites. The system will then be rolled out to the other European countries in which the Group operates (Belgium, the Netherlands, Germany, Spain) and then to China. The implementation of this system was delayed due to the COVID 19 health crisis.

Respect for human rights

Context

The outsourcing of services in the tourism (particularly cleaning) and construction sectors could involve human rights risks linked, for example, to working conditions and health and safety.

Policy and action plan

The Group is committed to protecting human rights within its direct sphere of operations. The code of ethics is based on upholding the United Nations Universal Declaration of Human Rights and the founding texts of the International Labour Organisation. The basic principles that inform the Group's actions are: respecting laws and regulations; respecting people; respecting the environment; respecting the best interests of the Group. The code of ethics states that all employees must act with integrity, transparency, fairness and accountability in the interests of the Group. The issue of human rights is also included in the CSR questionnaires sent to our suppliers and covered in the vigilance plan.

The Group's vigilance plan is described in section 4.9.

General Data Protection Regulation (GDPR)

Context

The GDPR legal framework enforced in May 2018 with a view to protecting individuals by ensuring respectful use of their data. This was an opportunity for the Group to review its internal processes to ensure that the use of its customers' and employees' personal data remains supervised and sustainable. It meant that some of the Group's business lines had to rethink their approach to data, safety and privacy. The Group has observed a change in the nature of claims from its customers and prospects. More informed about their rights, they are now able to submit more detailed and substantiated requests. However, the level of customer complaints remains low.

Governance

Based on the principle of subsidiarity, a dedicated organisation ensures the governance of GDPR subjects: a team of 2 Data Privacy Officers (DPO) supported by 10 Deputy DPOs, who are the focal points.

Policy and action plan

The fundamentals of the Group's GDPR policy and its governance have been put in place over the past two years. Now, the challenge is to:

- ensure the long-term success of the Data Privacy structure set up, more specifically with the update of the register of processing operations, and by carrying out audits ;
- contribute to the development of new processing and procedures, respecting Privacy by Design with the Business Lines;
- continue to train employees, especially new hires, on the issue of data protection. To this end, the DPOs have developed a number of training and awareness-raising materials:
  - e-learning module: Intended for all employees, it will initially be accessible to French-speaking employees. It aims to provide employees with essential information on the GDPR regulations to better understand the issues, the Company's obligations and allow employees to ask themselves the right questions when starting a project related to the collection, storage and use of data,
  - the colour chart "Everything you need to know about GDPR": Designed in a fun way, this colour chart is intended for on-site employees. It aims to answer their concrete questions about data. It addresses the principles of lawfulness, minimisation, storage, human rights and security.

Prepared for the first quarter of 2020, the transmission of these awareness-raising materials has been delayed due to the health crisis. They will be released in the fall of 2020. Similarly, on-site audits to ensure compliance with regulations will resume from the autumn of 2020.

Tax evasion

Context

The Group is not based in any low-tax jurisdictions. In accordance with the requirements of the Sapin II Law, the Group has based its tax policy on four pillars:

- tax compliance;
- tax transparency;
- tax risk management;
- assistance for operational staff.

Governance

The Group's tax policy is fully integrated into the Group's activity and development. Thus, the Tax Department is organized through a central team that works closely with the operational teams to ensure the proper implementation of its policy and compliance with the regulations.

Policy and action plan

Tax compliance

The Group's operations in Europe and China generate significant taxes of all kinds (corporate income tax, local taxes, customs duties, registration fees, payroll taxes, etc.).

The Group's Tax Department ensures that the various business lines comply with all applicable laws, regulations and international treaties in force. This involves filing the necessary tax returns, as well as timely payment of taxes due. In addition, the Group monitors changes in tax regulations.

Tax transparency

The Group complies with the national, European and international tax standards published by the OECD, as well as the country-by-country reporting (CBCR) requirement for transfer pricing under the French finance law.

Tax risk management

The Tax Department is supervised by the Group Chief Financial Officer under the responsibility of the Group Deputy Chief Executive Officer. Tax risk is handled with a view to safeguarding the Group's reputation. This means:

- complying with all applicable regulations and paying the correct amount of tax;
- mitigating tax risk by monitoring tax developments and seeking external advice where appropriate;
- closely monitoring tax audits and disputes.

In addition, the Audit Committee examines and discusses the implications of the tax policy.

4.4.2 Acting as a responsible company towards our employees

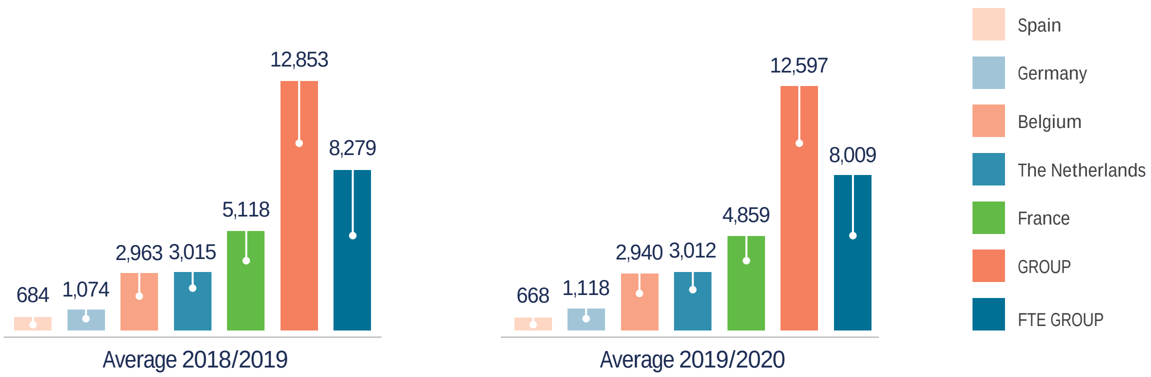
4.4.2.1 The Group's human profile

The Group's profile

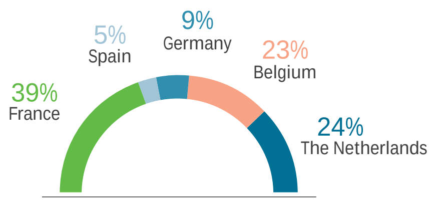
The Group's activities require the expertise of different business lines:

- tourism operations: front desk, reception, maintenance, renovation, security, housekeeping, swimming pools, events management, site management, operational control;
- property development business lines: property development and promotion, property marketing and management, and relationships with the owners;
- support functions: marketing, finance, IT services, purchasing, legal, human resources, communication, sustainable development, security;
- business functions, digital, analytics and customer relations.

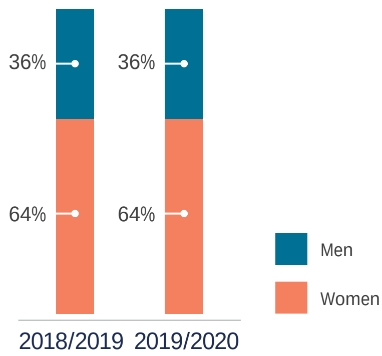
Average annual headcount by country and average annual Group headcount by full-time equivalent



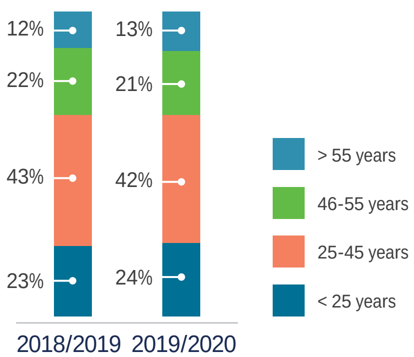
Breakdown of average headcount by country at 30 September



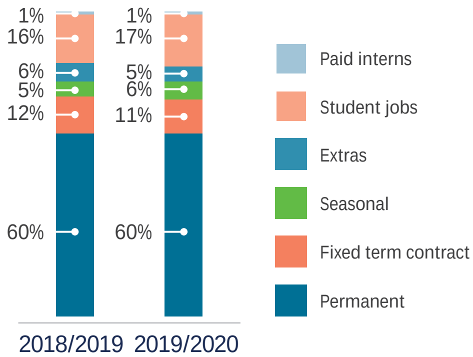
Breakdown of headcount by gender at 30 September



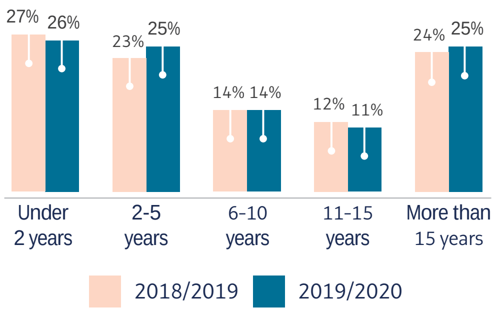
Breakdown of headcount at 30 September by age range



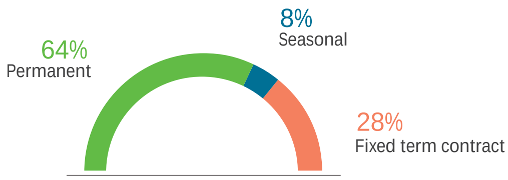
Breakdownof headcount at 30 September by type of contract



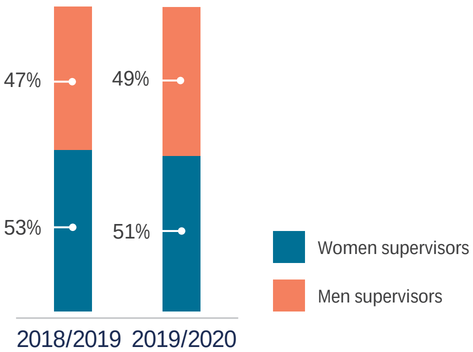
Breakdown of headcount at 30 September by seniority



Breakdown of trained employees by type of contract

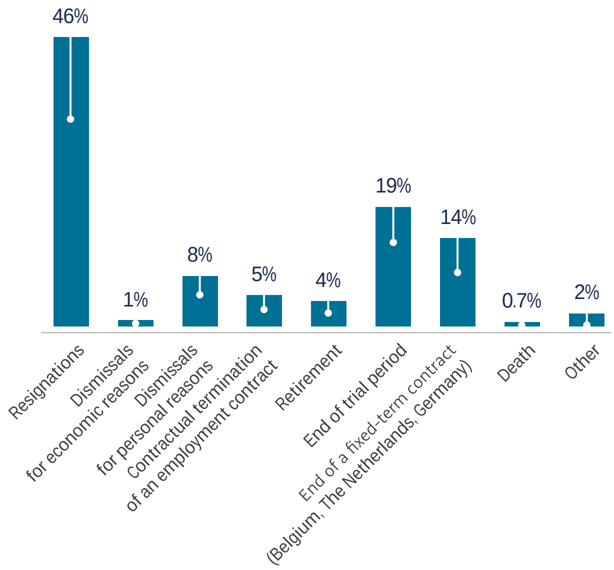


Proportion of women in management at 30 September

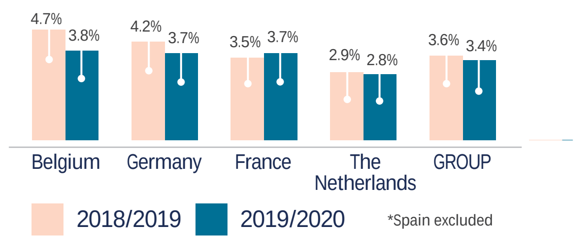


	2018/2019	2019/2020
Number of new staff	2,312	1,861
Number of departures	2,293	1,897
TURNOVER RATE	**21%**	**18%**

Breakdown of departures by reason in 2019/2020



Absenteeism rate*



4.4.2.2 Our HR strategy and values

Context

As with any operator in the tourism sector, the Group's performance relies heavily on the performance of its employees and the quality of service offered to custom-ers. The total payroll represents the Group's second largest item of expense, and employees in the tourism business account for 85% of the workforce. Furthermore, given the dynamic labour market in most of the countries where the Group operates and the specific nature of the tourism business, the attractiveness, training and retention of talent are major challenges for the Group.

Governance

Human Resources management used to be organised around a Group's HR Department until the Change Up plan was implemented. This department was in charge of Group HR policy, particularly in terms of recruitment, training and development, internal communication, HRIS, etc. Operational implementations were carried out by "local" HR teams organized by zone/country. The implementation of Change up led to the alignment of the HR organization with that of the Business Lines. Each Business Line now has an HR Director or HR Manager in charge of its policy in terms of recruitment, training and development, internal communication and employer branding. With this new organization established since October 1st, the operational HR departments are thus autonomous in all activities across the HR spectrum.

Coordination is now handled by the Holding HRD, which also handles certain cross-functional operational activities such as payroll and HRIS.

Policy

For several years now, the Group's Human Resources Department has been working to support the teams in the development of professions and skills in order to respond, on the one hand, to the major changes in the tourism sector (in particular the increasing digitalization of all operators and competition in the holiday rental market) and, on the other hand, to the Group's major orientations (the internationalization of the offer and the development of contract management and franchises).

In order to meet all of these internal and external challenges, the Group's Human Resources Department is deploying a strategy based on the following axes:

- Attracting and recruiting new talents and skills within the Group;
- Developing the talents and skills of the teams;
- Engaging the teams around the company's project and the Group's two values: " to enable togetherness"" and " to be responsible entrepreneurs ".

The actions implemented and the results obtained this year are detailed below. These areas guided the work of the HR teams during the financial year. However two major events strongly mobilized the HR teams this year: the reorganization linked to the Change Up transformation plan and the COVID-19 health crisis.

4.4.2.3 A Group committed to supporting our employees in times of change

Supporting our employees in the framework of the Change Up transformation plan

The "Change Up" strategic plan is specifically based on the implementation of a new, more agile and entrepreneurial organization aimed to giving more autonomy to the BLs. This new organization has led to the reduction of a certain number of positions (220), mainly in France (head office) and in the Netherlands. Specific measures were implemented to support employees during this period.

The Human Resources Department steers the Human Resources component of the Change Up Transformation Plan.

In compliance with legal obligations, the various French Works Councils concerned (European Central Committee, Social and Economic Committees (SEC) and German, Belgian and Dutch Works Councils), were informed of this transformation project and the resulting organisational development plan. These bodies were regularly informed and/or consulted in accordance with the regulations specific to each country.

More specifically, in France, since the announcement of the Change Up project on 9 January 2020, various consultation and information processes with the social partners have made it possible to provide effective and personalised support to employees affected by the Employment Protection Plan (EPP):

- a process of information and negotiation with the social partners on organisational developments;
- discussions with staff representatives which led to the conclusion of three unanimous trade union agreements on the planned collective redundancies for economic reasons, including the EPP;
- the setting up of the EIC (Espace Information Conseil) to inform the employees concerned about EPP measures, to guide and support them in an efficient and personalised manner;
- negotiations to define the new employment framework resulting from this new organisation.

In the Netherlands, in agreement with the Works Council, a consultative process adapted to Dutch legislation was carried out. Specific information (called "Employment framework" in Dutch), as well as a presentation and internal notes have been sent to employees to describe all employee rights as part of the transformation process.

Aware of the potential impacts of the Change Up plan for its employees and in view of the organisational changes in France and the Netherlands, the Group made a strong commitment on 29 January 2020 to support everyone in their efforts to change. Within this framework and in addition to existing internal measures, the Group has rolled out a specific psycho-social support system through Cabinet Stimulus, for the benefit of all employees in France, to prevent the possible appearance of psycho-social risks. The aim of this system is to provide confidential support to employees who wish to share their feelings about how they feel in the light of organisational changes.

Stimulus offered individual and/or group coaching for managers and employees:

- thematic workshops: One and a half hour workshops on relational and emotional subjects such as: "Taking a step back and repositioning yourself", "Preserving yourself thanks to emotional intelligence" or "Daring to disconnect from work". Some workshops on managerial themes were reserved for managers, others were opened to all employees;
- coaching sessions:
  - via collective managerial coaching sessions: This is a one-hour confidential working session reserved for managers. The objective is to be accompanied by a certified coach to find the right approach when facing complex situations related to psychology and behaviour in times of change,
  - via individual psychological support sessions: One-hour face-to-face interviews to put words on your difficulties, find help, take a step back, make decisions or find your bearings. These interviews are conducted by a consultant psychologist;
- a free psychological counselling unit, open 24/7 allowing you to talk to a psychologist or social worker in complete confidentiality.

In September, the Group announced its decision to extend the psycho-social support offered by Stimulus – a system that a large number of employees have benefited from since the announcement of Change Up and whose renewal was approved by employees.

Accompanying our employees during the COVID-19 crisis

Against the backdrop of the health crisis, the Group made use in France of the legal mechanism for partial activity[1] as of 18 March 2020. A tool for preventing economic redundancies, partial activity aims to preserve employment when the company is facing cyclical economic difficulties.

(1) Hours not worked under the scheme on reduced working hours and corresponding benefits are not included in the number of hours worked (used to calculate the absenteeism rate, severity rate and accident severity rate).

During the various phases of the health crisis, the Group made sure to keep in touch with collaborators via a regular communication and to specifically support managers teams through communication, training and coaching.

Among the main measures :

- crisis management assistance during the closure of the sites in mid-March;
- coaching of managers to help them manage their teams remotely during lockdown and partial activity (newsletters from the teams maintaining the sites during their closure, managerial rituals established in a context of teleworking during the lock-down periods and partial activity);
- management of the reopening of sites: training of teams in reinforced health protocols to ensure their safety and that of our customers, and securing the working environments of our employees, re-motivation of teams. This support is detailed in chapter 4.4.2.5 "Supporting employees by developing their skills".

In particular, the Group has commissioned Stimulus, which was already involved in supporting employees during the change up plan (see above), to continue and adapt its work with the teams. (see section 4.4.2.5).

4.4.2.4 Attracting and hiring talents

Context

In the context of the Change Up transformation plan, the Group has identified the need for new expertise to support the development of our units:

- for the support functions, the major challenges are mainly centred on the digital and IT units;
- for Pierre & Vacances, the main aim is to support the seasonality of the business by strengthening our on-site teams in areas such as cleaning, reception and maintenance;
- for Center Parcs, the stakes involve the cleaning units and the aquatic area to support the customer experience on site;
- for maeva.com, which is in full development, we are counting on the reinforcement of our teams of customer advisers on our call platform as well as in the physical agencies throughout France.

Policy and action plan

Following the work carried out in 2018/2019 to structure the discourse on the employer image, the Human Resources Department has continued to deploy actions aimed at attracting and recruiting new talent, focusing on three areas:

- equip the recruitment teams of the various Business Lines so that they can easily communicate the employer promise of the Group and set the Group apart from its competitors with a clear identity:
  - more than 60 different recruitment tools are now available to our teams so that they can adapt them to local needs (information, photos, contact details, employee benefits, etc.). More than 70% of recruiters in Europe on the Center Parcs Business Line have used these tools to facilitate recruitment work,
  - the work to renew our employer identity ended with the completion of photo shoots of employees and the shooting of videos in order to gain authenticity in the recruitment campaigns launched in each country;
- improving the Group's image and reputation on job boards and social media:
  - managing the Group's page on LinkedIn has doubled the community (from 30,000 followers in 2018/2019 to 60,000 during the year),
  - to support the Change Up transformation plan, the Human Resources Department has created an identity and an employer brand for each Business Line/Pierre & Vacances and Center Parcs brand, and set up dedicated pages on LinkedIn, as well as targeted communications;
- boost applications through targeted recruitment campaigns.

In addition, the recruitment of teams on seasonal contracts remains an essential issue for the smooth running of the Pierre & Vacances residences in order to ensure an optimal customer experience during the peak season. During the year, 935 seasonal workers were recruited in the winter and 1,071 in the summer. All the summer seasonal workers were trained in the sanitary protocol as soon as they arrived.

Results

- Loyalty rate for seasonal workers: 53% on the Pierre & Vacances France scope.

4.4.2.5 Supporting employees by developing their skills

Context

Developing the skills of our employees is essential to support the transformation of our businesses. During the financial year, the Human Resources Department continued the work it had already started. However, considering the COVID-19 crisis, a specific focus was placed on implementing health and sanitary measures as well as the appropriate support for employees.

Policy and action plan

Skills development is largely based on a training policy that facilitates the growth of the business lines. The policy consists of five strands: health, safety and environment; business line expertise; sales; customer relations; management and leadership. These actions were carried out during the first part of the year. In the context of the health crisis that started at the beginning of the second half of the financial year, the Human Resources Department targeted its training activities around two themes:

- ensuring the safety of employees and customers through training in health measures;
- supporting employees in the pursuit of their activities and the management of teleworking.

Training in health measures

In the context of the reopening of our sites (spread out between mid-May and early July), the challenge was twofold: to guarantee the safety of our employees so they can subsequently guarantee the safety of our customers. Each Business Line has chosen the most appropriate way to train its employees.

At the Center Parcs Europe BL, an e-learning module was put online for all employees via the 360-learning platform. It addresses the following 3 axes:

- presentation of health measures to be implemented in the context of the health crisis;
- how can I make sure that the measures are applied by my employees;
- how to take care of customers? This last component was based on the Happy Family Makers approach initiated in 2018/2019 and aims to improve the customer experience at all points of interaction.

This module included a practice exercise.

At the Pierre & Vacances BL, the team in charge of the prevention of health and safety risks in the workplace has developed, jointly with the team in charge of training, the Safe@Work training protocol. A protocol has been drawn up for each family of work: Cleaning, Reception, Maintenance/Gardening, Swimming Pool, Entertainment, Catering (for the West Indies). A support guide aimed at helping managers roll out the protocol was also made available to the employees concerned.

Employee training has been rolled out in a pyramidal fashion:

- level 1: Site and area managers were trained through a 3-hour webinar. A total of 5 webinars were conducted. This webinar was mandatory prior to the reopening of the residences;
- level 2: Site and zone directors provided training to heads of services;
- level 3: Heads of department provide the training to their team members.

Support in the pursuit of activities

The Human Resources Department focused its efforts on supporting employees throughout the health crisis. An adapted support was provided via:

- "Happy@home" newsletters to share, with employees and managers alike, the first responses and best practices on remote team life or the organisation of work in lockdown, for example;
- themed webinars: led by Stimulus, these training sessions aimed to offer psychological support to employees by dealing with topics such as: "Emotional intelligence: preserving psychological and relational well-being in the workplace" or "Preparing for lockdown easing – Reference points for employees". Employees registered on a voluntary basis;
- telephone coaching for managers (members of the B-Core community, the Group's leadership and management training programme) and site managers. The objective was to support and reassure them before the reopening of sites.

Results

- 30 webinars were organised during the lockdown in France.
- Collective coaching sessions with managers and site directors.

Total number of training hours*

	2018/2019	2019/2020
Total number of training hours	92,573	61,527
Average number of training hours per employee	11.40	9.6
Proportion of employees trained	63%	51.3%
Proportion of women among trained employees	64%	61%
Training budget	€3,131,305	€2,041,909

** Spain excluded*

4.4.2.6 Continuing to commit employees

Context

The Group is convinced that the commitment of its employees is a guarantee of individual and collective efficiency and that it is the basis of our customers' satisfaction. This is why the Human Resources Department has made employee commitment one of the pillars of its human resources management policy.

Policy and action plan

The Group uses the Happy@Work approach to assess employee commitment and implement improvement actions. As the Happy@Work questionnaire, which surveys employees on their feelings about their working environment, is carried out every two years, no results are available for the 2019/2020.

However, the health crisis in Europe provided an opportunity to implement a number of unifying actions for the Group's employee community.

At Center Parcs, numerous actions were implemented to develop employee commitment during the health crisis period. A newsletter was sent regularly at the level of each country. In addition, sports challenges were launched via the Fit@Work application, and regular information at each site was sent to employees via the various communication channels (e-mails, App@work application, etc.) in order to maintain a link with life at the site, colleagues and the brand's service culture DNA.

At Pierre & Vacances, video meetings were organised twice a month for site and Head Office employees to communicate on the evolution of the crisis and the health protocol, the initiatives carried out by the sites, and the economic situation. These meetings were also an opportunity to share ongoing projects and thank the teams for their strong commitment. A webinar bringing together Management Committee and the site and zone directors was also held at the end of the lockdown, in order to maintain a close link with residence directors and give them an outlook on the return to activity.

Lastly, the Business Line Pierre & Vacances has involved 5 employees in the co-construction of its teleworking offer by offering them the opportunity to test it in advance to identify areas for service improvement in order to reinforce the added value for our customers. These stays were also an opportunity for these 5 employees to spend half a day immersing themselves in a job on site (reception, etc.).

Results

- 80% of Pierre & Vacances employees are satisfied with video appointments.

4.4.2.7 Commitment to health, safety and security

Context

More than ever, ensuring the safety of our employees and customers was the Group's top priority during the year, both from a health and a business perspective. The issue of operational risk is managed jointly by the Operational Risk departments and the Human Resources Department. A dedicated team specific to each business line has been set up within Center Parcs and Pierre & Vacances.

Governance

The operational risk is managed jointly by the Operational Risk departments and the Human Resources Department. A dedicated team specific to each Business Line has been set up within Center Parcs and Pierre & Vacances.

Policy

In response to the health crisis and in line with the policy deployed in recent years, the Prevention & Safety Operational Risk departments at Pierre & Vacances and Center Parcs established a framework for action on the following themes: anticipation, analysis, training and support. 9 risk areas have been identified, in compliance with regulations: hygiene, health and safety at work; safety; fire safety; accessibility; leisure activities; swimming pool; playground; food hygiene; drinking water hygiene (legionella). They structure the action on both brands.

In the specific context of the COVID-19 sanitary crisis, a crisis unit, bringing together the management committee of each Business Line and Group Management, met several times a week to review the evolution of the crisis (health and economic assessment) in each country where the Group operates, assess the impact for the Group and plan for the reopening of sites.

The Group set up teleworking for all employees who are able to carry out their work remotely (mainly support functions).

Action plan

Pierre & Vacances

The teams' work is structured around the following axes:

- raising awareness and training: an advent calendar staged risk situations with a comical twist; training (gestures and postures, household protocol, snowmobile driving, etc.) and two e-learning modules have been created;
- prevention: audits organized in the residences;
- management and reporting: a monthly report is sent to the Pierre & Vacances Department and to employees.

Measures specific to the health crisis

"Protect yourself, your colleagues and your customers" was the ambition of the approach implemented within Pierre & Vacances France and Spain Business Lines in order to limit the spread of COVID-19. It is with this aim in mind that training tools have been developed: to enable everyone to protect themselves against the virus, and also to avoid any risk of spreading it to their colleagues and clients.

To this end, training kits dedicated to each business line have been developed (see chapter 4.4.2.5 "Supporting employees by developing their skills"). The follow-up of this training by the site and zone directors (3-hour webinar) was a prerequisite for the reopening of the residences.

In addition, Pierre & Vacances has reinforced its hygiene and protection measures to guarantee a high level of safety at all its sites. The Sécurité+ safety charter has been certified by Hygiacare Conseil, an independent body with expertise in health safety. The cleaning of our residences was the major priority to reassure our employees and customers. The cleaning protocol has been totally revised to reinforce the cleaning frequencies in the common areas, contact points (lifts, reception, etc.) and restaurants of our Caribbean residences.

A COVID cell was set up in February 2020 to monitor and implement prevention measures. The purpose of this cell is, notably, to:

- participate in the implementation of, and ensure compliance with, the actions decided upon in the context of the resumption of activity;
- participate in the implementation of health security recommendations for the continuity of activities during the COVID-19 epidemic.

Center Parcs

Risk management is the responsibility of the head of operational risk at Center Parcs Europe. He is assisted by four national managers (one in each country of operation, i.e. Germany, Belgium, the Netherlands and France). These national managers work closely with the SHE managers (Safety, Health, Environment) at each Center Parcs site.

The safety policy and procedures are communicated to staff in order to reduce accidents at the sites.

In the specific context of the COVID-19 sanitary crisis, the Operational Risk Management Europe department has drawn up an operational manual summarising the rules and barrier measures to be respected by Center Parcs Europe employees (wearing of masks, physical distancing rules, closure of certain activities that are not compatible with barrier measures, adaptation and creation of new activities, etc.). This manual was then rolled out at the country level to take into account the recommendations of national health authorities. Lastly, a manual has been drawn up within each Domaine to adapt to its specificities, particularly in terms of the activities proposed.

All Center Parcs sites have been certified in order to ensure their compliance with the recommendations of the health authorities in terms of prevention, protection and hygiene:

- the Domaines in Belgium and the Netherlands have received the Kiwa quality label "COVID-19 Preventive Measures";
- the Fresenius Institute has examined and certified our health and safety standards in all our Domaines in Germany;
- the Safeguard label was awarded by Bureau Veritas to the Domaines Center Parcs located in France and to Villages Nature® Paris.

All current employees were trained in the health protocol via an e-learning session (see chapter 4.4.2.5 "Supporting employees by developing their skills"). Employees' knowledge is also maintained via the digitised "SHE matters" system (whose objective is to make employees aware of risk prevention on a daily basis), which now includes a COVID-19 theme, as well as via regular newsletters and communications via the management line.

Regulatory monitoring is carried out on a very regular basis in order to update the protocol and any restrictions according to the evolution of the pandemic.

We therefore regularly adapt (to each regulatory change in each country) the rules in force and health restrictions, as well as showing flexibility, responsiveness and communication towards our employees and customers. We monitor on a weekly basis the COVID-19 cases in our Domaines: contact, suspected cases and positive cases (over the summer of 2020, the CPE contamination rates were 10 to 20 times lower than the national averages, thus proving the rigour and effectiveness of the measures put in place).

The 3 levels of crisis management (CPE, country, domain) have been mobilised since the beginning of 2020 to respond and adapt to this uncertain and evolving situation, in order to preserve the health of our teams and customers as far as possible, and to limit as much as possible the economic impact on the Business Line.

Results

- 100% of active employees trained in health measures

Health and safety at work

Accident frequency and severity rate*	2018/2019	2019/2020
Frequency rate	34.9	29.4
Severity rate	1.5	1.8

** Spain excluded*

The frequency rate decreased by 5.5 points as compared to the previous year. This is mainly due to the 1/3 decrease in the number of work accidents due to partial activity and teleworking during the COVID-19 crisis. On the contrary, the severity rate increased due to the fact that work accidents from previous years were also taken into account in the number of sick leave days counted.

4.4.2.8 Acting as an inclusive company

Promoting access to work for people with disabilities

Context

Promoting access to work for everyone is an important matter for the Group. Committed to employing workers with disabilities, the Group is continuing its efforts to tackle discrimination. Our commitment is gradually adapting to the changing regulatory environment. Thus, the Law for the Freedom to Choose One's Professional Future thoroughly reforms the obligation to employ workers with disabilities by strengthening direct employment. It is with this in mind that the Group works through the action of Mission Handicap.

Gouvernance

The Group implements its actions in France through a dedicated "Mission Handicap".

Policy, action plan and results

The Group has had a disability policy in France since 2005. The last disability agreement was signed in 2018 and covered 13 entities. It is implemented via the CSR and HR policies of the Group. Negotiations have just been launched to negotiate and improve this agreement. As part of its disability initiative (Mission Handicap), the Group has a proactive policy aimed at:

- supporting workers with disabilities;
- adapting the workstations of people with disabilities wherever necessary;
- informing and educating employees about disability;
- raising awareness of disability among recruiters and improving the direct employment rate;
- adapting workstations;
- encouraging the use of the protected sector in our purchasing processes and improving the indirect employment rate.

During the year, Mission Handicap continued its communication and awareness-raising efforts among several target groups:

- among all employees to raise awareness of disabilities. For example, various communication and awareness-raising campaigns have been carried out:
  - Pink October: breast cancer awareness message. In addition, 41 employees of the Domaine Center Parcs des Trois Forêts ran the La Savernoise race for the well-being of women suffering from breast cancer,
  - Handicap Day: message to raise awareness of disability in France and highlighting diabetes as an eligible disease for the Recognition of the Status of Disabled Worker (RQTH),
  - Hearing Health in the Workplace Week, which introduced some fifty employees to French sign language;

- aimed at beneficiaries (Disabled Workers) to inform them of their rights regarding training, job accommodation and job retention, and support them in their administrative procedures related to the renewal or their first declaration as a Disabled Worker in particular;
- in Sites and Head Office in order to encourage services to use the protected sector for subcontracting.

In addition, focal points for companies with more than 250 employees were identified during the year.

There are 196 workers with disabilities at Pierre & Vacances and Center Parcs France, equivalent to 4% of the in-scope workforce. This represents a marginal increase of 3 percentage points on last year. Generally speaking, this approach to combating discrimination goes beyond the French context. Center Parcs Europe also implements actions to integrate people with disabilities on its sites and calls on the protected sector.

The European Week for the Employment of People with Disabilities (EWEPD), a highlight in raising awareness of disability

As part of the European Week for the Employment of People with Disabilities, Mission Handicap has organised several actions. At the Head Office, a different theme was addressed each day. The following are some of the highlights:

- the organisation of two exhibitions: one to raise awareness of mental illness, the second highlighting celebrities with disabilities;
- the "All on the track" game for tablets, offering employees the opportunity to learn how to talk about disability at work;
- a virtual reality experience allowing employees to experience a disability (among them autism spectrum disorder, epilepsy, etc.);
- the organisation of a challenge in favour of the Telethon. In partnership with the start-up OuiMoveUp, the challenge aimed to encourage employees to travel as much as possible on foot. A total of 185 employees walked 8,500 km. €5,000 were donated to the Telethon to fight against rare and orphan diseases.

In addition, an emailing was sent daily to all employees in France to communicate on a specific theme (testimonials from people suffering from mental illness or having returned to work after cancer, for example).

Employment of workers with disabilities – France

	2018/2019	2019/2020
Proportion of employees recognised as workers with disabilities	3.9%	4%
Number of employees with disabilities during the year	201	196
Number of employees recognised as workers with disabilities recruited during the year	28	24
Number of adaptations of the working environment for employees with disabilities	13	15

Promoting gender equality

Context

With 51% of women managers (against 53% last year), the Group reflects the tourism sector, which is rather feminised.

Policy, action plan and results

The proportion of women in the workforce is 64.5% (versus 64.3% in 2019) and 51% of managers are women (53.1% last year). Women represent 61% of employees trained (compared with 63% last year), which is consistent with their representativeness within the workforce. Each year, equal pay indicators are shared with labour partners during the Statutory Annual Wage Negotiations. In accordance with the French law on the freedom to choose one's professional future, the gender equality index has been calculated for seven Group entities (2019 results for 2020):

- UES tourisme (PV RESIDENCES & RESORTS France, CENTER PARCS RESORTS FRANCE and SNC DOMAINE DU LAC DE L'AILETTE): 93/100;
- Pierre & Vacances (PV RESIDENCES & RESORTS France): 92/100;
- Center Parcs (CENTER PARKS RESORTS FRANCE and SNC DOMAINE DU LAC DE L'AILETTE): 93/100;
- UES SUPPORT (GIE PV-CP Services, PV-CP Gestion exploitation, PV-CP Distribution and PV Développement): 95/100;
- Pierre & Vacances Conseil Immobilier: 60/100;
- Villages Nature Tourisme SAS: 99/100;
- S.E.T PIERRE & VACANCES MARTINIQUE: 94/100.

6 of the 7 entities have an index above the 75-point threshold, below which companies must implement corrective actions, failing which they will be financially sanctioned. Pierre & Vacances Conseil Immobilier is a real estate brokerage business in which the vast majority of remuneration is paid in the form of commissions.

As a result, the indicator does not fit the model of this company. The structure of Pierre & Vacances Conseil Immobilier has evolved in the framework of Change Up (see 4.2.2.2.). On this occasion, ways of improving the balance between men and women in this entity will be undertaken.

Promoting open labour relations

In compliance with our legal obligations, the various Works Councils (European Central Committee, various French SECs and the three German, Belgian and Dutch Works Councils) have been informed in advance about this transformation plan and the planned evolution of the organisation. The roll-out of the Change Up transformation plan required comprehensive labour relations with employee representative bodies (see 4.4.2.3).

Further details on the exchanges with staff representatives are addressed in Chapter 4.4.2.3.

Agreements	Scope	Year of signature	Duration of validity
Method agreement and unanimous trade union agreement including the Employment Protection Plan and its annexes	PVCI, UES Supports, PVRR	April 2020	-
Pre-electoral Memorandum of Understanding: Organisation of elections of SEC members	PVCI, UES Supports, PVRR	2019	4 years
Collective labour agreement concerning the tourism sector	The Netherlands	2019	2 years
Agreement on HR-Rodibus controlling	The Netherlands	2019	1 year
Willis Towers Watson Assurance santé	The Netherlands	2019	1 year renewable each year
Collective agreement on reduced working hours and corresponding benefits	Germany	2020	1 year renewable

No agreements were signed in Belgium during the year.

4.4.3 Developing responsible purchasing

Context

The law is getting more demanding regarding the responsibility of instruction parties and the reputational risk linked to any sort of failure regarding environmental and social matters is getting heavier. The Group's approach to responsible purchase sets boundaries around these subjects and is considered as a major mean of action for CSR performance.

Governance

The Group's Procurement Department managed more than 438 million euros. The cross-functional role of the purchasing department was confirmed in the new change up organization, particularly with the aim to centralize a growing proportion of Group purchases. Part of the purchases are still carried out directly by the sites or by certain departments (40%).

A specific person is in charge of developing and managing the responsible purchasing approach within the Purchasing team.

Policy and action plan

The Purchasing Department has updated its Responsible Purchasing policy. It is based on 4 pillars:

- purchasing responsible products and services for our brands;
- building a responsible supplier database;
- improving our relations with subcontractors and suppliers;
- being a long-term economic partner to the regions.

During the financial year, 94% of the Group's purchases were made from European suppliers, 50% from French suppliers (compared with 46% during the last financial year) and less than 1% (0.41%) were made in countries considered "at risk", particularly in China (compared with 0.53% last year).

Purchasing responsible products and services for our brands

CSR criteria are included in calls for tenders for certain categories of purchases in order to impact the contract concluded with the supplier or service provider. These criteria are the result of the risk mapping carried out on the Group's supply chain. Mandatory criteria are the operational translation of the Group's CSR objectives. Compliance with these criteria is a prerequisite to access the market. When a supplier does not comply with these criteria, an escalation process is implemented. This involves a meeting between the CSR Department, the contractor in charge of the call for tenders and the Purchasing Department in order to find a compromise. A CSR clause is included in the consultation regulations related to the conditions of the call for tenders and is signed by all buyers. This clause appears in all purchasing contracts and is available both in French and English.

The Purchasing Department also continued the work begun in 2018/2019 to develop CSR criteria in calls for tenders. As an example, we will cite:

- the call for tenders launched for the renewal of uniforms for Center Parcs and Sunparks Europe (all work units combined). The latter includes restrictive CSR criteria: the uniforms will be made of organic cotton;

- as part of the renewal of its television fleet, the Domaine Center Parcs Les Trois Forêts (France) donated 1,650 television sets to the Strasbourg branch of the Envie association, whose mission is to give new life to household appliances while promoting professional integration. Encouraging the re-use of old televisions was part of the CSR criteria in the call for tenders;
- the Purchasing Department is currently carrying out a test in 5 Pierre & Vacances residences on the replacement of individual shower gel and shampoo samples by a collective dispenser attached to the bathroom wall. The aim of this initiative is to reduce plastic packaging and to raise our customers' awareness of eco-gestures. Due to the closure of our sites in the spring of 2020, the test has been extended in order to have more comprehensive data;
- the proportion of eco-labelled products on the cleaning products offered for Pierre & Vacances has risen to 64% (compared to 31% in 2018/2019).

Building a responsible supplier base

Our supplier base reflects the Group's two businesses, Tourism and Property development. Thus, companies providing cleaning services (SMEs/VSE enterprises), laundry services (included in the Hospitality category) and local construction and furniture companies (linked to the Construction business) represent a significant proportion of the Group's suppliers.

Relations with subcontractors and suppliers

The Pierre & Vacances-Center Parcs Group has held the Responsible Supplier Relations Label since 2016.

Within this framework, the Purchasing Department has renewed the survey "Suppliers, your opinion counts". The purpose of this survey is to find out the satisfaction of suppliers and service providers with regard to the various aspects of their commercial relationship with the Group (payment deadlines, visibility on future projects, quality of exchanges with buyers, etc.). Major changes were made to the questionnaire: it was conducted as a semi-directive interview during a one-hour telephone exchange. This exchange, based on semi-open-ended questions, allowed the 11 suppliers interviewed to share their feedback in a more thorough manner. The companies surveyed represented a representative panel of our suppliers (in terms of categories, size, seniority). This investigation revealed that:

- CSR issues are sufficiently taken into account according to our suppliers (up from 2018/2019 when more than 30% of them felt that they were not sufficiently taken into account);
- Suppliers appreciate the inclusion of CSR in tenders. This encourages them to adopt a CSR approach.

Suppliers feel that the purchasing strategy is clear and visible. On the other hand, they feel that the Group does not communicate enough about its CSR commitments. The average payment period within the Tourism France scope is 46 days, as in the previous financial year. The work carried out through the survey of our suppliers has enabled us to highlight areas for improvement in order to reduce the average payment time, such as:

- improve the receipt and validation of invoices;
- facilitating invoicing (optimising the administrative process): an Invoices Charter is available on the Group's website. It shows suppliers best practices for drafting their invoices;
- give priority to sending invoices by e-mail and not by post. 48% of invoices were received at the Guichet Unique, 9% more than the previous year.

The COVID-19 crisis put many suppliers in an awkward economic situation. Special attention has been paid by the purchasing department to provide operational solutions to help them get through this difficult period (prepayments....).

Being a long-term economic partner to the regions

In the design and development phase

During the construction phase of new sites and renovations, the Purchasing Department favours local suppliers and service providers with equal skills and quality. During the last financial year therefore, 76% of construction purchases were made within 150 km of the construction site (compared with 84% in the previous financial year). On the construction site of the future Center Parcs "Les Landes de Gascogne", out of the 10 companies that were awarded the different lots, 8 are local companies, which represents a local contract award rate of 80%.

In the operational phase

On average, 39% of the purchases during the operating phase of the 5 Center Parcs France (excluding Villages Nature® Paris) were made within 150 km of the sites (compared with 32% during the previous year).

Results

- The amount spent with suppliers from the protected and adapted sector stood at €438 thousand excluding tax (compared with €316 thousand excluding tax in 2018/2019);
- 76% of construction purchases were made within 150 km of construction sites (compared with 84% in the previous fiscal year);
- 100% of the Group's buyers have received awareness training about CSR issues and the new responsible specifications for " risky " purchasing categories.

4.5 Limiting our Environmental and Carbon Footprint and Promoting Biodiversity

4.5.1 Committing to the fight against climate change

Context

Climate change is a major challenge for the tourism sector. Tourism businesses contribute to it by generating greenhouse gases (GHGs) through the construction of sites, their activities, transportation, accommodation and food services for vacationers. The tourism and property development sectors contribute 8% and 30%, respectively, to greenhouse gas emissions in the world. In addition, meteorological phenomena (natural disasters, reduced snow cover, etc.) themselves have an impact on tourism and construction activity.

Governance

All policies described below are steered by the CSR Department in consultation with the Business Lines.

4.5.1.1 The Group's carbon footprint

During the year, work was carried out to update the carbon assessment. It has made it possible to refine the share of each emission item in view of the Group's current activities. This work has also provided a basis for updating the response to the 2020 CDP (Carbon Disclosure Project) questionnaire. Lastly, it marked a first step in the launch of the Group's 2°C trajectory project, which will be finalised during the course of next year.

Lessons learned from the carbon assessment: a major focus on the operational phase

The carbon assessment has been updated for all of the Group's activities and its value chain. It has also been addressed separately by brand on the Tourism business in order to have a more detailed analysis [(1)].

Within the Group's scope of consolidation, the major emission item are as follows:

- customer travel, 54%;
- energy consumption, 17% (scope 1 and 2)[(2)];
- purchases of goods and services, 17%;
- partners operating on site, less than 10%;
- construction activity, 3%.

Scope 3 alone therefore represents 84% of the Group's emissions. The analysis carried out on the Tourism business by brand allows us to distinguish the specificities of each of them.

For Pierre & Vacances, the share of energy-related emissions is lower due to the use of relatively low-carbon energy in the major areas in which the sites are located (electricity in mainland France and use of urban heat).

The major issue items are distributed as follows :

- 81% for customer travel, of which 40% is the result of the air travel of the 4% of customers travelling to the West Indies;
- 13% for purchases;
- 5% for energy;
- 2% for partners.

For the Domaines Center Parcs, energy is the main source of emissions, due to the concept of the Domaines and their central facilities (swimming pools, restaurants) and their proximity to customers (250 km on average). The breakdown of the major emission items is as follows:

- 38% for customer travel;
- 35% for energy;
- 14% for purchases;
- 13% for partners.

Policy and action plan

In the operational phase

Various actions carried out by the Group are helping to reduce its GHG emissions by:

- limiting energy consumption at our sites with targets for reducing energy (and water) consumption established for each brand (see chapter 4.5.1.3 below) and certified processes (ISO 14001 and ISO 50001 – see chapter 4.5.2.1);
- favouring the use of renewable energy sources at operating sites; 23.9% of Center Parcs Europe's total energy consumption comes from green electricity or on-site production contracts (see chapter 4.5.1.3);

(1) Scopes 1 and 2 were established on the basis of data from the 2019/2020 financial year and scope 3 was calculated on the basis of data from the 2018/2019 financial year.

(2) Scope 1 (direct greenhouse gas emissions related to energy consumption such as heating and domestic hot water); Scope 2 (indirect greenhouse gas emissions related to energy consumption such as electricity).

- promoting local tourism (see chapter 4.3.1);
- offering mobility alternatives to our customers, such as the plan to roll out charging stations for electric vehicles in the Domaines Center Parcs, with the goal of equipping 100% sites by early 2021. At Pierre & Vacances France, 10 sites are equipped with recharging stations, the Eguisheim site will be equipped by the end of 2020, and a call for tenders is underway to select a service provider for the installation of the stations on all the sites (the decision being subject to the choices of the co-owners).

The 2°C trajectory roadmap was launched this year, and will be finalised next year – in view of the health crisis. It will make it possible to establish reduction targets for each of the items.

In the development phase

The measures taken for site development have an impact on GHG emissions during the operating phase. The certification of new buildings makes it possible to undertake an energy-saving approach and to consider the carbon footprint of the real estate project over its entire life cycle. The commitment to having 100% of new projects certified was made and formalised last year.

Two projects delivered

Two projects were delivered during the financial year both located in the mountains, in Méribel and Avoriaz. These two projects were not awarded an environmental certification, since they were launched before the official commitment to have all real estate projects certified. However, they rely on renewable energy and have major strengths:

- the Pierre & Vacances premium l'Hévana residence in Méribel (95 units) has an energy performance 20% higher than the Rt2012 requirements, thanks to heat losses limited by a compact architecture, mineral wool exterior insulation, high-performance glazing and reduced energy needs through bioclimatic architecture (orientation of the building to limit heating needs). A wood boiler room installed in the building covers 100% of its heating and domestic hot water needs;
- at the Pierre & Vacances premium Crozat residence in Avoriaz (39 units), 100% of heating and hot water needs will be provided by renewable energy (connection to the Avoriaz wood heating system).

Three projects under construction

Environmental certification is targeted for all three projects under construction:

The Bâtiment des Douanes in Deauville: this project involves the renovation of the "Caserne des douanes", one of the oldest buildings in the seaside resort built in 1866 (which had been converted into a residential building in the 20th century), to turn it into a tourism residence. The renovation includes a major restructuring of the building's interior and an identical renovation of the façade to respect the historical appearance of this emblematic building. NF HABITAT HQE[1] "Applicatif Rénovation" certification is targeted for this project. It aims for an HQE level higher than the standard entry level thanks to the commitments made in terms of quality of life for future users. A review of this project was carried out at the beginning of the year; the design phase is currently being evaluated and will be the subject of a certificate by the end of 2020.

In addition, in view of the potential for reusing existing elements, work has been carried out to identify materials that could be reused (joists, railings, windows, doors, floors, cast iron or steel radiators, basins, sanitary facilities, etc.) and offer them to local buyers. Ultimately, only a few materials (wooden beams, cast iron posts) could be reused. This work on the second life of existing materials provides instructive feedback on the circular economy.

The Capella project, **in Avoriaz:** this is a major renovation of a building over 50 years old. The BBCA[2] Rénovation label is targeted for this project. This label frames and fosters efforts to limit carbon impact (emissions and storage) and promote the environmental opportunities linked to renovation work: choice of wood as a new low-carbon material (facade, wooden framework, interior and exterior joinery, framing and roofing), conservation of the existing structure and replacement of elements largely "amortised" from a carbon point of view, 50% improvement of energy performance and attainment of an RT level of -25% by work on the building's exterior. The label also encourages the project to be part of a circular economy approach by identifying elements that can be reused via a resource diagnosis (e.g. lighting, bathtubs, door frames, furniture, etc.).

E+C-[3] label obtained for the cottages of Center Parcs Lot-et-Garonne and HQE Aménagement certification renewed

For Center Parcs Lot-et-Garonne, which has been under construction for over a year and is due to open in spring 2022, two areas have been particularly worked on: limiting its environmental footprint and working towards the inclusion of the site in its region. This was notably framed by the HQE Aménagement certification, the implementation phase of which was validated this year during an on-site audit with all the teams. It recognises the environmental performance of the project with flagship measures such as the use of renewable energy on site: 80% of the heat needs of the village centre covered by renewable energy (wood-fired boiler room), no use of air conditioning either for the aqua-play area or for the cottages, and optimised water management thanks to an innovative system of purifying marshes.

In addition, the E+ C- label has been awarded to the cottages. The E2C1 level is attained for cottages on the Energy section thanks to measures taken to guarantee energy performance and the reduction of energy needs (RT2012 – 10%): forced ventilation system and absence of air conditioning, bioclimatic design, etc. and efforts to reduce GHG emissions through the choice of bio-sourced materials (wood structure and cladding, cellulose wadding and rock wool), optimised water and energy consumption (e.g. heat recovery from extracted air).

Results

- % of delivered projects with environmental construction certification: 0% (0/2).
- % of projects under construction with environmental construction certification: 100% (3/3).
- % of delivered projects with renewable energy: 100% (2/2).
- % of projects under construction (excluding rehabilitation) with renewable energy: 100% (1/1).

(1) High Environmental Quality

(2) Low Carbon Building label

(3) Information about the E+/C- label on www.batiment-energiecarbone.fr

4.5.1.2 Anticipating climatic hazards

The property development and tourism sectors are known to be particularly exposed to climate change risks (see the 2018 Fédération Française de l'Assurance study). The Group's activities are, therefore, impacted by changing climate conditions, over the short, medium and long term.

A study was carried out this year with a specialised firm to provide a more detailed analysis of the climate risks to which the Group is exposed. The objective was to identify the climatic hazards likely to impact each of the Group's activities, by considering primary climatic hazards (storms, wind and hurricanes; increase in average temperature; heat waves; drought; heavy rainfall) and secondary hazards due to a combination of primary hazards (rising sea levels; avalanches, unstable terrain, landslides; floods; snow cover).

This study made it possible to list the main physical risks likely to affect the Group's sites, to select the risks with the greatest potential financial impact (scale from 1 to 3) across the Group's entire value chain, to map their intensity by region and to estimate their temporality (according to the IPCC's most extreme scenario).

The main high-stakes physical risks identified in the tourism business are: storms, which can lead to heavy renovation costs, increased insurance costs and delays in construction; heat waves, which can lead to increased management costs, and even temporary closures and a decline in the attractiveness of sites (risk of discomfort, lack of snow); unstable terrain and flooding, which can make sites potentially inaccessible; drought, which can make buildings more fragile; all of these risks can lead to a potential long-term loss in the value of the properties managed by the Group.

An identification campaign on water-stressed areas was also carried out (see section 4.5.2.2).

Measures taken

See the Risk Management section of the Universal Registration Document.

4.5.1.3 Reducing our energy consumption and developing renewable energies

Policy and action plan

Consumption reduction commitments are established for each brand:

- -25% in energy consumption by 2022 (2010 baseline) in the Domaines Center Parcs, as part of the Naturall approach;
- -5% in energy consumption by 2024 (2019 baseline) in Pierre & Vacances residences, as part of the "Let's do more together" initiative. The target of reducing energy consumption by 20% between 2014 and 2022 was exceeded during the 2018/2019 financial year (-21%) and this new objective was set for 2024.

The 2019/2020 financial year was greatly disrupted by the COVID-19 health crisis, forcing the Group to close its sites in mid-March 2020 for at least 10 weeks. This had repercussions on the consumption of each brand (see below).

Nevertheless, measures were taken this year at the Pierre & Vacances residences to improve their energy efficiency, such as equipment replacement and preventive maintenance of the facilities. For example, at the Val Thorens site (France), a system for controlling the energy efficiency of buildings has been set up. It is based on presence indicators and window opening sensors, a remote control system for heating allowing the temperature to be adjusted according to the presence of occupants, and the integration of site reservation information into the daily flow. This system is currently installed in two buildings and will eventually be rolled out in all the residences in Val Thorens.

At Center Parcs Europe, the energy management approach is rolled out jointly with the ISO 14001 (environmental management system) and ISO 50001 (energy management) certification processes (see chapter 4.5.2.1). Several projects aimed at improving the energy efficiency of Domaines or at increasing the share of renewable energies were continued this year:

- installation of a cogeneration system in De Haan (July 2020), Kempense Meren in Belgium (under construction), Eifel (work in progress), Bispingen Heide, Bostalsee in Germany (March 2020), Erperheide (in preparation);
- installation of solar panels at Bostalsee in Germany (work in progress), Kempense Meren and Vossemeren in Belgium (July 2021), preparation in Eemhof in Belgium, and being explored at Vielsalm in the Netherlands.

In addition, renovation works such as the new "Wild Water Rivers" have already led to a change in the consumption curve in various parks, as have the cogeneration units installed at Bostalsee and De Haan and the renovation works at the Zandvoort, Eemhof, De Haan, Bois Francs and Vielsalm Domaines. Due to the closure of sites during the COVID-19 health crisis, however, some programmes and projects have been delayed.

Results

Total volume of energy consumed by the sites, managed by the Group	2018/2019			2019/2020		
	CP	PV	Group	CP	PV	Group
Number of sites included in the scope	26	153	179	26	153	179
TOTAL ENERGY *(IN MWH)*	**765,253**	**139,836**	**905,089**	**686,138**	**105,944**	**792,082**
Volume of energy (kWh)/overnight stay(1)	171	44	119	200.5	48	140
Electricity *(in MWh)*	163,071	106,690	269,760	140,586	82,863	223,449
Gas *(in MWh)*	544,597	14,635	559,232	486,860	10,013	496,873
Wood boiler room & Geothermal energy *(in MWh)*	57,585	-	57,585	58,692	-	58,692
Fuel oil *(in MWh)*	-	6,548	6,548	-	4,075	4,075
Urban heat *(in MWh)*					8,994	8,994

(1) Overnight stay: an accommodation rented for one night represents one overnight stay, irrespective of the number of occupants.
(2) Scope excluding Adagio, maeva.com and headquarters, for which water and energy consumption data are consolidated.

Pierre & Vacances scope

The year was marked by the closure of the residences for at least 10 weeks starting in mid-March. The collection of energy consumption data and the optimisation of technical installations were greatly disrupted during this period and at reopening. In addition, total energy consumption decreased by approximately 24% compared to last year, but to a lesser extent than the decrease in the occupancy rate of 30.4%. While on some sites the technical installations were completely shut down, on others they operated at lower capacity or continued to operate normally due to the presence of co-owners.

Center Parcs scope

The same phenomenon can be observed for the Domaines Center Parcs, also closed in mid-March for about 12 weeks. Most of the central equipment had to continue to operate at a minimum level in order to preserve and maintain it, even though significant efforts were made to reduce minimum consumption to the lowest possible level, up to about 40% of the normal situation. Despite the site closures, consumption only fell by around 10%, thus remaining high overall in comparison with the 24% drop in the number of overnight stays.

In this exercise, the key indicators and targets for reduction per night of accommodation were upset due to the significant drop in the number of overnight stays (due to the closure of the Domains in spring).

Due to the COVID 19 health crisis, the domains will be closed again at the beginning of the following financial year (November/December 2020). Therefore, the objectives regarding consumption reduction as well as the method of calculation per night stay will be reviewed and adapted for the upcoming financial years.

Using renewable energy sources is one of Center Parcs' strong commitments. Their share in the energy consumption of the domains has increased this year. As of today, 100% of the French (except Villages Nature Paris), Belgian and Dutch domains and almost all German sites use green electricity contracts for all their electricity needs.

Center Parcs set the target to achieve a 35% share of avoided CO2 emissions (in comparison with the European energy mix) by 2022. It represents 28.7% this year. This means that the use of renewable energies (by purchasing green electricity and on-site production) has made it possible to avoid 28.7% of CO2 emissions, i.e. 43,697 tons of CO2 eq. (in comparison with the European energy mix).

When considering the total energy volume in kWH, renewable energies now account for 23.9% of Center Parcs Europe's total energy consumption (compared with 16.1% in the last year).

Share of renewable Energy (based on gross consumption) – In kWh	2018/2019	2019/2020
Share of renewable energies produced on sites	7.5%	8.6%
Share of renewable energies purchased (as part of renewable energy contract)	8.5%	15.3%
Share of renewable energies (over Center Parcs Europe's total energy consumption)	16.1%	23.9%

Volume of CO_2 emissions from energy consumption managed by the Group	CP		PV		Group	
	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020
Number of sites included in the scope	26	26	153	153	179	179
GHG emissions (in tonnes of CO_2 equiv.)	172,808	155,865	17,274	17,175	190,082	173,040

Scope: same as energy volumes. Usage by heating networks is not included.
Calculation based on the ADEME Carbon Assessment tool (version 7.5 of 15 January 2016).

4.5.2 Sustainable operation of our sites

Context

Among the changes affecting tourism, increasing collective awareness of environmental and social impacts are major issues that need to be tackled. Customer appetite for information enabling the selection of environmentally-responsible tourist destinations is growing.

4.5.2.1 Have our sites labelled

Governance

Pierre & Vacances and Center Parcs teams are in charge of the labeling of the sites in accordance with the commitments of the Group.

Policy and action plan

In order to improve the environmental quality of our sites, the Group is using the leading international environmental label for tourist lodging and restaurants: Green Key certification. It guarantees respect for the environment and for people via the implementation of environmental, social and societal criteria. This labelling process also encourages the labelled residences to be in a position to improve continuously.

For the 2019/2020 financial year, the Group is on track to meet the objectives set for 2022:

- Green Key certification for all of its Premium and Villages residences in mainland France as part of its "Let's do more together" environmental policy;
- certification of all of its Domaines Center Parcs (including Sunparks and Villages Nature®) as part of the Naturall programme.

In addition, within Center Parcs, the energy management approach is being rolled out in conjunction with the processes linked to ISO 14001 (environmental management system) and ISO 50001 (energy management) certifications, and the objective of certifying 100% of the Domaines has been set. The certification process continued this year and 81% of the Center Parcs European sites are now ISO 14001 and ISO 50001 certified (compared to 77% the previous year), attesting to the efficiency of the energy and environmental management system.

Results

- Pierre & Vacances: 96% of premium residences and 100% of Villages certified Green Key in metropolitan France[1].
- Center Parcs Europe: 77% of Domaines awarded Green Key label.
- 37% of Group sites awarded the Green Key label.
- 81% of Center Parcs sites are certified ISO 50001.
- 81% of Center Parcs sites are certified ISO 14001.

4.5.2.2 Reducing our water consumption

Governance

The policy described below is managed by the dedicated personnel in charge of water and energy consumption management, and waste management, for each of the Center Parcs, Pierre & Vacances France and Pierre & Vacances Spain brands.

Policy and action plan

As with energy, commitments to reduce water consumption are established for each brand:

- -25% in water consumption by 2022 (2010 baseline) in Domaines Center Parcs, as part of the Naturall approach;
- -5% in water consumption by 2024 (2019 baseline) in Pierre & Vacances residences, as part of the "Let's do more together" initiative. The water consumption reduction target set for the 2014-2022 period was almost achieved in the 2018/2019 financial year (target of -15% between 2014 and 2022; -13% reached in 2018/2019).

During the previous financial year, the Group carried out a study regarding water stress using the Aqueduct tool from the World Resources Institute (WRI). This study was conducted on the Center Parcs, Pierre & Vacances and maeva.com perimeter. This study identified that 29% of the sites are located in "very vulnerable" or "vul-nerable" zones. These are residences located in Spain, on the Mediterranean basin and some Center Parcs domains in Belgium, Germany, the Netherlands and France. The Pierre & Vacances Management Committee was asked to review the analysis in order to raise the awareness of the operational teams on the subject.

In addition to this study, a communication campaign was carried out this year aimed at the maintenance teams present in areas identified as "vulnerable". The purpose was to raise their awareness of the risk and to implement good counting practice.

The 2019/2020 financial year was greatly disrupted by the COVID-19 health crisis, forcing the Group to close its sites in mid-March 2020 for at least 10 weeks. This had repercussions on the consumption of each brand (see below).

However, actions have been undertaken this year to control and reduce consumption. On the **Pierre & Vacances** site in Saint-Anne, Guadeloupe, a project to control water leaks through threshold exceedance alerts was implemented. This monitoring is carried out remotely (remote metering) at the level of meters and sub-meters. In addition, preventive measures are carried out throughout the year.

Center Parcs Europe also works to reduce losses by detecting and resolving leaks, replacing taps, valves and other installations. Water saving equipment installation is also continuously planned.

(1) Green Key labelling is not available for sites located in French overseas departments and territories.

Results

Total volume of water consumed by the sites, managed by the Group	2018/2019			2019/2020		
	CP	PV	Group	CP	PV	Group
Number of sites included in the scope	26	153	179	26	153	179
TOTAL WATER *(M³)*	**4,103,211**	**1,836,705**	**5,939,916**	**3,512,368**	**1,283,692**	**4,796,060**
Volume of water (m³)/overnight stay[(1)]	0.92	0.58	0.78	1.03	0.58	0.85
Percentage reduction (m³)/overnight stay[(3)]	-1.3%	0%	-	+10.5%	+0.4%	-

(1) *Overnight stay: an accommodation rented for one night represents one overnight stay, irrespective of the number of occupants.*
(2) *Scope excluding Adagio, maeva.com and headquarters, for which water and energy consumption data are consolidated.*
(3) *For CP, the calculation is based on 2010 = 0.932 m³/overnight stay and for PV, the calculation is based on 2018/19 = 0.582 m³/overnight stay.*

Pierre & Vacances scope

Water consumption has fallen by as much as the number of overnight stays, i.e. by about 30%. Despite the closure of the sites during the health crisis, some facilities had to continue to operate for maintenance reasons.

Center Parcs scope

The minor decrease in water consumption (-14.4% compared to last year), despite the closure of the sites during the health crisis, is notably linked to significant water leaks at the Villages Nature® Paris site (which has the largest outdoor swimming pool in the Center Parcs Business Line) observed during the period of closure. A dedicated action plan has been put in place and a project to improve the Building Management System has been launched.

As in the case of energy consumption and the Pierre & Vacances sites, this relative decrease is also explained by the necessary maintenance and upkeep of buildings (notably swimming pools), which forces the sites' technical teams to keep most of the installations in operation.

As sites will be closed again due to the COVID 19 health crisis at the beginning of the following financial year (November/December 2020), objectives regarding consumption reduction as well as calculation method per night stay will be reviewed and adapted for the upcoming financial years.

4.5.2.3 Reducing waste and promoting the circular economy

Context

Construction waste is a major source of waste in Europe. Furthermore, the volume of waste generated by the Tourism activity is directly linked to the number of customers staying at our residences and Domaines. The collection and treatment of waste generated by our sites is therefore an important issue for the Group. Moreover, it appears to be a growing concern among our customers who, in the Pierre & Vacances satisfaction survey, told us about their expectations in terms of waste sorting at our residences.

In the construction and renovation phase: ensuring proper management of construction site waste

Policy and action plan

The Group implements waste sorting and recycling at its various construction sites.

As no construction certification was targeted at the Méribel and Crozats Avoriaz real estate project, no construction data could be traced. At the Deauville site, 96.5% of waste is recycled, and 95% for the Center Parcs Lot-et-Garonne. As for the significant renovation construction site in Capella, the works started this year did not generate any waste flow (removal of lift, etc.); monitoring will be set up next year.

The renovation projects account for a significant share of the business activity and the Group is implementing a policy to promote the reuse of materials and circular economy. For the moment, this only applies to the Pierre & Vacances construction site. An enlargement of the scope is planned for next year. All waste is listed and sorted on the construction sites, and the furniture elements and waste electrical and electronic equipment (WEEE) are recycled through specialised channels that rely on eco-organisations which are called upon for each renovation operation.

Results

In 2019/2020, for the renovation of 1,562 Pierre & Vacances apartments (vs 1,172 in 2018/2019), 626 tonnes (vs 254 tonnes the previous year) were generated and collected through these organisations in France, i.e. an average of 401 kg of renovation waste per apartment. The volume of waste increased by 52% compared to last year. This increase can be explained by a more refined monitoring system put in place this year by the teams and the companies.

The sorting rate is 23.4%, while the furniture items are 96% sorted. Due to the COVID-19 health crisis, and particularly because of the lack of availability of the teams and our partners linked to the partial activity, we were unable to report the tonnes of waste electrical and electronic equipment (WEEE) recycled during the year (they represented approximately 9% of the total renovation waste last year).

The sorting rate of 85% on all renovation projects in the previous year was largely related to the high proportion of WEEE among the waste treated. While it is important to monitor this indicator of the overall sorting rate, it should be noted that the data are difficult to compare given the variety of work carried out from one year to the next and the still limited scope.

In the operational phase

Policy and action plan

Center Parcs

Our aim is to optimise waste sorting so that we can work together with our waste management providers to recycle a high proportion of our waste. Prompting employees by means of clear communication and operating standards, and raising customers' awareness of best practices to be adopted are just some of the Group's levers for action.

A recycling commitment has been made as part of the Naturall policy: 40% of waste sorted in 2018-2019, and 60% of waste sorted and 0.9 kg of waste per customer per night by 2022.

In the Domaines Center Parcs, cooperation with private waste management service providers enables the volume and sorting rate at each site to be monitored. However, the Group is dependent on the reports provided by each service provider to calculate the KPI published. Discrepancies in reporting reliability were observed according to the service providers. Works to improve data reliability are underway. This target is staggered over the next few years and is included in the environmental programme of each site and in ISO 14001 certification.

Improvement of waste sorting processes on site:

Already present at Villages Nature® Paris, the Eemhof, Erperheide and Heiderbos Domaines have in turn set up collection sites near the cottages and more suitable sorting facilities. This approach is currently being rolled out for all Center Parcs sites.

Pierre & Vacances

All Pierre & Vacances residences are equipped to enable customers to sort their waste (household waste, cardboard and plastic packaging, glass). The waste is collected by local authority services; Pierre & Vacances does not have any information about quantities.

A study was carried out on Pierre & Vacances by a specialist firm in order to gain a better understanding of waste flows and identify areas for improvement to reduce their volume at source and improve sorting. This study revealed that: 96% of residences offer a sorting solution in homes and that our customers generate a volume of waste lower than the national average (2.61 kg/day/home versus 2.81 for the national average in 2019).

Two axes of work were established as a result of this study:

- reduce waste at source by completely eliminating disposable cups, reducing and/or eliminating the hospitality products and paper media given to customers;
- better sorting of waste by clarifying sorting instructions for our customers, raising awareness, extending the sorting of bio-waste, and systematising the sorting of paper at reception.

Some actions are already in place across part of the network, so it is a matter of maintaining and rolling out the good practices observed on the sites.

Results

Volume and waste sorting rate – Center Parcs	2016/2017	2017/2018	2018/2019	2019/2020
Number of sites	24	25	26	26
Total (in tons)	17,190	19,129	19,495	18,184
Recycling rate	33.5%	39.8%	43%	50.4%
Volume of waste produced per overnight *stay (kg/night/person)*	0.99	1.11	1.02	1.25

Scope: Center Parcs and Sunparks in France, Belgium, the Netherlands and Germany and Villages Nature® Paris.

Breakdown by waste type – Center Parcs	2017/2018(1)	2018/2019(1)	2019/2020
Non-hazardous industrial waste – unsorted	60.3%	57.0%	49.6%
Glass	11.1%	8.7%	7.3%
Cardboard/paper	6.9%	7.4%	5.6%
Biodegradable waste	5.8%	13.6%	28.5%
Other non-hazardous waste – sorted	15.6%	13.2%	8.8%
Hazardous waste	0.3%	0.2%	0.2%

Scope: Center Parcs and Sunparks in France, Belgium, the Netherlands and Germany and Villages Nature® Paris.

(1) The distribution of waste types for 2017/2018 and 2019/2020 has been readjusted (edible oil, plastics and metal wastes are now included in the typology "other sorted non-hazardous waste").

4.5.3 Preserving biodiversity on our sites

Policy and action plan

In order to encourage the development of biodiversity on its sites, Center Parcs has set itself the goal of having a biodiversity management plan on 100% of the Domaines by 2022, with measures adapted for each site (late mowing, choice of species, maintenance methods adapted to the use of each area, elimination of phytosanitary products).

The Domaines in De Kempervennen and De Eemhof in the Netherlands conducted a biodiversity assessment on their Domaine in partnership with the University of Den Bosch (in the Netherlands). This assessment established a methodology for calculating a biodiversity score based on the following criteria: the number of species present on site and the biodiversity index (calculated according to species diversity, the presence of reference species in the region, rare, endangered or protected species, and biodiversity management). This standardised methodology was reused in seven Center Parcs in Europe in 2019/2020, in order to have a clear vision of the biodiversity of each site and put in place the appropriate protection measures. The goal is to roll out this approach in all Center Parcs by 2022.

The Domaine Center Parcs named Terhills will open its doors in Belgium in the spring of 2021. This site, consisting of 250 cottages, will be operated under a management mandate. It is located on a former coal mining site. Before the Domaine was established, work was carried out to enrich the soil on the hills resulting from the former industrial activity (terhills) using a new fertilisation system called "hydroseeding" (a system invented by our biologist Jean Henkens and used throughout the world).

Results

- 58% of Center Parcs have a comprehensive biodiversity management plan.
- The two Domaines analysed and mentioned above obtained a biodiversity score of 6.2/10.

4.6 Methodological note

4.6.1 CSR scope

The reference scope covers all the Business Lines held at more than 50% by the Group as of 30 September of year N. Employment and environmental reporting for the Adagio brand is included in Accor Groups' universal registration document, as the brand joined the Group's sustainable development programme as of the 2015/2016 financial year.

The reference year is the Group's financial year: from 1 October of year N-1 to 30 September of year N.

Reported data

The annual non-financial performance statement declaration is based on:

- employment, environmental, and some societal indicators devised in line with a protocol describing the indicators, in detail, together with a calculation and internal control methods and data collection responsibilities;
- information and indicators monitored by the departments in question and forwarded for reporting purposes.

Responsibilities

The CSR Department, which is responsible for carrying out the NFPS and the Group's CSR reporting consolidation, ensures the application of the protocol, and compliance with the reporting parameters and data collection methodologies.

It must therefore ensure the launch of data collection, the reliability of the data transmitted by the operational managers, the consolidation of certain indicators and the transmission of quantitative and qualitative CSR data for publication (structuring of data and transmission to the teams in charge of publication).

In order to ensure the consolidation of the Group's CSR reporting indicators, several levels of responsibility are identified within the organisation:

- for employment data: the HRIS teams are in charge of consolidation and verification at Group level;
- for environmental and societal data: each operational department is in charge of collecting environmental data and ensuring the reliability of the data at its level.

All employment, environmental and societal data are then consolidated by the CSR Department, which ensures that the indicators are consistent across the Group, in line with the CSR strategy.

Scope of publication

There are differences in scope (data excluded or included) within the same theme (environmental, employment, societal, responsible purchasing policy, customer approach). In this case, the scope selected and the associated criteria are explained directly in the data tables as well as in each indicator sheet of the Reporting protocol.

The scopes associated with environmental, employment and societal issues are described in chapter 4.6.2 "Data collection method" below.

4.6.2 Data collection methods

Employment data

Reporting scope

For employment data, all employees paid by the Group are included, irrespective of the business (Property development or Tourism) or the brand (Center Parcs, Pierre & Vacances, maeva.com, Senioriales and Villages Nature® Paris) for which they work and in all five countries where the Group operates (France, Belgium, the Netherlands, Germany and Spain). Teams based outside the EU (China) are not included in the reporting scope. They account for less than 0.4% of the workforce. Lastly, the indicators do not include temporary staff.

Over the 2019/2020 financial year, due to the COVID-19 health crisis and the reduced activity of employees, the teams in Spain were unable to provide data for the calculation of several indicators. Thus, for the indicators on recruitment, training, absenteeism, labour relations and accidentology, Spain has been removed from the Group's reporting scope.

Data collection and tools

Control and collection of employment data is managed by Human Resources teams in each country. The different pilots coordinate the collection of raw data via payroll tools, HRIS or country-specific monitoring tools. Indicators are then consolidated by country and on a Group-wide basis.

Environmental data

Reporting scope

For environmental data, the reference scope consists of all of the Group's operational units marketed for over a year as at 30 September 2019, with the exception of Senioriales (where water and energy use is not managed by the Group) and maeva.com time-share residences. With regard to Villages Nature® Paris, water, energy and waste data are incorporated in Center Parcs Europe data. Sites and residences marketed but not operated (maeva.com, franchises, etc.) are not included in the reporting scope.

Data collection and tools

- Across Pierre & Vacances sites, the Group consolidates water and energy use for which joint owners under lease agreements are responsible. Volumes of water and energy consumption are for the Group's share of each site. Data is supplied by ICARE – the internal energy use management tool. Data is reported by the sites. The strategic support team at Head Office monitors water and energy consumption at the sites, performs budget reconciliation and analyses differences. It also supports regional maintenance managers in producing assessments and alerts them in the event of abnormal, unexplained changes.
- The concept of shared use does not apply to Center Parcs. Water and energy use and waste production are monitored weekly and monthly by the energy coordinator for each site. Monthly data are verified by an internal expert who analyses and consolidates the data and monitors targets for all European sites. The Domaines Center Parcs will use the ICARE software from 2019/2020 to collect water, energy and waste data.
- As with Center Parcs Europe, Pierre & Vacances environmental data (in m^3 or in kWh) are reported by number of overnight stays: an overnight stay corresponding to a unit rented for one night, regardless of the number of occupants.
- Concerning the Green Key label, the calculation of indicators is based on the classifications as listed in the commercial catalogue and not on the energy consumption classification. The scope described excludes sites located in the French overseas departments and regions because the labelling is only possible in Metropolitan France.

Societal data

Purchasing, customer satisfaction and construction data are supplied directly by the departments in question which consolidate these indicators so that they can be managed, and the scope is the same as for environmental data. It should be noted that the Purchasing Department introduced a responsible purchasing policy based on a number of quantifiable indicators and targets which are monitored and implemented through specific action plans.

Find the details of the summary protocol of the CSR report on www.groupepvcp.com, Sustainable Development section.

4.6.3 Our contribution to the SDGs

The table below describes the correspondence between the SDGs and the chapters of this document.

Our contribution	See chapter
Using sustainable development to enhance the customer experience	
◆ Developing offers and activities that reflect local heritage and nature ◆ Circular economy: sorting and management of waste through specific channels ◆ Selecting and promoting eco-labelled products in the Group's purchasing policy ◆ Green Key labelling and eco-certification of the construction process	4.2.1
◆ Educating and raising awareness of customers about nature conservation and environmental protection ◆ Reducing waste	4.2.1.1
◆ Drafting and signing of the charter for responsible catering which lists protected species ◆ Elimination of single-use plastics	4.2.1.3
◆ Customer satisfaction and safety	4.2.2
Creating value for the regions	
◆ Reducing the environmental impact of property development projects ◆ Consulting local stakeholders to ensure that developments are in harmony with the regions ◆ Showcasing natural and cultural heritage through the Company Foundation	4.3.1 and 4.3.3
◆ Boosting local employment and supporting the local economy ◆ Responsible and inclusive purchasing ◆ Group commitment to human rights ◆ Social and professional reintegration via the Company Foundation	4.3.2 and 4.3.4
Developing a culture of responsible entrepreneurs	
◆ Drafting and validating of the Group's ethics charter ◆ Compliance with applicable regulations	4.4.1
◆ Employer branding and related policies ◆ Supporting employability and developing employee skills	4.4.2
◆ Supporting employees within the framework of the Change Up transformation plan and in the context of the COVID-19 crisis ◆ Ensuring the health and wellbeing of employees and respecting all forms of diversity	4.4.2.3 and 4.4.2.7
◆ Employee training	4.4.2.5
◆ Fight against all forms of discrimination and promotion of diversity	4.4.2.8
◆ Promotion of gender balance within teams	4.4.2.8
Limiting our environmental and carbon footprint and promoting biodiversity	
◆ Taking climate change into account when choosing new sites ◆ Reducing CO_2 emissions; purchasing green energy ◆ Identification of sites located in water-stressed areas	4.5.1
◆ Production of renewable energy (geothermal, solar panels, wood boiler room) ◆ Purchase of green energy	4.5.1.1 and 4.5.1.3
◆ Conducting impact assessments and protecting biodiversity during site construction and operation ◆ Biodiversity management plan for green spaces and woodland areas and monitoring of protected species on sites ◆ Buying timber sourced from sustainably managed forests (FSC/PEFC)	4.5.3
◆ Wastewater treatment; reduction in the use of chemicals and hazardous substances for wastewater ◆ Measures to optimise water consumption (hydro-efficient equipment, optimised pool water management) ◆ Ecological management of rainwater in new projects	4.5.2.2

4.7 Independent Third-Party Body report

Report of the independent verifier on the consolidated non-financial performance statement

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speakingusers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders' Meeting,

In our quality as an independent verifier, accredited by the COFRAC under the number 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the Statutory Auditors of your entity Pierre et Vacances, we present our report on the consolidated non-financial performance statement established for the year ended on 30 September 2020 (hereafter referred to as the "Statement"), presented in the management report pursuant to the provisions of the Article L. 225-102-1, R. 225-105 et R. 225-105-1 of the French Commercial Code (Code de Commerce).

Responsibility of the entity

It is the responsibility of the Board of Directors to establish the statement in compliance with the legal and regulatory provisions including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied regarding these risks as well as the results of these policies, including key performance indicators.

The Statement has been established by applying the procedures of the entity (hereinafter referred to as the "Criteria"), the significant elements of which are presented in the Statement and available on its website[1].

Independence and quality control

Our independence is defined by regulatory requirements pursuant to the provisions of the Article L. 822-11-3 of the French Commercial Code and the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work, to express a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraph 3 of I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions related to the main risks, hereinafter the "Information".

However, it is not our responsibility to express an opinion on the entity's compliance with other applicable legal and regulatory provisions, in particular with regard to the due diligence plan and the fight against corruption and tax evasion, or on the compliance of products and services with applicable regulations.

Nature and scope of the work

Our work described below was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional standards of the Compagnie Nationale des Commissaires aux Comptes relating to this mission and the international standard ISAE 3000[2]:

- we have reviewed the entity's business and the presentation of the main risks;

(1) http://www.groupepvcp.com / section "sustainable development" then "publications".
(2) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

- we assessed the suitability of the Criteria in terms of its relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- we verified that the Statement covers each category of information provided in III of Article L. 225-102-1 of the French Commercial Code regarding social and environmental matters, as well as respect of human rights and the fight against corruption and tax evasion;
- we have verified that the Statement presents the information required under section II of Article R. 225-105 when it is relevant with regard to the main risks and includes, where applicable, an explanation of the reasons for the absence of the information required under the second paragraph of section III of Article L. 225-102-1;
- we verified that the Statement presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation; including if relevant and proportionate, the risks created through its business relationships, products or services, policies, actions and results, including key performance indicators relating to the main risks;
- we consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating the main risks as well as the consistency of the results, including the key performance indicators selected, with respect to the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) that we considered the most important presented in Appendix 1. For the risk related to land research, our work was carried out at the level of the consolidating entity; for the other risks, work was carried out at the level of the consolidating entity and in a selection of entities listed below: Pierre & Vacances France, in particular the Mountain operating division and the Val Thorens site, and Center Parcs France, in particular the Villages Nature® site;
- we verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement;
- we have reviewed the internal control and risk management procedures implemented by the entity and have assessed the process for collecting information to ensure that it is complete and accurate;
- for the key performance indicators and other quantitative results that we considered the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions,
  - detailed tests based on samples, consisting of checking the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out with a selection of the contributing entities listed above and covers 29% of the workforce and 41% of energy consumption;
- we assessed the overall consistency of the Statement with our knowledge of the entity.

We consider that the work we have done by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

Means and resources

Our verification work mobilised the skills of six people and took place between September and December 2020 on a total duration of intervention of about seven weeks.

We conducted around ten interviews with the people responsible for preparing the Statement, representing in particular the CSR, Environment, Human Resources, Health and Safety, and Operational Risks departments.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us not to believe that the consolidated non-financial performance statement complies with the applicable regulatory provisions and that the Information, taken together, is fairly presented, in compliance with the Criteria.

Comments

Without calling into question the conclusion expressed above and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comment: internal controls on environmental and employment indicators remain limited.

Paris-La Défense, 16 December 2020

The Independent Verifier
EY & ASSOCIÉS

Jean-François BÉLORGEY	Philippe AUBAIN
Partner	Associate Director, sustainable development

Appendix 1: Most important information

SOCIAL INFORMATION	
Quantitative Information (including key performance indicators)	**Qualitative Information (actions or results)**
Average yearly headcounts, turnover, return rate of seasonal workers.	Employment (attractiveness and retention).
Frequency rate, accident severity rate.	Health and safety.
Average number of training hours per employee trained.	Training.

ENVIRONMENTAL INFORMATION	
Quantitative Information (including key performance indicators)	**Qualitative Information (actions or results)**
	Center Parcs "Naturall" and Pierre & Vacances "Faisons plus ensemble" policies.
Energy consumption per overnight stay.	The monitoring of energies, including green energies.
Percentage of renewable energy in the global consumptions of Center Parcs (in kWh).	The progress of the carbon strategy.
Greenhouse gas emissions in tonnes of CO_2 equivalent linked to energy consumption managed by the Group.	Waste Management during renovation and exploitation phase.
Water consumption per overnight stay.	The protection of water resources.
Waste sorting rate at Center Parcs.	The protection of natural environments (water pollution and ecosystems).

SOCIETAL INFORMATION	
Quantitative Information (including key performance indicators)	**Qualitative Information (actions or results)**
	Management of the impact of new developments (local acceptance, energy efficiency, environmental certification, available surfaces).

4.8 NFPS concordance table

Table of Concordance of the Elements Required by the Non-Financial Statement

Information	Chapter
Business model description	Chapter 1 of the URD
Description of the major risks related to the group's activity	Chapter 2 of the URD
Human rights Fight against corruption	4.4
General Data Protection Regulation	4.4.1
Climate change	4.5
Circular economy	4.5.2
Food waste	4.2.1.3
Collective agreements in force	4.4.2.8
Fight against discrimination	4.4.2.8
Societal commitments	4.3.4
Tax evasion	4.4.1
Fight against food insecurity; respect for animal welfare; responsible, fair and sustainable food	4.2.1.1 and 4.5.3

4.9 Vigilance plan

4.9.1 Regulatory Framework

The Pierre & Vacances-Center Parcs Group has implemented a vigilance plan in line with the French duty of care law for parent and subcontracting companies.

The plan contains reasonable vigilance measures to identify risks and prevent violations of:

- human rights and fundamental liberties;
- personal health and safety;
- the environment.

It targets the major risks resulting from the business activities of the Group and of the companies controlled by the Group as well as the activities of subcontractors and suppliers with which there is an ongoing commercial relationship.

Governance

The plan and its components are applicable to all Pierre & Vacances-Center Parcs Group brands. It is designed in cooperation with the representatives and managers of the Group departments: Purchasing, Legal, Sustainable Development, Human Resources and Risk Management.

4.9.2 Group risk mapping

Methodology

Mapping of risks linked to the duty of care has been developed using the following sources:

- a materiality analysis of the Group's sustainable development challenges (2016);
- business risk mapping;
- CSR risk mapping (updated in 2019);
- the ethical alert system (2019).

Work will be carried out by the Chief Compliance Officer next year on risk mapping.

4.9.3 Procedures to assess the situation of brands, subcontractors and suppliers

4.9.3.1 Pierre & Vacances-Center Parcs Group

Organisation of the internal controls for business and labour law risks

The Group's activities are subject to the risks related to its type of business. Internal controls are organised as follows to prevent the risks:

- the Legal Department intervenes upstream to secure the Group's legal commitments and monitors disputes involving all of the operational subsidiaries;
- the Group Internal Audit, in partnership with the Legal Department, monitors the Group's risk mapping and works with the different business units to prepare the annual audit plan and via missions requested by General Management. The missions and topics dealt with may affect all of the Group's businesses and subsidiaries;

- together with the Group Internal Audit and the Operational Control team, the Operational Finance Department takes an active role in financial audits as well as in social and regulatory audits related to the tourism operations of the residences in order to protect human capital and ensure compliance with the laws and regulations in effect. These audits are mainly carried out on the operating sites (residences or villages from all the brands). The choice of sites audited is decided by the Group Internal Audit based on the type of site and on specific criteria.

Operational risks organisation

Group assessment procedures

The Group has included procedures and action plans in its CSR roadmap to assess and prevent the risks related to duty of care. The system is described in the following sections of the Universal Registration Document:

Risks related to the duty of care	Sections in the Universal Registration Document
Human rights	4.1.3 Listening to our stakeholders
	4.4.1 Ethical and responsible practices
	4.3.4 Supporting general interest projects that benefit local populations
Health and safety of employees and customers	4.4.2 Being committed to the health and safety of our employees
	4.4.2 Continuing to commit employees
The environment	4.5.2 Limiting our environmental and Carbon Footprint and promoting biodiversity

The Operational Department of Center Parcs Europe and Pierre & Vacances Tourisme is made up of operational security experts (water quality, fire prevention, etc.) who coordinate the health and safety policy on the sites for all customers and employees and take all necessary steps (training, operational audits, crisis management).

Center Parcs and Villages Nature®

Risk management is organised by country. A Risk Manager is the national focal point for the operational teams in each country and monitors legal and regulatory requirements and changes at local and national level. The operational risk management process is based on the ISO 14001 standard and on an HSE (Health, Safety, Environment) management system.

Pierre & Vacances France and Spain and maeva.com

The Prevention & Security Operational Risk Manager is in charge of managing the risk in France and Spain. Regional prevention and security officers represent this manager on the ground and ensure the smooth roll-out of defined procedures. Each Pierre & Vacances and maeva.com site has a single regional contact person, i.e. a prevention and safety officer, for all risk areas identified.

In Spain, a risk prevention tool enables each site to perform a risk analysis and produce a “Document Unique des Risques” .

4.9.3.2 Suppliers and subcontractors

The Pierre & Vacances-Center Parcs Group has implemented a Responsible Purchasing policy which consists of:

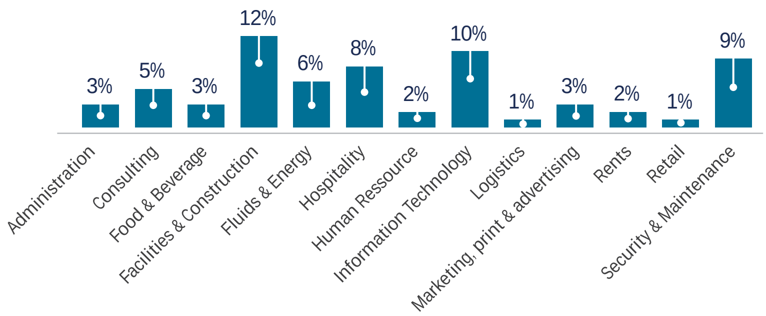
- alignment of the responsible purchasing policy and strategy with the CSR objectives set by the Group;
- risk management and opportunities to define priorities and action plans;
- the implementation of an approach to prevent corruption, notably via the signature of an ethics code by all Group purchasers.

The objective of the policy is to secure the supply chain to reduce risks (reputation, licence to operate), promote local purchasing (development of channels and contribution to local employment) and to commit to a sustainable and balanced relationship with partners and subcontractors.

Assessment of the CSR performance of suppliers

Local companies account for a significant share of Group suppliers: cleaning (SME/VSE), laundry, construction and furniture (related to the Construction business).

The Group's expenditures break down as follows:



When a supplier is selected by the Purchasing Department, the supplier or sub-contractor must answer one or more questionnaires evaluating its CSR performance. These questionnaires address themes around environment, social, ethics and human rights and responsible purchasing matters. They are adapted to the companies size :

- the SME/VSE questionnaire is based on ISO 26000: the questionnaire consists of 10 questions which assess the maturity level of the smallest suppliers without penalising them when compared to larger companies;
- the ISEs and large companies questionnaire, based on ISO 26000: questionnaire of 16 questions, requiring from them to document all their actions.

191 suppliers answered a CSR questionnaire during the year. In addition, an Anti-Corruption Questionnaire, based on the Sapin II Law, is sent to mid-size companies (ISEs) and Large Enterprises. It has 17 questions and it assesses suppliers' compliance with the Sapin II Law.

The questionnaires are sent via the self-assessment platform (ACESIA). The results do not condition the selection of a supplier or service provider. On the other hand, this step is required to establish a contract with the supplier. In addition, the results obtained are valid for the duration of the contract.

Supplier audits

Pierre & Vacances-Center Parcs carries out checks via independent auditors. This is notably the case for Chinese suppliers. 100% of Chinese suppliers have been audited over the last 3 years, a new Chinese supplier has been selected and will be audited in December 2020.

4

4.9.4 Risk mitigation and serious harm prevention actions

4.9.4.1 Pierre & Vacances-Center Parcs Group

Crisis management

The Group has implemented a specific crisis management organisation to ensure the handling of any situation with the potential to endanger its employees, its customers, its interests and/or its reputation. This specific crisis management system consists of a dedicated, multi-disciplinary team headed by the Operational Risks Department.

4.9.4.2 Suppliers and subcontractors

Training

- In 2018, 100% of all Group purchasers received awareness training about CSR issues and new responsible specifications for purchase categories said to be "at risk".
- The code of ethics and the charter of best purchasing practices were signed by all purchasers.

Inclusion of CSR criteria in calls for tender

CSR criteria are included in calls for tenders for certain categories of purchases in order to impact the contract agreed with the supplier or service provider. The criteria are the result of the risk mapping of the Group's supply chain. The compulsory criteria reflect the operational implementation of the Group's CSR objectives. Compliance with the criteria is a prerequisite for access to the tender. An escalation procedure is initiated when a supplier does not meet the criteria. It provides for a meeting between the CSR Department, the person in charge of the call for tenders and the Purchasing Department to find a compromise.

CSR clause in contracts

A CSR clause is included in the consultation rules covering the terms and conditions of calls for tender and is signed by all buyers. The clause is included in all purchasing contracts and is available in French and English.

4.9.5 Alert and whistleblowing mechanism

The Group has implemented an internal alert system available to all employees with access to the intranet. The Group provides its employees with a mechanism to report any occurrences of fraud or corruption via this system.

The alert system has been active since March 2019. It will be extended to the countries in which the Group operates (Belgium, the Netherlands, Germany, Spain) and, at a later time, to all Group stakeholders.

4.10 Table of key indicators

Scope	Policy/Objectives	KPI	2018/2019	2019/2020
Using sustainable development to enhance the customer offering and experience				
CP	1 Nature activity at 100% of sites by 2020	% sites offering an activity	92%	100%
PV	1 Nature activity at 100% of sites	Number of children who took part in a nature activity (children's club)	5,169[(1)]	5,385
Creating economic/social value in the communities where our sites are located				
Group	Incorporate CSR criteria for high-risk purchasing categories	% of high-risk purchasing categories covered by responsible specifications	100%	100%
Construction Europe	Monitor and optimise our construction purchases and set targets for our flagship projects	% of local purchases during construction phase	84%	76% [(2)]
CP France	Monitor and optimise our local operational purchases	% of local purchases during operational phase	32%	39%
Responsible entrepreneur				
Group	Monitor and manage employee safety	Frequency rate of workplace accidents	34.9	29.4*
		Severity rate of workplace accidents	1.47	1.8*
Group	Develop our employees' skills	Average number of training hours per employee	11.4	9.6*
		% of employees trained	63%	51.3%*
Group	Monitor and improve employee satisfaction	Satisfaction Survey "Happy@Work": % of satisfied employees	82%	-
PV		Rate of retention of seasonal workers	49.8%	53.4%
Group		Turnover	20.8%	18%
Group	Guarantee equal opportunities	Percentage of women managers	53%	51%

* *Excluding Spain*

(1) *2018/2019 amended data*

(2) *Construction site of Center Parcs Lot-et-Garonne*

Scope	Policy/Objectives	KPI	2018/2019	2019/2020
Limiting environmental and carbon impact and promoting biodiversity				
PVD	Obtain eco-certification for 100% of new property developments	% of projects delivered with an environmental building certification	NC	0%
		% of projects under construction carrying environmental certification of construction	NC	100%
CP	100% of CP sites awarded the Green Key label	% of CP sites awarded Green Key label	19%	77%
PV	100% of PVP and Villages sites awarded the Green Key label (France excluding overseas departments)	% of PV Premium sites awarded the Green Key label	100%	96%
		% of PV Villages sites awarded the Green Key label	90%	100%
		% of PV France sites awarded the Green Key label	-	38%
CP and PV	Obtain an eco-label for sites in operation	% of Group sites awarded the Green Key label	33%	37%
		% of Group sites awarded theGreen Key label or ISO 14001 certified	42%	38%
CP	Reduce energy consumption by 25% by 2022 *(2010 baseline = 172.3 kWh/overnight stay)*	Energy use per overnight stay (in kWh/overnight stay)	171	200.5
		Percentage change	-1.2%	+16.4%
PV	Reduce energy consumption by 5% by 2024 *(2019 baseline = 44 kWh/overnight stay)*	Energy use per overnight stay (in kWh/overnight stay)	44	48
		Percentage change	-21%	+9%
CP	Reduce water consumption by 25% by 2022 *(2010 baseline)PV France = 0.932 m^3/overnight stay)*	Energy use per overnight stay (in kWh/overnight stay)	0.92	1.03
		Percentage change	-1.3%	+10.5%
PV	Reduce water consumption by 5% by 2024 *(2019 baseline =0 .582m^3/overnight stay)*	Ratio (m^3/overnight stay)	0.582[(1)]	0.584
		Percentage change	-10.4%	+0.4%
CP	Ensure that 60% of operational waste is recycled by 2022	% of waste sorted	43%	50.4%
Group	Assessing the Group's carbon footprint	Group's carbon footprint on energy in CO_2 eq.	190,092	173,040
CP	Achieve -35% CO_2 emissions avoided by 2022	Share of CO_2 emissions avoided (compared to the European energy mix)	-	28.7%
CP	100% of domains with a biodiversity management plan by 2022	Share of sites with a biodiversity management plan	58%	58%
Satisfaction of our Customers and Owners stakeholders				
CP	Monitor the satisfaction rate	Net Promoter Score	3.2%	-2.1%
PV	Monitor the satisfaction rate	Net Promoter Score	21.3%	18.1%
Group	Monitor the lease renewal rate	Lease renewal rate	76%	67%
Construction France	Adopt a consultative approach commensurate with the scale of the development and the local context (> 100 housing units with significant environmental issues at stake)	% of developments for which a local the appropriate consultation was conducted	77%	85%

(1) 2018/2019 amended data

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5 FINANCIAL STATEMENTS

5.1 Information on the consolidated financial statements

Preamble

IFRS 11 "Partnerships", applicable for the Group since the 2014/2015 financial year, leads to the consolidation of joint ventures using the equity method. IFRS 16 "Leases", applied for the first time this year, requires the recognition in the balance sheet of all lease commitments and the cancellation, in the consolidated financial statements, of a portion of the revenue and capital gains on disposals made in the context of real estate transactions with third parties (taking into account the lease contracts held by the Group).

However, in order to reflect the operational reality of the Group's business lines and the readability of their performance, the Group's operational management reporting data, as monitored by Management, continues to proportionally integrate the results of the joint ventures and does not include the application of IFRS 16.

The Group's financial communication is in line with operational reporting. Accordingly, the financial elements and business indicators discussed below are presented:

- excluding the impact of the application of IFRS 16 for all financial statements;
- excluding the application of IFRS 11 for income statement items (no change for the presentation of the Group's historical operational reporting).

It should be recalled that the Group's operational reporting as monitored by Management, in accordance with IFRS 8, is presented in Note 3 – Information by operating segment in the notes to the consolidated financial statements at 30 September 2020.

A reconciliation table with the primary financial statements is presented in paragraph 5.1.5.

5.1.1 Group revenue

(in € millions)	**2019/2020 according to operational reporting**	**2018/2019 according to operational reporting**	**Change**
Tourism	**1,022.7**	**1,365.1**	**-25.1%**
Pierre & Vacances Tourisme Europe (PVTE)	407.3	596.8	-31.8%
Center Parcs Europe (CPE)	615.4	768.2	-19.9%
of which accommodation revenue	***685.7***	***923.6***	***-25.8%***
◆ Pierre & Vacances Tourisme Europe	265.7	406.9	-34.7%
P&V France	*160.0*	*205.2*	*-22.0%*
Adagio and P&V Spain	*105.7*	*201.7*	*-47.6%*
◆ Center Parcs Europe	420.0	516.6	-18.7%
Property development	**275.0**	**307.7**	**-10.6%**
FULL-YEAR TOTAL	**1,297.8**	**1,672.8**	**-22.4%**

Group revenue for the full financial year (1 October 2019 to 30 September 2020) was €1,297.8 million.

Revenue from tourism activities amounted to €1,022.7 million, down 25.1% (-€342 million):

- the Group's operating performance as of 15 March 2020, prior to the announcement of measures related to the health crisis, was ahead of the targets set in the Change Up strategic plan: accommodation revenue was up 6.7% on a like-for-like basis, driven by the Center Parcs division, which benefited from the first effects of renovation works at the Domaines. Over this period (1 October 2019 to 15 March 2020), revenue growth amounted to nearly +€45 million (+€30 million in accommodation revenue);
- from mid-March to the end of May/early June, the Group was forced to close almost all of its sites. This period of no activity, followed by a gradual recovery in June, led to a decline in revenue of around -€325 million (-€230 million in accommodation revenue), of which approximately -€40 million in the second fortnight of March and -€285 million in the third quarter of the financial year;
- at FY Q4, in a context that remains complicated, the Group posted a remarkable level of activity for Center Parcs Europe (+1.4%) and PV France (+9.4% on mountain sites, -4% excluding losses of inventory at sea sites), benefiting, despite the absence of foreign customers, from new consumer trends favouring family and local

tourism. Adagio residences and Pierre & Vacances sites in Spain, which are generally very dependent on international customers, nevertheless managed to attain revenue levels of more than 40% of the Q4 year-earlier amounts. The decline in revenue in FY Q4 amounted to -€63 million (-€42 million in accommodation revenue).

Real estate activities recorded a revenue of €275.0 million for FY 2019/2020 as a whole (vs €307.7 million in 2018/2019), resulting mainly from the contribution of the Senioriales residences (€65.4 million), Center Parcs Lot-et-Garonne (€32.6 million), the premium PV residence in Méribel (€31.4 million) and the renovation of Domaines Center Parcs (€102.4 million vs. €158.1 million in 2018/2019).

Property reservations recorded over the year with individual investors represented sales volumes of €200.2 million, vs. €256.2 million over the year 2018/2019, after a slowdown in second half-year reservations (€74.9 million vs. €124 million in H2 2018/2019).

5.1.1.1 Tourism activities

Key indicators

(in € millions)	2019/2020	2018/2019	Change
Revenue	**1,022.7**	**1,365.1**	**-25.1%**
of which accommodation	685.7	923.6	-25.8%
of which service activities[1]	337.1	441.5	-23.7%
Average Net Letting Rate (ALR)[2] *(in €)*	**752**	**708**	**6.4%**
Number of weeks sold	**912,121**	**1,304,609**	**-30.2%**
Occupancy rate	**71.6%**	**74.9%**	**-4.5%**

(1) Catering, entertainment, mini market, shops, marketing, etc.
(2) Average letting rate per week of accommodation net of distribution costs.

Growth in average net sales prices (+6.4%) was driven by the Center Parcs division (+7.9%) as well as by all mountain (+9.4%) and sea (+2.3%) destinations. The number of weeks sold was down by 30%, affected by 2 months of absence of activity during the first lockdown period. The occupancy rate stood at 71.6% (70.5% for the Center Parcs division and 72.7% for the Pierre & Vacances Tourisme Europe division, benefiting in particular from an occupancy rate of over 90% in the mountains, up 5.4%).

Characteristics of the holiday residence portfolio operated[1] at the end of the financial year

(by number of apartments)	2019/2020	2018/2019	Change
Pierre & Vacances Tourisme Europe	**28,361**	**28,788**	**-427**
PV France (excluding premium label)	11,276	11,487	-211
PV France label premium	2,527	2,718	-191
PV Spain	4,680	4,671	+9
Adagio and Adagio access	9,878	9,912	-34
Center Parcs Europe	**16,572**	**16,581**	**-9**
Center Parcs	15,690	15,199	+491
Sunparks	882	1,382	-500
Nature Villages®	**868**	**821**	**47**
TOTAL	**45,801**	**46,190**	**-389**

(1) Excluding the marketing business, multiple ownership and franchise.

The number of holiday residence units operated by the Group at 30 September 2020 was down by 389 accommodation units compared to 30 September 2019, mainly due to:

- withdrawals at the end of leases of Pierre & Vacances residences in France (-120 apartments) and to an attrition of inventory on the Pierre & Vacances brands in France (-495 apartments) and on the Adagio brand (-100 apartments);
- partially offset by the leased operation of two new PV residences in the mountains (+213 apartments – Méribel and Avoriaz) and a new urban residence in Paris (+66 apartments).

In the Center Parcs Europe division, the former Domaine Sunparks De Haan in Belgium has been transformed into Domaine Center Parcs, after extensive renovation work.

Breakdown of Group rental revenue by customer origin

	PVTE		CPE		Total	
	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019
France	67.6%	57.2%	28.5%	29.5%	43.6%	41.7%
The Netherlands	4.5%	4.5%	23.8%	22.0%	16.3%	14.3%
Germany	2.5%	3.3%	31.5%	29.3%	20.3%	17.8%
Belgium	2.8%	2.8%	12.2%	11.9%	8.6%	7.9%
United Kingdom	6.3%	7.2%	1.0%	2.7%	3.0%	4.5%
Spain	4.8%	6.8%	0.0%	0.1%	1.9%	3.0%
Russia & Eastern European Countries	1.2%	2.3%	NA(1)	NA(1)	NA(1)	NA(1)
Italy	1.1%	1.6%	0.0%	0.0%	0.4%	0.7%
Scandinavia	0.6%	1.1%	0.2%	0.3%	0.4%	0.7%
Switzerland	1.8%	1.3%	NA(1)	NA(1)	NA(1)	NA(1)
Other	6.8%	11.9%	2.8%	4.2%	5.5%	9.4%

(1) Not available.

The majority of the Group's rental revenue is generated by foreign customers (56.4%), including German (20.3%), Dutch (16.3%), and Belgian (8.6%) customers, notably due to the operation of the Domaines Center Parcs in the Netherlands (eight villages), Germany (six villages) and Belgium (six villages). Against a backdrop of a health crisis, the proportion of local customers in the countries where the Group operates rose by 1 to 2 points compared with the previous year.

Analysis of revenue by resort/country

Pierre & Vacances Tourisme Europe

Number of apartments	2019/2020	2018/2019	Change
Seaside	12,983	13,359	-376
Mountain	4,650	4,666	-16
French West Indies	850	851	-1
Cities	9,878	9,912	-34
TOTAL	**28,361**	**28,788**	**-427**

Accommodation revenue *(in € millions)*	2019/2020	2018/2019	Change
Seaside	99.1	154.0	-35.6%
Mountain	69.1	80.3	-14.0%
French West Indies	11.2	15.9	-29.6%
Cities	86.3	156.8	-45.0%
TOTAL	**265.7**	**406.9**	**-34.7%**

Average net letting rates (for a week's rental) *(in € before tax)*	2019/2020	2018/2019	Change
Seaside	561	553	+2.1%
Mountain	931	853	+9.4%
French West Indies	755	743	+1.6%
Cities	487	544	-10.5%
TOTAL	**600**	**597**	**+0.8%**

	Number of weeks sold			Occupancy rate		
	2019/2020	2018/2019	Change	2019/2020	2018/2019	Change
Seaside	176,500	278,230	-37.0%	66.8%	67.6%	-1.2%
Mountain	74,225	94,129	-21.3%	90.5%	86.0%	+5.4%
French West Indies	14,836	21,409	-30.7%	74.7%	63.4%	+17.8%
Cities	177,324	288,262	-38.5%	72.5%	78.8%	-7.9%
TOTAL	**442,885**	**682,030**	**-35.3%**	**72.7%**	**74.0%**	**-1.6%**

Center Parcs Europe (including Villages Nature® Paris)

Number of apartments	2019/2020	2018/2019	Change
The Netherlands	5,343	5,340	+3
France	5,249	5,199	+50
Belgium	3,062	3,058	+4
Germany	3,786	3,805	-19
TOTAL	**17,440**	**17,402**	**+38**

Accommodation revenue *(in € millions)*	2019/2020	2018/2019	Change
The Netherlands	122.0	147.7	-17.4%
France	133.0	177.6	-25.1%
Belgium	58.7	76.3	-23.1%
Germany	106.3	115.1	-7.6%
TOTAL	**420.0**	**516.6**	**-18.7%**

Average net letting rates (for a week's rental) *(in € before tax)*	2019/2020	2018/2019	Change
The Netherlands	783	732	+7.1%
France	1,070	1,059	+1.5%
Belgium	795	693	+14.8%
Germany	921	805	+14.4%
TOTAL	**895**	**830**	**+7.9%**

	Number of weeks sold			Occupancy rate		
	2019/2020	2018/2019	Change	2019/2020	2018/2019	Change
The Netherlands	155,789	201,838	-22.8%	73.7%	75.5%	-2.4%
France	124,307	167,700	-25.9%	66.4%	75.6%	-12.2%
Belgium	73,758	110,063	-33.0%	64.3%	71.2%	-11.7%
Germany	115,383	142,979	-19.3%	75.6%	81.7%	-7.4%
TOTAL	**469,236**	**622,580**	**-24.6%**	**70.5%**	**76.4%**	**-7.7%**

5.1.1.2 Property development activities

Breakdown of property development revenue by programme

(in € millions)	2019/2020	2018/2019
Senioriales	65.4	76.5
Center Parcs Lot-et-Garonne	32.6	-
Pierre & Vacances premium Méribel	31.4	22.7
Pierre & Vacances premium Deauville	7.9	3.4
Pierre & Vacances Avoriaz Arietis	8.4	5.4
Pierre & Holidays Spain	5.9	8.3
Villages Nature® Paris	0.9	1.1
Adagio access Lille	-	7.8
Marketing fees	11.6	18.1
Other	8.5	6.4
Revenue from programs	**172.6**	**149.7**
Revenue associated with CPE sale-renovation transactions	**102.4**	**158.1**
TOTAL REVENUE FROM PROPERTY DEVELOPMENT	**275.0**	**307.7**

Revenue from property development stood at €275.0 million in 2019/2020.

- It integrates the following programmes:
- the Senioriales, with 6 programmes delivered during the year (Noisy le Grand, Mordelles, Cesson-Sévigné, Sannois, Le Teich and Saint Avé);
- the new Center Parcs Les Landes de Gascogne in Lot-et-Garonne with 446 units, for which work began during the financial year with a planned delivery in the spring of 2022;
- the Pierre & Vacances mountain residences with Méribel delivered in December 2019 and Avoriaz Ariétis delivered in February 2020;
- the sale of accommodation at the residences located in Salou and Empuriabrava in Spain and already operated by the Group.

Revenue from property development activities also includes the contribution of Center Parcs sale-renovation operations. Revenue from these operations stood at €102.4 million in 2019/2020, compared with €158.1 million in 2018/2019.

Deliveries (number of units)

	2019/2020	2018/2019
Palaiseau	-	110
Lille	-	79
TOTAL ADAGIO	**-**	**189**
Méribel	95	-
Avoriaz Arietis	39	-
TOTAL PIERRE & VACANCES	**134**	**-**
SENIORIALES	**552**	**222**
TOTAL	**686**	**411**

Property reservations including VAT

	2019/2020	2018/2019	Change
Property reservations excluding block sales			
New			
Reservations *(in € millions)*	104.2	137.9	-24.4%
Number of apartments	372	518	-28.2%
Average price *(in € thousands)*	280.1	266.2	+5.2%
Resale(1)			
Reservations *(in € millions)*	45.8	65.9	-30.5%
Number of apartments	304	446	-31.8%
Average price *(in € thousands)*	150.7	147.8	+2.0%
Senioriales			
Reservations *(in € millions)*	50.2	52.5	-4.4%
Number of apartments	225	238	-5.5%
Average price *(in € thousands)*	223.1	220.6	+1.1%
TOTAL EXCLUDING BLOCK SALES			.
Reservations *(in € millions)*	**200.2**	**256.2**	**-21.9%**
Number of apartments	**901**	**1,202**	**-25.0%**
Average price *(in € thousands)*	**222.2**	**213.1**	**+4.3%**
Property reservations – block sales			
Reservations *(in € millions)*	97.2	432.1	-77.5%
Number of apartments	256	1,737	-85.3%
Average price *(in € thousands)*	379.7	248.8	+52.6%
TOTAL			
Reservations *(in € millions)*	**297.4**	**688.3**	**-56.8%**
Number of apartments	**1,157**	**2,939**	**-60.6%**
Average price *(in € thousands)*	**257.0**	**234.2**	**+9.7%**

(1) The Group's re-sale business is a means of stimulating a secondary market of apartments operated by the Pierre & Vacances Group. Owners wishing to sell their property can contact the Group, which puts them in contact with potential buyers interested in purchasing a property with a Group lease. This business generates commission of around 6% on the selling price.

Reservation contracts enable buyers to pay a deposit to reserve a property asset currently being built or renovated with a seller.

Group and non-Group property development revenue (value of reservations signed over the financial year, net of cancellations during the same period) reached €297.4 million, corresponding to 1,157 reservations, compared with €688.3 million (2,939 reservations) in 2018/2019.

Excluding block sales, reservations were worth €200.2 million, corresponding to 901 units reserved, compared with €256.2 million (1,202 units) in 2018/2019.

The 2018/2019 financial year saw 3 significant block sales of Domaines Center Parcs in the context of sale- renovation transactions for a total of €285.2 million.

Principal stock of apartments marketed at 30 September 2020

Programmes	New/Renovation	Opening	No. of units	% reserved
Excluding third-party marketing				
Deauville Presqu'île de la Touques	N	2018	133	100%
Deauville Presqu'île de la Touques T2	N	2021	28	96%
Méribel	N	2019	95	100%
Villages Nature® Paris 1	N	2017/2018	916	98%
Avoriaz Arietis	N	2020	39	95%
CP Lot-et-Garonne	N	2022	446	23%
Senioriales	N		4,272	93%
TOTAL GROUP			**5,929**	**89%**

5.1.2 Group income

(in € millions)	2019/2020	2018/2019	Change
Revenue	1,297.8	1,672.8	-375.0
OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**-171.5**	**30.9**	**-202.4**
Tourism	**-155.3**	**29.6**	**-184.9**
Tourism Villages Nature® Paris	*-10.1*	*-5.5*	*-4.6*
Tourism outside Villages Nature® Paris	*-145.2*	*35.1*	*-180.3*
Property development	**-16.2**	**1.3**	**-17.5**
Other operating income and expenses	-133.6	-9.7	-123.9
Financial expenses	-22.2	-20.8	-1.4
Share of net income (loss) of equity-accounted investments	-1.0	0.9	-1.9
PRE-TAX PROFIT (LOSS)	**-328.3**	**1.3**	**-329.7**
Taxes in the financial year	-7.8	-34.4	+26.6
NET PROFIT (LOSS)	**-336.1**	**-33.0**	**-303.1**
Attributable to owners of the Company	*-336.2*	*-33.0*	*-303.1*
Non-controlling interests	*0,1*	*-*	*-*

The Group's operating profit (loss) from ordinary activities amounted to -€171.5million (vs €30.9 million in 2018/2019), strongly impacted by the effects of the COVID-19 crisis on the Group's activities.

Tourism business

After a strong upstream growth dynamic during the first lockdown, with a 17% increase in operating profit (loss) from ordinary activities, i.e. +€18 million, the Group recorded a decrease in revenue of -€388 million over the rest of the year, resulting in a loss of approximately -€203 million in operating profit (loss) from ordinary activities due to savings (partial activity and non-payments[1] of rents mainly).

The initial savings achieved as part of the Change Up plan also offset the costs of implementing health measures at sites and at the Head Office.

Operating profit (loss) from ordinary tourism activities totalled -€155 million, versus +€29.6 million in 2018/2019.

Property development activities

Operating profit (loss) from ordinary property development activities amounted to €-16 million, impacted by lower Senioriales business and, more generally, by a slowdown in real estate reservations and the delayed launch of certain projects.

Operating profit (loss) from ordinary activities in 2019 included the significant contribution of divestment and renovation operations postponed from 2018 to 2019, partially offset by additional costs for Domaine Allgaü (net impact of +€12 million).

(1) on the principal basis of inexecution exception

Other operating income and expenses amounted to -€133.6 million. They notably include, beyond Group restructuring costs (-€33.5 million, in line with the projections of the Change Up plan), a -€61.8 million impairment of real estate inventory, mainly related to the abandonment of the Center Parcs project in Roybon (-€41 million) and to the subsequent review of other projects in France (definition of alternative projects in order to strengthen their acceptability). In addition, the current context has led the Group to write down the value of certain intangible assets for an amount of approximately -€30 million. The costs related to the withdrawal of sites amounted to nearly -€5 million.

Net financial expenses amounted to -€22.2 million, an increase compared to the 2018/2019 financial year, notably due to additional interest charges related to the prudential drawdown of credit lines prior to the crisis (these lines were repaid at 30 September 2020) and to the State-guaranteed loan obtained in June 2020.

Income tax expense mainly concerns a reversal of deferred tax assets in France and Spain, related to the updating of short-term business projections following the COVID crisis.

The Group's net loss amounted to -€336.1 million for the 2019/2020 financial year (vs -€33.0 million in 2018/2019), in a context of unprecedented crisis.

5.1.3 Investment spending and financial structure

5.1.3.1 Main cash flows

(in € millions)	**2019/2020**	**2018/2019**
Cash flows (after interest and tax)	-223.0	+34.5
Change in working capital requirements	+66.9[1]	+32.2[1]
Cash flow from operating activities	**-156.1**	**+66.7**
Net operational investment spending	-40.1	-54.7
Net financial investment	+0.8	+7.5
Cash flow from investment activities	**-39.3**[1]	**-47.2**[1]
OPERATIONAL CASH FLOWS	**-195.4**	**+19.5**
Acquisitions and disposals of treasury shares	+0.1	-0.1
Change in loans and other borrowings	+280.1	-13.2
CASH FLOW FROM FINANCING ACTIVITIES	**+280.2**	**-13.3**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**+84.8**	**+6.3**

(1) Reclassification of the inflow of income from equity-accounted investments (+€1.5 million in 2019/2020 and +€5.5 million in 2018/2019) from cash flows from investment activities to cash flows from operating activities (change in WCR).

In 2019/2020, **the Group's tourism and property development businesses** generated a cash resource of -€156.1 million, compared with +€66.7 million the previous year.

This change is the result of:

- a lower self-financing capacity (-€223.0 million, compared with +34.5 million in 2018/2019), mainly resulting from operating losses related to the impact of the COVID-19 crisis on the Group's activities and exceptional costs related in particular to the implementation of the Change Up plan;
- partially offset by the change in working capital requirements (+66.9 million compared with +€32.2 million the previous year), notably due to:
  - the issue of customer credit notes following the cancellation of holiday stays in the context of the health crisis,
  - the decrease in the net value of real estate inventories (mainly the abandonment of the CP Roybon project, with no cash impact, partially offset by the work on Center Parcs Lot-et-Garonne and a Pierre & Vacances residence in Avoriaz in particular).

Net cash flows from investing activities amounted to -€39.3 million and mainly included:

- net investments of €29.4 million in site operation, including:
  - €19.4 million of net investments for the renovation and improvement of the product mix for all Center Parcs Europe villages, including an investment of €7.2 million in Belgian villages, €5.1 million in Dutch villages, €4.0 million in French villages, and €3.1 million in German villages,
  - €12.9 million of net investments in residences and villages operated under the Pierre & Vacances Tourisme Europe brand, including €9.9 million in residences and villages in mainland France, €1.7 million to renovate villages in the French West Indies, and €1.3 million in residences in Spain,
  - net of the disposal of certain assets in the amount of €2.9 million;
- investments made at the holding company and Senioriales amounting to €1 million;

- investments in IT systems (technical and functional improvements) in the amount of €12.3 million (IT servers, websites, CRM, etc.), net of disposals of IT solutions for €2.6 million.

Net cash flow from financing activities amounted to +€280.2 million and mainly included:

- the State-guaranteed loan obtained in June 2020 for a nominal amount of €240 million;
- loans taken out by the Group in connection with the property development of the CP in Lot-et-Garonne (€27.7 million) and a residence in Avoriaz (€12.5 million);
- real estate support loans (net of repayments) amounting to €1.6 million (mainly Senioriales programmes);
- a loan contracted in Spain as part of the health crisis management in the amount of €1.0 million
- the annual amortisation of financial liabilities corresponding to finance leases for €2.7 million.

5.1.3.2 Balance sheet items

Structure of statement of financial position

Given the management principles adopted by the Pierre & Vacances-Center Parcs Group in its tourism and property development businesses, the following points should be noted regarding the contribution of these two businesses to the consolidated statement of financial position.

Tourism business

The tourism business is not particularly capital intensive since the Group does not intend to own the villages or residences that it operates. As such, investment spending primarily concerns:

- furniture for apartments sold unfurnished to individual investors;
- general services for the residences;
- leisure facilities for holiday villages (swimming pools, sports and recreational facilities, children's clubs, etc.);
- some of the commercial premises (restaurants, bars, seminar rooms, etc.).

Ownership of these assets is a guarantee of the Group's long-term management of the sites concerned.

However, it should be noted that, for Center Parcs, the leases entered into with institutional investors, investments in central facilities and cottages are borne by the Group.

Working capital requirements in the tourism business are structurally negative, but vary significantly over the financial year depending on the season.

Property development business

Concerning the Group's property development businesses, the construction of new property programmes should be distinguished from property renovation activities.

- New developments of Pierre & Vacances residences and villages in France generally require little capital and have the following financial characteristics:
  - the capital required to fund each new residence is equivalent to around 10% of the cost price before tax;
  - bridging loans are set up for each transaction;
  - the relative size of working capital requirement items on the statement of financial position (accounts receivable, work in progress, deferred income and prepayments) is significant.

  Sales signed with a notary and not yet recognised in earnings are booked to the statement of financial position as current liabilities. At the same time, expenses incurred on these same transactions are booked as work in progress. Revenue and margins on property development programmes are reported using the percentage of completion method. The percentage of completion is calculated by multiplying the percentage of construction progress by the percentage of revenue from property sales signed at a notary's office.

  As a result of the marketing approach (off-plan sales) and pre-marketing conditions that it sets for itself before construction begins, the Group has low levels of stock of land and completed properties.
- The new Center Parcs villages programmes and, in particular, construction of facilities on behalf of institutional investors, generally result in a temporary deterioration in working capital requirements since the Group pre-finances some of these expenditures and works.
- As part of the renovation real estate business carried out on behalf of the institutional owners of existing Domaines Center Parcs to be renovated, in particular in the context of sale-renovation transactions, the Pierre & Vacances-Center Parcs Group may be required to temporarily carry certain assets (purchase options from institutional owners subject to pre-marketing conditions), or to pre-finance certain works in the event that the funds received from investors are not released until delivery of the renovated property (rules specific to certain countries).

Simplified statement of financial position

(in € millions)	30/09/2020	30/09/2019	Changes
Goodwill	140.0	158.9	-18.9
Net fixed assets	362.3	383.7	-21.4
Assets under finance lease	86.1	91.7	-5.6
TOTAL INVESTMENTS	**588.4**	**634.3**	**-45.9**
Equity	-83.9	251.4	-335.3
Provisions for risks and charges	111.2	76.2	35.0
Net financial debt	330.6	130.9	199.7
Debt related to assets under finance lease	94.7	97.7	-3.0
WCR and others	135.8	78.1	57.7
TOTAL RESOURCES	**588.4**	**634.3**	**-45.9**

The net carrying amount of goodwill totalled €140.0 million.

The main goodwill which in turn mainly concerns the Tourism Europe division (€138.2 million).

Goodwill recorded in respect of Senioriales (€18.9 million), was fully written down at 30 September 2020 following the updating of short/medium-term business projections in the context of the COVID crisis.

Net fixed assets at 30 September 2020 include:

- €124.9 million of intangible assets; this amount mainly includes the €85.9 million net value of the Center Parcs brand;
- €191.6 million in property, plant and equipment; this amount mainly includes investments made on assets used for the operation and marketing of the Center Parcs and Sunparks brand villages for a net value of €115.3 million and the Pierre & Vacances Tourisme Europe brand villages and residences for a net value of €71.8 million;
- non-current financial assets of €35.9 million, consisting primarily of guarantee deposits paid to property owners and to lessors and suppliers;
- €9.1 million in equity-accounted investments, the net value of which mainly includes the Group's interest in the Adagio joint venture (50%) and the Beau Village Limited joint venture in China (44%);
- €0.8 million in non-consolidated investments in associates and other long-term equity investments.

The decrease in net fixed assets (-€21.4 million) is mainly due to:

- depreciation, amortisation and provisions/impairment for the period (-€47.9 million, including -€5.3 million in impairment of the Sunparks and Senioriales brands);
- decrease in the net value of equity-accounted investments (-€9.1 million), mainly due to the lower earnings of the entities in the Adagio sub-group, which were particularly affected by the crisis;
- after deduction of investments made in the framework of tourism operations, in the amount of €33.3 million, and in the development of IT systems, in the amount of €12.3 million, net of the disposal of certain assets for €8.0 million (including €4.8 million of intangible assets, mainly related to scrapping of IT solutions).

The amount of assets under finance leases corresponds mainly to the finance leases for the central equipment of Domaine du Lac d'Ailette.

Equity totalled -€83.9 million at 30 September 2020, (compared with €251.4 million at 30 September 2019), after taking into account:

- net income for the period of -€336.1 million;
- an increase in equity before earnings of +€0.8 million due notably to the IFRS accounting of actuarial differences on retirement benefit obligations, stock options and treasury shares.

Provisions for risks and expenses totalled €111.2 million at 30 September 2020, compared with €76.2 million at 30 September 2019.

At 30 September 2020, provisions for risks and expenses primarily consisted of:

- provisions for risks in relation to shares in equity-accounted companies: €59.8 million (principally, Villages Nature®);
- provisions for pensions: €15.3 million;
- provisions for renovations: €8.7 million;
- provisions for disputes, restructuring costs and site closures: €27.4 million.

The increase in provisions for risks and charges (+€35.0 million) is mainly related to the increase in the provision for the shares of Villages Nature® companies (+€15.6 million) and to provisions related to the reorganisation of the Group in connection with the Change Up project (+€18.1 million).

Net financial debt (Bank Debt/bonds minus net cash) outsourced by the Group at 30 September 2020 breaks down as follows:

(in € millions)	30/09/2020	30/09/2019	Changes
Bank debt/bonds	**528.8**	**244.4**	**284.4**
Cash and cash equivalents (net of overdrafts drawn)	**-198.3**	**-113.5**	**-84.8**
Cash available	*-205.3*	*-114.8*	*-90.5*
Overdrafts drawn	*7.0*	*1.3*	*5.7*
NET FINANCIAL DEBT	**330.6**	**130.9**	**199.6**

Net financial debt as of 30 September 2020 (€330.6 million) mainly corresponds to:

- the State-guaranteed loan obtained in June 2020 for a nominal amount of €240 million;
- the ORNANE issue in December 2017 for a principal amount of €100 million;
- the "Euro PP" bonds issued respectively in July 2016 for a par value of €60 million and in February 2018 for a par value of €76 million;
- loans taken out by the Group to finance property development programmes intended for sale in the amount of €49.1 million (including €27.7 million for the Lot-et-Garonne CP programme, €12.5 million for the Avoriaz programme and €8.9 million in Senioriales support loans);
- overdrafts drawn in the amount of €7.0 million;
- net of available cash, in the amount of €205.3 million.

In 2019/2020, the Group also benefited from a number of arrangements in terms of financing, in particular with an exemption for the financial ratio on 30 September 2020 and an easing of that to respect on 30 September 2021, which can be renegotiated depending on developments in the second wave of Covid-19 and the impacts on the tourism operations. Elsewhere, the maturity on the €200 million revolving credit line, initially maturing in March 2021, was prolonged by 18 months.

At 30 September 2020, the Group had €450 million in liquidity (available cash to which are added €250 million in revolving credit and undrawn overdraft lines).

5.1.4 Outlook

A second wave of the Covid-19 pandemic led various European governments to take new restrictive measures as of early November. The Group has therefore been obliged to close all of its PV and CP sites in France, Germany and Belgium, for a period of four weeks minimum as of 2 November 2020. So far, only the Center Parcs Domains in the Netherlands remain open, albeit with a reduced offer (closure of bars and restaurants and a limited number of people in the Aquamundo).

FY 2020/2021 will be affected by the second wave of the pandemic, however, the Group's current cash level is sufficient to overcome this new episode of the crisis.

The Group's fundamentals should enable it to rebound in the coming months to restore the trajectory of the Change Up plan, by reference to the remarkable performances of the 2020 summer period, with high levels of activity, sometimes higher than those of the 2019 summer period.

5.1.5 Reconciliation tables

Preamble

As recalled above, operational reporting is more representative of the performance and economic reality of the contribution of each of the Group's business lines, i.e.:

- excluding the impact of the application of IFRS 16 for all financial statements, applied for the first time in FY 2019/2020;
- with the presentation of joint ventures under proportional consolidation (i.e. excluding the application of IFRS 11) for income statement items (with no change compared to the presentation of the Group's historical operational reporting).

It should be recalled that the Group's operational reporting as monitored by Management, in accordance with IFRS 8, is presented in Note 3 – Information by operating segment in the notes to the consolidated financial statements at 30 September 2020.

The reconciliation tables in relation to the primary financial statements are therefore presented below:

Income statement

(in € millions)	FY 2020 operational reporting	IFRS 11 adjustments	Impact IFRS16	FY 2020 IFRS
Revenue	1,297.8	-59.2	-67.0	1,171.5
Purchases and external services	-1,054.3	+55.1	+377.3 (1)	-621.9
Operating income and expenses	-354.4	+16.5	+4.6	-333.3
Depreciation and amortisation/provisions	-60.6	+4.1	-253.5	-310.0
OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**-171.5**	**+16.5**	**+61.4**	**-93.7**
Other operating income and expenses	-133.6	+0.2	0.0	-133.4
Financial income (expense)	-22.2	+2.5	-150.5	-170.2
Share income from equity affiliates	-1.0	-19.2	-5.0	-25.2
Income tax	-7.8	-	+5.1	-2.6
NET PROFIT (LOSS)	**-336.1**	**-**	**-89.0 (2)**	**-425.1**

(1) Of which Cost of sales: +€66.3 million, Rents: +€311.0 million.
(2) Primarily related to the non-application of the IFRS 16 amendment; the impact on the income statement of the non-payment of rents is spread over the residual duration of the leases in the accounts.

(in € millions)	FY 2019 operational reporting	IFRS 11 adjustments	FY 2019 IFRS
Revenue	1,672.8	-77.8	1,595.0
OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**30.9**	**-0.6**	**30.2**
Other operating income and expenses	-9.7	+0.1	-9.6
Financial income (expense)	-20.8	+2.3	-18.5
Share income from equity affiliates	0.9	-3.5	-2.5
Income tax	-34.4	+1.7	-32.7
NET PROFIT (LOSS)	**-33.0**	**-**	**-33.0**

Balance sheet

(in € millions)	FY 2020 operational reporting	Impact IFRS16	FY 2020 IFRS
Goodwill	140.0	-	140.0
Net fixed assets	362.3	-2.5	359.8
Assets under finance lease/Rights of use	86.1	+2,247.8	2,333.9
ASSETS	**588.4**	**+2,245.3**	**2,833.7**
Equity	-83.9	-477.3	-561.2
Provisions for risks and charges	111.2	+6.9	118.1
Net financial debt	330.6	-	330.6
Debt related to assets under finance leases/Lease obligations	94.7	+2,789.5	2,884.2
WCR and others	135.8	-73.9	61.9
LIABILITIES	**588.4**	**+2,245.3**	**2,833.7**

Cash flow statement

(in € millions)	FY 2020 operational reporting	Impact IFRS16	FY 2020 IFRS
Cash flows after interest and tax	-223.0	+160.4	-62.6
Change in working capital requirements	+66.9	+8.4	+75.3
Cash flow from operating activities	**-156.1**	**+168.8**	**12.7**
Net operational investment spending	-40.1	-	-40.1
Net financial investment	+0.8	-	+0.8
Cash flow from investment activities	**-39.3**	**-**	**-39.3**
Operational cash flows	**-195.4**	**+168.8**	**-26.6**
Cash flow from financing activities	**+280.2**	**-168.8**	**+111.4**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**+84.8**	**-**	**+84.8**

IFRS 11 adjustments

The Group's operational reporting continues to consolidate joint ventures using the proportionate method, considering this presentation to be a better reflection of its performance measurement. In contrast, joint ventures are consolidated under equity associates in the consolidated IFRS accounts.

Impact of IFRS 16

IFRS 16 "Leases" is mandatory for reporting periods beginning on or after 1 January 2019, i.e. Pierre & Vacances-Center Parcs Group's 2019/2020 financial year.

The Group has opted for the simplified retrospective transition method, with a retrospective calculation of right-of-use assets. Choosing this method implies that previous periods will not be restated.

As presented in the Note on Accounting Principles and Methods in the notes to the Group's consolidated financial statements, the application of IFRS 16 leads to:

- recognising all lease commitments in the balance sheet, without distinction between operating and finance leases, with the recognition:
  - of an asset representing the right to use the leased asset during the term of the lease,
  - of a liability in respect of the obligation to pay rents.

  The rental expense is cancelled against the repayment of the debt and the recognition of financial interest. The right of use is amortised on a straight-line basis over the term of the lease;
- cancelling, in the consolidated financial statements, a share of revenue and capital gains on disposals made in the context of property development transactions with third parties (taking into account the lease contracts held by the Group). Given that the Group's business model is based on two distinct businesses, as monitored and presented in its operational reporting, adjustment for this would not measure and reflect the underlying performance of the Group's property development business, and for this reason in its financial communication, the Group continues to present property development operations as they are recorded from its operating monitoring.

5.2 Consolidated financial statements

5.2.1 Consolidated income statement

(in € thousands)	Notes	2019/2020[1]	2018/2019
Revenue	27	1,171,518	1,594,967
Purchases and external services	28	-621,925	-1,124,744
Employee expenses	29	-318,870	-378,166
Depreciation, amortisation and impairment	30	-309,984	-53,220
Other operating income on ordinary activities	31	13,758	7,968
Other operating expenses on ordinary activities	31	-28,159	-16,574
OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**3**	**-93,662**	**30,231**
Other operating income and expenses	32	-133,447	-9,590
OPERATING INCOME	**3**	**-227,109**	**20,641**
Financial income	33	1,719	2,173
Financial expenses	33	-171,906	-20,634
FINANCIAL INCOME (EXPENSE)		**-170,187**	**-18,461**
Income tax	34	-2,627	-32,662
Share of net income (loss) of equity-accounted investments	9	-25,181	-2,543
PROFIT (LOSS) FOR THE YEAR		**-425,104**	**-33,024**
Of which:			
◆ attributable to owners of the Company		-425,249	-33,023
◆ non-controlling interests		145	-1
Basic earning per share, attributable to owners of Company *(in €)*	35	-44.51	-3.46
Diluted earning per share, attributable to owners of Company *(in €)*	35	-44.51	-3.46

(1) *The income statement for 2019/2020 includes restatements related to the first-time adoption of IFRS 16.*

5.2.2 Statement of comprehensive income

(in € thousands)	FY 2019/2020	FY 2018/2019
PROFIT (LOSS) FOR THE YEAR	**-425,103**	**-33,024**
Translation adjustments	-133	86
Effective portion of gains and losses on hedging financial instruments	-	-
Deferred tax	-	-
Other comprehensive income (loss) that may be reclassified subsequently to profit or loss, net of tax	**-133**	**86**
Actuarial gains and losses on retirement benefit obligations after tax	456	-1,355
Other comprehensive income (loss) that will not be reclassified subsequently to profit or loss, net of tax	**456**	**-1,355**
Other comprehensive income (loss), net of tax	**323**	**-1,269**
TOTAL COMPREHENSIVE INCOME	**-424,780**	**-34,293**
Including:		
◆ attributable to owners of the company	-424,925	-34,292
◆ non-controlling interests	145	-1

5.2.3 Consolidated statement of financial position

Assets

(in € thousands)	Notes	30/09/2020	30/09/2019
Goodwill	4	140,025	158,951
Intangible assets	5	124,917	130,683
Property, plant and equipment	7	191,622	288,351
Right of use	8	2,333,891	-
Equity-accounted investments	9	6,601	18,184
Non-consolidated investments in associates and other long-term equity investments	10	804	437
Other non-current financial assets	11	35,866	37,791
Deferred tax assets	34	87,598	59,284
NON-CURRENT ASSETS	**3**	**2,921,324**	**693,681**
Inventories and work in progress	12/13/25	150,922	177,701
Trade receivables	14/25	280,498	252,358
Other current assets	15/25	207,844	185,411
Current financial assets	14/24	112,485	93,599
Cash and cash equivalents	16	205,324	114,806
CURRENT ASSETS	**3**	**957,073**	**823,875**
TOTAL ASSETS	**3**	**3,878,397**	**1,517,556**

Liabilities

(in € thousands)	Notes	30/09/2020	30/09/2019
Share capital	17	98,935	98,052
Share premiums		20,359	21,241
Treasury shares		-5,483	-5,562
Capital increase		480	157
Reserves		-250,438	170,559
Consolidated profit (loss)		-425,249	-33,023
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**-561,396**	**251,424**
Non-controlling interests		168	23
EQUITY	**17**	**-561,228**	**251,447**
Long-term borrowings	19	518,138	330,075
Long-term lease obligations	22	2,671,614	-
Non-current provisions	18	96,876	68,299
Deferred tax liabilities	34	10,094	9,628
Other non-current liabilities	24/25	9	9
NON-CURRENT LIABILITIES	**3**	**3,296,731**	**408,011**
Short-term borrowings	19	17,750	13,299
Current provisions	18	21,219	7,910
Short-term lease obligations	22	212,591	-
Trade payables	23/25	265,998	340,388
Other current liabilities	24/25	608,904	476,681
Current financial liabilities	24/25	16,432	19,820
CURRENT LIABILITIES	**3**	**1,142,894**	**858,098**
TOTAL EQUITY AND LIABILITIES		**3,878,397**	**1,517,556**

5.2.4 Consolidated statement of cash flows

(in € thousands)	Notes	2019/2020	2018/2019
Operating activities			
Consolidated profit (loss)		**-425,104**	**-33,024**
Depreciation, amortisation and impairment of non-current assets		345,612	44,410
Expenses on grant of share options		2,441	1
Gain (loss) on disposal of assets		2,491	-794
Share of profit (loss) of equity-accounted investments		25,181	2,543
Costs of net financial debt	33	14,085	18,700
Interest expense on lease contracts IFRS 16	33	156,354	-
Gains/Losses on leases IFRS 16		-3,981	-
Income taxes (including deferred taxes)	34	2,627	32,662
Operating cash flows before change in working capital requirements		**119,705**	**64,498**
Net interest paid		-13,133	-17,756
Interest on IFRS 16 lease		-156,354	
Taxes paid		-12,862	-12,195
Cash flows after interest and tax		**-62,643**	
Change in working capital requirements (including in employee benefits liability)		73,742	26,637
Inventories and work in progress	12/13/25	26,779	2,650
Other working capital items	25	46,963	23,987
NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES (I)		**11,098**	**61,183**
Investing activities			
Acquisitions of property, plant and equipment, and intangible assets	5/7	-45,605	-57,970
Purchases of financial assets		-1,461	-3,915
Acquisitions of subsidiaries (net of acquired cash)	10	261	-1,769
Subtotal of disbursements		**-46,806**	**-63,654**
Proceeds from disposals of property, plant and equipment, and intangible assets		5,455	3,254
Disposals of financial assets		1,960	11,206
Divestments of subsidiaries (net of cash paid)		-	2,010
Subtotal of receipts		**7,415**	**16,470**
Dividends received (or inflow of income) from equity-accounted investments		1,521	5,531
NET CASH FROM (USED IN) INVESTING ACTIVITIES (II)		**-37,871**	**-41,653**
Financing activities			
Acquisitions and disposals of treasury shares	17	98	-73
Proceeds from new loans and other borrowings	19	286,860	7,187
Payables on Other Contracts IFRS16		-506	-
Repayment of loans and other borrowings	19	-3,901	-20,474
Repayment of lease liabilities	22	-171,021	-
Impact of exchange rate effects and miscellaneous		-	90
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (III)		**111,529**	**-13,269**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (IV = I + II + III)		**84,757**	**6,261**
Cash and cash equivalents at start of the reporting period (V)	16	113,517	107,256
Cash and cash equivalents at reporting date (VI = IV + V)	16	198,273	113,517

5.2.5 Consolidated statement of changes in equity

(in € thousands)	Number of shares	Share capital	Share premiums	Treasury shares	Translation adjustments	Fair value reserves (mainly hedging financial instruments)	Reserves	Consolidated profit (loss)	Equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
BALANCE AS AT 30 SEPTEMBER 2018 – RESTATED[(1)]	**9,804,565**	**98,045**	**21,248**	**-5,588**	**-157**	**79**	**218,198**	**-46,035**	**285,791**	**23**	**285,814**
Other elements of comprehensive income	-	-	-	-	86	-	-	-	86	-	86
Actuarial gains and losses on retirement benefit obligations	-	-	-	-	-	-	-1,355	-	-1,355	-	-1,355
Net Profit (loss)	-	-	-	-	-	-	-	-33,023	-33,023	-	-33,023
Total comprehensive income	**-**	**-**	**-**	**-**	**86**	**-**	**-1,355**	**-33,023**	**-34,292**	**-**	**-34,292**
Capital increase	-	7	-7	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Change in treasury shares held	-	-	-	26	-	-	-99	-	-73	-	-73
Share-based payment expenses	667	-	-	-	-	-	-1	-	-1	-	-1
Other movements	-	-	-	-	-	-1	-	-	-1	-	-1
Allocation of profit for the year	-	-	-	-	-	-	-46,035	46,035	-	-	-
BALANCE AT 30 SEPTEMBER 2019	**9,805,232**	**98,052**	**21,241**	**-5,562**	**-71**	**78**	**170,708**	**-33,023**	**251,424**	**23**	**251,447**
Other elements of comprehensive income	-	-	-	-	-133	-	-	-	-133	-	-133
Actuarial gains and losses on retirement benefit obligations	-	-	-	-	-	-	456	-	456	-	456
Net Profit (loss)	-	-	-	-	-	-	-	-425,249	-425,249	145	-425,104
Total comprehensive income	**-**	**-**	**-**	**-**	**-133**	**-**	**456**	**-425,249**	**-424,926**	**145**	**-424,781**
Impact of the new IFRS 16 standards	-	-	-	-	-	-	-388,317	-	-388,317	-	-388,317
Impact of the new IFRIC 23 standards	-	-	-	-	-	-	-2,117	-	-2,117	-	-2,117
Capital increase	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Change in treasury shares held	-	-	-	79	-	-	19	-	98	-	98
Share-based payment expenses	88,231	883	-883	-	-	-	2,441	-	2,441		2,441
Other movements	-	-	-	-	-	-	-	-	-	-	-
Allocation of profit for the year	-	-	-	-	-	-	-33,023	33,023	-	-	-
BALANCE AT 30 SEPTEMBER 2020	**9,893,463**	**98,935**	**20,359**	**-5,483**	**-204**	**78**	**-249,833**	**-425,249**	**-561,396**	**168**	**-561,228**

(1) These data were restated for the impacts of the interpretation of IAS 23 published in December 2018 – see Note 1.2.

5.2.6 Notes to the consolidated financial statements

Summary of notes to the consolidated financial statements

Preamble

Pierre et Vacances is a French Public Limited Company (société anonyme), governed by a Board of Directors and listed on Euronext Paris.

The consolidated financial statements reflect the financial position of Pierre et Vacances and its subsidiaries (hereinafter referred to as "the Group"), as well as its interests in associates and joint ventures. The consolidated financial statements are presented in euros, rounded to the nearest thousand.

The Board of Directors approved the Group's consolidated financial statements for the financial year ended 30 September 2020 on 24 November 2020.

Note 1 Accounting principles

1.1 - General framework

Pursuant to European Regulation no. 1606/2002 of 19 July 2002, the consolidated financial statements for the 2019/20 financial year have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union at 30 September 2020 (these standards are available at http://ec.europa.eu/finance/accounting/ias/index_en.htm).

The IFRS accounting standards include IFRS, IAS (International Accounting Standards) and their IFRIC (International Financial Reporting Interpretations Committee) and SIC (Standing Interpretations Committee) interpretations.

These standards and interpretations used for the 2019/2020 financial year are the same as those applied in the Group's consolidated financial statements for the 2018/2019 financial year, except for those adopted by the European Union which must be applied for the first time in the financial year beginning 1 October 2019 and for which the Group had not elected for early adoption (see section 1.2 – Changes in accounting standards).

1.2 - Changes in accounting standards

New standards and interpretations, which must be applied for the first time in the financial year beginning 1 October 2019, were used to prepare the financial statements for the 2019/2020 financial year.

The new standards, interpretations and amendments applied by the Group for the 2019/2020 financial year and not applied in advance in the financial statements for the 2018/2019 financial year include the following:

- amendments to IAS 19 "Amendment, curtailment or settlement of a plan";
- amendments to IAS 28 "Long-term interests in associates and joint ventures";
- amendments to IFRS 9 "Early redemption clause providing for negative netting";
- IFRS 16 on leases and IFRIC decision released on 16 December 2019;
- IFRIC 23 on tax uncertainties.

The impact of the first-time adoption of IFRS 16 and IFRIC 23 is presented below. Conversely, the amendments to IAS 19, IAS 28 and IFRS 9 have no impact on the Group's consolidated financial statements.

a. IFRS 16 – Leases

Accounting principles and method used

Since the 1 October 2019, the Group applies IFRS 16 on leases, which replaces IAS 17 and related interpretations.

The application of this standard leads to the recognition in the balance sheet of all lease commitments, without distinction between operating leases (until now recognised as off-balance sheet commitments) and finance leases.

IFRS 16 introduces a single model for recognising contracts on the lessee's balance sheet, with:

- an asset representing the right to use the leased asset during the term of the lease;
- a liability in respect of the obligation to pay future rent.

The rental expense is replaced by interest expense and the straight-line amortisation expense over the lease term of the right of use.

The Group has elected to apply the simplified retrospective method, without restatement of comparative periods, with retrospective calculation of the right of use for all contracts, whereby the right of use has been measured by determining its carrying amount as if IFRS 16 had been applied from the inception of the contract, discounted at the Group's marginal borrowing rate at the date of first application. As a result, reclassifications and adjustments resulting from the first-time adoption of IFRS 16 are recognised in the opening balance sheet at 1 October 2019.

The Group has also adopted several simplification measures proposed by the standard at the transition date:

- exemption for contracts with a residual term of less than 12 months or relating to assets with a unit value of less than US$5,000, for which rents continue to be recognised as operating expenses;
- the total term of the leases (and not their residual term) is taken into account in determining the marginal borrowing rate applicable at the transition date;
- recognition of deferred tax on the difference between the tax value of the right of use and its value under IFRS 16, and between the tax value of the lease obligation and its value under IFRS 16;
- at the transition date, the Group did not perform impairment tests on rights of use, as it has taken the option allowed by the standard to use the assessment made at 30 September 2019 to conclude that there were no onerous contracts within the meaning of IAS 37.

Elsewhere, as indicated in note 1.2, the Group has not applied the IFRS 16 amendment of 13 October 2020 to its consolidated accounts for 2019/2020. As such, the adjustment to leases with institutional and individual investors had a non-material impact on the consolidated accounts for 2019/2020.

Valuation of lease obligations and rights of use

The lease obligation is initially measured at the present value of the payments due over the term of the contracts.

These payments include both fixed rents (or fixed in substance) and variable rents based on an index or rate.

To determine the present value of lease payments, the Group uses its marginal borrowing rate at the effective date of the contract. This is the rate that the Group would obtain to finance an asset of identical value, in a similar economic environment and over a similar term and with similar guarantees. This rate is calculated per country, per currency, per duration, based on a risk-free yield curve and the addition of a spread specific to each country in which the Pierre & Vacances-Center Parcs Group operates.

The lease obligation is subsequently recognised at amortised cost using the effective interest rate method. At each reporting date, it is increased by the interest for the period and decreased by the amount of payments made.

It is likely to be revalued in the event of a change in the lease contract, a re-estimation of the lease term, as well as to take into account contractual variations in rents following the application of indexes or rates. In addition, in the event of early termination of a lease, the impact of the derecognition of the right of use and the rental commitment will be recorded in the income statement under other operating income and expenses.

The lease obligation is a current (less than one year) or non-current (more than one year) financial liability that is excluded from the Group's net financial debt.

The right of use is initially measured at cost on the effective date of the contract, i.e. the date on which the underlying asset is made available to the Group.

It includes the initial amount of the lease liability, plus any prepayments or initial direct costs incurred, net of benefits received from the lessor.

The right of use is amortised on a straight-line basis over the term of the lease. This term, determined at the level of each contract, is the executory certain term, as defined by the IFRIC decision released in December 2019, taking into account, in particular, the assessment of the exercise of renewal options. The right of use may be subject to subsequent adjustments in respect of revaluations of the rental debt. It will be subject to impairment tests and reduced by any impairment losses that may have been recorded.

Variable rents

Certain leases for properties operated by the Group for tourism include variable rents based on the performance of the site concerned. These variable rents are recognised as operating expenses in the income statement in the period to which they relate and are therefore not restated under IFRS 16.

When lease agreements include a guaranteed minimum amount payable to the lessor, this guaranteed amount is treated as a fixed rent in substance, and as such is taken into account in the valuation of the lease obligation. In the absence of a guaranteed minimum rent, the rent is fully variable and as such is not restated under IFRS 16.

Impact on the main aggregates of the financial position, as at 1 October 2019

The impact of the first-time adoption of IFRS 16 on the consolidated statement of financial position at 1 October 2019 are as follows:

(in € thousands)

Assets		Liabilities	
Property, plant and equipment	-90,612	Equity	-388,317
Right of use IFRS 16	2,465,957	Long-term borrowings	-93,240
Equity-accounted investments	-4,398	Long-term lease obligations	2,694,913
Deferred tax assets	30,133		
NON-CURRENT ASSETS	**2,401,080**	**NON-CURRENT LIABILITIES**	**2,601,673**
Other current assets	- 8,933	Short-term borrowings	- 3,117
		Short-term lease obligations	237,868
		Trade payables	-55,960
CURRENT ASSETS	**- 8,933**	**CURRENT LIABILITIES**	**178,791**
TOTAL	**2,392,147**	**TOTAL**	**2,392,147**

It should be noted that the reclassifications from fixed asset and borrowings accounts to the headings of right of use and lease obligation relate to contracts previously qualified as finance leases within the meaning of IAS 17.

Reconciliation with the amount of leases not recorded in the balance sheet as at 30 September 2019

The lease obligation as at 1 October 2019 is reconciled to off-balance sheet commitments as at 30 September 2019 as follows:

(in € millions)

Operating lease commitments on real estate contracts at 30 September 2019	**3,468.0**
Finance lease liabilities	168.8
Renewal options which are reasonably certain	171.5(1)
Other contracts (head offices, passenger vehicles, etc.)	69.8(2)
Other	29.4
Undiscounted rental commitments at 1 October 2019	3,907.5
Impact of discounting	- 974.7
Lease obligation according to IFRS 16 as at 1 October 2019	**2,932.8**
Of which current portion	*2,694.9*
Of which non-current portion	*237.9*

(1) Due to non-renewal indemnities indicated in the "other commitments given" in the annual financial report for the year ended 30 September 2019.
(2) The rental commitments presented in the notes to the financial statements for the 2018/2019 financial year only related to contracts with the owners of the tourism properties operated by the Group.

Sale-leaseback transactions

IFRS 16 requires the partial recognition, up to the amount of the rights transferred, of the income on the sale of assets under sale-leaseback transactions, when these transactions are sales under IFRS 15. At Pierre & Vacances-Center Parcs, this relates to the Group's property development operations in which properties (accommodation units or central facilities) sold to individual or institutional investors are leased back by the Group for tourism operations. Renovation operations involving assets leased by the Group are also affected by this issue.

Only sale-leaseback transactions carried out after 1 October 2019, the date of first-time adoption of IFRS 16, are subject to such restatement, which has no retroactive effect on past periods.

For each sale and leaseback transaction, the Group recognises the revenue and cost of the real estate assets sold up to the amount of the share of the rights to the asset considered to have been transferred to a third party.

The share of the margin corresponding to the real estate rights which is not transferred to the lessor-investor is neutralised. This neutralisation has an impact on the revenue and cost of the real estate assets sold during the construction phase of the asset, and then on the operating profit of the tourism operating companies over the term of the lease, through the reduction in the amortisation of the right of use.

In addition, cash flows relating to these sale-leaseback transactions are presented under operating cash flows, as they are related to the Group's recurring business.

b. IFRIC 23 "Uncertainties over tax treatments".

IFRIC 23 "Uncertainty over tax treatments" deals with uncertain tax positions relating to income taxes.

It applies to any situation of uncertainty as to the acceptability of a tax treatment relating to income tax under tax law. When it is probable that the tax authorities will not accept a tax treatment, the Group recognises a tax liability. Conversely, if the Group considers it probable that the tax authorities will reimburse a tax paid, a tax receivable is recognised.

The Group reviewed its uncertain tax positions, which led it, in application of this new standard, to recognise a tax liability of €2.1 million under the "tax liabilities" heading in the consolidated statement of financial position. The first-time adoption of IFRIC 23 thus has a non-material impact on the consolidated financial statements of the Pierre & Vacances-Center Parcs Group.

The Group has opted to apply the simplified retrospective method, without restatement of comparative data. Thus, the effect of first-time adoption was recognised as of 1 October 2019 without restatement of comparative periods.

1.3 - Future standards, amendments to standards and interpretations

The following amendments have been published by the IASB but were not yet applicable as at 30 September 2020.

- "Definition of Material (Amendments to IAS 1 and IAS8)" adopted by the EU on 1 January 2020.
- "Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7" adopted by the EU on 1 January 2020.
- Amendment to IFRS 16 published on 28 May 2020 by the IASB concerning the accounting by tenants of compensation received from landlords in the context of the health and economic crisis related to COVID-19. This amendment was approved by the European Union on 13 October 2020.

1.4 - Basis of presentation

Individual financial statements of the Group's consolidated companies, which are prepared according to the accounting regulations applicable in their respective countries, are restated to comply with the Group's accounting policies.

All fully consolidated companies are consolidated on the basis of annual financial statements or positions at the reporting date of the parent company, namely 30 September.

The Group's consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which, if present at the reporting date, are recognised at their fair value: derivative financial instruments, financial assets held-for-trading and available-for-sale financial assets. The carrying amount of the assets and liabilities hedged against changes in fair value is adjusted to take into account such changes attributable to the risks hedged.

As provided for by IAS 1 "Presentation of Financial Statements", the Group reports income statement items according to their nature.

Operating profit (loss) includes "Other operating income and expenses", which essentially comprise non-recurring items such as gains and losses on disposals, restructuring expenses and impairment losses.

Statement of financial position items are classified into "current and non-current assets", and "current and non-current liabilities". The Group's current assets include cash and cash equivalents, assets held for sale and assets consumed in a normal operating cycle. All other assets are classified as non-current. Current liabilities consist of liabilities that mature in the Group's normal operating cycle or within 12 months after the reporting date. All other liabilities are classified as non-current.

The statement of cash flows is presented using the indirect method.

1.5 - Use of estimates

The annual consolidated financial statements were prepared in the context of the COVID-19 epidemic that forced the Group to close almost all of its tourism sites from the second half of March to early June, then for a period of minimum 4 weeks as of 2 November 2020, in application of emergency health measures decided by the public authorities of the countries in which the Group operates.

Faced with the uncertainties about the consequences, duration and intensity of this health crisis, the preparation of the annual financial statements required the use of more structuring judgement and assumptions than in the usual annual closing.

In this context, the main estimates made by Management for the preparation of the financial statements relate to assumptions concerning the recoverability of tax losses, the determination of the results on completion of property development programmes, the valuation of goodwill and the useful lives of operating, tangible and intangible assets, as well as the valuation of rights of use recognised in connection with the first-time adoption of IFRS 16.

It should also be recalled that these estimates are determined on a going concern basis, prepared on the basis of 12-months cashflow projections as described in the highlights. These estimates are set according to information available at the time of their preparation.

1.6 - Scope and methods of consolidation

The following consolidation methods have been used:

- full consolidation, all the companies over which the Group exercises exclusive control, directly or indirectly, in law or in fact;
- equity method, joint ventures (companies operated jointly within the context of joint control) as well as shares of companies over which the Group directly or indirectly exercises significant influence without, however, having control. Significant influence is presumed when the Group holds more than 20% of the voting rights.

  Consolidation using the equity method requires an interest in an associate or joint venture to be recognised initially at the acquisition cost, then adjusted at a later date for the net income and other comprehensive income (loss) of the associate or joint venture attributable to the owners of the Company.

  Share of net income (loss) of these entities is incorporated into the Group's consolidated profit (loss), on a specific line entitled "Share of net income (loss) of equity-accounted investments".

The results of companies acquired during the year are consolidated as from the date on which control (exclusive or joint) or significant influence begins. The results of the companies sold during the financial year are consolidated up to the date on which control or notable influence ceases.

1.7 -Foreign currency translation methods

Translation of transactions denominated in foreign currency

A company's functional currency is the currency of the primary economic environment in which the Company operates. Transactions made in a currency other than the functional currency are translated at the exchange rate in effect at the time they occur. At the reporting date, receivables and corresponding payables are converted into the functional currency at the reporting date exchange rate. The resulting translation differences are recognised in profit or loss.

Translation of foreign currency financial statements

The statement of financial position of companies whose functional currency is not the euro are translated into euros at the exchange rate of the reporting date and their income statement at the average exchange rate for the financial year.

The resulting translation differences are shown in shareholders' equity and will be recognised in profit (loss) for the financial year during which control of the business ceases.

1.8 - Business combinations

Acquisition costs

The cost of purchasing shares equals the fair value of the assets handed over, the liabilities incurred or assumed, and the equity instruments issued by the buyer on the date of purchase.

The costs directly attributable to the acquisition are recognised under other operating expenses for the period during which they are incurred.

Earn-outs, irrespective of their likelihood of payment, are recognised at fair value in liabilities or shareholders' equity as of the acquisition date; subsequent adjustments must be reported in profit (loss).

Identifiable assets, identifiable liabilities and goodwill

When they integrate the Group, the assets and liabilities that can be measured separately are reported in the consolidated statement of financial position at their fair value. Assets intended for resale are measured at their fair values less the selling costs. Goods intended for use in operation are measured at their fair value.

The fair value of brand names, as identifiable intangible assets, is determined using a multi-criteria approach generally accepted for the purpose ("relief from royalty" method, excess cash-flows method and cost approach).

The measurement of identifiable assets determines their new gross carrying amount. This serves as a basis for subsequent calculations of gains or losses on disposal, depreciation, amortisation, and impairment losses.

Goodwill represents any amount in excess of the consideration transferred and, if applicable, the difference between the value of "non-controlling interests" and the net fair value of identifiable assets and liabilities of the acquired company. Depending on the option selected for measuring these interests at the date control is acquired (fair value or share of net assets acquired), the goodwill recognised represents either the share acquired by the Group (partial goodwill) or the share of the Group and the share of the non-controlling interests (total goodwill).

If the difference is positive, it is recorded under "Goodwill" for companies consolidated by the full consolidation method and under "Equity-accounted investments" for joint ventures or companies over which the Group exercises significant influence. If the difference is negative, it is posted directly to profit or loss.

If, in the 12 months following the acquisition date, new information leads to a new assessment of the fair values of the assets and liabilities when they were included in the consolidated statement of financial position, the fair values are updated. The remeasurement will result in a change in the gross amount of the goodwill.

When a company is purchased in stages, the previous shareholding is reassessed at fair value on the date control is acquired and the difference from the net carrying amount is recognised in profit or loss.

Commitment to buy out non-controlling interests

When the Group grants purchase options on their investments to shareholders of its fully consolidated subsidiaries, it anticipates this additional purchase of shares. These commitments are recognised as financial liabilities at the discounted value of the buy-back price, along with an entry to non-controlling interests and any remaining balance being recorded in equity.

1.9 - Non-current assets held for sale and associated liabilities

Assets and liabilities that the Group decided to sell during the year are presented on a separate line item of the statement of financial position ("Non-current assets and disposal groups held for sale"), if they are available for immediate sale and the sale is highly probable.

When several assets are intended to be sold in a single transaction, the asset group and the related liabilities are measured overall at the lowest of the net carrying amount and the fair value net of the selling costs. Non-current assets classified as held for sale are no longer depreciated.

1.10 - Goodwill impairment tests

Under IFRS, goodwill is not amortised but is subject to impairment testing whenever there is an indication that it may be impaired and at least once a year at the end of the financial year, namely at 30 September.

This test is carried out in order to take account of any changes that may have reduced the profitability and value of the goodwill. Such events or circumstances include significant unfavourable changes of a permanent nature, affecting the economic environment or the assumptions and objectives adopted at the date of acquisition.

The assets are combined into cash generating units (CGUs). A CGU is the smallest group of assets generating cash flows largely independent of other asset groups. The CGU groups adopted by Pierre & Vacances-Center Parcs for assessing the recoverable amount of goodwill are the Group's operating segments used to analyse its results for internal reporting purposes.

This impairment test involves comparing the recoverable amount of the cash generating units (CGUs), or of the CGU group, with the net carrying amount of the corresponding assets, including any goodwill. Through these impairment tests, the Group ensures that the recoverable amount of goodwill is not less than the net carrying amount. The recoverable amount is the higher of the fair value less selling costs or the value in use.

If an asset is to be sold, the recoverable amount is determined based on the fair value less selling costs.

The fair value less selling costs is the selling price that could be obtained in a transaction carried out in normal market conditions between informed and consenting parties, less the costs to sell and the costs of withdrawing from the business. The asset's selling price is determined with reference to similar recent transactions or valuations made by independent experts when a sale is in the offering.

Value in use is the future net discounted cash flows that would be generated by the CGU or group of CGUs. Cash flow projections come from business plans developed internally by operating segments over an explicit period of generally 5 years. For periods beyond five years, they are estimated using a perpetual growth rate. The discount rate used is based on the average cost of capital reflecting current market assessments of the time value of money and the risks specific to the asset tested. These discount rates are after-tax rates applied to after-tax cash flows. They are used to determine recoverable amounts that are identical to those obtained using pre-tax rates applied to pre-tax cash flows.

An impairment loss is recognised in profit and loss if the carrying amount of the CGU including the goodwill item is greater than its recoverable amount. Any impairment losses are recorded in "Other operating income and expenses". Any impairment loss recognised for a goodwill item may not be reversed in future periods.

1.11 – Intangible assets

Intangible assets individually acquired are stated in the statement of financial position at their purchase cost less accumulated amortisation and impairment losses.

Intangible assets acquired as part of a business combination are reported at their fair value on the date of acquisition, separately from the goodwill if they are identifiable, that is to say if they satisfy one of the following two conditions:

- they result from legal or contractual rights; or
- they can be separated from the entity acquired.

They primarily consist of brand names.

Intangible assets include:

- brand names classed as intangible assets with indefinite useful lives, the Group having decided that there was no foreseeable limit to the period over which it expects to be able to use them.

  These assets are recorded in the statement of financial position on the basis of a valuation made at the date of acquisition by independent experts using a multi-criteria approach, which takes into account brand name awareness and expected future contribution to profits.

  Brand names are not amortised but their value is subject to a test if there is an indication that they may be impaired and at least once a year. A provision for impairment losses is reported if the amount determined using impairment tests is lower than their net carrying amount.

  The Group determines the value in use of each of its brand names by updating their carrying amounts using the same method as that used for goodwill impairment tests (i.e. discounted future cash flows generated by the business covered by the brand) or the "relief from royalty" method (projection to infinity of future royalties from the brand). Any impairment losses are reported in the income statement, under "Other operating expenses". The corresponding provision may subsequently be reversed if the value in use becomes higher than the net carrying amount;
- the other intangible assets that the Group has classified as intangible assets with definite useful lives. Essentially, these are concessions and patents that mainly include software licences and expenditure on computer programs. These non-current assets are amortised using the straight-line method over periods reflecting their useful lives, usually between three and eight years. If there is an indication of impairment loss, a valuation test is automatically carried out.

1.12 – Investment subsidies

Investment subsidies are shown on the statement of financial position as a reduction in the value of the asset for which they were received.

1.13 – Property, plant and equipment

Items of property, plant and equipment are reported in the statement of financial position at their historic acquisition cost or at their construction cost or else, for assets owned by entities consolidated for the first time, at their acquisition-date fair value less any accumulated depreciation and any reported impairment losses. Interest on capital borrowed to finance the production of property, plant and equipment items during the period prior to their being placed in service is considered to be an integral part of their construction costs.

From the date they are placed in service, property, plant and equipment items are depreciated over their useful lives, using a component-based approach and the straight-line method:

Buildings	20-54 years
Equipment, fixtures and fittings	5-16 years
Furniture	7-12 years
Other property, plant and equipment	3-4 years

Items of property, plant and equipment are considered impaired when their economic value appears lower than their net carrying amount as a result of events or circumstances occurring during the financial year.

Any impairment losses are reported in the income statement, under "Other operating income and expenses" and the corresponding provision may be subsequently reversed if the economic value becomes higher than the net carrying amount.

1.14 – Rights of use and lease obligations

Since the 1 October 2019, the Group applies IFRS 16 on leases, which replaces IAS 17 and related interpretations.

The application of this standard leads to the recognition in the balance sheet of all lease commitments, without distinction between operating leases (until now recognised as off-balance sheet commitments) and finance leases.

IFRS 16 introduces a single model for recognising contracts on the lessee's balance sheet, with:

- an asset representing the right to use the leased asset during the term of the lease;
- a liability in respect of the obligation to pay future rent.

The rental expense is replaced by interest expense and the straight-line amortisation expense over the lease term of the right of use.

The impact of the first-time adoption of this standard is detailed in Note 1.2.

1.15 – Non-current financial assets

This category mainly comprises available-for-sale financial assets, loans and receivables due from associates and non-consolidated entities, loans and security deposits that mature in more than 12 months.

Equity interests in unconsolidated companies are classified as "Available-for-sale financial assets" and therefore are recognised on the statement of financial position at their fair value. Positive and negative changes in value are recorded directly in equity. For shares listed on the stock market and for unlisted shares, fair value is an estimate of their fair value. If the fair value cannot be determined reliably, the shares are recognised at their acquisition cost. If there is an objective indication that these shares may be impaired (a significant or prolonged decline in value), a provision for irreversible impairment is recognised under "Other operating income and expenses".

Other non-current financial assets are recorded at amortised cost using the effective interest rate method. If there is an objective indication of impairment loss, a provision for impairment is recognised for the difference between the net carrying amount and the recoverable value, along with an entry to income. This provision may be reversed if the recoverable amount subsequently improves.

1.16 – Inventories and work in progress

Inventories mainly include the inventories of finished goods and work in progress for the Property development business, assets held for sale and inventories of goods intended for resale as part of the Group's Tourism business.

Inventories of finished goods and work in progress are valued at the lower of their purchase price or production costs, and their probable net realisable amount. If the realisable amount of the inventories (price net of selling expenses) is less than their carrying amount, a provision for impairment loss is recorded accordingly.

The Group applies the percentage of completion method to report the revenue and margins of its Property development business. All direct costs pertaining to property development programmes are accrued, including marketing fees. When the work is completed, committed expenditures that are not yet invoiced are capitalised in inventories.

On 7 December 2018, the IFRS interpretations committee published a decision in relation to IAS 23 which now makes it impossible to incorporate borrowing costs into the production cost of a property complex sold to end customers via sale contracts that provide for an over-time transfer of control, such as an off-plan "VEFA" sale contract.

From 1 October 2017, the Group no longer capitalises borrowing costs on its property development transactions.

1.17 – Trade receivables

Due to the nature of the Group's businesses, trade receivables are short-term and are therefore recognised at their nominal amount.

Since 1 October 2018, the Group has applied IFRS 9 which introduced a provisioning model that aims to recognise provisions for financial assets on the basis of expected credit losses.

Counterparty risk is estimated by considering country risk, counterparty default and the nature of the operating receivable.

Further, for the accounting of contracts according to the percentage of completion method, the Group's property development trade receivables include:

- calls for funds to buyers as the work progresses for work not yet paid;
- "invoices to be issued" corresponding to calls for funds not yet issued for off-plan sales contracts.

1.18 – Cash and cash equivalents

The gross balance of cash and cash equivalents, as presented under assets on the statement of financial position, includes cash and demand deposits, as well as short-term investments (unit trusts – Sicav – and mutual funds) for terms of less than three months, which are classified as available-for-sale securities. These investments comply with the four criteria of the AMF, their terms are for less than three months, they are available for sale at any time for their nominal amount, and the foreign exchange risk is very low.

Cash and cash equivalents in the consolidated statement of cash flows represent gross amounts less overdrafts.

Accrued interest on items included in net cash is reported under net cash.

1.19 – Pierre et Vacances treasury shares

Shares in Pierre et Vacances held by the parent company and/or by Group companies, irrespective of the purpose of the holding, are recorded at their acquisition cost as a reduction to consolidated equity. The income from any sale of treasury shares is recognised directly in consolidated reserves at their value net of tax and does not impact profit (loss) for the year.

1.20 – Share-based payment

Share options granted by the Group to its employees and executives are reported as an employee expense representing services rendered by the beneficiaries of these plans. Thus, the recognised expense reflects the fair value of the options granted calculated on the date of their grant by the Board of Directors using the "Black & Scholes" method. This expense is spread over the vesting period along with corresponding increases in reserves.

The grant of benefits to employees through a Group Share Ownership Plan also falls under the scope of IFRS 2 to the extent that a discount is given when the employee buys the shares. Thus, when the subscription price granted to employees includes a discount from the fair value of the share at the grant date, an expense is recognised immediately or over the vesting period unless acquisition is immediate.

1.21 - Provisions

A provision is reported when, at the reporting date, the Group has an obligation to a third party that results from a past generating fact, the measure of which can be estimated reliably and will probably or certainly cause an outflow of resources to the benefit of the third party with no at least equivalent consideration expected from that party. This obligation may be legal, regulatory, contractual or implicit. Provisions are reported at the value that represents the best estimate of the amount to be paid to settle the obligation. If the amount or the maturity cannot be estimated with sufficient reliability, the obligation is treated as a contingent liability and is disclosed in the notes.

Thus, to take account both of its contractual commitments and maintenance policy for the property leased, the Group records provisions for renovation expenses in its financial statements. These provisions are intended to take account of future renovation costs to be paid by the Group through the end of the lease term. They are calculated on the basis of discounted future renovation costs.

Furthermore, in the case of restructuring, an obligation is recognised whenever the restructuring has been announced and included in a detailed, formal plan before the reporting date.

1.22 - Provisions for retirement and other post-employment benefits

Post-employment benefits

The Pierre & Vacances-Center Parcs Group complies with employee retirement legislation, regulations and customs in each of the countries in which it operates.

Group companies pay salary-based contributions to the appropriate institutions. As such, they carry no actuarial liability for these retirement plans. For these defined-contribution plans, payments made by the Group are recorded in profit (loss) as expenses for the period to which they relate.

Certain entities within the Group also have their own retirement plan for their employees. A provision for the corresponding actuarial liability is recorded in the consolidated financial statements. The same applies in France for Group commitments to employees for end of service awards. For these defined benefit plans, the cost of providing the benefits is estimated using a retrospective method based on end of service salaries.

Under this method, the cost of the commitments is recognised as an expense in such a way as to spread it evenly over the employees' period of service. The amount of the provision includes the present value of estimated future payments taking into account length of service, mortality rate, employee turnover rate and valuation and discounting assumptions. For defined-benefit plans partially or wholly financed by contributions paid into a separate fund or an insurance company, the assets of these entities are valued at their fair value. The liability is then recorded in the statement of financial position after deducting the value of the plan assets that cover this obligation.

Actuarial gains and losses result from changes in the actuarial assumptions used for valuations from one financial year to the next, and from any variance in the obligation or the value of the funds with respect to the actuarial assumptions made at the beginning of the financial year. Under IAS 19 "Employee Benefits", these resulting actuarial gains and losses are recognised in other comprehensive income.

Other long-term benefits

When signing corporate agreements, the Group also grants its personnel other long-term benefits during employment such as bonuses and free holidays at the holiday residence portfolio managed by the Group; they are given to employees according to their years of service. These benefits are also the subject of provisions that are determined by using an actuarial calculation to estimate the cost incurred by the Group for the benefits granted. Where necessary, the actuarial differences that are revealed in the year are amortised immediately in the financial year in which they are reported.

Past service cost

The modification or introduction of a new benefits plan after employment has ceased, or other long-term benefits may increase the present value of the obligation reflecting the benefits defined for services rendered during previous years and called "past service costs". These past service costs are expensed immediately in the financial year they are incurred.

The expense representing the change in net commitments for retirement and other post-employment benefits is recognised in profit or loss from ordinary operations or in other financial income and expenses according to the nature of the underlying items. The effect of the reversal of the discounting of the retirement benefit obligation, net of expected return of plan assets, is reported under "Other financial income and expenses".

The portion at more than one year of the "Provisions for retirement and other post-employment benefits" is classified as non-current provisions and the portion at less than one year as current provisions. This current portion reflects the payments that the Group estimates it will have to make in the 12 months following the reporting date.

1.23 - Loans and other borrowings

Financial liabilities

All loans are initially recorded at the cost which reflects the fair value of the amount received net of the costs for setting up the loan. Thereafter, these loans are recorded at amortised cost using the effective interest rate method and the difference between the cost and the repayment amount is recognised in profit (loss) over the term of the loans.

The effective interest rate is the rate used to obtain the carrying amount of a loan at the outset by discounting the future cash payments and receipts over the life of the loan. The carrying amount of the loan at the outset includes the transaction costs and any associated premiums.

If the future interest expense is hedged, the financial liabilities whose cash flows are hedged continue to be measured at amortised cost, the change in value of the effective portion of the hedging instrument being recognised in other comprehensive income (loss).

In the absence of any hedging relationship, or for the ineffective portion of the hedging instrument, the changes in value of the derivative financial instruments are recorded in net financial income (expenses).

Bonds redeemable in cash and new and/or existing shares (ORNANE)

The ORNANE bonds are similar to convertible bonds (OCEANE), which share increases in the Group share price with investors by allotting them an outperformance premium representative of the difference between the stock market share price on the maturity date and the bond's principal.

The Group may thus issue a variable number of shares depending on the share price and the redemption option being exercised. At maturity, the Group may apply the following redemption terms at its discretion:

a) option 1: redemption by conversion into new and/or existing shares;

b) option 2: redemption by paying the principal and the outperformance premium in cash;

c) option 3: redemption by paying the principal and the outperformance PREMIUM partly in cash and in new and/or existing shares.

Accordingly, the option component of ORNANE bonds does not meet the condition of exchanging a fixed amount of cash for a fixed number of equity instruments required by IAS 32 in order to recognise a derivative instrument in equity and must therefore be recognised as a derivative instrument at fair value through profit or loss.

As such, ORNANE is a bond comprising two components:

- a liability component recognised at amortised cost under liabilities;
- an equity component (derivative) recognised at mark-to-market value under liabilities, the fair value of which is determined as the difference between the fair value of the hybrid contract and the fair value of the liability component. Further changes in the fair value of this derivative are recognised in financial income (expense) under a separate item called "Change in the fair value of the ORNANE derivative", as shown in the related note on financial income (expense).

1.24 Derivative financial instruments

With amounts due to credit institutions offering variable interest rates, the Pierre & Vacances-Center Parcs Group may have to hedge its future interest expense by using derivative financial instruments such as interest rate swaps. The Group's policy is to reduce its exposure to interest rate fluctuations.

These risks are managed centrally, allowing the Group to define the main hedging guidelines. The positions are traded over the counter with first class banking counter parties.

Hedge accounting applies if:

- the hedging relationship is clearly documented at the date it is implemented and;
- the effectiveness of the hedging relationship is demonstrated prospectively and retrospectively at each reporting date.

Derivative financial instruments are reported in the statement of financial position at their fair value. The market value is established on the basis of market data and is confirmed by stock market prices provided by financial institutions.

The changes in the fair value of the instruments acquired to hedge certain liabilities are recognised directly in other comprehensive income (loss) for the effective portion of the hedge and, in the absence of a hedging relationship or for the ineffective portion of the hedge, the changes in the value of the derivative financial instruments are reported in net financial income (expenses).

1.25 - Deferred tax

All temporary differences existing at the reporting date between the carrying amounts of the asset and liability items and the amounts of those same items for tax purposes are recorded as deferred taxes and calculated using the liability method. Deferred taxes on temporary differences and losses carried forward are calculated at approved and quasi-adopted rates that will apply on the probable date of reversal of the differences concerned, if these are fixed, or, failing this, at tax rates approved at the reporting date. The effects of tax rate changes are recorded in profit (loss) for the financial year during which the rate change is made.

Deferred tax benefits arising from tax losses that can be carried forward are not reported as deferred tax assets unless there is a high likelihood that they will be used within a reasonable period of time.

The tax expense is recognised in profit (loss) except for tax relating to items recognised in other comprehensive income or loss that is recorded directly in other comprehensive income or loss.

Deferred tax assets and liabilities, irrespective of their due date, are not discounted and are offset when they relate to a single tax entity.

1.26 - Deferred income

Deferred income is income that is received or recorded before the underlying services have been performed or the underlying goods have been delivered. It is classed as a contract liability within the meaning of IFRS 15.

This item primarily consists of sales signed in the presence of a notary for property not yet delivered, for the proportion exceeding the revenue calculated by the percentage of completion method.

To a lesser extent, this item also includes "support funds". In fact, the sale of property assets to owners is generally accompanied by a commitment from the Group to pay annual rents in proportion to the property sale price. When the rent commitments are greater than market rates at the time of the sale, the excess rent, called "support funds" is recognised as a reduction in the selling price of the property. In this way, the excess portion of the property development margin is recorded in deferred income and, after the property is delivered, is recognised in profit or loss using a straight-line method over the lease term.

1.27 - Revenue

The "IFRS 15 – Revenue recognition" standard is mandatory for financial years beginning on or after 1 January 2018, i.e. from the 2018/2019 financial year for the Pierre & Vacances-Center Parcs Group.

Consolidated revenue comprises:

- **tourism:** the pre-tax value of holidays and related income earned during the financial year, as well as fees due as part of its marketing activity.

  For residences run under management agreements, only management fees invoiced to the customer are included in revenue. Revenue for the part of Center Parcs' catering and food trade business, which is outsourced, includes royalties from the service providers;
- **property development:**
  - property sales generated by the Property development business and recognised according to the percentage of completion method (see Note 1.28 – Revenue recognition method – Property development) less, where applicable, on the date the apartments are delivered, the "support funds" (see Note 1.24 – Deferred income). The amount is initially recorded in deferred income and then gradually recognised in revenue using the straight-line method over the term of the lease,
  - project management fees billed as the work progresses to property development programmes,
  - marketing fees,
  - the Group's share of the profit from renovations of Domaines Center Parcs.

All revenue is valued at the fair value of the consideration received or to be received, net of rebates, discounts and allowances, VAT and other taxes. Services are recognised when rendered.

1.28 - Revenue recognition method – Property development

Our Property development business is mainly based on off-plan sales contracts (VEFA) through which the seller immediately transfers the land rights to the buyer, as well as ownership of the existing buildings. Future construction works become the property of the buyer as and when the work is completed. The costs incurred or future costs and the income from ordinary activities can be reliably measured.

In this case, the buyer has very limited influence over the design of the property.

Accordingly, the transfer of control occurring as the work is completed, revenue and margins on property development programmes are reported using the percentage of completion method. In order to apply the percentage of completion method, the Group has defined the rate of completion by multiplying the percentage of construction progress, i.e. the cost of the work completed in relation to the cost of the work budgeted, by the percentage of revenue from property sales signed at a notary's office.

For ongoing programmes that are not yet delivered, when the situation on completion is a loss, a provision for losses on completion, taking account of the most likely assumptions, is immediately reported.

In addition, as part of the Center Parcs renovation projects, the Group recognises income associated with the provision of support services for the resale of property assets to new institutional investors under revenue. These services are recognised when the contract of sale for the property assets in question is signed.

The adoption of IFRS 16 requires the partial recognition, up to the amount of the rights transferred, of the income on the sale and leaseback of assets under sale and leaseback transactions, when these transactions are sales under IFRS 15. At Pierre & Vacances-Center Parcs, this relates to the Group's property development operations in which properties (accommodation units or central facilities) sold to individual or institutional investors are leased back by the Group for tourism operations. Renovation operations involving assets leased by the Group are also affected by this issue.

For each sale-leaseback transaction, the Group recognises the revenue and cost of the real estate assets sold up to the amount of the share of the rights to the asset considered to have been transferred to a third party.

The share of the margin corresponding to the real estate rights which is not transferred to the lessor-investor is neutralised. This neutralisation has an impact on the revenue and cost of the real estate assets sold during the construction phase of the asset, and then on the operating income of the tourism operating companies over the term of the lease, through the reduction in the amortisation of the right of use.

1.29 - Employee expenses

Employee expenses include all the payments and commitments made by the Group, including employee profit-sharing and the expenses associated with share-based payments.

Until 1 January 2019, this item also included accrued income for the Competitiveness and Jobs Tax Credit introduced by the third amended finance law for 2012. On 1 January 2019, this tax credit was replaced by a permanent reduction in employer's contributions.

1.30 - Operating profit (loss)

Operating profit (loss) includes all income and expense directly relating to the Group's activities, whether this income and expense is recurring or whether it is the result of non-recurring decisions or operations.

Operating profit (loss) from ordinary activities is an intermediate aggregate that should facilitate the understanding of the operational performance of the Company, and its comparability from one period to another.

Other operating income and expenses are reported in accordance with the AMF guidelines. Only events that, due to their frequency, amount or nature, are likely to affect the relevance of the monitoring of the Group's operating performances, are presented. This item includes gains and losses on disposals of non-current assets, impairment losses on property, plant and equipment, and intangible assets, restructuring expenses (notably as part of staff departures) and expenses related to legal proceedings and abandonment of property development projects, which are material to the Group.

1.31 – Income tax

Income tax expense or benefit includes both current tax, the corporate value-added tax (cotisation sur la valeur ajoutée des entreprises or CVAE) and deferred tax resulting from temporary differences and consolidation adjustments, where justified by the tax position of the Group's companies.

The French law on the 2010 budget, approved in December 2009, introduced a regional economic tax (contribution économique territoriale or CET) to replace business tax (taxe professionnelle or TP). The CET has two components: the corporate real estate tax (contribution foncière des entreprises or CFE) and the corporate value-added tax (CVAE). The CFE, the extent of which depends on the rental value of property liable for real estate tax, is very similar to business tax and can hence be likened to an operating expense for accounting purposes. The CVAE is based on the added value shown in the parent company financial statements and has a number of characteristics similar to income tax with respect to IAS 12.

Following the advice of the French National Accounting Board (Conseil National de la Comptabilité) issued on 14 January 2010, the Group decided to treat the CVAE as an income tax expense.

1.32 – Earnings per share

Earnings per share are calculated by dividing net profit (loss) attributable to the owners of the Company by the weighted average number of shares outstanding during the financial year, less the Pierre & Vacances treasury shares recorded as a reduction in equity. The average number of shares outstanding during the financial year is the number of ordinary shares outstanding at the beginning of the financial year, adjusted by the number of ordinary shares repurchased or issued during the year.

To calculate diluted net profit (loss), net profit (loss) for the financial year attributable to the owners of the Company and the weighted average number of shares are adjusted to take account of the maximum impact of the conversion of dilutive instruments into ordinary shares. The impact of any possible future share issue including those resulting from the conversion of instruments that give deferred access to the share capital of the parent company is therefore factored into the calculation of earnings per share.

The negative impact linked to the existence of instruments with an equity component is calculated by taking into account all dilutive instruments issued, whatever their maturity and regardless of the probability of conversion to ordinary shares, excluding instruments with a relative effect.

For the years disclosed, the existing dilutive instruments include share options and bonus share grants. The dilutive effects of share options are calculated according to the "share buyback" method by which the funds that will be collected when the option is exercised or the vested shares are purchased are considered to be assigned primarily to repurchasing Pierre & Vacances shares at the market price.

Note 2 Highlights of the financial year and scope of consolidation

2.1 – Highlights of the 2019/2020 financial year

Impact of the COVID-19 health crisis on the Group's activities

The Covid-19 health crisis obliged the Group to close virtually all of its tourism sites from mid-March to late May/early June. Exceptional cost-cutting measures were immediately implemented, in particular with an easing in staff costs enabled by part-time working measures, the adaption of on-site spending, adjustments to leases with institutional and individual investors, especially in the context of the administrative closure of the sites.

Financing

In order to cover operating losses related to the health crisis, the Group took out a €240 million State-guaranteed loan from its banking pool on 10 June 2020. Moreover, the deadline of the €200 million revolving credit facility, originally due to expire in March 2021, has been extended by 18 months. Over the year, the Group was able to benefit from several adjustments to its financing plans, in particular with an exemption to respect the financial ratio on 30 September 2020.

This financial support demonstrates their confidence in the Group's fundamentals and resilience to overcome the impacts of the health crisis.

Moreover, the Group has a 12 month forecast procedure, which according to different scenarios, enables it to justify that its operating continuity is not at threat over this time-frame. The assumptions in these scenarios concern the periods of administrative closures of its sites and the adjustments to operating expenses related to these closures. On the basis of these projections, the Group has sufficient liquidity to overcome the crisis from a 12 month perspective.

Change Up strategic plan

On 29 January 2020, the Pierre & Vacances-Center Parcs Group presented its strategic plan for 2024, Change Up[1], with the aim of accelerating and strengthening the Group's transformation to ensure its long-term sustainability.

This plan rests on three pillars:

- an optimisation of the existing portfolio, including a selective review of the holiday residence portfolio, a development of the tourism offering and an optimisation of real estate costs;
- targeted and profitable development, with new development projects;

(1) For more information on the Change Up plan, please refer to the press release and presentation of 29 January 2020, available on the Group's website: www.groupepvcp.com

- an agile and entrepreneurial organisation, with the creation of a lean holding company focused on corporate functions and the implementation of autonomous Business Lines integrating their main support functions for better control of their entire value chain.

The deployment of the Change Up strategic plan also continued during the lockdown period:

- operationally, by carrying out renovation work on the Domaines Center Parcs in the Netherlands/Belgium/Germany;
- at the employment level, through the Social and Economic Committee's information/consultation processes on the structural transformation project. On 10 June, the Regional Directorate for Enterprise, Competition, Consumer Affairs, Labour and Employment also approved the Employment Protection Plan and the agreements signed on 7 April, a prerequisite for its implementation;
- on the cost-cutting side, with the first savings achieved.

As of 30 September 2020, the implementation of the new organisation was almost complete. On 1 October, th HR and Legal teams joined the Business Lines and Holding segments, followed by the Finance Teams from mid-November.

Center Parcs projects in France

Roybon

In 2007, the Group initiated a project to set up a Domaine Center Parcs in the town of Roybon, in Isère. This project has received constant support from all the local authorities for its environmental qualities, its benefits in terms of jobs and income and its ability to revitalise and rebalance the area.

For over 10 years, legal proceedings challenging the administrative authorisations hindered the project's implementation. The authorisation to clear the land, which was essential for its completion, lapsed on 12 July 2020, and, as access to the site was blocked by the "zadists" who illegally occupied the land from 2014, the Group decided, on 8 July 2020, to abandon this project.

Development projects

In France, the Domaine des Landes de Gascogne (Lot-et-Garonne), currently under construction, will open its doors in the spring of 2022. In Saône and Loire and in Jura, the Group is developing proposals to adapt to the initial projects, with a view to strengthening its environmental commitments, getting closer to nature and setting up new types of accommodation.

In Northern Europe, the development strategy focuses primarily on Germany, with two new sites under consideration in Northern Germany and Bavaria, and the start of negotiations and studies on two other sites in the Berlin area. In addition, a first project in Denmark is in the conceptual finalisation phase and two additional projects have been identified in Scandinavia.

Validation of the Employment Protection Plan

The information/consultation process of the Social and Economic Committee on the structural transformation project ended on 14 April 2020 with the delivery of the Committee's opinions.

Then, on 10 June, the Regional Directorate for Enterprises, Competition, Consumer Affairs, Labour and Employment approved the Plan de Sauvegarde de l'Emploi (Employment Protection Plan), a prerequisite step for its implementation in France.

It should be recalled that the Company's Employment Protection Plan covered about 200 positions.

2.2 – Main consolidated entities:

French entities

Legal form of consolidation	Company	Method of consolidation[1]	% interest on 30/09/2020	% interest on 30/09/2019
Holding companies				
SA	Pierre & Vacances	Parent company	100.00%	100.00%
SNC	Pierre & Vacances FI	FC	100.00%	100.00%
EIG	PV-CP Services	FC	100.00%	100.00%
Tourism France				
SA	Pierre & Vacances Tourisme Europe	FC	100.00%	100.00%
Center Parcs				
SAS	Center Parcs Holding Belgique	FC	100.00%	100.00%
Property development				
SAS	PV-CP Immobilier Holding SAS	FC	100.00%	100.00%
SAS	Pierre & Vacances Senioriales Programme Immobilier	FC	100.00%	100.00%
SARL	Pierre & Vacances Transactions	FC	100.00%	100.00%
China				
Limited liability company	PVCP China Company Limited	FC	100.00%	100.00%
Limited liability company	PVCP China Real Estate Brokerage Company Limited	FC	100.00%	100.00%
Limited liability company	Beau Village Limited	EA	44.00%	44.00%
Tourism				
Tourism France				
SARL	Clubhotel	FC	100.00%	100.00%
SASU	La France du Nord au Sud	FC	100.00%	100.00%
SA	Clubhotel Multivacances	FC	100.00%	100.00%
SAS	Orion	FC	100.00%	100.00%
SAS	Pierre & Vacances Esterel Développement	FC	100.00%	100.00%
SA	PV-CP Distribution	FC	100.00%	100.00%
SAS	Pierre & Vacances Rénovation Tourisme	FC	100.00%	100.00%
SAS	PV-CP City	FC	100.00%	100.00%
SAS	PV-CP Holding Exploitation	FC	100.00%	100.00%
SAS	PV-CP Gestion Exploitation	FC	100.00%	100.00%
SAS	PV Résidences & Resorts France	FC	100.00%	100.00%
SAS	SET Pierre & Vacances Guadeloupe	FC	100.00%	100.00%
SAS	SET Pierre & Vacances Martinique	FC	100.00%	100.00%
SARL	SGRT	FC	100.00%	100.00%
SNC	SICE	FC	100.00%	100.00%
SARL	Maeva Gestion	FC	100.00%	100.00%
SNC	Société Hôtelière de l'Anse à la Barque	FC	100.00%	100.00%
SA	Sogire	FC	100.00%	100.00%

Legal form of consolidation	Company	Method of consolidation(1)	% interest on 30/09/2020	% interest on 30/09/2019
Villages Nature®				
SAS	Villages Nature® Tourisme	EA	50.00%	50.00%
Adagio				
SAS	Adagio	EA	50.00%	50.00%
SAS	Adagio Formations & Prestation de Services	EA	50.00%	50.00%
Center Parcs				
SAS	Center Parcs Resorts France	FC	100.00%	100.00%
SNC	Domaine du Lac d'Ailette	FC	100.00%	100.00%
Property Development				
Property development France				
SNC	Biarritz Loisirs	FC	100.00%	100.00%
SNC	Belle Dune Clairière	FC	100.00%	100.00%
SNC	Bois de la Mothe Chandenier Cottages	FC	100.00%	100.00%
SNC	Bois de la Mothe Chandenier Équipements	FC	100.00%	100.00%
SNC	Bois de la Mothe Chandenier Foncière	FC	100.00%	100.00%
SNC	Bois Francs Équipements	FC	100.00%	100.00%
SNC	Caen Meslin Loisirs	EA	40.00%	40.00%
SNC	Colmar Loisirs	FC	100.00%	100.00%
SNC	Avoriaz Téléphérique	FC	100.00%	100.00%
SNC	Flaine Montsoleil Centre	FC	100.00%	100.00%
SNC	Flaine Montsoleil Extension	FC	100.00%	100.00%
SCI	Senioriales Boulou	FC	100.00%	100.00%
SCI	Senioriales Charleval	N/A	0.00%	100.00%
SCI	Senioriales de Bassan	N/A	0.00%	100.00%
SCI	Senioriales de Bracieux	FC	100.00%	100.00%
SCI	Senioriales de Cavillargues	FC	100.00%	100.00%
SCI	Senioriales de Cevennes – St Privat des Vieux	FC	100.00%	100.00%
SCI	Senioriales de Gonfaron	FC	100.00%	100.00%
SCI	Senioriales d'Izon	FC	100.00%	100.00%
SCI	Senioriales de Jonquières	FC	100.00%	100.00%
SCI	Senioriales de Juvignac	FC	100.00%	100.00%
SCI	Senioriales de la Celle	FC	100.00%	100.00%
SCI	Senioriales de la Côte d'Azur – Grasse	FC	100.00%	100.00%
SCI	Senioriales de Medis	FC	100.00%	100.00%
SCI	Senioriales de Nandy	FC	100.00%	100.00%
SCI	Senioriales de Pont Aven	FC	100.00%	100.00%
SCI	Senioriales de Pringy	FC	100.00%	100.00%
SCI	Senioriales de Rambouillet	FC	100.00%	100.00%
SCI	Senioriales de Soulac	FC	100.00%	100.00%
SCI	Senioriales de Vias	FC	100.00%	100.00%
SCI	Senioriales des Landes – Hinx	FC	100.00%	100.00%
SCI	Senioriales en Ville Cenon	FC	100.00%	100.00%

Legal form of consolidation	Company	Method of consolidation[(1)]	% interest on 30/09/2020	% interest on 30/09/2019
SCI	Senioriales en Ville de Luce	FC	100.00%	100.00%
SCI	Senioriales en Ville de Marseille – St Loup	FC	100.00%	100.00%
SCCV	Senioriales en Ville de Saint Ave	EA	50.00%	50.00%
SCI	Senioriales en Ville de Saint Avertin	FC	100.00%	100.00%
SCI	Senioriales en Ville d'Emerainville	FC	100.00%	100.00%
SCI	Senioriales en Ville Manosque	N/A	0.00%	100.00%
SCI	Senioriales en Ville de Mions	FC	100.00%	100.00%
SCI	Senioriales de Pollestres	FC	100.00%	100.00%
SCI	Senioriales Ville de Nîmes	FC	100.00%	100.00%
SCI	Senioriales Ville de Castanet	EA	50.00%	50.00%
SNC	Senioriales Ville de Dijon	N/A	0.00%	100.00%
SNC	Senioriales Ville de Tourcoing	EA	50.00%	50.00%
SCI	Senioriales du Pornic	FC	100.00%	100.00%
SCI	Senioriales Ville de St Etienne	FC	100.00%	100.00%
SCI	Senioriales Ville de Soustons	FC	100.00%	100.00%
SCI	Senioriales Ville de Rillieux la Pape	FC	100.00%	100.00%
SCCV	Senioriales en Ville de Fontenay-aux Roses	EA	50.00%	50.00%
SCCV	Senioriales en Ville de Mantes-la-Jolie	FC	100.00%	100.00%
SCCV	Senioriales en Ville de Pessac	FC	100.00%	100.00%
SCCV	Senioriales en Ville du Teich	FC	100.00%	100.00%
SCCV	Senioriales de la Rochelle Laleu	FC	100.00%	100.00%
SCCV	Senioriales en Ville de Cavaillon	FC	100.00%	100.00%
SCI	SCI Senioriales de Pourrières	FC	100.00%	100.00%
SCCV	Senioriales de Mordelles	FC	100.00%	100.00%
SNC	Senioriales en Ville de Saint Palais sur Mer	FC	100.00%	100.00%
SCCV	Senioriales en Ville de Noisy Le Grand	FC	100.00%	100.00%
SNC	Senioriales en Ville de Sannois	FC	100.00%	100.00%
SNC	Senioriales de Nancy	FC	100.00%	50.00%
SCCV	Senioriales en Ville de Schiltigheim	EA	50.00%	50.00%
SNC	Senioriales de Bordeaux Deschamps	FC	60.00%	60.00%
SNC	Senioriales de Gujan Mestras	FC	60.00%	60.00%
SNC	Senioriales de Valence	FC	100.00%	100.00%
SCCV	Immaliance Seniors le Pin	EA	50.00%	50.00%
SCCV	SCCV Senioriales d'Angers	EA	50.00%	50.00%
SCCV	SCCV Toulouse Ponts Jumeaux A1	EA	50.00%	50.00%
SCCV	SCCV Palaiseau RT	EA	50.00%	50.00%
SAS	Les Villages Nature® de Val d'Europe	EA	50.00%	50.00%
SCCV	Nantes Russeil	EA	50.00%	50.00%
SARL	Peterhof II	FC	100.00%	100.00%
SA	Pierre & Vacances Conseil Immobilier	FC	100.00%	100.00%
SARL	Pierre & Vacances Courtage	FC	100.00%	100.00%
SA	Pierre & Vacances Développement	FC	100.00%	100.00%

Legal form of consolidation	Company	Method of consolidation[1]	% interest on 30/09/2020	% interest on 30/09/2019
SAS	Pierre & Vacances Senioriales Promotion et Commercialisation	FC	100.00%	100.00%
SAS	Pierre & Vacances Senioriales Exploitation	FC	100.00%	100.00%
SNC	Presqu'île de La Touques	FC	100.00%	100.00%
SAS	Foncière Presqu'île de La Touques	EA	50.00%	50.00%
SNC	CP Centre Est	FC	100.00%	100.00%
SAS	Tourisme et Rénovation	FC	100.00%	100.00%
SNC	Villages Nature® Hébergements	EA	50.00%	50.00%
SNC	SNC Villages Nature® Hébergements II	EA	50.00%	50.00%
SNC	SNC Villages Nature® Équipements I	EA	50.00%	50.00%
SNC	SNC Villages Nature® Équipements II	EA	50.00%	50.00%
SNC	Nature Hébergement I	EA	37.50%	37.50%
SARL	Villages Nature® Management	EA	50.00%	50.00%
Center Parcs				
SNC	Ailette Équipement	FC	100.00%	100.00%
SNC	Bois des Harcholins Foncière	FC	100.00%	100.00%
SNC	Bois des Harcholins Spa	FC	100.00%	100.00%
SNC	Bois des Harcholins Village II	FC	100.00%	100.00%
SNC	Bois Francs Hébergements	FC	100.00%	100.00%
SNC	Roybon Cottages	FC	100.00%	100.00%
SNC	Roybon Équipements	FC	100.00%	100.00%
Other				
SAS	Pierre & Vacances Investissement 24	FC	100.00%	100.00%
SAS	Pierre & Vacances Marques	FC	100.00%	100.00%

(1) FC: full consolidation EA: equity accounted N/A: not applicable.

Foreign companies

Legal form of consolidation	Company	Country	Method of consolidation[(1)]	% interest on 30/09/2020	% interest on 30/09/2019
Holding companies					
Center Parcs					
NV	Center Parcs Europe	The Netherlands	FC	100.00%	100.00%
GmbH	Center Parcs Deutschland Kunden-Center	Germany	FC	100.00%	100.00%
GmbH	Center Parcs Germany	Germany	FC	100.00%	100.00%
BV	Center Parcs Germany Holding	The Netherlands	FC	100.00%	100.00%
GmbH	Center Parcs Medebach Beteiligungs	Germany	FC	100.00%	100.00%
BV	Center Parcs NL Holding	The Netherlands	FC	100.00%	100.00%
BV	Center Parcs Participations GmbH	The Netherlands	FC	100.00%	100.00%
Co.KG	Center Parcs Service	Germany	FC	100.00%	100.00%
BV	Center Parcs Sunparks	The Netherlands	FC	100.00%	100.00%
GmbH	Pierre & Vacances-Center Parcs Suisse	Switzerland	FC	100.00%	100.00%
BV	PVCP Support Services	The Netherlands	FC	100.00%	100.00%
GmbH	PVCP Holding Germany GmbH	Germany	FC	100.00%	100.00%
Tourism					
Center Parcs					
NV	Center Parcs België	Belgium	FC	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Allgäu	Germany	FC	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Bispingen	Germany	FC	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Bostalsee	Germany	FC	100.00%	100.00%
GmbH	Center Parcs Entwickelungsgesellschaft	Germany	FC	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Heilbachsee	Germany	FC	100.00%	100.00%
GmbH	Center Parcs Bungalowpark Hochsauerland	Germany	FC	100.00%	100.00%
GmbH	Center Parcs Leisure Deutschland	Germany	FC	100.00%	100.00%
GmbH	Sunparks Bungalowpark Nordseeküste	Germany	FC	100.00%	100.00%
SA	Foncière Loisirs Vielsalm	Belgium	EA	19.64%	19.64%
NV	Center Parcs Ardennen	Belgium	FC	100.00%	100.00%
NV	Sunparks Vielsalm	Belgium	EA	19.64%	19.64%
NV	Sunparks Leisure	Belgium	FC	100.00%	100.00%
Adagio					
GmbH	Adagio Deutschland	Germany	EA	50.00%	50.00%
Ltd	Adagio Hotels UK	UK	EA	50.00%	50.00%
GmbH	New City Aparthotels Betriebs	Austria	EA	50.00%	50.00%
SARL	New City Suisse	Switzerland	EA	50.00%	50.00%
Srl	Adagio Italia	Italy	EA	50.00%	50.00%
SA	Pierre & Vacances Exploitation Belgique	Belgium	FC	100.00%	100.00%

Legal form of consolidation	Company	Country	Method of consolidation[1]	% interest on 30/09/2020	% interest on 30/09/2019
Orion					
SL	SET Orion	Spain	FC	100.00%	100.00%
Tourism other					
Srl	Pierre & Vacances Italia	Italy	FC	100.00%	100.00%
Ltd	P&V Sales & Marketing UK	UK	FC	100.00%	100.00%
SL	Pierre & Vacances Maeva Distribution España	Spain	FC	100.00%	100.00%
SL	SET Pierre & Vacances España	Spain	FC	100.00%	100.00%
Property development					
SL	Bonavista de Bonmont	Spain	FC	100.00%	100.00%
SL	Pierre & Vacances Développement España	Spain	FC	100.00%	100.00%
SL	Pierre & Vacances Inversion Inmobiliaria	Spain	FC	100.00%	100.00%
Srl	Résidence City	Italy	FC	100.00%	100.00%
Other					
BV	Beheer Recreatiepark Zandvoort	The Netherlands	FC	100.00%	100.00%
GmbH	Center Parcs Entwicklungsgesellschaft Ferienhauspark Bostalsee	Germany	FC	90.00%	90.00%
GmbH	Pierre & Vacances-Center Parcs Immobilien	Germany	FC	100.00%	100.00%
BV	Multi Resorts Holding	The Netherlands	FC	100.00%	100.00%
BV	Center Parcs Development	The Netherlands	FC	100.00%	100.00%
BV	Pierre & Vacances-Center Parcs Vastgoed	The Netherlands	FC	100.00%	100.00%
BV	PV-CP China Holding BV	The Netherlands	FC	100.00%	100.00%
SAS	Pierre & Vacances Maroc	Morocco	FC	100.00%	100.00%

(1) FC: full consolidation EA: equity accounted N/A: not applicable.

5

Segment information

Based on the internal organisation of the Group, the segment information shows the Tourism business and the Property development business. This breakdown reflects the operational organisation of the Group in terms of management and control of operations.

The Group develops its activities through two complementary business lines:

- the property development segment, which aims to increase the holiday destinations available and adapt the existing residences and villages to suit changes in customer requirements. This segment includes the construction activities and the marketing to investors of apartments and new or renovated houses. The property development programmes currently available are mainly located in France and Germany. Programmes relating to the renovation of tourism assets operated under the Center Parcs and Sunparks brands are also in the process of being developed in the Netherlands, Germany and Belgium. This segment also includes the development of Senioriales, specialising in building and marketing residences in France and aimed at a customer base of active seniors;
- the tourism segment called "Tourisme Europe", which includes the operation of residences and villages marketed under the Pierre & Vacances, Adagio, Center Parcs and Sunparks brands, located in Europe, mainly France, the Netherlands, Germany, Belgium and Spain.

Within each business segment, there is a country-based organisation that runs the activities from day-to-day. Revenue and total non-current assets in France, where the registered office of the parent company is located, amounted to €615,087,000 and €308,935,000 respectively.

Inter-segment revenue is generated under normal market conditions. No single customer represents a significant share of the revenue of the Pierre & Vacances-Center Parcs Group.

The unassigned assets include long-term investments, other assets of a financial nature, current and deferred tax receivables and non-current assets.

The unassigned liabilities include bank borrowings and current and deferred tax payables.

Note 3 Operating segment information

Pursuant to IFRS 8, the information by operating segment reflects the Group's internal organisation and is derived from its operational reporting, which includes financial information:

- excluding the impact of the application of IFRS 16 for all financial statements;
- with the presentation of joint ventures according to the proportionate consolidation method (i.e. excluding the application of IFRS 11) for income statement items.

The table also includes a reconciliation with the IFRS data presented in the Group's financial statements.

(in € thousands)	FY 2019/2020 Tourism	Property develop-ment	Unassigned	TOTAL operational reporting[1]	Impact IFRS 11	Impact of IFRS 16	Total
Revenue	1,045,206	289,868	-	1,335,074	-60,466	-67,019	1,207,589
Intra-business group revenue	-22,471	-14,831	-	-37,301	1,231	-	-36,070
External revenue	**1,022,736**	**275,037**	**-**	**1,297,773**	**-59,235**	**-67,019**	**1,171,518**
Operating profit (loss) from ordinary activities	**-155,195**	**-16,342**	**-**	**-171,537**	**16,506**	**61,369**	**-93,662**
Other operating income and expenses	-21,517	-93,714	-18,433	-133,664	217	-	-133,447
Operating profit (loss)	**-176,712**	**-110,055**	**-18,433**	**-305,201**	**16,723**	**61,369**	**-227,109**
Depreciation and amortisation	**-47,913**	**-580**	**-**	**-48,493**	**7,920**	**-258,960**	**-299,533**
Impairment losses net of reversals	-7,279	-21,558	-	-28,837	-	-	-28,837
Property, plant and equipment, and intangible assets	**35,173**	**334**	**10,098**	**45,605**	**-**	**-**	**45,605**
Non-current assets	518,546	12,401	109,846	640,793	2	2,280,529	2,921,324
Current assets	279,628	369,995	315,783	965,406	-36	-8,297	957,073
Total assets	**798,174**	**382,396**	**425,629**	**1,606,199**	**-34**	**2,272,232**	**3,878,397**
Non-current liabilities	136,497	44,682	528,215	709,394	-	2,587,337	3,296,731
Current liabilities	659,061	239,960	81,698	950,719	-59	162,234	1,142,894
Total liabilities excluding equity	**795,558**	**284,642**	**609,914**	**1,690,114**	**-59**	**2,749,571**	**4,439,626**

(1) The data are shown before the impact of the adoption of IFRS 11 and IFRS 16, in accordance with the operational reporting followed by the Group.

(in € thousands)	FY 2018/2019 Tourism	Property development	Unassigned	TOTAL operational reporting[1]	Impact IFRS11	Total
Revenue	1,390,565	332,552	-	1,723,117	-78,264	1,644,853
Intra-business group revenue	-25,472	-24,836	-	-50,308	422	-49,886
External revenue	**1,365,093**	**307,716**	**-**	**1,672,809**	**-77,842**	**1,594,967**
Operating profit (loss) from ordinary activities	**29,566**	**1,300**	**-**	**30,866**	**-635**	**30,231**
Other operating income and expenses	-6,659	-416	-2,608	-9,682	92	-9,590
Operating profit (loss)	**22,907**	**884**	**-2,608**	**21,184**	**-542**	**20,642**
Depreciation and amortisation	**-41,978**	**-321**	**-**	**-42,299**	**2,143**	**-40,156**
Impairment losses net of reversals	-	-8	-	-8	8	-
Property, plant and equipment, and intangible assets	**70,486**	**-18,424**	**9,692**	**61,754**	**-3,784**	**57,970**
Non-current assets	557,994	33,232	128,949	720,175	-26,494	693,681
Current assets	285,734	384,896	178,089	848,719	-24,844	823,875
Total assets	**843,728**	**418,128**	**307,038**	**1,568,894**	**-51,338**	**1,517,556**
Non-current liabilities	22,146	4,402	364,321	390,869	17,142	408,011
Current liabilities	607,784	233,940	85,662	927,386	-69,288	858,098
Total liabilities excluding equity	**629,930**	**238,342**	**449,983**	**1,318,255**	**-52,146**	**1,266,109**

(1) The data are shown before the impact of the adoption of IFRS 11, in accordance with the operational reporting followed by the Group.

Analysis of main financial position items

Note 4 Goodwill

(in € thousands)	30/09/2020	30/09/2019
Tourisme Europe	138,226	138,226
Others	1,799	1,799
Senioriales	–	18,926
TOTAL NET AMOUNT	**140,025**	**158,951**

Goodwill was tested for impairment losses at 30 September 2020, according to the procedures described in Notes 1.10 and 6.

This test led to the impairment of Senioriales goodwill, in the amount of €18,926,000. For the 2018/2019 financial year, no impairment was recorded.

Net amount at reporting date

(in € thousands)	30/09/2020	30/09/2019
Gross amount	181,640	181,640
Accumulated impairment loss	-41,615	-22,689
NET AMOUNT	**140,025**	**158,951**

Note 5 Intangible assets

(in € thousands)	Brand names	Other intangible assets	Total Intangible assets
At 30 September 2018			
Gross amount	105,777	72,771	178,548
Accumulated depreciation, amortisation and impairment losses	-3,734	-50,207	-53,941
NET AMOUNT	**102,043**	**22,564**	**124,607**
Changes			
Acquisitions	-	13,431	13,431
Net disposals and retirements	-	-1,845	-1,845
Depreciation	-	-5,267	-5,267
Reclassifications	-	-243	-243
TOTAL CHANGES FOR THE YEAR	**-**	**6,076**	**6,076**
At 30 September 2019			
Gross amount	105,777	84,018	189,795
Accumulated depreciation, amortisation and impairment losses	-3,734	-55,378	-59,112
NET AMOUNT	**102,043**	**28,640**	**130,683**
Changes			
Acquisitions	-	12,279	12,279
Net disposals and retirements	-	-4,825	-4,825
Depreciation	-5,321	-7,651	-12,972
Impairment losses	-	-	-
Reclassifications	-	-248	-248
TOTAL CHANGES FOR THE YEAR	**-5,321**	**-445**	**-5,766**
At 30 September 2020			
Gross amount	105,777	80,546	186,323
Accumulated depreciation, amortisation and impairment losses	-9,055	-52,351	-61,406
NET AMOUNT	**96,722**	**28,195**	**124,917**

Intangible assets at 30 September 2020 consisted of:

- **"brand names"** including:
  - €85,870 thousand for the Center Parcs brand,
  - €7,472 thousand for the Pierre & Vacances brand,
  - €3,236 thousand for the Maeva brand,
  - €114 thousand for the Multivacances brand,
  - and €30 thousand for the Ecolidays brand.

According to the method described in the accounting policies for intangible assets (Note 1.11 – "Intangible assets"), an impairment test was carried out at 30 September 2020 for each of the brand names on the statement of financial position. In the 2019/2020 financial year, these tests led the Group to write down the Sunparks and Senioriales brands for €3,281 thousand and €2,040 thousand respectively;

- **"other intangible assets",** in the amount of €28,195 thousand. The change is essentially due to:
  - €12,279 thousand in capital investment, including technical and functional enhancements to:
    - Group websites (€4,088 thousand),
    - IT solutions developed by the Group (€2,689 thousand), and server renewal (€222 thousand),
    - the customer database (€2,612 thousand),
    - Group financial services and human resources projects (€1,586 thousand),
    - miscellaneous IT projects (€1,082 thousand),
  - €4,824 thousand decrease in the item relating mainly to the scrapping of IT solutions.

Note 6 Impairment testing of goodwill and intangible assets with indefinite useful lives

Brand names and goodwill are not amortised. They are subject to impairment testing whenever there is an indication that they may be impaired and at least once a year at the reporting date, namely at 30 September of each year.

As indicated in Note 1.10 – "Goodwill impairment tests" and Note 1.11 – "Intangible assets", and in the absence of a fair value less selling costs available at the reporting date, the recoverable value of the cash generating units (CGUs) is determined on the basis of their value in use.

The recoverable amount of each group of assets tested was therefore compared with its value in use, which is defined as being equal to the sum of the future net discounted cash flows.

Cash flows were based on business plans prepared over a generally five-year period by the operating and finance managers of a CGU or CGU group, whose main assumptions (average net selling prices, occupancy rates, inflation, etc.) were reviewed by the Group's Finance Department, according to the division's past performance and external macro-economic information in Europe. The assumptions used to estimate the value in use are based on forecast cash flows from operating activities, which are driven mainly by:

- change in revenue, which varies according to the offering, occupancy rates, average sales prices and the distribution strategy, within the context of upscaling tourism products;
- the implementation of plans to optimise operating costs and support functions;
- and finally, the selective lease renewal policy enabling, in particular, the optimisation of the rent expense.

With respect to property development activities, and most particularly the Senioriales business, the assumptions used take into account projects already identified and data related to future projects.

Beyond this explicit projection period, cash flows are extrapolated by applying a perpetual growth rate, which was assumed to be in line with the long-term growth rate of the countries in which the businesses operate. The main assumptions used to determine the terminal value are based on historical and prospective data. The latter are prepared by the operational departments concerned, namely the Sales Department, in relation to occupancy rate and marketing, Pricing and Revenue Management for average sales prices, and Business Line for operating margins.

Lastly, the discount rate used in determining values in use justifying the carrying amount of the assets is based on the weighted average cost of the Group's capital. The latter is calculated from the rate of return on 10-year French government bonds and sectoral characteristics, primarily to assess the risk premium and the marginal borrowing cost.

Within each business segment, the CGU group used to assess the recoverable amount of the assets reflects the Group's activities in terms of financial reporting. Hence, the main CGUs of the Pierre & Vacances-Center Parcs Group, to which virtually all the goodwill and brand names on the statement of financial position relate, are:

- tourism: the Tourisme Europe CGU group which includes the operation and commercialisation of residences and villages in Europe, mainly in France, the Netherlands, Germany, Belgium and Spain;
- property development: primarily Senioriales CGU, which relates to the property development and marketing, in France, of residences targeting active senior citizens.

Analysis of the allocation of goodwill and brand names to the various CGUs thus identified at 30 September 2020 and 30 September 2019:

	30/09/2020			30/09/2019		
(in € thousands)	Goodwill	Brand	Total	Goodwill	Brand	Total
Tourisme Europe	138,226	96,722	234,948	138,226	100,003	238,229
Senioriales	-	-	-	18,926	2,040	20,966
Other CGU groups	1,799	-	1,799	1,799	-	1,799
TOTAL NET AMOUNT	**140,025**	**96,722**	**236,747**	**158,951**	**102,043**	**260,994**

As indicated in our note concerning Management's use of estimates and the ruling, and given the current economic backdrop related to the Covid-19 health crisis, the Group took account of this situation under the framework of its impairment tests undertaken for the year ending 30 September 2020.

Key assumptions used in establishing recoverable amounts

Over the first half of the year, the Covid-19 health crisis resulted in a halt to the Group's activities as of mid-March , which took a toll on the Group's operating and financial performances. As such, the main assumptions used for establishing the recoverable amounts under the framework of impairment tests on 30 September 2020 are based on:

1. the implementation of cautionary measures in the Group's business plan, especially in terms of average letting prices and occupancy rates, according to Management's best estimates at this stage, given limited visibility on developments in the current health crisis;
2. the Group's fundamentals, which should enable it to rebound as of 2022 by restoring the trajectory of the Change Up plan, especially for Center Parcs and Pierre & Vacances.

The table below summarises the main assumptions used to estimate the value in use and the sensitivity of that recoverable value to changes in perpetual growth rate, discount rate and revenue indicators (such as occupancy rate and average selling rates) of the main CGUs and CGU groups that represent the majority of the goodwill and intangible assets with indefinite useful lives:

	"Tourisme Europe" CGU
Perpetual growth rate	**1.5%** (the same as at 30 September 2019)
Discount rate used	**10.0%** (compared to 8.5% at 30 September 2019)
Sensitivity of the recoverable amount to the perpetual growth rate	A half-point increase and decrease in the perpetual growth rate has an impact of +5% and -5%, respectively, on the recoverable amount. This variation does not lead to the recognition of impairment losses.
Sensitivity of the recoverable amount to the discount rate	A one-point increase and decrease in the discount rate has an impact of -12% and +15%, respectively, on the recoverable amount. This variation does not lead to the recognition of impairment losses.
Sensitivity of the recoverable amount to the occupancy rate	A one-point increase and decrease in occupancy has an impact of +10% and -10%, respectively, on the recoverable amount, without this variation leading to the recognition of an impairment loss.
Sensitivity of the recoverable amount to the average selling rate	A one-percent increase and decrease in the average selling rate has an impact of +8% and -8%, respectively, on the recoverable amount. This variation does not lead to the recognition of impairment losses.
Sensitivity of the recoverable amount to the margin rate	A one-point increase and decrease in the margin rate has an impact of +12% and -12% respectively, on the recoverable amount. This variation does not lead to the recognition of impairment losses.

At 30 September 2020, sensitivity testing on the key assumptions detailed above did not lead to the recognition of impairment losses for the Tourisme Europe CGU, since the useful value of the CGUs remains higher than their carrying amount.

The amount of goodwill and tangible and intangible assets allocated to the Tourisme Europe business does not have to be impaired as long as the occupancy rate does not drop more than 5.1 points, the average selling rate more than 6.2% or the operating margin rate more than 4.5 points.

In contrast, the impairment tests undertaken on the Seniorales CGU on 30 September 2020 showed a useful value below the book value of the assets, leading the Group to recognise in its accounts an impairment charge for goodwill (€18,926 thousand) and the brand (€2,040 thousand) for this CGU.

Note 7 Property, plant and equipment

(in € thousands)	Land	Buildings	Fixtures and fittings	Other property, plant and equipment, and assets in progress	Total property, plant, and equipment
At 30 September 2018					
Gross amount	21,125	243,509	292,152	187,599	744,385
Accumulated depreciation, amortisation and impairment losses	-3,703	-118,937	-222,954	-120,104	-465,698
NET AMOUNT	**17,422**	**124,572**	**69,198**	**67,495**	**278,687**
Changes					
Acquisitions	1,934	14,485	27,084	1,037	44,540
Net disposals and retirements	-322	-213	-59	-214	-808
First-time consolidation	-	-	-	15	15
Depreciation	-430	-8,329	-17,100	-8,422	-34,281
Reclassifications	0	858	3,158	-3,818	198
TOTAL CHANGES FOR THE YEAR	**1,182**	**6,801**	**13,083**	**-11,402**	**9,664**
At 30 September 2019					
Gross amount	22,737	257,927	321,976	183,180	785,820
Accumulated depreciation, amortisation and impairment losses	-4,133	-126,554	-239,695	-127,087	-497,469
NET AMOUNT	**18,604**	**131,373**	**82,281**	**56,093**	**288,351**
Changes					
Acquisitions	280	3,921	14,623	14,502	33,326
Net disposals and retirements	-235	-2,661	-	-2,506	-5,402
First-time consolidation	-	-	-	-	-
Depreciation	-706	-4,264	-16,883	-10,781	-32,634
Reclassifications	1,634	-81,680	-5,370	-6,604	-92,020
TOTAL CHANGES FOR THE YEAR	**973**	**-84,684**	**-7,630**	**-5,389**	**-96,730**
At 30 September 2020					
Gross amount	22,524	142,901	285,955	185,737	637,117
Accumulated depreciation, amortisation and impairment losses	-2,947	-96,212	-211,304	-135,032	-445,495
NET AMOUNT	**19,577**	**46,689**	**74,651**	**50,705**	**191,622**

Property, plant and equipment items, with a total net carrying amount of €191,622 thousand at 30 September 2020, essentially include the assets used in the operations of:

- **villages of the Center Parcs and Sunparks brands** in the amount of €115,332 thousand, consisting mainly of the furniture and general installations necessary for the operation of the villages.

  The main changes for the financial year arose from:

  - investments of €19,398 thousand for improving the product mix of all the Center Parcs villages, including €7,156 thousand for the Belgian villages, €5,121 thousand for the Dutch villages, €3,991 thousand for the French villages, and €3,130 thousand for the German villages,
  - depreciation for the period of €22,197 thousand,
  - pursuant to the application of IFRS 16, leased assets are now presented as rights of use. They were previously consolidated as property, plant and equipment when the contract qualified as a finance lease. The finance lease for Domaine du Lac d'Ailette in the amount of €90,661 thousand as at 30 September 2019 has been reclassified under rights of use;
- **the Pierre & Vacances Tourisme Europe residences and villages,** for a net amount of €71,772 thousand. Property, plant and equipment mainly comprise general services, fittings and furniture needed for operating the sites.

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During the financial year, the operating companies invested €12,929 thousand, primarily to modernise existing sites.

Depreciation for the period stood at €11,813 thousand.

Investment subsidies are shown as a reduction in the value of the asset for which they were received. At 30 September 2020, the Pierre & Vacances-Center Parcs Group had not recorded any significant amounts for investment subsidies.

Note 8 Rights of use

Following the application of IFRS 16 as from 1 October 2019, the Group recognises a right of use and a lease obligation in respect of leases (see Note 1.2 - Changes in accounting principles).

The latter relate mainly to the assets operated by the Group for tourism, which account for 98% of the total rights of use.

The change in the value of these rightsof use during the 2019/2020 financial year is as follows:

	Rights of use			
(in € thousands)	**Tourism assets**	**Other real estate assets**	**Other non-real estate assets**	**Total**
AT 30 SEPTEMBER 2019	**-**	**-**	**-**	**-**
First-time adoption at 1 October 2019	2,408,872	41,637	15,442	2,465,957
Increases	186,371	9,700	576	196,647
Decreases and early termination of contracts	-69,646	-		-69,646
Depreciation, amortisation and impairment	-245,227	-5,623	-8,217	- 259,067
AT 30 SEPTEMBER 2020	**2,280,376**	**45,714**	**7,801**	**2,333,891**
of which gross value	*3,759,437*	*60,043*	*25,417*	*3,844,897*
of which accumulated depreciation	*-1,479,061*	*-14,329*	*-17,616*	*-1,511,006*

Note 9 Equity-accounted investments

Under IFRS 11, the income and expenses, assets and liabilities of interests in associates or joint ventures are consolidated in the Group's consolidated financial statements using the equity method.

At 30 September 2020, the following companies were consolidated using the equity method:

- the entities comprising the Adagio Group (50%);
- the entities comprising the Villages Nature® Group (50%, with the exception of SNC Nature Hébergements 1);
- SNC Nature Hébergements 1 (37.5%);
- SAS Foncière Presqu'île de la Touques (50%);
- La Financière Saint-Hubert SARL (55%);
- Senioriales Ville de Castanet (50%);
- Senioriales Ville de Tourcoing (50%);
- Senioriales Ville de Cesson Sevigné (50%);
- Senioriales en Ville de Fontenay aux Roses (50%);
- Senioriales en Ville de Saint Avé (50%);
- SCCV Senioriales en Ville de Schiltigheim (50%);
- SCCV Senioriales d'Angers (50%);
- Immalliance Seniors Le Pin (50%);
- Beau Village Limited (44%);
- SCCV Nantes Russeil (50%);
- SNC Caen Meslin (40%);
- SCCV Palaiseau RT (50%);
- SCCV Toulouse Pont Jumeaux A1 (50%).

(in € thousands)	30/09/2020	30/09/2019
Beau Village limited	2,480	3,966
Adagio	1,942	12,182
Senioriales	1,991	1,350
Other joint ventures	188	686
NET VALUE OF EQUITY-ACCOUNTED INVESTMENTS	**6,601**	**18,184**

In addition, some joint ventures are negative contributors. These are mainly Villages Nature® companies for which the value of the shares is presented on the liabilities side of the balance sheet under "Non-current provisions" in the amount of €65,401 thousand at 30 September 2020.

Summary of financial information for the main joint ventures

A summary of financial information (based on 100%) for each of the main joint ventures is shown below. These amounts are taken from the joint ventures' financial statements, prepared in accordance with IFRS and Pierre & Vacances-Center Parcs Group accounting principles and methods. The data are presented before eliminations of intragroup data.

2019/2020 income statement

Synthetic income statement of joint ventures (data presented at 100%)	**Adagio**	**Villages Nature®**	**Other**	
Revenue	57,194	46,166	26,958	
Purchases and external services	-42,082	-30,956	-27,226	
Employee expenses	-19,438	-6,616	-	
Depreciation, amortisation and impairment	-9,053	-24,484	-1,150	
Other operating income and expenses	285	259	63	
OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**-13,095**	**-15,631**	**-1,355**	
Other operating income and expenses	-364	-86	-	
OPERATING INCOME	**-13,459**	**-15,717**	**-1,355**	
Costs of net financial debt	-2,152	-12,798	-176	
Other financial income and expenses	-47	-999	-1	
FINANCIAL INCOME (EXPENSE)	**-2,199**	**-13,797**	**-177**	
INCOME BEFORE TAX	**-15,657**	**-29,514**	**-1,532**	
Tax expense	-1,409	-2,808	390	
PROFIT (LOSS) FOR THE YEAR (DATA PRESENTED ON 100% BASIS)	**-17,066**	**-32,322**	**-1,142**	
				Total
Percentage shareholding (weighted average)	50%	50%	n/a	
Group's share of profit (loss)	**-8,533**	**-16,161**	**-487**	**-25,181**

2018/2019 income statement

Synthetic income statement of joint ventures (data presented at 100%)	Adagio	Villages Nature®	Other	
Revenue	99,448	62,267	23,892	
Purchases and external services	-63,081	-54,794	-24,839	
Employee expenses	-22,239	-8,093	-	
Depreciation, amortisation and impairment	-2,720	-9,975	-819	
Other operating income and expenses	-240	-1,106	326	
OPERATING PROFIT (LOSS) FROM ORDINARY ACTIVITIES	**11,168**	**-11,701**	**-1,494**	
Other operating income and expenses	-87	-99	-	
OPERATING INCOME	**11,081**	**-11,800**	**-1,494**	
Costs of net financial debt	-5	-3,674	-559	
Other financial income and expenses	444	-886	-	
FINANCIAL INCOME (EXPENSE)	**439**	**-4,560**	**-559**	
INCOME BEFORE TAX	**11,520**	**-16,360**	**-2,054**	
Income tax expense	-3,756	413	-26	
PROFIT (LOSS) FOR THE YEAR (DATA PRESENTED ON 100% BASIS)	**7,764**	**-15,947**	**-2,080**	
				Total
Percentage shareholding (weighted average)	50%	50%	n/a	
Group's share of profit (loss)	**3,882**	**-7,973**	**-2,246**	**-6,337**

In addition to the income (loss) generated by companies consolidated using the equity method, the income statement item "Share of net income (loss) of equity-accounted investments" also includes the impact of strategic agreements in China signed in the 2018/2019 financial year.

Statement of financial position at 30 September 2020 (financial data presented on 100% basis)

Assets *(in € thousands)*	Adagio	Villages Nature®	Other joint ventures
Non-current assets	67,780	250,363	5,283
Current assets	38,105	171,367	86,818
TOTAL ASSETS	**105,885**	**421,730**	**92,101**

Liabilities *(in € thousands)*	Adagio	Villages Nature®	Other joint ventures
Equity	3,897	-129,711	6,994
Non-current liabilities	33,872	209,508	473
Current liabilities	68,116	341,932	84,635
TOTAL EQUITY AND LIABILITIES	**105,885**	**421,730**	**92,101**

Statement of financial position at 30 September 2019 (financial data presented on 100% basis)

Assets *(in € thousands)*	**Adagio**	**Villages Nature®**	**Other joint ventures**
Non-current assets	33,084	67,408	8,864
Current assets	66,051	179,780	59,351
TOTAL ASSETS	**99,135**	**247,188**	**68,215**

Liabilities *(in € thousands)*	**Adagio**	**Villages Nature®**	**Other joint ventures**
Equity	24,430	-84,686	11,302
Non-current liabilities	3,434	48,796	880
Current liabilities	71,270	283,078	56,033
TOTAL EQUITY AND LIABILITIES	**99,135**	**247,188**	**68,215**

Note 10 Non-consolidated investments in associates and other long-term equity investments

(in € thousands)	**30/09/2020**	**30/09/2019**
Gross amount	**804**	**437**
Impairment losses	-	-
NET AMOUNT	**804**	**437**

The other "Non-consolidated investments in associates and other long-term equity investments" are equity interests in various companies in which the Pierre & Vacances-Center Parcs Group does not have a controlling interest and over which it does not exercise significant influence.

Note 11 Other non-current financial assets

(in € thousands)	**30/09/2020**	**30/09/2019**
Gross loans and other financial assets	37,087	38,565
Impairment losses	-1,221	-774
TOTAL	**35,866**	**37,791**

"**Loans and other financial assets**", whose net carrying amount at 30 September 2020 was €35,866 thousand, consist primarily of guarantee deposits paid to property owners and to lessors and suppliers.

Note 12 Inventories and work in progress

(in € thousands)	30/09/2020	30/09/2019
Work in progress	139,776	154,786
Finished goods	28,172	16,908
GROSS PROPERTY DEVELOPMENT PROGRAMMES	**167,948**	**171,694**
Impairment losses	-22,782	-2,408
NET PROPERTY DEVELOPMENT PROGRAMMES	**145,166**	**169,286**
Other inventories	5,756	8,415
TOTAL	**150,922**	**177,701**

The breakdown of the contribution of each of the property development programmes to the net amount of the inventories is shown in Note 13.

The impairment losses recognised at 30 September 2020 relate to the overhaul of various Center Parcs property development projects in France, including Center Parcs Poligny, Center Parcs Le Rousset and Center Parcs Bois Francs.

Note 13 Contribution of property development programmes to the gross amount of inventories

Net inventory value was down €24,119 thousand during the 2019/2020 financial year.

This change is explained notably by the discontinuation of the project to set up a Domaine Center Parcs in Roybon, in Isère, valued at €40,715 thousand in inventories. For over 10 years, legal proceedings challenging the administrative authorisations hindered the project's implementation. As the authorisation to clear the land, which was essential for its implementation, has lapsed and access to the site has been blocked by "zadists" who have been illegally occupying the land since 2014, Center Parcs has decided to withdraw from this project. This discontinuation generated outgoing inventories amounting to €40,715 thousand, recognised in other operating expenses for the 2019/2020 financial year.

The Méribel site also posted a €12,555 thousand decrease in inventory value, following the delivery of the site in December 2019.

Conversely, the Group recorded an increase in inventories relating to property development programmes under construction, mainly the Center Parcs Sud-Ouest site (increase of €22,753 thousand) and the Avoriaz Hermine Loisirs site (increase of €19,050 thousand).

(in € thousands)	Country	Inventories 30/09/2020	Inventories 30/09/2019	Changes
Center Parcs Sud Ouest	France	45,109	22,356	22,753
Senioriales property development programmes	France	37,121	40,046	-2,925
Avoriaz Hermine Loisirs	France	19,050	-	19,050
Presqu'île de la Touques	France	6,775	3,889	2,886
Center Parcs – Allgäu	Germany	4,803	128	4,675
PV Aime La Plagne	France	3,806	5,907	-2,101
Center Parcs – Bispingen	Germany	2,669	429	2,240
Meribel Ravines	France	2,269	14,824	-12,555
Salou	Spain	1,914	2,187	-273
Center Parcs – Heiderbos	The Netherlands	1,903	349	1,554
Center Parcs – Bois Francs	France	1,801	7,652	-5,851
Avoriaz Téléphérique	France	1,388	980	408
Empuriabrava	Spain	1,205	5,198	-3,993
Avoriaz Crozats Loisirs	France	1,197	4,289	-3,092
Center Parcs – Erperheide	Belgium	1,141	367	774
Puerto	Spain	1,003	1,073	-70
Center Parcs – Eifel	Germany	726	460	266
Center parcs – De haan	Belgium	720	-	720
Saint-Cast Le Guildo	France	719	107	612
Belle Dune Village	France	600	2,094	-1,494
Center Parcs – Kempervennen	The Netherlands	537	599	-62
Center Parcs – Meerdal	The Netherlands	534	338	196
Center Parcs – Huttenheugte	The Netherlands	520	346	174
Terrazas	Spain	449	449	-
Center Parcs – Vossemeren	Belgium	422	399	23
Center Parcs – Brombachsee	Germany	394	-	394
Center Parcs – Poligny	France	367	4,884	-4,517
Flaine Montsoleil	France	351	116	235
Center Parcs – Le Rousset	France	310	4,769	-4,459
Center Parcs – Roybon	France	2	40,717	-40,715
Miscellaneous property development programmes		5,362	4,332	1,030
TOTAL INVENTORIES PIERRE & VACANCES-CENTER PARCS		**145,166**	**169,286**	**-24,119**

Note 14 Trade receivables

(in € thousands)	30/09/2020	30/09/2019
Property development	185,030	143,220
Tourism	98,371	109,001
Services	8,898	8,638
GROSS TRADE RECEIVABLES	**292,299**	**260,859**
Property development	-1,544	-362
Tourism	-10,217	-5,965
Services	-40	-2174
IMPAIRMENT LOSSES	**-11,801**	**-8,501**
TOTAL	**280,498**	**252,358**

At 30 September 2020, the net value of trade receivables had increased by €28,140 thousand.

This increase is principally attributable to the Property development activity, in the amount of €41,810 thousand, mainly related to the Center Parcs Sud-Ouest construction programme.

The Tourism business, for its part, posted a decrease of €10,630 thousand, reflecting the reduction of tourism reservations at year-end 2019/2020.

The trade receivables ageing schedule is presented in Note 26.

Note 15 Other current assets

15.1 – Other current assets

(in € thousands)	30/09/2020	30/09/2019
Advances and prepayments to suppliers	44,358	26,454
State - taxes and duties	59,368	62,405
Other receivables	91,084	47,330
GROSS AMOUNT	**194,810**	**136,189**
Provisions	-4,775	-1,983
NET OTHER RECEIVABLES	**190,035**	**134,206**
Other pre-paid expenses	17,808	51,205
PREPAID EXPENSES	**17,808**	**51,205**
TOTAL OTHER CURRENT ASSETS	**207,844**	**185,411**

Other current assets amounted to €207,844 thousand at 30 September 2020, up €22,433 thousand compared to the 2018/2019 financial year. This change is mainly related to the increase in advances and prepayments to suppliers (€17,904 thousand) and the increase in other receivables (€43,754 thousand) due to the issuance of COVID-19 credit notes following the closure of our sites, offset by a strong reduction in prepaid expenses (-€33,397 thousand), essentially due to the application of IFRS 16 on leases.

15.2 – Current financial assets

(in € thousands)	30/09/2020	30/09/2019
External current accounts	101,494	87,859
Loans under the "Ownership & Holidays" programme	10,991	5,740
TOTAL	**112,485**	**93,599**

"Current financial assets" mainly include the debit current accounts of joint ventures as well as several loans under the "Ownership & Holidays" programme.

The "external current accounts" item mainly consisted of Villages Nature-related current accounts.

Note 16 Cash and cash equivalents

The cash and cash equivalents balance shown in the consolidated statement of cash flows breaks down as follows:

(in € thousands)	30/09/2020	30/09/2019
Cash	205,294	114,776
Cash equivalents (money market funds and deposits)	30	30
CASH AND CASH EQUIVALENTS	**205,324**	**114,806**
Bank credit balances	-7,051	-1,289
NET CASH AND CASH EQUIVALENTS	**198,273**	**113,517**

Cash and cash equivalents mainly consist of the Group's investments, through first class banking institutions, in money market funds that comply with the AMF criteria listed in Note 1.18 – "Cash and cash equivalents".

Note 17 Group shareholders' equity

Issued capital and share premium

The share capital at 30 September 2020 was €98,934,630 divided into 9,893,463 shares, including:

- 9,891,447 ordinary shares with a par value of €10 each (including 738 ordinary shares issued as a result of the conversion on 6 April 2020 of 738 category A preference shares, 426 ordinary shares issued as a result of the conversion on 6 April 2020 of 17 category B preference shares, and 88,560 ordinary shares issued as a result of the conversion on 22 July 2020 of 738 category A preference shares);
- 1,349 category B preference shares with a par value of €10, which will be converted by law into a maximum of 136,600 ordinary shares on 28 February 2022, according to the statutory conversion parity;
- 667 category C preference shares with a par value of €10, which will be converted by law into a maximum of 66,700 ordinary shares on 28 February 2022, according to the statutory conversion parity.

The category A preference shares were fully converted into ordinary shares on 6 April 2020 and on 22 July 2020.

The capital is divided into 9,891,447 ordinary shares, 1,349 category B preference shares and 667 category C preference shares. Category B and C preference shares have no voting rights.

During the 2019/2020 financial year, the weighted average number of shares outstanding stood at 9,556,358.

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Potential capital

Analysis of the potential capital and changes thereto during the 2019/2020 and 2018/2019 financial year are detailed in the following table:

	30/09/2020	30/09/2019
Number of shares at 1 October	**9,805,232**	**9,804,565**
Number of shares issued during the year (prorata temporis)	17,283	303
Pierre et Vacances shares held by Pierre et Vacances SA and deducted from consolidated equity	-267,508	-269,077
Weighted average number of shares	**9,555,007**	**9,535,791**
Dilutive effect		
Pierre & Vacances bonus shares granted	475,710	357,400
Weighted average number of diluted shares	**10,030,717**	**9,893,191**

Treasury shares

During the 2019/2020 financial year, the Pierre & Vacances-Center Parcs Group vested 88,231 treasury shares under employee bonus share plans issued on 2017 and 2018.

To support the share price, the Group also sold and acquired treasury shares generating a net cash inflow of €98 thousand.

At 30 September 2020, the Group held 264,587 treasury shares for a total value of €5,483 thousand.

Dividends paid

The Shareholders' Combined Ordinary and Extraordinary Meeting of 5 February 2020 decided not to distribute any dividend for the 2019/2020 financial year.

Note 18 Provisions

(in € thousands)	30/09/2019	Additions	Reversals used	Reversals not used	Other changes	30/09/2020
Provisions for renovations	7,502	1,221	-	-	-	8,723
Provisions for retirement and other post-employment benefits	17,987	65	-2,117	-	-678	15,257
Provisions for legal proceedings	3,518	3,432	-1,035	-33	35	5,917
Provisions for restructuring costs, employee departures and site closures	2,130	18,063	-1,836	-1	-	18,356
Provisions for losses on contracts	-	3,137	-	-	-	3,137
Provisions for negative equity investments	43,684	-	-	-	23,021	66,705
Other provisions	1,388	-	-1,388	-	-	-
TOTAL	**76,209**	**25,985**	**-6,443**	**-34**	**22,378**	**118,095**
Non-current portion	*68,299*	-	-	-	-	*96,876*
Current portion	*7,910*	-	-	-	-	*21,219*

The provisions for renovations represent the Group's contractual commitments and maintenance policy for its leased property (see Note 1.21 – "Provisions").

Provisions for restructuring costs, employee departures and site closures are mainly related to the Group's reorganisation in connection with the Change Up project, as well as to the selective lease renewal policy, leading to the closure of loss-making sites.

The provision for negative equity investments which amounted to €66,705 thousand at 30 September 2020, up €23,021 thousand on the 2019/2020 financial year, primarily related to Villages Nature® companies.

(in € thousands)	30/09/2020	30/09/2019
Provisions for renovations	8,533	7,314
Provisions for retirement and other post-employment benefits	13,998	16,361
Provisions for legal proceedings	3,733	897
Provisions for restructuring costs, employee departures and site closures	770	135
Provisions for losses on contracts	3,137	-
Provisions for negative equity-accounted investments	66,705	43,592
NON-CURRENT PROVISIONS	**96,876**	**68,299**
Provisions for renovations	190	188
Provisions for retirement and other post-employment benefits	1,259	1,626
Provisions for legal proceedings	2,184	2,621
Provisions for restructuring costs, employee departures and site closures	17,586	1,995
Provisions for losses on contracts	-	-
Other provisions	-	1,480
CURRENT PROVISIONS	**21,219**	**7,910**
TOTAL	**118,095**	**76,209**

Provisions for legal proceedings

Provisions for legal proceedings amounted to €5,917 thousand in total, including €2,184 thousand of current provisions and €3,733 thousand of non-current provisions.

Each legal proceeding is monitored and analysed by the Group's Legal Department, which, occasionally with the help of external experts, assesses the potential cost on a case-by-case basis. A provision for the estimated cost of the risk is recognised in the financial statements of the various entities involved.

The provisions for legal proceedings and their changes during the financial year break down as follows:

(in € thousands)	Tourism business-related disputes	Property development business-related disputes	Individual employee disputes	Total
Balance at 30 September 2019	**422**	**140**	**2,956**	**3,518**
New legal proceedings	2,991	-	441	3,432
Reversals related to expenses for the financial year	-30	-	-1,004	-1,035
Reversals not used	-	-	-33	-33
Reclassification and changes in scope of consolidation	-	-18	53	35
BALANCE AT 30 SEPTEMBER 2020	**3,383**	**122**	**2,413**	**5,917**

The main new legal proceedings relate to service providers in the Group's Tourism business, including €1,533 thousand in provisions in Italy and €1,400 thousand in France.

At 30 September 2020, no governmental, legal or arbitration proceedings (including any proceedings of which the Group is aware that are pending or represent a threat) had a material impact, either individually or globally, on the Group's financial position or profitability.

Provisions for retirement and other post-employment benefits

Provisions for retirement and other post-employment benefits, which are assessed by independent actuaries, are determined according to the Group's accounting principles (see Note 1.22 "Provisions for retirement and other post-employment benefits"). The obligations reported relate primarily to France at 30 September 2020. The main actuarial assumptions used are as follows:

	30/09/2020	30/09/2019
	France	France
Discount rate	0.75%	0.25%
Salary increase rate	2.50%	1.70%
Inflation rate	1.75%	1.50%

The assumptions for expected long-term return on assets and discount rates used for estimating the Group's bonds have been defined on the basis of recommendations from independent experts. The discount rate is determined by reference to a market rate based on first class European corporate bonds (Iboxx Corporate AA 10 +).

The amounts recognised on the statement of financial position at 30 September are as follows:

	30/09/2020			30/09/2019		
(in € thousands)	Retirement plans	Other benefits	Total	Retirement plans	Other benefits	Total
Discounted benefit obligation	136,828	6,161	142,989	152,346	8,224	160,570
Fair value of plan assets	127,732	-	127,732	142,583	-	142,583
NET LIABILITY RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION	**9,096**	**6,161**	**15,257**	**9,763**	**8,224**	**17,987**

The change in provisions for retirement and other post-employment benefits are as follows:

	FY 2019/2020			FY 2018/2019		
(in € thousands)	Retirement plans	Other benefits	Total	Retirement plans	Other benefits	Total
Actuarial liability start of the reporting period	**9,763**	**8,224**	**17,987**	**8,026**	**7,098**	**15,124**
Current service cost	819	851	1,669	689	447	1,136
Interest cost	23	17	40	110	96	206
Contributions received and benefits paid	-839	-459	-1,299	-853	-490	-1,343
Recognised actuarial differences	-670	-2,471	-3,141	1,790	446	2,236
Past service cost	-	-	-	-	624	624
Change in scope of consolidation	-	-	-	-	2	2
ACTUARIAL LIABILITY AT 30 SEPTEMBER	**9,096**	**6,161**	**15,257**	**9,763**	**8,224**	**17,987**

The change in the fair value of the assets held to cover the commitments breaks down as follows:

(in € thousands)	FY 2019/2020	FY 2018/2019
Fair value of investments at start of the reporting period	**142,583**	**114,509**
Effective return on plan assets	314	1,590
Employer contributions received	885	749
Contributions received from plan members	357	345
Benefits paid and expenses for the year	-2,766	-2,595
Actuarial difference	-13,641	27,985
FAIR VALUE OF INVESTMENTS AT END OF THE REPORTING PERIOD	**127,732**	**142,583**

Sensitivity analysis of the fair value of plan assets

The sensitivity of the fair value of the plan assets for the financial year is as follows: a 0.25 point increase in the asset discount rate would reduce the fair value of the plan assets by €5,865 thousand. Conversely, a 0.25 point decrease in the asset discount rate would increase the fair value of the plan assets for the financial year by €6,274 thousand.

Analysis of the fair value of the assets held to cover the commitments, by asset category:

(in € thousands)	30/09/2020	30/09/2019
Insurance	127,732	142,583
FAIR VALUE	**127,732**	**142,583**

Sensitivity analysis of the discounted value of bonds

The sensitivity of the discounted value of the bonds is as follows: a 0.25 point increase in the discount rate would decrease the discounted bond by €5,556 thousand. Conversely, a 0.25 point decrease in the discount rate would increase the present value of the bonds by €5,933 thousand.

Note 19 Financial liabilities

(in € thousands)	30/09/2020	30/09/2019
Long-term borrowings		
Amounts due to credit institutions	253,163	-
Bond issue	233,314	232,502
Bridging loans	30,341	2,226
Finance leases	-	94,498
Other financial liabilities	1,320	849
SUB-TOTAL LONG-TERM BORROWINGS	**518,138**	**330,075**
Short-term borrowings		
Amounts due to credit institutions	4,454	3,673
Bridging loans	6,245	4,968
Finance leases	-	3,369
Bank credit balances (including the portion of revolving loans drawn down)	7,051	1,289
SUB-TOTAL SHORT-TERM BORROWINGS	**17,750**	**13,299**
TOTAL	**535,888**	**343,374**

In the 2019/2020 financial year, financial liabilities were up €192,514 thousand, including:

- +€282,959 thousand in cash inflows and repayments of borrowings, which appear among financing operations in the cash flow statement and correspond mainly to the drawdown of the State-guaranteed loan;
- +€5,762 thousand related to the increase in bank overdrafts;
- -€82 thousand drop in interest accrued (which appears under "Interest paid" in the statement of cash flows);
- +€466 thousand of financial interests mainly linked to the application of effective interest rate;
- reclassification of finance lease debts as lease obligations for an amount of -€96,591 thousand following the first-time adoption of IFRS 16.

Bank borrowings and bridging loans at 30 September 2020 primarily included:

- the ORNANE-type bond issued on 6 December 2017 with a principal amount of €100,000 thousand and maturing on 1 April 2023. Bonds redeemable in cash and new or existing shares (ORNANE) are convertible subject to conditions until 25 May 2021, then at any time. This issue is accompanied by a 2.00% coupon payable every six months in arrears on 1 April and 1 October every year.

At 30 September 2020, this borrowing was recognised in the Group's consolidated financial statements as €98,127 thousand;

- the bond issued in the form of an unlisted "Euro PP" private placement on 19 July 2016 with a principal amount of €60,000 thousand and maturing in December 2022. This issue was subscribed for by French institutional investors. The initial rate of 4.25% was contractually increased to 4.50% and then reduced to its initial rate of 4.25% following the signature of the amendment to the credit agreement signed in June 2020.

At 30 September 2020, this borrowing was recognised in the Group's consolidated financial statements as €59,674 thousand;

- the bond issued in the form of an unlisted "Euro PP" private placement on 14 February 2018 with a principal amount of €76,000 thousand and maturing in February 2025. This issue was subscribed for by French institutional investors. The initial rate of 3.90% was contractually increased to 4.25% and then reduced to its initial rate of 3.90% following the signature of the amendment to the credit agreement signed in June 2020.

At 30 September 2020, this borrowing was recognised in the Group's consolidated financial statements as €75,512 thousand.

In June 2020, the Group obtained a €240 million state backed loan (French: PGE) from its banking pool.

The loan benefited from a French state guarantee for 90% of the amount borrowed, under the framework of the state loan measures granted in France under the "PGE regulation: Article 6 of Law no. 2020-289 of 23 March 2020 Amending Finances for 2020.

The main characteristics of the Credit Convention concerning the state backed loan obtained by the Group were the following:

- the loan is booked in the consolidated accounts net of transaction costs incurred for an amount of €239.7 million on 30 September 2020;
- the loan is recorded at the cost corresponding to the fair value of the amount received net of costs related to the implementation of the loan. Thereafter, the loan is recorded at the amortised cost using the effective interest rate method (see Accounting Principles 1.23), the difference between the cost and the reimbursement value being booked in the income statement over the duration of the loan;
- the initial maturity of the loan is one year, as defined in the Credit Convention as the Initial Maturity Date, namely June 2021 (first anniversary of the Draw Date); with the possibility for the Group to extend maturity for five more years;

Assuming the loan is extended for the maximum period allowed by the PGE Credit Convention, and in view of the previous, the reimbursement schedule would be as follows:

Maturities	Balance *(in € thousands)* as at 30/09/2020
Year N+1	-
Year N+2	24,000
Year N+3	36,000
Year N+4	48,000
Year N+5	60,000
Year > N+5	71,717
TOTAL	**239,717**

In addition, more specifically for the Property development business, the Group also has the following financial liabilities:

- a loan of a nominal amount of €12,500 thousand set up as part of the property development of the Avoriaz Hermine Loisirs programme;
- bridging loans of €36,586 thousand put in place for property development programmes, including in particular:
  - €27,748 thousand related to the SNC Sud-Ouest Cottages property development programme,
  - €5,453 thousand for the Senioriales en Ville du Teich property development programme,
  - €2,593 thousand related to the Senioriales de Pourrières property development programme,
  - €792 thousand for the Senioriales de la Rochelle Laleu property development programme.

In addition, at 30 September 2020, the Group has 5 undrawn credit lines for a total amount of €234 million.

Breakdown by maturity

The change in maturity of gross borrowings and other financial liabilities breaks down as follows:

Maturities	Balance *(in € thousands)* as at	
	30/09/2020 (1)	30/09/2019
Year N+1	17 750	13 299
Year N+2	24 000	5 467
Year N+3	224 142 (2)	3 253
Year N+4	61 446	160 737
Year N+5	135 512 (3)	3 811
Year > N+5	73 038	156 807
TOTAL	**535 888**	**343 374**

(1) Assuming the State-guaranteed loan is extended for 5 years.
(2) Including €96,521 thousand for the ORNANE-type bond and €59,164 thousand for the Euro PP-type bond.
(3) Including €75,270 thousand for the Euro PP-type bond.

Breakdown of main financial liabilities by interest rate type:

Fixed rate

The main fixed-rate financial debts recorded as liabilities in the balance sheet at 30 September 2020 relate to the restatement of bonds. The nominal amount of the fixed-rate financial liabilities was €486.5 million. The majority of these borrowings carry interest at percentages between 2.00% and 4.50%.

Issue date	Maturity date	Principal amount outstanding at 30/09/2019 *(in € millions)*	Interest rate
Bond issue			
06/12/2017	01/04/2023	98.1	2.00%
14/02/2018	14/02/2025	75.5	4.25%
19/07/2016	31/12/2022	59.7	4.50%
Amounts due to credit institutions			
10/06/2020	10/06/2026 (1)	239.7	
30/12/2019	30/12/2023	12.5	2.00%
25/03/2020	30/03/2024	0.9	2.00%
TOTAL		**486.5**	

(1) Assuming the State-guaranteed loan is extended for 5 years.

Variable rate

The principal amount of variable rate bank borrowings and bridging loans is €36,586 thousand with a 3-month Euribor + margin rate.

To manage the risk associated with interest rate fluctuations on variable rate borrowings, the Pierre & Vacances-Center Parcs Group has, in the past, set up interest rate swap contracts.

Given the low expected use of variable rate lines, the Group did not contract any hedging instruments.

Amounts due to credit institutions and variable rate bridging loans break down as follows:

Issue date	Maturity date	Bridging loans Principal amount outstanding at 30/09/2019 *(in € millions)*	Interest rate
Bridging loans:			
15/09/2017	02/12/2022	27.7	3-month Euribor + margin
20/07/2018	30/09/2020	5.5	3-month Euribor + margin
18/05/2018	16/02/2023	2.6	3-month Euribor + margin
02/08/2019	02/08/2021	0.8	3-month Euribor + margin
SUB-TOTAL		**36.6**	
TOTAL		**36.6**	

Securities

(in € thousands)	30/09/2020	30/09/2019
Guarantees and pledges	152,740	186,962
Mortgages	-	6,000
TOTAL	**152,740**	**192,962**

Securities pledged by the Group to secure repayment of its bank borrowings include:

- a first call guarantee of €151,575 thousand that can be amortised, granted to the institution that provided the finance lease for the facilities at Domaine du Lac d'Ailette.

Breakdown of the change in maturity of collateral:

Maturities	Balance *(in € thousands)* as at 30/09/2020	30/09/2019
Year N+1	4,609	29,204
Year N+2	6,059	7,351
Year N+3	5,197	5,440
Year N+4	5,534	4,894
Year N+5	5,862	5,197
Year > N+5	125,479	140,876
TOTAL	**152,740**	**192,962**

Note 20 Financial Instruments

The table below shows the carrying amount and the fair value of the financial instruments recognised on the statement of financial position: Financial instruments are classed according to procedures defined by IFRS 9.

(in € thousands)	IFRS 9 category	30/09/2020 Carrying amount	30/09/2019 Carrying amount
ASSETS			
Non-consolidated investments in associates and other long-term equity investments	Assets at fair value through other comprehensive income	804	437
Related receivables	Assets at amortised cost	2	1
Loans and other financial assets	Assets at amortised cost	35,864	37,790
Non-current financial assets		**36,669**	**38,227**
Trade receivables	Assets at amortised cost	280,498	252,358
Other current assets[(1)]	Assets at amortised cost	86,310	45,347
Current financial assets	Assets at amortised cost	112,485	93,599
Cash and cash equivalents	Assets at fair value through profit or loss	205,324	114,806
Derivative financial instruments assets	See Note 20 – Hedging instruments	-	-
LIABILITIES			
Amounts due to credit institutions	Liabilities at amortised cost	257,617	3,673
Bond issue	Liabilities at amortised cost	233,314	232,502
Finance leases	Liabilities at amortised cost	-	97,867
Bank credit balances	Liabilities at amortised cost	7,051	1,289
Bridging loans	Liabilities at amortised cost	36,586	7,194
Other financial liabilities	Liabilities at amortised cost	1,320	849
Financial liabilities (including short-term portion)		**535,888**	**343,374**
Other non-current liabilities	Liabilities at amortised cost	9	9
Trade payables	Liabilities at amortised cost	265,998	340,388
Other current liabilities[(1)]	Liabilities at amortised cost	204,835	141,501
Financial instruments	Financial liabilities at fair value	-	-
Other current financial liabilities	Liabilities at amortised cost	16,432	19,820

(1) Other current assets and liabilities are restated for items not considered to be "financial instruments" within the meaning of IFRS 9, that is to say, advances and prepayments made and received, receivables and liabilities due to the State and prepaid expenses and deferred income.

Note 21 Market risks

Cash flow management

Cash flow is managed centrally by the specialist staff of the Pierre & Vacances-Center Parcs Group's Finance Department. The surplus cash of subsidiaries is paid into the Group's centralising entity (Pierre & Vacances FI) which redistributes them to the entities that need them and may, depending on projected market trends, invest the balance in "Euro Money Market" instruments to maximise liquidity and comply with the counterparty risk management policy. This centralisation means that financial resources are optimised and the main Group entities' cash flow trends are closely monitored.

Counterparty risk

These operations are carried out with banks authorised by Executive Management in line with the counterparty risk management policy. Because of the diversity of counterparties, selected from leading banks according to their rating and the knowledge the Group has of them, Pierre & Vacances-Center Parcs considers that it is not exposed to a concentration of credit risk. Since Pierre & Vacances-Center Parcs Group Executive Management would like to be able to access, at any moment, any available cash equivalents consisting of unit trusts and mutual investment funds, these investments are short-term (less than three months) and liquid.

Credit risk

Because of the Group's marketing rules concerning the sale of property (selling off-plan), this activity does not pose any significant risks relating to these trade receivables.

In the Tourism business, risk of non-payment by customers is low, with over 78% of revenue achieved by direct sale, whereby the payment for services occurs before these services are provided.

Group policy for indirect sales is to work with major market players, diversify its portfolio of tour operators and travel agencies, use agreements drawn up by the Legal Department assisted by its counsels, and check the solvency of the counterparties.

Capital management

The Group capital management objective is to ensure operational continuity, the profitability of shareholders' capital, and the reliability of partner relationships and to maintain an optimal capital structure in order to limit the cost of committed funds.

To maintain or adjust the committed funds structure, the Group can issue new debt or repay existing debt, adjust the amount of dividends paid to shareholders, make a capital repayment to shareholders, issue new shares, repurchase existing shares or dispose of assets in order to reduce its debt.

The Group communicates on its debt ratio (net debt/equity), a capital control indicator.

Given the fact that the Pierre & Vacances-Center Parcs Group does not aim to own the residences and villages it develops and operates, its exposure to capital risk is therefore limited.

Liquidity risk

At 30 September 2020, the Pierre & Vacances-Center Parcs Group's net cash and cash equivalents balance stood at €198,273 thousand. This balance equals the gross amount of cash and cash equivalents (€205,294 thousand) less bank overdrafts (€7,051 thousand).

Furthermore, as indicated in Note 19, the Group has four confirmed credit lines, as well as one revolving credit line. There was no drawdown against any of these credit lines at 30 September 2020.

Elsewhere, as indicated in the highlights, the different scenarios of the Group's 12 month cash flow forecasts (depending on the periods of administrative closures and the adjustments to operating expenses related to these closures) enable to confirm that there is no liquidity risk from a 12 month perspective.

Analysis of assets and liabilities associated with financing activities at 30 September 2020:

		Maturities		
(in € thousands)	**30/09/2020**	**< 1 year**	**1 to 5 years**	**> 5 years**
Amounts due to credit institutions	257,617	4,455	181,445	71,717
Bond issue	233,314	-	233,314	-
Other financial liabilities	37,906	6,245	30,341	1,320
Bank credit balances	7,051	7,051	-	-
Gross financial liabilities	**535,888**	**17,751**	**445,100**	**73,037**
Cash equivalents	-30	-30	-	-
Cash assets	-205,294	-205,294	-	-
NET FINANCIAL DEBT	**330,564**	**-187,573**	**445,100**	**73,037**

For reminder, the detail of financial debt and the maturity schedule of each debt is disclosed in Note 19.

The Pierre & Vacances-Center Parcs Group's bank borrowings are not based on its debt rating. Contracts governing the Corporate loan and the credit lines contain standard clauses referring to the consolidated financial position of the Group.

The definition and levels of the ratios, also called financial covenants, are fixed in advance in agreement with the lenders. Compliance with the ratios is assessed only once a year at the reporting date. Failure to comply with these ratios authorises the lenders to call in some or all of the debt early.

The loans are all accompanied by the usual legal clauses: "negative pledge", "pari passu" and "cross default".

As part of the refinancing of the Corporate debt in March 2016, only one financial ratio is monitored: adjusted net financial debt/EBITDAR (adjusted net financial debt = Group net financial debt plus lease commitments over the next 5 years, discounted at 6.0%; EBITDAR = Group consolidated recurring operating profit plus net depreciation, amortisation and provisions, and expenses related to the stock option plan, before rental expense for the year, excluding head office).

In 2019/2020, the Group benefited from a number of arrangements in terms of financing, in particular with an exemption for the financial ratio on 30 September 2020 and an easing of that to respect on 30 September 2021, which will have to be renegotiated depending on developments in the second wave of Covid-19 and the impacts on the tourism operations.

Moreover, the maturity of the €200 million revolving credit line, originally due in March 2021, has been extended by 18 months.

At 30 September 2020, contractual interest payments not discounted on financial liabilities outstanding, by maturity date, were as follows:

		Maturities		
	30/09/2020	< 1 year	1 to 5 years	> 5 years
Contractual interest payments not discounted on outstanding financial liabilities	**48,341**	**12,426**	**32,336**	**3,580**

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Interest rate risk

The management of market risk relating to interest rate fluctuations is handled centrally by the Group's Finance Department.

The Group's policy is to reduce its exposure to interest rate fluctuations when these are highly volatile or are expected to rise sharply. To this end, the Group may use derivative hedging instruments such as interest rate swaps or interest rate caps.

The Pierre & Vacances-Center Parcs Group's net financial income (expenses) thus has little sensitivity to interest rate changes. Bridging loans backing property transactions are generally not hedged against expected interest rate changes due to their usually limited duration.

Financial assets and liabilities at 30 September 2020 break down as follows:

		Maturities		
(in € thousands)	30/09/2020	< 1 year	1 to 5 years	> to 5 years
Fixed rate borrowings [(1)]	486,476	-	414,759	71,717
Variable rate borrowings	36,586	6,245	30,341	-
Other liabilities	1,320	-	-	1,320
Accrued interest expense	4,455	4,455	-	-
FINANCIAL LIABILITIES	**528,837**	**10,700**	**445,100**	**73,037**
Fixed rates loans	5,251	478	1,920	2,853
Variable rate loans	23,096	2,742	20,354	-
Variable rate cash equivalents	30	30	-	-
FINANCIAL ASSETS	**28,377**	**3,250**	**22,274**	**2,853**
NET POSITION	**500,460**	**7,450**	**422,826**	**70,184**

(1) The State-guaranteed loan is considered as a fixed-rate borrowing and is included in this line item

Given the low net variable rate loans and borrowings position, an upward or downward variation of 1% in short-term interest rates would have had a very low impact on financial items for 2019/2020.

Foreign exchange risk

The majority of the Group's assets and liabilities are denominated in euros. Only some subsidiaries have cash flows denominated in other currencies. As these subsidiaries are only small, the Group is not exposed to changes in foreign currency rates.

Note 22 Lease obligations

As at 30 September 2020, the change in lease obligations breaks down as follows:

(in € thousands)	**Total**
At 30 September 2019	**-**
First-time adoption at 1 October 2019	2,932,781
Increases, contractual arrangements and interest expense	265,915
Early termination of contracts	-143,471
Rent payments	-171,020
At 30 September 2020	**2,884,205**
of which current portion	*212,591*
of which non-current portion	*2,671,614*

The maturity schedule by year of maturity of the contracts breaks down as follows:

	by year of maturity					
(in € thousands)	**< 1 year**	**< 2 years**	**< 3 years**	**< 4 years**	**5 years and more**	**Total**
Lease obligation	24,657	38,844	40,817	47,973	2,731,914	**2,884,205**

Note 23 Trade payables

(in € thousands)	30/09/2020	30/09/2019
Tourism	206,863	260,927
Property development	45,197	62,074
Services	13,937	17,387
TOTAL	**265,997**	**340,388**

Trade payables were down €74,391 thousand, mainly on the Tourism sector (down €54,064 thousand), reflecting the fall in activity caused by the COVID-19 health crisis.

The trade payables ageing schedule is presented in Note 26.

Note 24 Other current and non-current liabilities

24.1 – Other current and non-current liabilities

(in € thousands)	30/09/2020	30/09/2019
Advances and deposits on orders in progress	168,519	146,121
VAT and other tax liabilities	63,293	63,538
Employee and social security liabilities	70,853	65,095
Lease liabilities	9	9
Other liabilities	133,982	76,406
OTHER OPERATING LIABILITIES	**436,656**	**351,169**
Property sales and support funds	142,692	88,702
Other deferred income	29,565	36,819
DEFERRED INCOME	**172,257**	**125,521**
TOTAL OTHER LIABILITIES	**608,913**	**476,690**
Other current liabilities	608,904	476,681
Other non-current liabilities	9	9

The €132,223 thousand increase in "Other current and non-current liabilities" is mainly due to the increase in other operating liabilities of €57,576 thousand and prepaid income of €46,736 thousand, particularly in the property development sector.

The increase in advances and deposits received is mainly due to the COVID-19 health context, which led to an increase in advances and deposits received in direct sales to customers.

The increase in other liabilities corresponds to the issuance of credit notes to customers following the administrative closure of sites decided by public authorities.

The increase in deferred income follows the property development sales made during the 2019/2020 financial year on programmes under development (essentially the Center Parcs Sud-Ouest programme). These sales are recognised in revenue as the related property development programme progresses.

24.2 – Current financial liabilities

(in € thousands)	30/09/2020	30/09/2019
External current accounts	16,432	19,820
TOTAL	**16,432**	**19,820**

"Current financial liabilities" mainly relate to current accounts with third parties linked to the Group or partners.

Note 25 Change in working capital requirements

Change in working capital requirements for the 2019/2020 financial year was as follows:

		30/09/2019	Cash variation	Other changes	Impact of first-time adoption of IFRS 16 and IFRIC 23	30/09/2020
Gross inventories		180,486	-6,370	-	-	174,116
Inventory write-down		-2,785	-20,409	-	-	-23,194
NET INVENTORY VALUE		**177,701**	**-26,779**	**-**	**-**	**150,922**
Trade receivables		252,358	30,732	-2,592		280,498
Other current assets and current financial assets		279,010	39,210	11,041	-8,933	320,329
TOTAL WCR ASSETS	**A**	**709,069**	**43,163**	**8,450**	**-8,933**	**751,750**
Trade payables		340,388	-21,000	2,570	-55,960	265,997
Other current liabilities and current financial liabilities		496,521	125,322	1,376	2,117	625,336
TOTAL WCR LIABILITIES	**B**	**836,908**	**104,322**	**3,945**	**-53,843**	**891,332**
WORKING CAPITAL REQUIREMENTS	**A-B**	**-127,839**	**-61,159**	**4,505**	**44,910**	**-139,583**
including change in non-operating receivables and payables		-	*-14,197*	-	-	-
including change in operating receivables and payables		-	*-46,963*	-	-	-

Working capital requirements were impacted by the first-time adoption of the new IFRS 16 and IFRIC 23 standards.

Other changes are, for their part, balance sheet reclassifications with no impact on cash.

Other changes mainly include reclassifications of statement of financial position items, as well as the impact of fluctuations in exchange rates and changes in Group structure.

Note 26 Maturity of receivables and liabilities

(in € thousands)	30/09/2020	Amounts not yet due or due for <1 year	Amounts due between 1 and 5 years	Amounts due in >5 years
Other non-current financial assets	35,866	33,890	1,976	-
Trade receivables (net)	280,498	280,498	-	-
Other current assets and current financial assets	320,329	320,329	-	-
TOTAL ASSETS	**636,693**	**634,717**	**1,976**	**-**
Other non-current liabilities	9	9	-	-
Trade payables	265,998	265,998	-	-
Other current liabilities and current financial liabilities	625,336	625,336	-	-
TOTAL LIABILITIES	**891,343**	**891,343**	**-**	**-**

Analysis of main income statement items

Note 27 Revenue

(in € thousands)	FY 2019/2020	FY 2018/2019
Tourism	982,403	1,300,667
including accommodation revenue	*685,654*	*869,361*
including revenue from services[(1)]	*296,749*	*431,305*
Property development	189,115	294,300
TOTAL	**1,171,518**	**1,594,967**

(1) Catering, events, mini market, stores, marketing, etc.

Revenue for the 2019/2020 financial year was negatively impacted by the effects of the COVID-19 health crisis, which led to the closure of almost all our sites during the lockdown period.

Property development revenue was also negatively impacted in the amount of €67,019 thousand by the adoption of IFRS 16, as the Group's property development sales are treated as sale and leaseback transactions within the meaning of this new standard (see Note 1.2 - Changes in accounting standards). In this respect, a share of the revenue and margin from property development transactions is spread and recognised over the term of the rental contract attached to the property development sales.

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Revenue by country

(in € thousands)	2019/2020	2018/2019
France	530,410	721,186
The Netherlands	185,096	229,751
Germany	93,842	122,674
Belgium	144,390	162,559
Spain	28,665	64,497
TOURISM	**982,403**	**1,300,667**
France	84,678	236,927
Germany	12,535	18,738
Spain	6,078	8,440
The Netherlands	58,116	19,529
Belgium	24,979	9,029
China	2,729	1,637
PROPERTY DEVELOPMENT	**189,115**	**294,300**
TOTAL	**1,171,518**	**1,594,967**

Revenue in France, where the registered office is located, amounted to €615,087 thousand.

At 30 September 2020, the Group's order book stood at €297.4 million for its Property development business, reflecting the amount of revenue still to be recognised for performance obligations not yet satisfied or partially satisfied on the reporting date.

(in € millions)	2019/2020	2018/2019
Property reservations	297.4	688.3
Number of apartments	1,157	2,939
Average price	257.0	234.2

Note 28 Purchases and external services

(in € thousands)	FY 2019/2020	FY 2018/2019
Cost of goods sold – Tourism	-35,590	-48,327
Cost of inventories sold – Property development	- 113,084	-197,032
Rent and other co-ownership expenses(1)	-102,987	-478,998
Outsourcing of services (linen, catering, cleaning)	-77,679	-88,301
Advertising and fees	-109,413	-135,117
Other (including holiday purchases)	- 183,172	-176,969
TOTAL	**-621,925**	**-1,124,744**

(1) Following the application of IFRS 16 as of 1 October 2019, the item "Rent and other co-ownership expenses" for the 2019/2020 financial year includes variable rents, rents on low-value assets and co-ownership expenses. It does not include the amount of fixed rents paid by the Group to its institutional or individual investors.
At 30 September 2020, this line item includes the following:
- *miscellaneous rents: €39,832 thousand*
- *co-ownership and other rent expenses: €63,154 thousand*

Purchases and external services amounted to an expense of €621,924 thousand in the 2019/2020 financial year, down €502,820 thousand compared with the 2018/2019 financial year.

The Group's rent and other co-ownership expenses were down €376,011 thousand compared with the previous year, due to the first-time adoption of the IFRS 16 standard, without retroactive effect (as such, the previous year was not restated for the impact of this standard). Only variable rents, rents on low-value assets and co-ownership expenses are now included in this item.

Finally, note that the Group has not applied the IFRS 16 amendment of 13 October 2020 relative to rental reductions related to the current health crisis. As such, adjustments to leases with individual and institutional investors had a non-material impact on the consolidated accounts for 2019/2020.

In addition, IFRS 16 also affects the cost of stocks sold in property development, reducing this item by €66,253 thousand. As indicated in Note 1.2, since the Group's property sales are generally qualified as lease disposal operations under the terms of the accounting standard, the Group recognises the revenue and the cost of property sold in proportion to the asset rights considered as transferred to third parties and neutralises the margin corresponding to property rights that are not transferred to the investor-lessor.

Note 29 Employee expenses

(in € thousands)	2019/2020	2018/2019
Salaries and wages	-254,281	-295,487
Social security expenses	-66,107	-81,376
Defined-contribution and defined-benefit plan expenses	1,517	-1,302
Share-based payment expenses	-	-1
TOTAL	**-318,870**	**-378,166**

Employee expenses amounted to €318,870 thousand, down €59,296 thousand compared to the 2018/2019 financial year due to the Group's recourse to partial activity measures put in place by the administrative authorities during the period of lockdown and site closure.

Expenses related to stock option plans are presented in Note 32, as the new plan relates to the Group's Change Up restructuring plan.

Note 30 Depreciation, amortisation and impairment

(in € thousands)	2019/2020	2018/2019
Depreciation	-299,533	-40,156
Additions to provisions	-10,451	-13,064
TOTAL	**-309,984**	**-53,220**

The Group's net allocations are up compared to the 2018/2019 financial year, following the first-time adoption of IFRS 16, the impact of which is -€258,960 thousand in 2019/2020. As the adoption of this standard is not retroactive, the previous year has not been restated.

Note 31 Other operating income and expenses from ordinary activities

(in € thousands)	2019/2020	2018/2019
Taxes and duties	-14,631	-7,524
Other operating expenses on ordinary activities	-13,528	-9,050
Other operating income from ordinary activities	13,758	7,968
TOTAL	**-14,401**	**-8,606**

"Taxes and duties" comprise tax expense and operational taxes, such as payroll taxes (learning tax, training tax), real estate taxes and television licence fees.

Generally speaking "Other operating income from ordinary activities" and "Other operating expenses on ordinary activities" comprise subsidies and insurance reimbursements, as well as some registered office expenses.

The €7,109 thousand increase in taxes and duties corresponds to a harmonisation of the accounting treatment of the visitor tax collected in the Netherlands, Germany and Belgium. The tax collected is now reported under revenue.

Other operating income and expenses from ordinary activities posted a net increase of €1,312 thousand.

Note 32 Other operating income and expenses

(in € thousands)	FY 2019/2020	FY 2018/2019
Impact of discontinuation of the Center Parcs Roybon project	-41,057	-
Impairment of assets (of which brands and goodwill)	- 27,475	-
Impairment of inventories of miscellaneous real estate projects	-20,312	-
Restructuring costs and site closures	-20,954	-5,752
Net allocations to restructuring provisions	-15,648	-
Results of disposals and scrapping	-2,661	794
Third party compensation costs as a result of site opening	-	-1,217
Other	-5,340	-3,415
TOTAL	**-133,447**	**-9,590**

"Other operating income and expenses" amounted to an expense of €133,447 thousand, including the following items:

- -€27,475 thousand of assets impairment, essentially the goodwill relating to Senioriales, as well as the Senioriales and Sunparks brands;
- -€36,602 thousand related to the reorganisation of the Group, including the implementation of a restructuring plan and costs for the withdrawal of sites;
- -€61,369 thousand related to the discontinuation of the project to set up a Domaine Center Parcs in Roybon, in Isère (€41,057 thousand) and the ensuing review of other development projects in France for €20,312 thousand (aimed at defining alternative projects in order to make them more acceptable). These impairments come as part of the change in strategy in the Group's property development business and are presented under the "Other operating income and expense" line due to their amount and their non-recurring nature.

During the 2018/2019 financial year, this item represented a €9,590 thousand expense, including both the cost of withdrawing from sites and the cost of reorganising the Group in the amount of -€4,145 thousand.

Restructuring and site closure costs notably include a bonus share plan set up as part of the Change Up plan.

Share-based payment expenses

The features of the plans reported are as follows:

Date of grant by the Board of Directors *(in € thousands)*	Type*	Number of options granted	End date of the vesting period	Share-based payment expenses 2019/2020	Share-based payment expenses 2018/2019
18/04/2017	AGM	79,700	18/04/2019	-	-1
19/12/2019	AGM	180,312	13/12/2020	-2,441	
TOTAL		**260,012**		**-2,441**	**-1**

* *AGM: bonus share grant.*

The employee expense recognised corresponds to the fair value of the options granted calculated on the date they are granted by the Board of Directors.

Note 33 Net financial income (expense)

(in € thousands)	FY 2019/2020	FY 2018/2019
Gross borrowing costs	-14,389	-19,074
Expenses related to IFRS 16	-156,354	-
Income from cash and cash equivalents	304	374
COSTS OF NET FINANCIAL DEBT	**-170,439**	**-18,700**
Income from loans	880	1,070
Other financial income	527	729
Other financial expenses	-1,155	-1,560
OTHER FINANCIAL INCOME AND EXPENSES	**252**	**239**
TOTAL	**-170,187**	**-18,461**
Total financial expenses	*-171,906*	*-20,634*
Total financial income	*1,719*	*2,173*

Restated for the IFRS 16 interest expense, net financial expenses amount to €13,833 thousand in 2019/2020, compared with €18,461 thousand in 2018/2019. The amount of €170,187 thousand includes €156,354 thousand in interest related to lease contracts as defined by IFRS 16.

As the adoption of this standard is not retroactive, the previous year has not been restated.

Note 34 Income tax and deferred tax

Breakdown of the tax expense

(in € thousands)	FY 2018/2019	FY 2018/2019
Consolidated profit (loss) before tax	**-397,293**	**2,182**
Untaxed income:		
Impact of losses carried forward and other temporary differences not recognised or exceeding thresholds	244,467	27,097
Intra-group transactions having a tax impact	396	1,078
Other untaxed income	113,955	6,997
Consolidated taxable income	**-38,475**	**37,353**
Group tax rate	28.92 %	34.43 %
Theoretical tax benefit at corporate tax rate applicable in France	**11,127**	**-12,861**
Differences on tax rates abroad	-788	4,454
CVAE	-1,959	-4,074
Other	-11,007	-20,181
GROUP TAX INCOME (EXPENSE)	**-2,627**	**-32,662**
of which tax payable (including CVAE)	*-584*	*-15,243*
of which deferred taxes	*-2,043*	*-17,418*

Tax losses for the year that were not activated due to their unlikely recovery within a reasonable time frame primarily relate to the tax group in France, Spain and certain Belgian entities.

Intra-group transactions with a tax impact essentially correspond to the taxation of internal Group loan write-offs, which have no effect on the consolidated pre-tax profit (loss).

Other non-taxable items amounted to €113,955 thousand for the 2019/2020 financial year and mainly correspond to the restatement of rent expenses under IFRS 16 and to non-deductible financial expenses.

The other elements of the breakdown of deferred tax expenses primarily relate to the reversal of tax receivables in France amounting to €6.4 million, the increasing internationalisation of the Group's activities reducing the capacity to use tax losses in France in the medium term (the Group uses a time horizon between five and six years, even though tax losses can be carried forward indefinitely). In addition, a reversal of tax receivables amounting to €2.9 million was also recognised in Spain in the 2019/2020 financial year.

First application of the new system for deducting financial expenses resulting from the 2019 finance law ("ATAD 1")

The new regime is based on limiting the deduction of net financial expenses, under certain conditions, to the higher of €3 million and 30% of the tax EBITDA with possible application of safeguard clauses. As the Group is not undercapitalised, it was able to benefit from the safeguard clause. The first-time adoption of this new rule therefore had an immaterial impact on the taxable income of the tax consolidation group.

COVID-19 provision in the Netherlands

According to Dutch legislation, and by application of the contingency plan related to the health crisis of the year, it is possible to set up a COVID-19 provision chargeable against the taxable tax income of the previous 2018/2019 period. This provision is equal to the amount of losses related to the crisis that materialised during 2020. The Group has made use of this possibility and has therefore requested a refund of €1.5 million from the Dutch tax authorities.

Analysis of deferred tax assets and liabilities by type and by country

Within the same country, the majority of the Group's entities consolidate their tax income (expenses). The breakdown of the Group's deferred tax position by country therefore reflects the position of each tax consolidation subgroup.

(in € thousands)	30/09/2019	Correction at the start of the reporting period (IFRS16)	Change through profit or loss	Change through other comprehensive income or loss	30/09/2020
France	8,112	-1,978	338	-244	6,228
The Netherlands	-19,768	32,111	5,729	3	18,075
Belgium	687	-	-799	-	-112
Germany	-266	-	43	-	-223
Spain	-116	-	47	-1	-70
Italy	175	-	-	-	175
China	-	-	-	-	-
Deferred taxes on temporary differences	**-11,176**	**30,133**	**5,358**	**-242**	**24,073**
France	50,468	-	-6,400	-	44,068
Belgium	1,295	-	2,002	-	3,297
Germany	6,119	-	-104	-	6,016
Spain	2,948	-	-2,900	-	48
Deferred tax on losses carried forward	**60,830**	**-**	**-7,402**	**-**	**53,429**
TOTAL	**49,654**	**30,133**	**-2,044**	**-242**	**77,502**
of which deferred tax assets	*59,284*	-	-	-	*87,598*
of which deferred tax liabilities	*-9,628*	-	-	-	*-10,094*

At 30 September 2020, the Group's net deferred tax position amounted to €77,502 thousand, -€24,073 thousand of which represent temporary differences. This amount includes a €21,468 thousand deferred tax liability recognised in the Netherlands for the Center Parcs brand (estimated at €85,870 thousand).

Deferred taxes recognised with respect to tax losses amounted to €53.4 million, including €44.0 million in respect of tourism and property development activities carried out by the Group in France.

These tax loss carryforwards are only recognised as deferred tax assets to the extent that the Group believes, on the basis of business plans relating to Tourism and Property development programme forecasts, that it is likely to have future taxable income against which the tax losses can be charged within a reasonable time frame. At 30 September 2020, a reasonable time frame was set at between five and six years.

The tax rules applicable at the reporting date, namely those approved at 30 September 2020, were used to calculate the amount of deferred taxes.

In addition, it should be noted that the amount of tax losses which may be used in France is subject to a ruling limiting the crediting of taxable losses to 50% of the profit beyond the first €1 million and in Germany, up to 60% of the profit beyond the first €1 million and in Spain, up to 50% of the tax income.

Unused losses carried forward totalled €670.7 million. This relates to the French tax consolidation group for an amount of €489.3 million.

Note 35 Earnings per share

Average number of shares

	FY 2019/2020	FY 2018/2019
Number of shares issued at 1 October	9,805,232	9,805,565
Number of shares issued during the financial year (prorata temporis)	17,283	303
Number of shares issued at the end of the period (pro rata temporis)	**9,822,515**	**9,804,868**
Weighted average number of shares	9,555,007	9,535,791
Weighted average number of potential shares	**10,030,717**	**9,893,191**

The various dilutive instruments included in calculating the weighted average number of shares after dilution are presented below:

Number of bonus shares (AGM) awarded by the Board of Directors:	Type	FY 2019/2020	FY 2018/2019
of 02/02/2016	AGM	258,750	284,200
of 18/04/2017	AGM	66,700	73,200
of 13/12/2019	AGM	150,260	
TOTAL		**475,710**	**357,400**

Earnings per share

	FY 2019/2020	FY 2018/2019
Profit (loss) attributable to owners of the Company *(in € thousands)*	-425,249	-33,023
Weighted basic earnings (loss) per share, attributable to owners of the Company *(in €)*	-44.51	-3.46
Weighted diluted earnings (loss) per share, attributable to owners of the Company *(in €)*(1)	-44.51	-3.46

(1) The conversion of potential ordinary shares into ordinary shares would decrease the net loss per share. Therefore, in accordance with IAS 33, diluted earnings (loss) per share is equal to basic earnings (loss) per share.

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Other financial information

Note 36 Number of employees

For the last two financial years, the average annual number of employees (full-time equivalent) of the Pierre & Vacances-Center Parcs Group companies that are fully consolidated stood as follows:

	FY 2019/2020	FY 2018/2019
Managers	1,458	1,412
Supervisory staff and other employees	6,339	6,877
TOTAL	**7,797**	**8,289**

Note 37 Off-statement of financial position commitments

The collateral granted by the Group to secure its bank loans and reciprocal commitments are detailed in Note 19 – "Financial liabilities". They are therefore not included in the table below:

	Maturities				
(in € thousands)	**< 1 year**	**1 to 5 years**	**> 5 years**	**30/09/2020**	**30/09/2019**
Rent commitments	-	-	-	-	3,468,009
Other commitments given	10,511	685	50,181	61,377	162,076 (1)
Commitments given	**10,511**	**685**	**50,181**	**61,377**	**3,630,085**
Completion guarantees	8,950	74,623	-	83,573	64,903
Other commitments received	1,036	1,701	44,250	46,987	44,760
COMMITMENTS RECEIVED	**9,986**	**76,324**	**44,250**	**130,560**	**109,663**

(1) including indemnities on non-renewal of leases on certain Center Parcs sites.

Commitments given

At 30 September 2020 other commitments given mainly comprised:

- a €22,213 thousand surety issued by PVSA to SOCFIM in respect of the financing granted by SOCFIM to SNC Sud-Ouest Équipements;
- a guarantee not exceeding €10,628 thousand granted to Explotación Turística Pierre & Vacances España S.L.U.;
- a €5,707 thousand surety issued by PVSA to Teleno Real Estate, S.L. Guaranteed debtor: Sociedad de Explotación Turística Pierre & Vacances España, SLU;
- a €3,724 thousand surety issued by PVSA to the State Treasury on behalf of SNC Roybon Équipements concerning the deferred payment of the Architecture, Urban Planning and Environment Council regional tax as well as the regional tax for sensitive natural areas.

Commitments received

Completion guarantees are issued by banks with respect to property development programmes.

The change in completion guarantees at 30 September 2020 resulted from:

- an increase for a total amount of €70,235 thousand resulting from the issuance of several guarantees during the financial year. The programmes concerned are SNC Sud-Ouest Cottages (€32,818 thousand), SNC Sud-Ouest Équipements (€25,339 thousand), Avoriaz Hermine Loisirs (€8,950 thousand), Seniorales de Pourrières (€2,794 thousand) and SNC Presqu'Ile de la Touques Loisirs (variation of +€334 thousand);
- a decrease for a total amount of €51,565 thousand resulting from the partial reduction and termination of several guarantees during the year, mainly concerning Méribel L'Hévana (-€21,816 thousand), Seniorales de Noisy (-€9,817 thousand), Seniorales en Ville de Cavaillon (-€6,049 thousand), Avoriaz Arietis (-€5,335 thousand), Senioriales Saint Priest (-€2,230 thousand), Cesson (-€1,970 thousand), Senioriales de Sannois (-€1,939 thousand), Senioriales en Ville du Teich (-€649 thousand), Senioriales en Ville de Mordelles (-€631 thousand), Lille (-€551 thousand), Senioriales de Bassens (-€340 thousand) and Senioriales en Ville de Pessac (-€238 thousand).

Other commitments received mainly correspond to commitments given by banks on behalf of the property development and tourism companies. These commitments enable the latter to obtain the relevant professional licences in property management, property trading and business goodwill so that they can carry out their regulated business. At 30 September 2020, these commitments totalled €46,365 thousand.

Note 38 Remuneration of executive management and Board directors

Attendance fees allocated to members of the Board of Directors in respect of the 2019/2020 financial year amounted to €280 thousand compared to €233.5 thousand for 2018/2019.

For the financial years ended 30 September 2020 and 30 September 2019, no salary (including benefits of any kind) was paid to a corporate officer directly by Pierre & Vacances SA or by any of the Pierre & Vacances-Center Parcs Group companies controlled as defined in Article L. 233-16 of the French Commercial Code (Code de Commerce).

However, Société d'Investissement Touristique et Immobilier (a company indirectly owned by the Chairman, founder and majority shareholder of Pierre et Vacances SA), as an asset management company, invoiced for fees for the services rendered by Gérard Brémond, Yann Caillère, Martine Balouka and Patricia Damerval. The fees invoiced by S.I.T.I. were calculated on the basis of direct costs (remuneration paid + related employer's expenses + other direct costs: travel expenses, cost of premises, secretarial expenses) plus a 5% margin and calculated prorata for the time spent by each individual on managing the business of Pierre & Vacances-Center Parcs Group companies.

Since these people are on the Group Executive Management Committee, their remuneration is included in the table below:

(in €)	**2019/2020**	**2018/2019**
Fixed remuneration(1)	2,626,414	2,072,581
Variable remuneration(2)	342,000	386,000
Post-employment benefits(3)	15,397	21,803
Share-based remuneration(4)	-	-
TOTAL	**2,983,811**	**2,480,384**

(1) Amount paid including reinstatement of the benefit in kind involving the availability of a company car.
(2) Paid in the financial year following the financial year for which it is granted.
(3) This amount corresponds to the expense recognised during the financial year.
(4) This amount represents the annual share-based remuneration expense on grants of share options and bonus shares (theoretical measurement on the basis of the Pierre et Vacances shares value at the date of grant).

For each of them, the variable bonus is determined based on the financial performance of the Pierre & Vacances-Center Parcs Group and the achievement of personal objectives.

Note 39 Parent company

The Pierre & Vacances-Center Parcs Group's financial statements are fully consolidated into those of Société d'Investissement Touristique et Immobilier (S.I.T.I.).

Note 40 Related party transactions

The Group's related parties consist of:

- members of the administrative and management bodies: their remuneration and benefits are detailed in Note 38;
- the parent company of Pierre et Vacances (Société d'Investissement Touristique et Immobilier) and its subsidiaries which are not included in the Group's scope of consolidation;
- joint ventures consolidated using the equity method:
  - Entities comprising the Villages Nature® Group,
  - Adagio Group entities,
  - various other entities, namely SAS Presqu'Ile de la Touques, Senioriales Ville de Castanet, Senioriales Ville de Tourcoing, SNC Caen Meslin, SCCV Nantes Russeil, La Financière Saint-Hubert SARL, SCCV Palaiseau RT, SCCV Toulouse Pont Jumeaux A1, SCCV Senioriales en Ville de Schiltigheim, SCCV Senioriales d'Angers, Immalliance Seniors Le Pin, and Beau Village Limited.

The main transactions with related companies include:

- rent and administrative staff invoicing;
- the purchase of support and consulting services under the management agreement.

These transactions are completed under normal market conditions.

Related party transactions break down as follows:

(in € thousands)	FY 2019/2020	FY 2018/2019
Revenue	7,222	8,348
Purchases and external services	-37,096	-16,560
Other operating income and expenses	2,892	-280
Financial income (expense)	362	419

Receivables and liabilities included in the statement of financial position linked to related parties are as follows:

(in € thousands)	30/09/2020	30/09/2019
Trade receivables	19,123	19,661
Other current assets	103,764	87,919
Trade payables	8,052	7,258
Other current liabilities	28,429	45,055

Off-statement of financial position commitments linked to related parties are as follows:

(in € thousands)	30/09/2020	30/09/2019
Guarantees and pledges	12,077	12,077
Rental commitments(1)	-	164,684
Commitments given	**12,077**	**176,761**
Guarantees and pledges	600	600
Completion guarantees	3	3
Commitments received	**603**	**603**

(1) These commitments are covered by a parent company guarantee of €10,318 thousand granted by PV SA at 30 September 2019. As at 30 September 2020, these commitments are included in the IFRS 16 standard.

Note 41 Events after the 2019/2020 reporting period

In the context of the new strategic plan, entitled “Change Up”, which is notably based on (i) the optimisation of existing assets, (ii) the implementation of new, targeted and profitable development projects, (iii) as well as a new, more agile and entrepreneurial organisation, a new operational organisation was implemented, consisting of grouping each of the Group’s activities into separate and autonomous Business Lines.

As some of the Group’s activities are not grouped into separate legal sub-groups and some companies carry out several activities, the plan is to reorganise the Group’s legal structure to serve this new operational organisation as part of the Change Up plan. The objectives of this reorganisation are, notably, to:

1. create, for each Business Line targeted by the Change Up plan, a subset of companies gathering the corresponding activities and staff functions, allowing each Business Line to operate autonomously;
2. simplify and streamline the Group’s general and legal organisation and its internal procedures;
3. simplify performance monitoring and business line management;
4. make the management of each Business Line accountable.

The legal completion of all transactions relating to the reorganisation will take place on 1 February 2021.

Outlook

A second wave of the Covid-19 pandemic led various European governments to take new restrictive measures as of early November. The Group has therefore been obliged to close all of its Pierre & Vacances and Center Parcs sites in France, Germany and Belgium, for a period of four weeks minimum as of 2 November 2020. So far, only the Center Parcs Domains in the Netherlands remain open, albeit with a reduced offer (closure of bars and restaurants and a limited number of people in the Aquamundo).

FY 2020/2021 will be affected by the second wave of the pandemic, however, the Group’s current cash level is sufficient to overcome this new episode of the crisis.

The Group’s fundamentals should enable it to rebound in the coming months to restore the trajectory of the Change Up plan, by reference to the remarkable performances of the 2020 summer period, with high levels of activity, sometimes higher than those of the 2019 summer period.

5.2.7 Statutory auditors' report on the consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated 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 regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 30 September 2020

To the General Meeting of Shareholders of Pierre et Vacances

Opinion

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying consolidated financial statements of Pierre et Vacances for the year ended 30 September 2020. These consolidated financial statements were approved by the Board of Directors on 24 November 2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to COVID-19 and of the difficulties in assessing its impact and the prospects for the future.

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 as at 30 September 2020 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.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for 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 those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 October 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes).

Emphasis of Matter

We draw your attention to Note 1.2 "Changes in accounting standards" to the consolidated financial statements, which describes the impacts of the application, as of 1 October 2019, of IFRS 16 – Leases. Our opinion is not modified in respect of this matter.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill and brands

Risk identified

At 30 September 2020, goodwill and brands are recognized in the consolidated statement of financial position at a net carrying amount of €237 million, or 6% of total assets. These intangible assets are not amortized and are subject to impairment testing whenever there is an indication that they may be impaired and at least once a year at the end of the reporting period, as mentioned in Notes 1.10 and 1.11 to the consolidated financial statements.

As indicated in Note 6 to the consolidated financial statements, the annual impairment test is based on the recoverable amount of each group of assets tested, determined on the basis of discounted future cash flows.

We considered the valuation of the recoverable amount of goodwill and brands to be a key audit matter, given the relative significance of these assets in the Group's consolidated statement of financial position and the sensitivity of the recoverable amount to changes in the data and assumptions, particularly the cash flow forecasts, discount rates and perpetual growth rate used. The context of the crisis related to COVID-19 and the uncertainties surrounding the trend in the business further increase the sensitivity of the valuation of these intangible assets in the financial statements as at 30 September 2020.

Our response

We examined the impairment test procedures implemented by the Group.

Our work notably consisted in the following:

- familiarizing ourselves with the process implemented by Management to measure intangible assets, and assessing the principles and methods used to determine the recoverable amounts of the CGUs or groups of CGUs to which the intangible assets are attached;
- assessing, with the assistance of our valuation experts where necessary, the relevance of the valuation models used, the long-term growth rates, discount rates and brand royalty rates applied in the light of market practices, and verifying, through sampling, the arithmetical accuracy of the valuations used by Management;
- confirming, through discussion with Management, the main assumptions taken as a basis for the budget estimates underlying the cash flows used in the valuation models, in particular the assumptions concerning the recovery of the tourism industry in the current health context, in line with the trends in business observed over the last few months;
- assessing, for goodwill and brands whose recoverable amount is close to their net carrying amount, the results of the sensitivity analyses performed by Management, comparing them with our own analyses.

We also assessed the appropriateness of the information disclosed in Note 6 to the consolidated financial statements.

Recoverability of deferred tax assets related to tax loss carryforwards

Risk identified

At 30 September 2020, deferred tax assets for tax loss carryforwards amount to €53 million, including €44 million related to real estate and tourism activities in France.

As indicated in Note 1.25 to the consolidated financial statements, these deferred tax assets are only recognized if Management considers it likely that the Group will have sufficient future taxable income against which to set such losses within a reasonable period of time.

The Group's capacity to recover its deferred tax assets within a reasonable time frame is assessed by Management at the end of each financial year.

We therefore considered the assessment of the recoverable amount of these deferred tax assets related to tax loss carryforwards to be a key audit matter due to the significant judgments made by Management in recognizing these assets and their material amounts.

Our response

Our approach consisted in comparing the business plans relating to the tourism activities and property development completion forecasts justifying future taxable income with the future cash flow forecasts used for the annual goodwill and brand impairment tests.

For the real estate activities excluded from the annual goodwill and brand impairment tests, our work consisted in confirming based on discussion with Management and assessing the main assumptions used as a basis for the budget estimates underlying the future taxable income.

We analyzed the consistency of the methodology used to recognize deferred tax amounts with the tax rules in force on the reporting date, in particular with the tax rates adopted and with the rules limiting the amount of tax losses that can be set off against taxable income, specific to each jurisdiction.

Property development: Valuation of real estate inventories and operating result of the property development business

Risk identified

At 30 September 2020, real estate inventories are recognized in the statement of financial position at €145 million and the operating result for real estate activities (including equity-accounted investments) amounts to -€16.3 million for the year ended 30 September 2020.

The accounting methods used to establish revenue, the property margin and the main estimates made by Management on the basis of this evidence, are set out in Notes 1.27 and 1.28 to the consolidated financial statements.

The Group's property development business is mainly carried out in France based on off-plan sales contracts, and in other countries, through contracts with similar characteristics, through which the Group transfers ownership of future works as work is completed. For these programs, revenue of notarized sales is recorded in accordance with IFRS 15 "Revenue from contracts with customers" and accounted for in the income statement using the percentage of completion method. In order to apply the percentage of completion method, the Group has defined the rate of completion by multiplying the percentage of construction progress ("technical progress rate"), i.e. the cost of the work completed in relation to the cost of the work budgeted, by the percentage of revenue from real estate sales signed before a notary ("commercial rate").

This method requires estimates on the part of Management and, in particular, the assessment of the technical progress rate and total sales for each operation, and the measurement of margins at completion. In the case of loss-making contracts, a provision is recorded the year that the loss on completion is identified.

In addition, as stated in Note 1.16 to the consolidated financial statements, inventories mainly include inventories and work-in-progress for the property development business.

The Group applies the percentage of completion method in order to account for the margins related to its property development business. All direct costs pertaining to property development programs in progress are accrued, including marketing fees. When the work is completed, expenses incurred but not yet billed are covered by provisions and included in inventories.These inventories are valued at the lower of their purchase price or production cost and their probable net realizable amount. If the realizable amount of the inventories (price net of marketing costs) is less than their net carrying amount, a provision for impairment is recorded accordingly.

Given the significance of the real estate inventories in the Group's consolidated financial statements, we considered the valuation of these items to be a key audit matter.

Our response

Our audit approach consisted in reviewing the assumptions used by Management to assess the operating result of the property development business and, in particular, the assumptions relating to sale prices and construction costs.

The technical progress rates of the programs with a significant property development margin were confirmed to us by the project managers responsible for the developments and we reconciled the commercial rates with the notarial deeds by performing tests of detail on sales for the year ended 30 September 2020.

We also examined the costs incurred and still outstanding on the most significant projects in order to confirm the reality of the inventories accounted for and identify onerous contracts. If applicable, we reconciled these costs to the loss at completion on these contracts.

We paid particular attention to the assessment of inventories for projects not yet commercially launched as well as for projects delivered. For projects not yet commercially launched, we reviewed the existence of prospective profits, through interviews with Management and analysis of the budgets and administrative authorizations. For projects already delivered, we reviewed the anticipated disposal prices of unsold property assets with the disposal prices recorded in notarial deeds.

First-time adoption of IFRS 16 - Leases

Risk identified

The Group adopted IFRS 16 – Leases as of 1 October 2019 by applying the "modified retrospective" method, which allows accounting for the cumulated effect of IFRS 16 in equity as at the date of first-time adoption without being required to restate comparative information, and includes certain simplification measures. The methods of this application are set out in Note 1.2 "Changes in accounting standards" to the consolidated financial statements.

Under this standard, leases are recognized in the statement of financial position without distinction between operating leases and finance leases, and with the recognition of a right-of-use asset as of lease commencement and a lease liability representing the present value of remaining lease payments payable over the lease term, calculated at the incremental borrowing rate determined at the date of first-time adoption.

The first-time adoption of IFRS 16 led the Group to recognize, as of 1 October 2019, right-of-use assets for a net amount of €2,466m. At the same date, lease liabilities amount to €2,933m, after discounting.

In addition, IFRS 16 requires the partial recognition, to the extent of the rights transferred, of the gain or loss made on sale and leaseback transactions, when such transactions are sales in respect of IFRS 15.

We considered the first-time adoption of IFRS 16 – Leases to be a key audit matter given the significance of its impacts on the Group's financial statements, the high volume of leases concerned, the impacts on the recognition of revenue from the real estate sector and the high degree of judgment made by Management in determining their value, in particular with regard to the assumptions concerning the probable terms of these leases and the related discount rates.

Our response

Our audit approach consisted in assessing the relevance of the method used by the Group to determine the main assumptions and its compliance with the provisions of IFRS 16 - Leases.Our work also consisted in the following:

- gaining an understanding of the organization and approach used by the Group in its first-time adoption of IFRS 16;
- familiarizing ourselves with the procedure and key controls relating to the process and information system put in place by Management for the application of IFRS 16;
- assessing the completeness of the restated leases and examining the reconciliation of lease liabilities and off-balance sheet commitments published as at 30 September 2019;
- reconciling, by means of sampling, the data used to determine assets and liabilities relating to leases with the underlying contractual documents, such as the lease agreements;
- reviewing the assumptions on lease terms used by Management to determine the lease liabilities and right-of-use assets for the properties concerned, in view of the Group's real estate strategy;
- analyzing, with the assistance of our experts, the methodology adopted to determine the discount rates used to calculate lease liabilities, and reviewing the rates applied for a selection of leases;
- testing, in collaboration with our IT specialists, the application controls integrated into the information system dedicated to the Group's IFRS 16 restatements, in order to verify the arithmetical accuracy of the value of the right-of-use assets and the lease liabilities, given the assumptions adopted;
- reviewing the treatment of the most significant sale and leaseback transactions.

In addition, we assessed the appropriateness of the information disclosed in Note 1.2 to the consolidated financial statements.

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The Group's liquidity

Risk identified

As stated in Note 19 "Financial Liabilities" to the consolidated financial statements, the Group's gross financial liabilities amount to €535m as at 30 September 2020 and mainly correspond to loans from credit institutions for €257m, including a government-backed loan for €240m obtained in June 2020 in the context of the COVID-19 crisis, bond loans for €233m and property development loans for €37m.

The Group's cash position stands at €205m as at 30 September 2020 and undrawn credit lines are also available for €234m as at the end of September 2020. As mentioned in Note 21 "Market risks" to the consolidated financial statements, certain loan agreements and credit lines provide for the Group's obligation to comply with a single ratio in respect of financial covenants. This ratio is assessed once a year at the reporting date.

As stated in Note 2.1 "Highlights of financial year 2019/2020", the Group was exempted from compliance with the financial ratio as at 30 September 2020.

We considered the Group's liquidity to be a key audit matter given the fact that, as stated in Notes 1.5 "Use of accounting estimates" and 2.1 "Highlights of financial year 2019/2020", the going concern principle was based on cash flow forecasts established for 12 months, and the ratio to be complied with as at 30 September 2021 will be renegotiated depending on the evolution of the second wave of COVID-19 and its impacts on the tourism business.

Our response

Within the scope of our audit, we:

- analyzed the documentation relating to Corporate debt, including that for the government-backed loan and that for the bank covenant, as well as the agreements signed with the banks in June 2020 providing for exemption from compliance with the ratio as at 30 September 2020;
- analyzed the documentation relating to the available credit lines;
- implemented bank confirmation procedures;
- familiarized ourselves with the internal processes for the monitoring of the Group's liquidity and net financial debt, including the processes for preparing cash flow forecasts and monitoring net financial debt;
- assessed the assumptions used to construct cash flow forecasts and performed sensitivity tests based on different scenarios. In this respect, we notably assessed the assumptions relating to periods of administrative closure and to the adjustments of operating expenses linked to these closures;
- verified the arithmetical accuracy of the monthly cash flow forecasts.

Finally, we assessed the appropriateness of the information disclosed in the notes to the consolidated financial statements, in particular that concerning financial liabilities and the liquidity risk.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information given in the Board of Directors' Group management report, as approved on 24 November 2020. Regarding any events that occurred and facts that became known after the date of the approval of the management report, relating to the effects of the COVID-19 crisis, Management has informed us that such events and facts will be communicated to the general meeting of shareholders called to approve the financial statements.

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

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained in this statement.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Pierre et Vacances by your General Meeting of Shareholders held on 3 October 1988 for GRANT THORNTON and on 29 May 1990 for ERNST & YOUNG et Autres.

As at 30 September 2020, GRANT THORNTON was in its thirty-third year and ERNST & YOUNG et Autres in its thirty-first year of total uninterrupted engagement, including twenty-two years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from 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 is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

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 from 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 of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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;
- obtains an understanding of internal control 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;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;

- assesses 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains 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 auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

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Neuilly-sur-Seine and Paris-La Défense, 22 December 2020
French original signed by:

GRANT THORNTON *French member of Grant Thornton International* Virginie PALETHORPE	ERNST & YOUNG et Autres Anne HERBEIN

5.3 Information on the parent company financial statements

These annual accounts were closed on 24 November 2020 by the Board of Directors.

5.3.1 The Company's business activities

Pierre et Vacances SA, the Group holding company, holds:

- interests in all the subholding companies;
- the lease and fittings at the administrative premises of the registered office situated in the 19th arrondissement of Paris (Espace Pont de Flandre).

At 30 September 2020, there were two types of agreements binding Pierre et Vacances SA and its subsidiaries:

- an agreement on the reinvoicing of head office expenses (rental expenses, depreciation of fittings and furniture);
- sub-leases within the framework of reinvoicing for rent.

5.3.2 Changes in business

Revenue for the 2019/2020 financial year totalled €7.7 million, versus €7.9 million for the previous financial year, i.e. a fall of €0.2 million.

The breakdown of revenue generated in the 2019/2020 financial year is primarily as follows:

- €6.5 million in re-invoiced rent expenses representing the share of subsidiary entities for their occupation of premises at the Group's registered office in Artois, in the 19th arrondissement of Paris;
- €1.0 million in invoices for commissions on guarantees of financial commitments given by the Company on behalf of its various subsidiaries.

Transfers of operating expenses of €19.3 million were recorded during the financial year. These essentially concerned:

- the reinvoicing of registered office costs and services of €9.5 million to subsidiaries in respect of their share of the expenses, down €0.7 million compared with 2018/2019;
- operating expenses related to borrowings transferred to financial expenses in the amount of €1.3 million or transferred to deferred expenses over the term of the new borrowings in the amount of €0.9 million;
- operating expenses associated with the reclassification, on an exceptional basis, of €6.3 million in expenses and fees incurred in connection with restructuring the Group's activities.

Operating expenses for the period are the result of costs incurred by Pierre et Vacances SA to develop the Group's activities as a holding company.

They amounted to €37.7 million for 2019/2020 compared with €26.8 million for the previous year.

Operating income was negative, with a €6.5 million loss compared with a €5.7 million loss for the 2018/2019 financial year.

Net financial income was negative at -€126.7 million for 2019/2020, compared with net loss of -€71.4 million for the previous financial year.

Net financial income for the year is mainly composed of the following items:

- dividend income of €9.9 million from subsidiaries, including:
  - €7.2 million from PV Marques, a subsidiary owning the Group's brands (mainly Pierre & Vacances, Maeva and Multivacances), excluding the "Senioriales" brand and those operated by the Center Parcs sub-group,
  - €2.0 million from the company PV FI, the Group's central cash management company,
  - €0.7 million from the company PV Courtage;
- reversals of provisions for impairment losses and re-invoiced expenses amounting to €0.2 million, primarily consisting of the reversal of a provision for impairment losses on investments in the subsidiary, Pierre & Vacances Maroc, amounting to €0.1 million;
- other interest income in the amount of €8.5 million, including €7.8 million in interest on the current account held on behalf of Pierre & Vacances FI SNC, a subsidiary that provides centralised cash management for the Group;
- interest expenses in the amount of €13.8 million, notably including:
  - interest on bank borrowing amounting to €7.9 million, including: €2.0 million for the ORNANE-type bond subscribed for on 6 December 2017 and maturing in 2023, €2.7 million relating to the bond issued in the form of an unlisted "Euro PP" private placement maturing in 2019 and issued on 19 July 2016 and €3.2 million for the bond issued in the form of an unlisted "Euro PP" private placement maturing in 2025 and issued on 14 February 2018,
  - interest expense and commissions on bank loans of €1.7 million,
  - interest expense and commissions on short-term financing of €3.5 million,
  - fees and commissions on guarantees in the amount of €0.5 million;

- amortisation and provisions on financial assets in the amount of €131.4 million, including:
  - provisions for impairment losses on shares in PV-CP Immobilier Holding amounting to €91.4 million,
  - provisions for a negative net position in the amount of €24.2 million for PV-CP Immobilier Holding and €0.1 million for Orion,
  - €15.5 million in provisions for the impairment loss on the current account of Les Villages Nature® de Val d'Europe,
  - provisions for the impairment of treasury shares in the amount of €0.3 million.

Net financial income for the 2018/2019 financial year was a loss of -€71.4 million. It mainly consisted of the following:

- dividend income of €7.4 million from subsidiaries, including PV Marques (€4.7 million) and Pierre & Vacances FI SNC (€1.9 million);
- other interest income in the amount of €7.7 million, including €7.1 million in interest on the current account held on behalf of Pierre & Vacances FI SNC, a subsidiary that provides centralised cash management for the Group;
- interest expenses in the amount of €12.7 million, notably including €8.1 million in interest on bank loans;
- €74.2 million in provisions for impairment losses on financial assets, including provisions for impairment losses on investments (€37.6 million for PV-CP Immobilier Holding) and €36.2 million for the impairment of the Les Villages Nature de Val d'Europe current account.

Non-recurring income was a loss of €7.1 million for the 2019/2020 financial year compared with a loss of €1.5 million recognised the previous year.

This income relates to the expenses and fees involved in the reorganisation of the Group's activities in the amount of €6.8 million.

Pierre et Vacances SA, as the parent company in the tax consolidation group, has recorded a tax saving of €4.9 million in the 2019/2020 financial year resulting from tax consolidation.

As a result, **net income** for the financial year was a loss of -€135.4 million compared with a loss of -€61.9 million in the previous financial year, due primarily to the reduction in financial income.

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5.3.3 Changes in financial position

The **statement of financial position total** stood at €1,191.8 million at 30 September 2019, compared with €1,046.7 million at 30 September 2019, up €145.1 million.

This change is mainly due to:

- a €240 million State-guaranteed loan obtained from the Group's banking pool;
- a loss of €135.4 million recognised for the financial year;
- €28.3 million in additional provisions covering the negative net positions of subsidiaries;
- an increase in other liabilities for subsidiaries in respect of the tax consolidation and the consolidated VAT group headed by Pierre et Vacances SA for a total of €18.3 million.

The **net carrying amount of investments in associates** and other long term equity investments at 30 September 2020 was €486.2 million and consisted of the following main investments (in € millions):

◆ Pierre & Vacances Tourisme Europe SA	422.1
◆ PV-CP Immobilier Holding SAS	-
◆ Pierre & Vacances Marques SAS	60.7
◆ PV-CP Holding China BV	2.7
◆ Adagio SAS	0.5
◆ Les Villages Nature® de Val d'Europe	-
◆ Pierre & Vacances Maroc	-

In 2019/2020, Pierre et Vacances SA **equity** fell by €135.4 million to €635.6 million at 30 September 2020. This change corresponds to the loss of €135.4 million generated during the financial year.

Provisions for risks and expenses at 30 September 2020 amounted to €32.4 million (compared with €4.2 million at 30 September 2019).

Provisions for risks and charges at 30 September 2020 correspond mainly to provisions covering the negative net positions of subsidiaries (PV-CP Immobilier Holding SAS for €24.1 million, Orion SAS for €4.2 million) as well as the provision for charges relating to the bonus share plan decided by the Board of Directors on 13 December 2019 in the amount of €4.1 million.

As regards the structure of **financial liabilities** (€492.2 million), to the €12.7 million in borrowings and other financial liabilities are added borrowings from credit institutions, which correspond to the State-guaranteed loan obtained from the Group's banking pool on 10 June 2020 in the amount of €240 million and bond issues (€239.6 million) corresponding, at 30 September 2020, to:

- the ORNANE-type bond issued on 6 December 2017 with a principal amount of €100.0 million and comprising 1,648,261 bonds with a value of €60.67 redeemable at maturity on 1 April 2023.

  At the end of the reporting period, interest accrued on loans and borrowings amounted to €1.0 million;
- the bond issued in the form of an unlisted "EURO PP" private placement on 19 July 2016 with a principal amount of €60.0 million and maturing in December 2022. This issue, with a 4.50% coupon (compared with 4.25% until 17 July 2018), was subscribed for by French institutional investors.

  At the end of the reporting period, interest accrued on this bond issue amounted to €0.6 million;
- the bond issued in the form of an unlisted "EURO PP" private placement on 14 February 2018 with a principal amount of €76.0 million and maturing in February 2025. This issue, with a 4.25% coupon (compared with 3.90% until 30 September 2018), was subscribed for by French institutional investors.

  At the end of the reporting period, interest accrued on this bond issue amounted to €2.0 million.

5.3.4 Outlook

In 2020/2021, Pierre et Vacances SA will continue to act as the Group holding company under conditions equivalent to those of the past financial year.

5.3.5 Subsidiaries, associates and other long-term equity investments

The activities of the main subsidiaries in the 2019/2020 financial year are presented below:

- Pierre & Vacances Tourisme Europe SA

  Pierre & Vacances Tourisme Europe SA continued to act as sub-holding company for the Tourism business segment. For the financial year ended 30 September 2020, Pierre & Vacances Tourisme Europe had a loss of €46.9 million.

- Pierre & Vacances Marques SAS

  The activity of this company consists of collecting royalties from the granting of rights to use its brands. Over this reporting period, the net profit of Pierre & Vacances Marques was €4.3 million.

- Pierre & Vacances FI SNC

  In 2019/2020, SNC Pierre & Vacances FI continued to exercise its responsibilities for central cash management for the various Pierre & Vacances-Center Parcs Group entities. Over this reporting period, SNC Pierre & Vacances FI recorded net profit of €1.8 million.

- PV-CP Immobilier Holding

  This sub-holding company for property development reported a loss of €118.6 million in the 2019/2020 financial year.

With regard to these subsidiaries and investments, we present the following information:

- Significant equity investments

  During the financial year, the Company made the following equity investments:

  - Pierre & Vacances Investissement 59

    On 15 June 2020, following the establishment of Pierre & Vacances Investissement 59, Pierre & Vacances SA subscribed for 1,000 shares (or 100% of the share capital) of said company.

  - Pierre & Vacances Investissement 61

    On 15 June 2020, following the establishment of Pierre & Vacances Investissement 61, Pierre & Vacances SA subscribed for 1,000 shares (or 100% of the share capital) of said company.

- Significant disposals

  During the financial year, the Company disposed of stakes in the following companies:

  - SARL Pierre & Vacances Maeva Tourisme Haute-Savoie

    On 23 July 2020, Pierre & Vacances SA – sole partner of the SARL Pierre & Vacances Maeva Tourisme Haute-Savoie – decided to dissolve the company ahead of time without liquidation. This operation was carried out on 31 August 2020.

- Significant investments and disposals since the year-end

None.

5.3.6 Allocation of profit

We propose allocating the loss for the financial year as follows:

◆ to retained earnings for:	-€135,370,238.74

Following this allocation of profit, equity will break down as follows:

◆ share capital (9,893,463 x €10)	€98,934,630.00
◆ issue premiums:	€20,357,131.39
◆ merger premiums:	€55,912.36
◆ legal reserve:	€9,801,723.00
◆ other reserves:	€2,308,431.46
◆ retained earnings:	€504,142,473.74
◆ **Total:**	**€635,600,301.95**

5.3.7 Reminder of previously distributed dividends

In accordance with Article 243 bis of the French General Tax Code (Code Général des Impôts), it is reminded that no dividend was paid over the last three financial years.

5.3.8 Non tax deductible expenses

In accordance with Article 223 quater of the French General Tax Code, the financial statements for the last financial year do not include any expenses or charges that are not deductible from taxable income pursuant to Article 39–4 of the Code.

5.3.9 Table of the Company's results over the last five financial years

	Year ending 30 September				
Information type	**2016**	**2017**	**2018**	**2019**	**2020**
I - Company financial position					
a) Share capital	98,017	98,017	98,046	98,052	98,935
b) Number of shares issued	9,801,723	9,801,723	9,804,565	9,805,232	9,891,447
c) Par value *(in €)*	10.00	10.00	10.00	10.00	10.00
II - Results of transactions					
a) Revenue before tax	12,485	17,051	14,712	7,936	7,675
b) Income before tax, depreciation, amortisation and impairment	47,772	8,797	-15,453	-2,574	-2,538
c) Income tax	-31,878	-8,431	-7,843	-16,753	-4,935
d) Income after tax, depreciation, amortisation and impairment	121,387	53,127	-40,718	-61,870	-135,370
e) Profits distributed	-	-	-	-	-
III - Earnings per share *(in €)*					
a) Income after tax, but before depreciation, amortisation and impairment	8.13	1.76	-0.78	1.45	0.69
b) Income after tax, depreciation, amortisation and impairment	12.38	5.42	-4.15	-6.31	-13.68
c) Dividend per share	-	-	-	-	-
IV - Employees					
a) Number of employees					
b) Employee expenses, excluding benefits			None		
c) Employee benefit expenses					

5.3.10 Information on payment periods

Invoices received and issued, past due and not yet paid as of the end of the reporting period

Reporting date: 30 September 2020

	Article D. - 1°: Invoices received, past due and not yet paid as of the end of the reporting period						Article D. Article D. I.- 2°: Invoices issued, past due and not yet paid as of the end of the reporting period					
Amounts *in € thousands*	**0 days (call sign)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**90 days and more**	**Total (1 day or more)**	**0 days (call sign)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**90 days and more**	**Total (1 day or more)**
(A) Classified as late payment												
Number of invoices	160		-			80	53		-			41
Total amount of the invoices concerned including VAT	5,489	739	332	33	169	1,273	6,782	14	-	-	134	148
% of total purchases for the financial year (VAT excl.)	17 %	2 %	1 %	0%	1 %	4%						
% of total revenue for the financial year (VAT excl.)							24%	0%	0%	0%	0%	1 %
(B) Invoices excluded from (A) related to disputed or unrecognised receivables												
Number of invoices	none						none					
Total amount of invoices excluded VAT included	0						0					
(C) Reference payment terms used (contractual or legal payment terms – Article L. 443-1 of the French Commercial Code)												
Reference payment used for the calculation of payment delays	☐ Contractual payment terms ☑ Legal payment terms						☐ Contractual payment terms ☑ Legal payment terms					

5.4 Parent company financial statements

5.4.1 Income statement

(in € thousands)	Notes	2019/2020	2018/2019
Sales of service		7,675	7,936
Net revenue		**7,675**	**7,936**
Reinvoiced expenses and reversals of write-offs and provisions		19,420	13,064
Other income		4,091	37
Operating profit		**31,186**	**21,037**
Other purchases and external expenses		29,689	22,880
Income and other taxes		317	342
Social security expenses		682	1,110
Depreciation and amortisation		6,555	2,209
Other operating expenses		429	234
Operating expenses		**37,672**	**26,775**
OPERATING PROFIT (LOSS)	**12**	**-6,486**	**-5,738**
Financial income from associates and other long-term equity investments		9,857	7,442
Other interest income		8,459	7,739
Reinvoiced expenses and reversals of provisions		199	358
Net gain on disposals of marketable securities		26	17
Financial income		**18,541**	**15,556**
Amortisation and provisions on financial assets		131,406	74,156
Interest expense		13,798	12,708
Net (loss) on disposals of marketable securities		7	116
Other financial expenses		1	-
Financial expenses		**145,212**	**86,980**
FINANCIAL INCOME (EXPENSE)	**13**	**-126,671**	**-71,424**
PROFIT (LOSS) FROM ORDINARY ACTIVITIES, BEFORE TAX		**-133,157**	**-77,162**

(in € thousands)	Notes	2019/2020	2018/2019
Non-recurring income from capital transactions		3,048	2,380
Reinvoiced expenses and reversals of provisions		102	-
Non-recurring income		**3,150**	**2,380**
Non-recurring expenses on management transactions		7,250	1,461
Non-recurring expenses on capital transactions		3,048	2,380
Non-recurring expenses		**10,298**	**3,841**
NON-RECURRING PROFIT (LOSS)	**14**	**-7,148**	**-1,461**
Income tax	15	-4,935	-16,753
TOTAL INCOME		**52,877**	**38,973**
TOTAL EXPENSES		**188,247**	**100,843**
PROFIT (LOSS) FOR THE YEAR		**-135,370**	**-61,870**

5.4.2 Statement of financial position

Assets

(in € thousands)	Notes	Gross Amount	Amort. & Prov.	Net 30/09/2020	Net 30/09/2019
Intangible assets	**1**	**25,400**	**22,792**	**2,608**	**5,994**
Property, plant and equipment	**1**	**-**	**-**	**-**	**-**
Other non-current assets		6,825	6,524	301	491
Financial assets	**1, 2, 4**	**-**	**-**	**-**	**-**
Other long-term equity investments		646,444	160,251	486,193	577,594
Loans and other financial assets		20		20	19
NON-CURRENT ASSETS		**678,689**	**189,567**	**489,122**	**584,098**
Advances and prepayments to suppliers		703		703	17
Trade receivables	4 & 5	11,774		11,774	5,527
Other receivables	3, 4, 5	733,516	55,900	677,616	442,161
Marketable securities	6	5,483	251	5,232	5,562
Cash and cash equivalents	6	196		196	1,975
Prepaid expenses	4 & 10	4,261		4,261	4,147
CURRENT ASSETS		**755,933**	**56,151**	**699,782**	**459,389**
Deferred expenses	11	2,877		2,877	3,186
TOTAL ASSETS		**1,437,499**	**245,718**	**1,191,781**	**1,046,673**

Liabilities

(in € thousands)	Notes	30/09/2020	30/09/2019
Issued capital		98,935	98,052
Additional paid-in capital		20,413	21,296
Statutory reserve		9,802	9,802
Other reserves		2,308	2,308
Retained earnings		639,512	701,383
Profit (loss) for the financial year		**-135,370**	**-61,870**
EQUITY	**7**	**635,600**	**770,971**
Provisions for charges		32,435	4,160
PROVISIONS FOR RISKS AND CHARGES	**2**	**32,435**	**4,160**
Financial liabilities		-	-
Bond issue	4	239,577	239,580
Amounts due to credit institutions	4	240,021	20
Sundry loans and other borrowings	4 & 8	12,650	12,782
Operating liabilities		-	-
Advances and deposits on orders in progress		6	5
Trade payables	4 & 5	9,917	9,564
Tax and social security liabilities	4	756	1
Sundry liabilities		-	-
Other liabilities	4 & 9	20,819	9,590
LIABILITIES		**523,746**	**271,542**
TOTAL LIABILITIES		**1,191,781**	**1,046,673**

Proposed Allocation of Profit and Distribution of Dividends for the Year

After deducting all expenses and taxes and depreciation and amortisation, the parent company financial statements show a net accounting deficit of -€135,370,238.74.

We propose allocating the loss for the financial year as follows:

◆ to retained earnings in the amount of:	-€135,370,238.74

Following this allocation of profit, equity will break down as follows:

◆ share capital (9,893,463 x €10):	€98,934,630.00
◆ share premiums:	€20,357,131.39
◆ merger premiums:	€55,912.36
◆ statutory reserve:	€9,801,723.00
◆ other reserves:	€2,308,431.46
◆ retained earnings:	€504,142,473.74
◆ **Total:**	**€635,600,301.95**

5.4.3 Notes to the parent company financial statements

Total assets before allocation reported in the statement of financial position at 30 September 2020 (in €):	**1,191,780,991.15**
Loss for the financial year reported in the income statement (in €):	**-135,370,238.74**

The amounts presented in these notes are in € thousands.

The reporting period lasted 12 months, from 1 October 2019 to 30 September 2020.

On 24 November 2020, the Board of Directors closed the annual financial statements of the Company for fiscal year ended 30 September 2020.

1. Highlights of the financial year

Impact of the COVID-19 health crisis on the Group's activities

The Covid-19 health crisis obliged the Group to close virtually all of its tourism sites from mid-March to late May/early June. Exceptional cost-cutting measures were immediately implemented, in particular with an easing in staff costs enabled by part-time working measures, the adaption of on-site spending, adjustments to leases with institutional and individual investors, especially in the context of the administrative closure of the sites.

Financing

In order to cover operating losses related to the health crisis, on 10 June 2020, the group took out a state-guaranteed loan of €240 million. The maturity of the revolving credit line initially set for March 2021, was also extended by 18 months. Over the year, the Group was able to benefit from several adjustments to its financing plans, in particular with an exemption to respect the financial ratio on 30 September 2020.

This financial support testifies to confidence in the Group's fundamentals and resilience to overcome the impacts of the health crisis.

Moreover, the Group has a 12 month forecast procedure, which according to different scenarios, enables it to justify that its operating continuity is not at threat over this time-frame. The assumptions in these scenarios concern the periods of administrative closures of its sites and the adjustments to operating expenses related to these closures. On the basis of these projections, the Group has sufficient liquidity to overcome the crisis from a 12 month perspective.

Change Up strategic plan

On 29 January 2020, the Pierre & Vacances-Center Parcs Group presented its strategic plan for 2024, Change Up, with the aim of accelerating and strengthening the Group's transformation to ensure its long-term sustainability.

This plan rests on three pillars:

- an optimisation of the existing portfolio, including a selective review of the holiday residence portfolio, a development of the tourism offering and an optimisation of real estate costs;
- a targeted and profitable development, with new development projects;
- an agile and entrepreneurial organisation, with the creation of a lean holding company focused on corporate functions and the implementation of autonomous Business Lines integrating their main support functions for better control of their entire value chain.

The deployment of the Change Up strategic plan also continued during the lockdown period:

- operationally, by carrying out renovation work on the Domaines Center Parcs in the Netherlands/Belgium/Germany;
- at the employment level, through the deployment of the Employment Protection Plan;
- on the cost-cutting side, with the first savings achieved.

As of 30 September 2020, the implementation of the new organisation is almost complete. On 1 October, the HR and Legal teams joined the Business Lines and Holding segments, followed by the Finance teams from mid-November.

Validation of the Employment Protection Plan

The information/consultation process of the Social and Economic Committee on the structural transformation project ended on 14 April 2020 with the delivery of the Committee's opinions.

Then, on 10 June, the Regional Directorate for Enterprises, Competition, Consumer Affairs, Labour and Employment approved the Plan de Sauvegarde de l'Emploi (Employment Protection Plan), a prerequisite step for its implementation in France. It should be recalled that the Company's Employment Protection Plan covered about 200 positions.

2. Accounting principles and methods

Accounting principles and methods – The annual financial statements are presented in accordance with the provisions of the 2014 French General Chart of Accounts (Plan comptable général) (Regulation 2014-03 of 5 June 2014 of the French Accounting Standards Authority, or Autorité des Normes Comptables, approved by ministerial order of 8 September 2014, updated by regulation of Autorité des Normes Comptables on 4 November 2016).

Generally accepted accounting principles have been applied, including the principle of prudence, in accordance with the following basic assumptions:

- going concern;
- consistency of accounting methods from one financial year to the next;
- independence of financial years;

and in accordance with professional standards.

The main measurement methods relate to the following:

- property, plant and equipment and intangible assets. These are measured at their acquisition cost, at their contribution value or at their construction cost.

With the exception of goodwill, other property, plant and equipment and intangible assets are depreciated or amortised using the straight-line method, over their economic lives established as follows:

Concessions, patents	5 years
General installations	10 years
Office furniture and equipment	3 to 10 years

The depreciation or amortisation thus calculated is included in operating profit or loss;

- investments in associates and other long-term equity investments. These are valued at their purchase price or at their contribution value, less any accumulated impairment losses recorded if the net asset value falls below the carrying amount.

  At each year-end, the net asset value is determined by reference to the share of enterprise values less the total liabilities of the Group's companies for the companies concerned.

  The enterprise value of entities is calculated on the basis of discounted future net cash flows. Cash flow projections come from the five-year business plans developed by operational and financial managers. For periods beyond five years, they are estimated using a perpetual growth rate. The discount rate used is based on the average cost of capital reflecting current market assessments of the time value of money and the risks specific to the activities of the companies evaluated;
- loans and other financial assets. This item essentially includes the amount of deposits paid to our partners;
- trade receivables. A provision is made for risk of non-recovery of receivables when a debtor shows a risk of insolvency or disputes the basis of receivables or when payments are unusually delayed. The provisions are based on an individual assessment of this risk of non-recovery;
- other receivables. These include, in particular, tax receivables, VAT, Group current accounts, sundry receivables and accrued income.

Current accounts are initially valued at their purchase price or at their contribution value.

Where they present a risk of non-recovery, they are covered by an impairment which recognises the subsidiary's repayment capacity and its growth outlook;

- marketable securities. These are recognised at their acquisition cost. They are subsequently measured at the lower of their acquisition cost and their market value;
- Pierre et Vacances treasury shares are reported:
  - as assets on the statement of financial position under "Marketable securities", when these shares are explicitly reserved, on acquisition, either to be granted to employees or to stimulate the market under the liquidity agreement,
  - or otherwise as long-term equity investments;
- prepaid expenses and deferred income. This item principally comprises operating income and expenses;
- deferred expenses. Such expenses relate to costs for setting-up financial programs in accordance with statutory norms;
- recognising the profit (loss) from subsidiaries: in accordance with statutory provisions, the profit or loss of subsidiaries in the form of a partnership exempt from corporate income tax are included in the same year.

Use of estimates and judgment

The preparation of the financial statements of Pierre et Vacances SA requires management to make estimates and assumptions that affect the amount of assets and liabilities recognised at the balance sheet date, the amount of income and expenses for the period, and the notes to the financial statements.

Management must also exercise judgment in applying the Company's accounting principles.

The estimates and assumptions used are reviewed on an ongoing basis, on the basis of past experience and any other information deemed significant with regard to the environment and circumstances.

The uncertainty introduced by the COVID-19 health crisis has made the use of these estimates more structuring for the preparation of the Company's financial statements for the year ended 30 September 2020.

In this context, items requiring significant estimates or a greater degree of judgment mainly concern the assessment of recoverable amounts relating to equity investments.

Note also that these estimates are established according to the operating continuity assumption, drawn up on the basis of the Group's 12 month cash flow forecasts as described in the main events section. These estimates are drawn up according to available information on the date they were established.

Additional information on the statement of financial position and income statement

Note 1 Non-current assets

Tangible and intangible assets	30/09/2019	Acquisitions	Disposals and retirements	30/09/2020
Intangible assets				
Brand names, concessions, patents	3,849	2,492	-678	5,663
Businesses goodwill	19,470	-	-	19,470
Other intangible assets	-	-	-	-
Intangible assets in progress	4,505	747	-4,985	267
TOTAL INTANGIBLE ASSETS	**27,824**	**3,239**	**-5,663**	**25,400**
Property, plant and equipment				
Miscellaneous fixtures	4,479	-	-	4,479
Office and computer equipment, and furniture	2,344	2	-	2,346
TOTAL PROPERTY, PLANT, AND EQUIPMENT	**6,823**	**2**	**-**	**6,825**
Financial assets				
Long-term equity investments and related loans and receivables	646,442	10	-8	646,444
Loans and other financial assets	19	1		20
TOTAL FINANCIAL ASSETS	**646,461**	**11**	**-8**	**646,464**
TOTAL GROSS TANGIBLE AND INTANGIBLE ASSETS	**681,108**	**3,252**	**-5,671**	**678,689**

Depreciation, amortisation and impairment	30/09/2019	Increases	Reductions	30/09/2020
Brand names, concessions, patents	2,360	1,063	-101	3,322
Businesses goodwill	19,470	-	-	19,470
Other intangible assets	-	-	-	-
TOTAL INTANGIBLE ASSETS	**21,830**	**1,063**	**-101**	**22,792**
Property, plant and equipment				
Miscellaneous fixtures	4,289	57	-	4,346
Office and computer equipment, and furniture	2,043	135	-	2,178
TOTAL PROPERTY, PLANT, AND EQUIPMENT	**6,332**	**192**	**-**	**6,524**
Financial assets				
Long-term equity investments and related loans and receivables	68,848	91,403	-	160,251
Loans and other financial assets	-	-	-	-
TOTAL FINANCIAL ASSETS	**68,848**	**91,403**	**-**	**160,251**
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT	**97,010**	**92,658**	**-101**	**189,567**
TOTAL NET TANGIBLE AND INTANGIBLE ASSETS	**584,098**	**-89,406**	**-5,570**	**489,122**

The net decrease in the value of tangible and intangible assets of €94,976 thousand in the financial year was mainly due to:

- provision due to impairment losses on the shares of the subsidiary PV-CP Immobilier Holding SAS of -€91,400 thousand reducing the net value of these shares to zero, taking into account the company's valuation at the reporting date;
- the net decrease in IT projects in progress in the amount of €4,238 thousand is mainly due to the sale to GIE PVCP SERVICES of IT projects for €2,134 thousand, as well as the scrapping of abandoned projects amounting to €1,015 thousand.

Note 2 Provisions

	30/09/2019	Increases	Reductions Used	Reductions Not used	30/09/2020
Provisions for risks and charges	4,160	28,339	64	-	32,435
Provisions for impairment losses					
◆ *Goodwill*	*19,470*	-	-	-	*19,470*
◆ *Investments in associates and other long-term equity investments*	*68,848*	*91,403*		-	*160,251*
◆ *Trade receivables*	*130*	-	*130*	-	-
◆ *Current accounts*	*40,400*	*15,500*	-	-	*55,900*
◆ PV SA treasury shares		*251*	-	-	*251*
TOTAL	**133,008**	**135,493**	**194**	**-**	**268,307**

At 30 September 2020, provisions consisted of the following:

Provisions for liabilities and charges correspond:

- to provisions covering the negative net worth of subsidiaries:
  - PV-CP Immobilier Holding SAS for a total amount of €24,158 thousand,
  - Orion SAS for a total amount of €4,173 thousand,
  - PV Maroc for a total amount of €16 thousand;
- to the provision for the distribution of the bonus share plan decided by the Board of Directors on 13 December 2019 in the amount of €4,088 thousand.

This plan, which benefits key staff members whose first actions are vital to the launch of the Group's transformation plan and whose time of service within the Group is longer than 15 years, concerns 260,000 Pierre & Vacances shares, which will be definitively granted with no presence and performance conditions at the end of the acquisition period expiring on 13 December 2020.

The amounts provisioned for are also rebilled to the subsidiaries employing the beneficiaries; invoices to draw up were accounted for on the closing date of 30 September 2020 for an equivalent amount.

Provisions for impairment losses on goodwill from internal restructuring operations for a total amount of €19,470 thousand.

Provisions for impairment losses on investments in associates and other long-term equity investments primarily relate to the following:

- €128,965 thousand for PV-CP Immobilier Holding;
- €25,456 thousand for Les Villages Nature® de Val d'Europe;
- €5,757 thousand for Pierre & Vacances Maroc;
- €38 thousand for Orion SAS.

Provisions for impairment losses on other assets correspond to:

- the impairment loss on the current account of Les Villages Nature de Val d'Europe for €55,900 thousand;
- the impairment of PV SA treasury shares for a total of €251 thousand.

Reversals of €194 thousand relate:

- to the reversal of provisions for impairment losses on other assets, including €130 thousand on trade receivables;
- to the negative equity of PV Maroc for €64 thousand.

Note 3 Other receivables

	30/09/2020	30/09/2019
CURRENT ACCOUNTS	**725,744**	**464,632**
Pierre & Vacances FI SNC	640,911	390,522
Les Villages Nature® de Val d'Europe SAS	84,283	73,712
Pierre & Vacances Maroc	550	398
STATE AND OTHER PUBLIC AUTHORITIES	**1,958**	**2,457**
OTHER RECEIVABLES AND MISCELLANEOUS ACCOUNTS IN DEBIT	**5,814**	**15,472**
TOTAL	**733,516**	**482,561**

Receivables in current accounts primarily consist, first, of the receivable owed to Pierre & Vacances FI SNC, a subsidiary of Pierre et Vacances SA, which carries out centralised cash management for all of the Group's subsidiaries, and second, of the receivable owed to Les Villages Nature® de Val d'Europe SAS.

Amounts due from the State and other public authorities primarily correspond to:

- the VAT credit vested at 30 September 2020 on VAT group, for a total of €1,362 thousand (as compared with €879 thousand in consolidated VAT credits at the end of the previous financial year);
- input VAT of €525 thousand (versus €1,153 thousand at the previous year-end);
- family tax credits of €71 thousand.

The "Other receivables" item primarily relates to sums owed to Pierre et Vacances SA by subsidiaries:

- €1,061 thousand in income tax in its capacity as head of the consolidated tax group, compared with €9,739 thousand for the previous financial year;
- consolidated VAT for the month of September 2020 in the amount of €4,015 thousand (compared with €5,003 thousand for September 2019).

Note 4 Maturity of receivables and payables

		Due date	
Receivables	**Amount**	**Less than 1 year**	**More than 1 year**
Other financial assets	20	-	20
Advances and prepayments to suppliers	703	703	-
Trade receivables	11,774	11,774	-
State and other public authorities	1,958	1,958	-
Group and associates	725,744	725,744	-
Other receivables	5,814	5,814	-
Accruals	4,261	4,261	-
TOTAL	**750,274**	**750,254**	**20**

The members of the consolidated VAT group as of 30 September 2020 are:

- C.T.M. SAS (formerly Pierre & Vacances Investissement XXXXIII SAS);
- Center Parcs Resorts France SAS;
- Club Hôtel SARL;
- Club Hôtel Multivacances SAS;
- Commerces Patrimoine Cap Esterel SNC;
- Curchase SAS (formerly Pierre & Vacances Investissement XXXXVI SAS);
- Domaine du Lac d'Ailette SNC;
- GIE PVCP Services;
- Le Rousset Équipement SNC;
- Lille Loisirs SNC;
- Maeva Gestion SARL (formerly Société de Gestion des Mandats SARL);
- Orion SAS;
- Pierre & Vacances SA;
- Pierre & Vacances Esterel Développement SAS;
- Pierre & Vacances Investissement XXIV SAS;
- Pierre & Vacances Investissement XXXXVII SAS;
- Pierre & Vacances Marques SAS;
- PV Rénovation Tourisme SAS;
- Pierre & Vacances Tourisme Europe SAS;
- Pierre & Vacances Senioriales Gestion Immobilière Investissement SAS;
- Pierre & Vacances Senioriales Programmes Immobiliers SAS;
- Poligny Cottages SNC;
- Poligny Équipements SNC;
- La Gare du Bois Roger (formerly PV Prog 49) SNC;
- PV-CP City SAS;
- PV-CP Distribution SA;
- PV-CP Gestion Exploitation SAS;
- PV-CP Holding Exploitation SAS;
- PV-CP Immobilier Holding SAS;
- PV Résidences et Resorts France SAS;
- SGRT SARL;
- Société d'Exploitation Touristique Pierre & Vacances Guadeloupe SAS;
- Société d'Exploitation Touristique Pierre & Vacances Martinique SAS;
- Société Hôtelière de l'Anse à la Barque SNC;
- Sogire SA;
- Sud Ouest Cottages SNC;
- Sud Ouest Équipements SNC.

Liabilities	Amount	Under 1 year	Due date	
			1 to 5 years	More than 5 years
Bond issue	239,577	3,577	160,000	76,000
Amounts due to credit institutions	240,021	21	168,000	72,000
Sundry loans and long-term borrowings	12,650	12,224	-	426
Advances and deposits on orders in progress	6	6	-	-
Trade payables	9,917	9,917	-	-
Tax and social security liabilities	756	756	-	-
Other liabilities	20,819	19,539	878	402
TOTAL	**523,746**	**46,040**	**328,878**	**148,828**

At 30 September 2020, the bond issue item comprises:

- the ORNANE-type bond issued on 6 December 2017 with a principal amount of €100,000 thousand and comprising 1,648,261 bonds with a value of €60.67 redeemable at maturity on 1 April 2023. Bonds redeemable in cash and/or new and/or existing shares (ORNANES) can be converted at any time by settlement in new or existing shares.

  At the end of the reporting period, interest accrued on loans and borrowings amounted to €1,000 thousand;
- the bond issued in the form of an unlisted "EURO PP" private placement on 19 July 2016 with a principal amount of €60,000 thousand and maturing in December 2022. This issue, with a 4.50% coupon (compared with 4.25% until 17 July 2018), was subscribed for by French institutional investors.

  At the end of the reporting period, interest accrued on this bond issue amounted to €554 thousand;
- the bond issued in the form of an unlisted "EURO PP" private placement on 14 February 2018 with a principal amount of €76,000 thousand and maturing in February 2025. This issue, with a 4.25% coupon (compared with 3.90% until 30 September 2018), was subscribed for by French institutional investors. At the end of the reporting period, interest accrued on this bond issue amounted to €2,024 thousand.

Amounts due to from credit institutions correspond to the State-guaranteed loan obtained from the Group's banking pool on 10 June 2020 and intended to cover operating losses related to the crisis in the amount of €240,000 thousand.

Other liabilities include €1,499 thousand relating to the rent-free period for the Groupe de l'Arlois' head office buildings in the 19th arrondissement of Paris which extends up to July 2027.

None of Pierre et Vacances SA's bank borrowings are based on its or the Group's rating. Amounts due to credit institutions include contractual clauses relating to the consolidated financial position of the Pierre & Vacances-Center Parcs Group. These ratios are adjusted to the repayment profile for these loans. The level and definition thereof have been fixed in consultation with the lenders on the basis of forecasts. Compliance with these ratios is assessed only once a year at the reporting date. Failure to comply with these ratios authorises the lenders to call in some or all of the debt early. These credit lines are also all provided with the usual legal covenants: "negative pledge", "pari passu" and "cross default".

In 2019/2020, the Group also benefited from a number of arrangements in terms of financing, in particular with an exemption for the financial ratio on 30 September 2020 and an easing of that to respect on 30 September 2021, which will have to be renegotiated depending on developments in the second wave of Covid-19 and the impacts on the tourism operations.

Note 5 Accrued income and expenses

Accrued income	30/09/2020	30/09/2019
Credit notes to obtain	656	-
Customers	4,844	4
Accrued Competitiveness and Employment Tax Credit (CICE) for the financial year	-	75
TOTAL	**5,500**	**79**

The variation is mainly explained by:

- re-invoicing to subsidiaries employing the employees benefiting from the bonus share allocation plan issued on 13 December 2019, for which a provision of €4,843 thousand was recorded at the end of the financial year, or €4,088 thousand excluding VAT;
- the credit note to be obtained corresponds to one month's rent on the buildings of the Groupe de l'Artois' head office located in Paris in the 19th arrondissement for €656 thousand.

Accrued expenses	30/09/2020	30/09/2019
Suppliers	3,155	2,592
Interest accrued on loans and borrowings	3,577	3,580
Attendance fees	300	233
State	-	-
Other	683	6
TOTAL	**7,715**	**6,411**

The other accrued expenses provisioned at the end of the reporting period correspond, on the one hand, to the bank commission payable on 21 March 2021 relating to the extension of the maturity of the credit agreement for €200,000 thousand for an amount of €300 thousand, and to a commission due in relation to obtaining the loan guaranteed by the State for €368 thousand on the other hand.

Note 6 Marketable securities and cash and cash equivalents

Marketable securities, which amounted to €5,483 thousand at 30 September 2020, consist exclusively of treasury shares.

At 30 September 2020, the Company held:

- 262,442 treasury shares intended to be granted to employees and totalling €5,436 thousand;
- 2,145 shares acquired to adjust the stock market price, for an amount of €46 thousand.

An impairment of treasury shares amounting to €251 thousand was recognised for the year to take into account the average stock market price during the last month prior to the end of the reporting period.

Cash and cash equivalents amounted to €196 thousand at 30 September 2020, compared with €1,975 thousand at the end of the previous financial year.

Note 7 Change in equity

	Share capital	Additional paid-in capital	Reserves and retained earnings	Profit (loss) for the financial year	Total
EQUITY AT 30 SEPTEMBER 2018	**98,046**	**21,301**	**754,212**	**-40,718**	**832,841**
Capital increase	6	-6	-	-	-
Retained earnings	-	-	-40,718	40,718	-
Profit (loss) for the financial year	-	-	-	-61,870	-61,870
EQUITY AT 30 SEPTEMBER 2019	**98,052**	**21,295**	**713,494**	**-61,870**	**770,971**
Capital increase	883	-883	-	-	-
Statutory reserve	-	-	-	-	-
Retained earnings	-	-	-61,870	61,870	-
Profit (loss) for the financial year	-	-	-	-135,370	-135,370
EQUITY AT 30 SEPTEMBER 2020	**98,935**	**20,413**	**651,622**	**-135,370**	**635,600**

During the year, the following capital transactions were carried out:

On 6 April 2020, 755 category A and B preference shares were converted into 1,161 ordinary shares of €10 each, resulting in a capital increase of €4,090 entirely deducted from the merger premium;

On 22 July 2020, 738 category A preference shares were converted into 88,560 ordinary shares of €10 each, resulting in a capital increase of €878,220 entirely deducted from the merger premium.

As of 30 September 2020, the share capital of Pierre et Vacances SA consisted of 9,891,447 ordinary shares, 1,349 category B preference shares and 667 category C preference shares, i.e. a total of 9,893,463 shares of €10 each for a total of €98,934,630.

At 30 September 2020, Société d'Investissement Touristique et Immobilier (S.I.T.I.) held 49.36% of the capital of Pierre et Vacances SA.

Note 8 Sundry loans and long-term borrowings

	30/09/2020	30/09/2019
Current accounts	**12,224**	**12,356**
Société d'Investissement Touristique et Immobilier (S.I.T.I.)	*12,224*	*12,356*
Deposits received	**426**	**426**
TOTAL	**12,782**	**12,782**

Note 9 Other liabilities

	30/09/2020	30/09/2019
Payables relating to income tax consolidation	12,807	984
Payables relating to the VAT consolidation group	5,471	6,649
Sundry liabilities	2,541	1,957
TOTAL	**20,819**	**9,590**

Payables relating to tax consolidation are linked to the recognition by Pierre et Vacances SA of income tax advances resulting from tax consolidation in its capacity as parent company of the tax consolidation group.

Total liabilities relating to the VAT consolidation group are linked to the recognition of subsidiaries' VAT liabilities for the September 2020 VAT return submitted in its capacity as parent company of the tax consolidation group.

The miscellaneous liabilities include attendance fees for the 2019/2020 financial year in the amount of €300 thousand and bank commissions for €668 thousand.

Note 10 Accruals

Assets	30/09/2020	30/09/2019
Rents and rental charges	2,151	2,284
Miscellaneous	2,110	1,863
TOTAL	**4,261**	**4,147**

The "Miscellaneous" item includes €1,804 thousand in expenses relating to computer rental costs under licences and maintenance agreements at 30 September 2020.

Note 11 Deferred expenses

	30/09/2019	Increases	Reductions	30/09/2020
Bond issuance fees	2,303	-	611	1,692
Bank lending fees	883	904	602	1,185
TOTAL	**3,186**	**904**	**1,213**	**2,877**

The reduction over the financial year of bond issuance fees corresponds to €611 thousand for the amortisation during the financial year of deferred expenses relating to the "EURO PP" type bonds maturing in 2022 and 2025 and the "ORNANE" type bond maturing in 2023.

The €904 thousand increase in fees on bank loans over the year corresponds to the extension of the maturity date of the syndicated credit line from March 2021 to September 2022.

Note 12 Breakdown of operating profit (loss)

	2019/2020	2018/2019
Services	1,205	1,148
Miscellaneous rentals	6,470	6,788
TOTAL REVENUE	**7,675**	**7,936**
Reinvoicing of expenses and fees	19,291	13,032
Miscellaneous income	4,090	37
Reversal of provisions	130	32
TOTAL OPERATING INCOME	**31,186**	**21,037**
Rents and rental charges	7,437	7,975
Miscellaneous fees	9,654	4,614
Other purchases and external expenses	14,026	12,977
Depreciation, amortisation and impairment	6,555	1,209
TOTAL OPERATING EXPENSES	**37,672**	**26,775**
OPERATING PROFIT (LOSS)	**-6,486**	**-5,738**

Revenue for the 2019/2020 financial year mainly consisted of:

- €1,205 thousand in invoices for various services rendered, including €996 thousand in invoices for commissions on guarantees of financial commitments given by the Company on behalf of its various subsidiaries compared with €862 thousand in the previous financial year;
- €6,470 thousand in re-invoiced rent expenses representing the share of subsidiary entities for their occupation of premises at the Groupe de l'Artois' registered office, in the 19th arrondissement of Paris.

Depreciation, amortisation and provisions consist of the provision for distribution expenses for the bonus share plan decided by the Board of Directors on 13 December 2019 in the amount of €4,088 thousand.

There was an operating loss for the financial year of -€6,486 thousand compared with a loss of €5,738 thousand in 2018/2019.

Note 13 Net financial income (expense)

	2019/2020	2018/2019
Financial income from associates and other long-term equity investments	9,857	7,442
Re-invoiced expenses and reversals of provisions	199	358
Other interest income	8,459	7,739
Other financial income	26	17
FINANCIAL INCOME	**18,541**	**15,556**
Amortisation and provisions on financial assets	131,406	74,156
Interest expense	13,798	12,708
Net expenses on disposals of marketable securities	7	116
Other financial expenses	1	-
FINANCIAL EXPENSES	**145,212**	**86,980**
NET FINANCIAL INCOME (EXPENSE)	**-126,671**	**-71,424**

Net financial income was negative at -€126,671 thousand for 2019/2020, compared with a negative net financial income of -€71,424 thousand for the previous financial year.

It is mainly composed of the following items:

- dividend income of €9,857 thousand from subsidiaries, including:
  - €7,161 thousand from PV Marques, a subsidiary owning the Group's brands (mainly Pierre & Vacances, Maeva and Multivacances), excluding the "Senioriales" brand and those operated by the Center Parcs sub-group,
  - €2,019 thousand from the company PVFI, the Group's central cash management company,
  - €677 thousand from the company PV Courtage;
- reversals of provisions for impairment losses and re-invoiced expenses amounting to €199 thousand, including €64 thousand for the reversal of the provision for impairment losses on the shares in the subsidiary PV-CP Maroc;
- other interest income in the amount of €8,459 thousand, including €7,841 thousand in interest on the current account held on behalf of Pierre & Vacances FI SNC, a subsidiary that provides centralised cash management for the Group;
- interest expenses in the amount of €13,798 thousand, notably including:
  - interest expenses on bank loans of €7,928 thousand including:
    - €2,000 thousand relating to the "ORNANE" bond issue subscribed for on 6 December 2017 and maturing in 2023,
    - €2,693 thousand relating to the unlisted "Euro PP" private placement bond issue maturing in 2019 and issued on 19 July 2016,
    - €3,235 thousand relating to the bond issued in the form of an unlisted "Euro PP" private placement maturing in 2025 and issued on 14 February 2018;
  - interest expense and commissions on bank loans of €1,731 thousand,
  - interest expense and commissions on short-term financing of €3,547 thousand,
  - fees and commissions on guarantees in the amount of €381 thousand;
- amortisation and provisions on financial assets in the amount of €131,406 thousand, including:
  - provisions for impairment of shares in subsidiaries for respectively €91,400 thousand for PV-CP Immobilier Holding and €3 thousand for PV Investissements 51,
  - provisions for a negative net position in the amount of €24,158 thousand for PV-CP Immobilier Holding and €94 thousand for Orion,

- provisions for the impairment loss on the current account of Les Villages Nature® de Val d'Europe for €15,500 thousand,
- provisions for impairment of treasury shares for €251 thousand.

There was a net financial loss for 2018/2019, which amounted to -€71,424 thousand.

It mainly consisted of the following:

- dividend income of €7,442 thousand from subsidiaries, including €4,734 thousand from PV Marques and €1,917 thousand from PV FI;
- interest income of €7,739 thousand on current accounts, including €7,144 thousand from Pierre & Vacances FI SNC;
- income of €358 thousand corresponding to the reversal of provisions for the impairment in value of shares in the subsidiary PV-CP China Holding;
- financial expenses of €12,708 thousand, including, in particular:
  - interest expense and commissions on bank loans and Group financial debt of €8,135 thousand,
  - interest expense and commissions on bank loans of €1,211 thousand,
  - interest expense and commissions on short-term financing of €2,633 thousand,
  - fees and commissions and expenses on sureties and interest rate swaps of €269 thousand;
- amortisation and provisions on financial assets in the amount of €74,156 thousand, including:
  - provisions for impairment losses mainly on investments in subsidiaries of respectively €37,565 thousand for PV-CP Immobilier Holding, €25 thousand for Pierre & Vacances Maroc, €15 thousand for Villages Nature Management,
  - provisions for the impairment loss on the current account of Les Villages Nature® du Val d'Europe for €36,218 thousand,
  - €236 thousand in provisions to cover the net negative position of Orion and €80 thousand for PV Maroc.

Note 14 Non-recurring profit (loss)

	2019/2020	2018/2019
Non-recurring profit (loss) on management transactions	-7,148	-1,461
Non-recurring profit (loss) on capital transactions	-	-
Exceptional additions to and reversals of provisions and re-invoiced expenses	-	-
NON-RECURRING PROFIT (LOSS)	**-7,148**	**-1,461**

The non-recurring loss on management operations for the period, of €7,148 thousand, mainly comprising expenses and fees incurred in connection with the reorganisation of the Group's activities in the amount of €6,823 thousand and IT equipments write-off for €1,015 thousand.

The non-recurring loss on management transactions for the previous financial year, of -€1,461 thousand, consisted of €1,458 thousand in miscellaneous expenses and fees incurred in connection with restructuring the Group's activities.

Note 15 Transfer of expenses

	2019/2020	2018/2019
Re-invoiced registered office costs and services	9,465	10,168
Borrowing costs reclassified to deferred expenses spread over the loan terms	904	-
Borrowing costs reclassified to net financial income (expenses)	1,363	1,211
Operating expenses reclassified to non-recurring income (loss)	6,338	1,458
Re-invoiced miscellaneous expenses	1,221	194
TOTAL TRANSFERS OF OPERATING EXPENSES	**19,291**	**13,031**
Re-invoiced bank guarantees	135	75
TOTAL TRANSFERS OF FINANCIAL EXPENSES	**135**	**75**
Re-invoiced non-recurring expenses	-625	-
TOTAL TRANSFERS OF NON-RECURRING EXPENSES	**-625**	**-**
TRANSFERS OF EXPENSES	**18,801**	**13,106**

Note 16 Income tax

Pierre et Vacances SA is the head of the tax consolidation group that it set up on 1 October 1996.

At 30 September 2020, the members of this group were:

- C.T.M. SAS (formerly Pierre & Vacances Investissement XXXXIII SAS);
- Center Parcs Holding Belgique SAS;
- Center Parcs Resorts France SAS;
- Club Hôtel SARL;
- Club Hôtel Multivacances SAS;
- Commerces Patrimoine Cap Esterel SNC;
- Compagnie Hôtelière Pierre & Vacances SAS;
- Curchase SAS (formerly Pierre & Vacances Investissement XXXXVI SAS);
- Maeva.com Immobilier Services SAS;
- La France du Nord au Sud SAS;
- LAB Senioriales (formerly PVI 50);
- Maeva Gestion SARL (formerly Société de Gestion des Mandats SARL);
- Maeva Holding SAS (formerly Pierre & Vacances Investissement XXXXIX SAS);
- Orion SAS;
- Peterhof 2 SARL;
- Pierre & Vacances SA;
- Pierre & Vacances Conseil Immobilier SAS;
- Pierre & Vacances Courtage SARL;
- Pierre & Vacances Développement SAS;
- Pierre & Vacances Esterel Développement SAS;
- Pierre & Vacances FI SNC;
- Pierre & Vacances Investissement XXIV SAS;
- Pierre & Vacances Investissement XXXXVII SAS;
- Pierre & Vacances Investissement 51 SAS;
- Pierre & Vacances Investissement 55 SAS;
- Pierre & Vacances Investissement 56 SA;
- Pierre & Vacances Marques SAS;
- Pierre & Vacances Rénovation Tourisme SAS;
- Pierre & Vacances Senioriales Gestion Immobilière Investissement SAS;
- Pierre & Vacances Senioriales Production SAS (formerly PVI;53);
- Pierre & Vacances Senioriales Programmes Immobiliers SAS;
- Pierre & Vacances Tourisme Europe SAS;
- Pierre & Vacances Transactions SARL;
- PVCI Finances (formerly PVI 52);
- PV-CP China Holding SAS (formerly PVI 54);
- PV-CP City SAS;
- PV-CP Distribution SA;
- PV-CP Finances SAS;
- PV-CP Gestion Exploitation SAS;
- PV-CP Holding Exploitation SAS;
- PV-CP Immobilier Holding SAS;
- PV Résidences et Resorts France SAS;
- PV Senioriales Exploitation SAS;
- PV Senioriales Promotion et Commercialisation SAS;
- SGRT SARL;
- SICE SNC;
- Société d'Exploitation Touristique Pierre & Vacances Guadeloupe SAS;
- Société d'Exploitation Touristique Pierre & Vacances Martinique SAS;
- Sogire SA;
- Tourisme Rénovation SAS.

Breakdown of the tax expense

Tax income from previous financial years	70
Tax passed on by subsidiaries	4,865
Net tax expense (income)	**4,935**

Each subsidiary in the tax consolidation group recognises its tax as if it were levied separately. Pierre et Vacances SA, as the parent company in the tax consolidation group, records the tax saving resulting from tax consolidation.

In the absence of a tax consolidation group, Pierre et Vacances SA would not have owed any corporate income tax for the 2018/2019 financial year.

Tax income from previous financial years corresponds to the family tax credit provisioned in respect of the 2019 calendar year, and amounts to €70 thousand.

Note 17 Increases and reductions in future tax liabilities

The overall taxable profit of the consolidation group led by Pierre et Vacances SA was €205,215 thousand for the 2019/2020 financial year, corresponding to a loss at the standard tax rate that may be carried forward.

The amount of tax loss carry forwards accrued by the tax consolidation group totalled €652,208 thousand at 30 September 2020.

Note 18 Related companies

	Related companies	Companies with which the Company has an ownership interest
Statement of financial position items		
Net equity interests	485,692	500
Trade receivables	6,854	68
Other receivables[1]	647,274	28,383
Sundry loans and long-term borrowings[1]	-12,650	-
Trade payables	-1,683	-
Other liabilities	-18,278	-
Income statement items		
Financial expenses	-203	-
Financial income	17,709	504
Non-recurring expenses	-	-
Non-recurring income	-	-

(1) These items, which are shown as a net value, are mainly composed of current accounts.

Financial commitments and other information

Note 19 Off-statement of financial position commitments

	30/09/2020	30/09/2019
Guarantees and pledges:		
Lease payment guarantees	1,085,550	1,118,974
First demand guarantee to Sogefinerg (Ailette finance lease)	151,575	155,927
Guarantee given within the framework of contracts to outsource CPE IT solutions and equipment	23,405	23,405
Counter-guarantee given on behalf of Uniqua to Unicredit Bank Austria AG for the operating of a holiday residence in Vienna	1,200	1,200
Counter-guarantee issued to Société Générale on behalf of PV Exploitation Belgique to secure a leasehold agreement	685	685
Surety on behalf of PVD SA to the local authority of Courseulles sur Mer for the purchase of land	159	159
Surety issued to SoGePi on behalf of PV Italia as part of the sale of Calarossa	262	262
Letter of intent given to Compagnie d'études et de transactions immobilières SA on behalf of Sociedad de Explotacion Turistica Pierre & Vacances España S.L.U. under an operating lease for the "Himalaia Hotels" tourist complex in Pas de la Casa First demand guarantee given to Foncière des Murs SCA on behalf of Center Parcs Ardennen to guarantee buybacks of unsold cottages on the Vielsam site	7,157	7,157
Letter of intent given to EB2 Gestion Hotelera SL on behalf of Sociedad de Explotacion Turistica Pierre & Vacances España S.L.U. under an operating lease for the tourism complex in Madrid	10,628	10,628
Surety issued on behalf of SET PV Espana SL to Caixa Bank in connection with the signature of a credit line	4,000	4,000
Surety issued to the Treasury on behalf of Roybon Équipements SNC concerning the deferred payment of the Architecture, Planning and Environment Council regional tax as well as the regional tax for sensitive natural areas	3,724	3,724
First demand guarantee to Lufthansa Airplus Servicekarten on behalf of various Group subsidiaries following the signing of "Air Plus Carte Logée" implementation contracts.	465	465
Guarantee given by Pierre & Vacances to SOCFIM in respect of the financing granted to SNC Sud Ouest Équipements	22,213	-
Guarantee given by Pierre & Vacances to the Italian tax authorities in the context of proceedings brought by Pierre et Vacances Italia Srl for the refund of a VAT credit	781	-
Autonomous First Demand Guarantee issued to TELENO REAL ESTATE for the lease of 49 apartments located at 387 calle Sants Barcelona.	5,707	-
Guarantee given in favour of the company GRELAND S.L. under a rental contract for 14 apartments in GERONE on the tourist site "Apartamentos Empuriabrava Marina" for a maximum amount of €1,682,691	1,683	-
Guarantee given in favour of the company VIV BUILDINGS 3 S.L. for the rental contract of 14 apartments in GERONA on the tourist site "Apartamentos Empuriabrava Marina"	1,350	-
Mortgages:		
Mortgage on behalf of Senioriales – Nîmes	-	3,000
Mortgage on behalf of Senioriales – Saint Priest	-	3,000
COMMITMENTS GIVEN	**1,320,544**	**1,332,586**
Guarantees and pledges:		
Rent guarantee deposit – Artois	1,536	1,476
Guarantee received from Accor for 50% of the counter-guarantee amount to Unicredit Bank Austria AG for the operating of a residence in Vienna	600	600
Guarantee deposit for additional parking spaces and other buildings in Artois	165	158
COMMITMENTS RECEIVED	**2,301**	**2,234**
RECIPROCAL COMMITMENTS	**-**	**-**

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Lease payment guarantees

Pierre et Vacances SA has provided guarantees totalling €1,085,550 thousand, as described below:

- to La Française and Eurosic for rent commitments related to the Center Parcs village in Allgäu in Germany, with an outstanding amount for the term of the leases of €379.7 million;
- to institutional investors for rent commitments related to the Center Parcs village in Bois Aux Daims, with an outstanding amount for the term of the leases of €347.2 million;
- to La Foncière des Murs for rent commitments related to the Sunparks villages, with an outstanding amount for the term of the leases of €112.4 million;
- to the owner of the land and buildings of the Center Parcs village of Bostalsee in the Sarre region of Germany, together with Center Parcs Bungalowpark GmbH, for payment of rent owed by its operating subsidiary. Outstanding rent commitments for the remaining term of the lease came to €29.7 million;
- to Eurosic for rent commitments related to the Center Parcs village in Bois Francs, with an outstanding amount for the term of the leases of €142.5 million;
- to Eurosic for rent commitments related to the Center Parcs village in Chaumont, with an outstanding amount for the term of the leases of €11.8 million;
- to Uniqua, owner of the residence in Vienna, for payment of 50% of outstanding rent commitments for the remaining term of the lease amounting to €3.4 million;
- to Spectrum Real Estate GmbH, owner of the residence in Munich, for payment of 50% of outstanding rent commitments for the remaining term of the lease amounting to €3.5 million;
- to the individual owners of the Bonmont residence, for payment of outstanding rent commitments for the remaining term of the lease amounting to €11.9 million;
- to the owner of the Adagio residence in Liverpool, for the payment of 50% of rent owed by its operating subsidiary Adagio UK Limited. Outstanding rent commitments for the remaining term of the lease came to €5.8 million;
- to the owner of the Adagio residence in Cologne, for the payment of 50% of rent owed by its operating subsidiary Adagio Deutschland GmbH. Outstanding rent commitments for the remaining term of the lease came to €1.5 million;
- to Llopuig S.L., owner of the Tossa Del Mare residence, for payment of outstanding rent commitments for the remaining term of the lease amounting to €0.3 million;
- to Diesco De Restauracio S.L., owner of the Calacristal residence, for payment of outstanding rent commitments for the remaining term of the lease amounting to €0.4 million;
- to Eurosic Investments Spain, SOCIMI S.A.U., owner of the "Estartit Complex" residence, for payment of outstanding rent commitments for the remaining term of the lease amounting to €7.4 million;
- to Eurosic Investments Spain, SOCIMI S.A.U., owner of the El Puerto residence, for payment of outstanding rent commitments for the remaining term of the lease amounting to €6.8 million;
- to Eurosic Investments Spain, SOCIMI S.A.U., owner of the Terrazas residence, for payment of outstanding rent commitments for the remaining term of the lease amounting to €21.2 million.

First demand guarantee to Sogefinerg (Ailette finance lease)

Within the framework of the building of central facilities (tropical paradise, restaurants, bars, shops, sports and leisure facilities) at the new Center Parcs in Aisne, Pierre & Vacances signed a public service delegation agreement with the Conseil Général de l'Aisne, which delegates to Pierre et Vacances and its subsidiaries the design, building and operation of the leisure centre facilities. Furthermore, a tripartite agreement was signed between Pierre & Vacances, the Conseil Général de l'Aisne and a finance institution to set up the financing for this work. Part of the cost of building the facilities is being provided by a subsidy from the Conseil Général de l'Aisne. The remaining financing is based on the transfer of assets to the financial institution as an off-plan sale performed by a property development subsidiary indirectly owned by Pierre & Vacances. The transfer is supplemented by a lease of the facilities. In the framework of the finance lease for the facilities, Pierre & Vacances SA has granted a first demand guarantee of €155,927 thousand that will be amortised over the term of the lease, i.e. until 31 December 2038. On this date, the Conseil Général will regain ownership of the facilities free of charge.

Reciprocal commitments

The derivative financial instruments contracted by the Pierre & Vacances-Center Parcs Group to manage interest rate risk no longer existed at the reporting date.

Registration of preferential right

The tax administration registered the preferential right of the Treasury resulting from a carry back receivable for €2,298 thousand repaid to the Group, which would be called into question were the outcome of this dispute to be unfavourable.

On 26 September 2019, the Montreuil Administrative Court found in favour of PV SA and fully discharged its obligation to pay the sum claimed by the tax authority; the procedure to discharge this lien was under way at the reporting date.

Note 20 Parent company

The Company's financial statements are fully consolidated into those of Société d'Investissement Touristique et Immobilier – S.I.T.I. SA.

Note 21 Remuneration of executive management and directors

Attendance fees allocated to members of the Board of Directors in respect of the 2019/2020 financial year amounted to €280 thousand compared to €233.5 thousand for 2018/2019.

For the financial years ended 30 September 2020 and 30 September 2019, no salary (including benefits of any kind) was paid to a corporate officer directly by Pierre et Vacances SA or by any of the Pierre & Vacances-Center Parcs Group companies controlled as defined in Article L. 233-16 of the French Commercial Code (*Code de Commerce*).

However, Société d'Investissement Touristique et Immobilier (a company indirectly owned by the Chairman, founder and majority shareholder of Pierre et Vacances SA), as an asset management company, invoiced for fees for the services rendered by Gérard Brémond, Olivier Brémond, Yann Caillère, Martine Balouka and Patricia Damerval. The fees invoiced by S.I.T.I. were calculated on the basis of direct costs (remuneration paid + related employer's expenses + other direct costs: travel expenses, cost of premises, secretarial expenses) plus a 5% margin and calculated prorata for the time spent by each individual on managing the business of Pierre & Vacances-Center Parcs Group companies.

Since these people are on the Group Executive Management Committee, their remuneration is included in the table below:

	2019/2020	2018/2019
Fixed remuneration(1)	2,626,414	2,072,581
Variable compensation(2)	342,000	386,000
Post-employment benefits(3)	15,397	21,803
Share-based remuneration(4)	-	-
TOTAL	**2,983,811**	**2,480,384**

(1) Amount paid including reinstatement of the benefit in kind involving the availability of a company car.
(2) Paid in the financial year following the financial year for which it is granted.
(3) This amount corresponds to the expense recognised during the financial year.
(4) Represents the annual share-based remuneration expense on grants of share options and bonus shares (theoretical measurement on the basis of the of Pierre et Vacances shares at the date of grant).

For each of them, the variable bonus is determined based on the financial performance of the Pierre & Vacances-Center Parcs Group and the achievement of personal objectives.

Note 22 List of subsidiaries and equity investments

Subsidiaries, associates and other long-term equity investments	Share capital	Equity other than share capital (excluding profit)	Share of capital held *(in %)*	Gross value of shares held
SUBSIDIARIES (more than 50% of the capital held):				
PV-CP Immobilier Holding	31	4,567	100.00	128,965
Pierre & Vacances FI SNC	357	81,396	99.00	15
Pierre & Vacances Courtage SARL	8	445	99.80	8
Orion SAS	38	-4,119	100.00	38
Curchase SAS	10	478	100.00	10
Pierre & Vacances Investissement XXXXVII SAS	10	-29	100.00	10
PV-CP Support Services BV	18	56	100.00	18
Pierre & Vacances Maroc	150	-79	99.99	5,757
Multi-Resorts Holding BV	18	420	100.00	18
Pierre & Vacances Tourisme Europe	52,590	78,467	100.00	422,130
Pierre & Vacances Marques SAS	62,061	3,959	97.78	60,686
PV-CP CHINA HOLDING BV	2,718	-492	100	2,718
Entwicklungsgesellschaft Ferienhauspark Bostalsee GmbH	100	5	59.95	20
Pierre & Vacances Investissement 51 SAS	10	-6	100	10
PV-CP CHINA HOLDING SAS (EX PVI 54)	10	-3	100	10
Pierre & Vacances Investissement 55 SAS	10	-	100	10
Pierre & Vacances Investissement 56 SAS	10	-	100	10
Pierre & Vacances Investissement 59 SAS	-	-	-	-
Pierre & Vacances Investissement 61 SAS	10	10	-	10
SUBSIDIARIES (more than 10% of the capital held):				
GIE PV-CP Services	150	2	28.00	30
Adagio SAS	1,000	13,781	50.00	500
Les Villages Nature® de Val d'Europe SAS	50,461	-73,856	50.00	25,456
Villages Nature® Management SARL	-	-1	50.00	15

Net carrying amount of shares held	Loans and receivables outstanding granted by the Company and not yet paid back	Amount of deposits and endorsements given by the Company	Revenue before tax for the last financial year	Profit (loss) for the financial year ended	Dividends collected by the Company during the financial year	Comments
-	-	-	6	-118,572	-	30/09/2020
15	-	-	-	1,777	2,019	30/09/2020
8	-	-	1,538	956	677	30/09/2020
-	-	-	-	-93	-	30/09/2020
10	-	-	1,686	744	-	30/09/2020
-	-	-	-	-3	-	30/09/2020
18	-	-	-	-	-	30/09/2020
-	550	-	-	-97	-	30/09/2020
18	-	-	-	-113	-	30/09/2020
422,130	-	-	-	-46,947	-	30/09/2020
60,686	-	-	6,454	4,251	7,161	30/09/2020
2,718	-	-	-	-55	-	30/09/2020
20	-	-	-	-5	-	30/09/2020
-	-	-	-	-3	-	30/09/2020
10	-	-	-	-3	-	30/09/2020
10	-	-	-	-	-	30/09/2020
10	-	-	-	-1	-	30/09/2020
-	-	-	-	-	-	30/09/2020
10	-	-	-	-1	-	30/09/2020
30	-	-	78	-	-	30/09/2020
500	-	-	92,395	4,140	-	31/12/2019
-	84,283	-	1,075	-1,621	-	30/09/2020
-	-	-	-	-1	-	30/09/2020

Note 23 Events after the reporting period

Finalisation of the Change Up strategic plan: Legal reorganisation project

In the context of the new strategic plan, entitled "Change up", which is notably based on (i) the optimisation of existing assets, (ii) the implementation of new, targeted and profitable development projects, (iii) as well as a new, more agile and entrepreneurial organisation, a new operational organisation was implemented, consisting of grouping each of the Group's activities into separate and autonomous Business Lines.

As some of the Group's activities are not grouped into separate legal sub-groups and some companies carry out several activities, the plan is to reorganise the Group's legal structure to serve this new operational organisation as part of the Change Up plan. The objectives of this Reorganisation are, notably, to:

- create, for each Business Line targeted by the Change Up plan, a subset of companies gathering the corresponding activities and staff functions, allowing each Business Line to operate autonomously;
- simplify and streamline the Group's general and legal organisation and its internal procedures;
- simplify performance monitoring and business line management;
- make the management of each Business Line accountable.

The legal completion of all transactions relating to the reorganisation will take place on 1 February 2021.

Outlook

The second wave of the Covid-19 pandemic led European governments to take further restrictive measures in early November. As a result, the Group was forced to close all its PV and CP sites in France, Germany and Belgium for a period of at least 4 weeks from 2 November. Only the Domaines Center Parcs in the Netherlands remain open, with a reduced offering: closing of bars and restaurants and limited number of people in Aquamundo.

The 2020/2021 financial year will be affected by this second wave of the epidemic, but as of the reporting date the Group has sufficient liquidity to overcome this new crisis.

The Group's fundamentals should enable it to bounce back in the coming months and get back on track with the Change Up plan, by referring to the remarkable performance of the 2020 summer season with high levels of activity, sometimes higher than in the summer of 2019.

5.4.4 Statutory auditors' report on the financial statements

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 regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended 30 September 2020

To the General Meeting of Shareholders of Pierre et Vacances,

Opinion

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying financial statements of Pierre et Vacances for the year ended 30 September 2020. These financial statements were approved by the Board of Directors on 24 November 2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to COVID-19 and of the difficulties in assessing its impact and the prospects for the future.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 30 September 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for 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 those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 October 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes).

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments in associates and related current accounts

Risk identified

As at 30 September 2020, investments in associates and related current accounts are recorded in the statement of financial position at a net carrying amount of €515m, or 43% of total assets. They are accounted for as at their date of entry at their purchase price or at their contribution value.

When the net asset value of the investments falls below their net carrying amount, a provision for impairment is recorded for the difference. As stated in Chapter 2 "Accounting principles and methods" of the notes to the financial statements, the net asset value is determined by reference to the share of enterprise values less the net debts for the companies concerned, or the share of shareholders' equity if applicable. The enterprise value of the companies is calculated based on discounted future net cash flows. Cash flow projections are taken from the business plans drawn up by the Group's Operating and Finance Managers.

Given the significance of investments in associates and related current accounts in the statement of financial position, and the sensitivity of the valuation models to the assumptions used, we considered the valuation of the net asset value of investments in associates and related current accounts to be a key audit matter, in the context of the current health crisis.

Our response

Our assessment of these valuations is based on the process set up by your company to determine the net asset value of investments in associates and the recoverability of related current accounts.

Our work consisted in the following in particular:

- assessing the main estimates, in particular the assumptions underlying the cash flow projections, as well as the main parameters such as the long-term growth rate and the discount rates used, on which the estimate of the intrinsic value is based. These analyses were performed with the assistance of our valuation experts;
- reconciling the net debts used by Management and the net debts recorded in the financial statements of the companies concerned;
- testing the arithmetical accuracy of your company's calculation of net asset values;
- in specific cases where the net asset value was not based on the enterprise value less net debt but on the share of shareholders' equity, examining the consistency of the share of equity used by the Group with the financial statements of these companies.

Monitoring of financing

Risk identified

As indicated in Note 4 "Schedule of maturities of receivables and liabilities" to the financial statements, financial liabilities amount to €491m as at 30 September 2020 and mainly correspond to loans from credit institutions for €240m, relating to the government-backed loan obtained in June 2020 in the context of the COVID-19 crisis, and bond loans for €240m.

As stated in Note 4 "Schedule of maturities of receivables and liabilities" to the financial statements, certain loan agreements and credit lines provide for the Group's obligation to comply with a single ratio in respect of financial covenants. This ratio is assessed once a year at the reporting date. The Group was exempted from compliance with the financial ratio as at 30 September 2020.

We considered the monitoring of financing to be a key audit matter given the fact that, as stated in Note 1 and the section "Use of accounting estimates and judgment" of Note 2, the going concern principle was based on Group cash flow forecasts established for 12 months, and the ratio to be complied with as at 30 September 2021 will be renegotiated depending on the evolution of the second wave of COVID-19 and its impacts on the tourism business.

Our response

Within the scope of our audit, we:

- analyzed the documentation relating to Corporate debt, including that for the government-backed loan and that for the bank covenant, as well as the agreements signed with the banks in June 2020 providing for exemption from compliance with the ratio as at 30 September 2020;
- analyzed the documentation relating to the available credit lines;
- familiarized ourselves with the internal processes relating to the monitoring of the Group's financing and net financial debt, including the processes for preparing cash flow forecasts and monitoring net financial debt;
- assessed the assumptions used to construct the Group's cash flow forecasts and performed sensitivity tests based on different scenarios. In this respect, we notably assessed the assumptions relating to periods of administrative closure and to the adjustments of operating expenses linked to these closures;
- reviewed the maturities of the bond loans and loans from credit institutions based on the signed agreements;
- verified the arithmetical accuracy of the Group's monthly cash flow forecasts.

Finally, we assessed the appropriateness of the information disclosed in the notes to the financial statements, in particular that concerning financial liabilities.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report, as approved on 24 November 2020, and in the other documents with respect to the financial position and the financial statements provided to the shareholders. Regarding any events that occurred and facts that became known after the date of the approval of the management report, relating to the effects of the COVID-19 crisis, Management has informed us that such events and facts will be communicated to the general meeting of shareholders called to approve the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-4 of the French Commercial Code (Code de commerce).

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (Code de commerce).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (Code de commerce) relating to remunerations and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code (Code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.Other informationIn accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of statutory auditors

We were appointed as statutory auditors of Pierre et Vacances by your General Meeting of Shareholders held on 3 October 1988 for GRANT THORNTON and on 29 May 1990 for ERNST & YOUNG et Autres.

As at 30 September 2020, GRANT THORNTON was in its thirty-third year and ERNST & YOUNG et Autres in its thirty-first year of total uninterrupted engagement, including twenty-two years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from 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 of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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;
- obtains an understanding of internal control 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;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements;
- assesses 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, 22 December 2020
French original signed by:

GRANT THORNTON French member of Grant Thornton International Virginie PALETHORPE	ERNST & YOUNG et Autres Anne HERBEIN

ADDITIONAL INFORMATION 6

6.1 Person responsible for the Universal Registration Document and auditing the financial statements

6.1.1 Name of the person assuming responsibility for the Universal Registration Document

Gérard BRÉMOND, Chairman.

This information is provided under the sole responsibility of the executives of the Company.

6.1.2 Declaration of the person assuming responsibility for the Universal Registration Document

I hereby certify, after taking all reasonable measures to that effect, that the information contained in this Universal Registration Document is, to the best of my knowledge, accurate and does not include any omission that would distort its substance.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all companies in the Group, and that the management report, whose concordance table is given on page 236, presents a true and fair picture of the changes in the business, the results and the financial position of the Company and all companies in the Group, and describes the main risks and uncertainties they face.

Paris, 22 December 2020

Gérard BRÉMOND,

Chairman

6.2 Statutory Auditors

Principal Statutory Auditors:

ERNST & YOUNG & Autres

Anne HERBEIN

1/2, place des Saisons – 92400 COURBEVOIE-PARIS-LA DÉFENSE 1

First appointed by the General Meeting of 29 May 1990

Reappointed for six years by the General Meeting of 4 February 2016

GRANT THORNTON

Virginie PALETHORPE

29, rue du Pont – 92200 Neuilly-Sur-Seine

First appointed by the General Meeting of 4 February 2016

Deputy Statutory Auditors:

AUDITEX

1/2, place des Saisons – 92400 COURBEVOIE-PARIS-LA DÉFENSE 1

First appointed by the General Meeting of 28 February 2013

Reappointed for six years by the General Meeting of 4 February 2016

INSTITUT DE GESTION ET D'EXPERTISE COMPTABLE – IGEC

29, rue du Pont – 92200 Neuilly-Sur-Seine

First appointed by the General Meeting of 4 February 2016

6.3 Fees paid to the Statutory Auditors and members of their network

	Ernst & Young & Autres				Grant Thornton			
	Amount		%		Amount		%	
(in € thousands)	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019	2019/2020	2018/2019
Audit								
Statutory audits, certifications, examination of individual and consolidated financial statements	1,406	1,235	94%	94%	309	323	89%	94%
Issuer	425	317	29%	24%	197	147	57%	43%
Fully integrated subsidiaries	981	918	66%	70%	112	176	32%	51%
Services other than the certification of accounts(1)	**83**	**74**	**6%**	**6%**	**39**	**19**	**11%**	**6%**
Issuer	48	43	3%	3%	7.5	-	2%	0%
Fully integrated subsidiaries	35	31	2%	2%	31	19	9%	6%
o.w. legal, tax, social	*21*	*7*						
TOTAL	**1,489**	**1,308**	**100%**	**100%**	**348**	**342**	**100%**	**100%**

(1) This section sets out the diligence and services provided to the issuer or its subsidiaries by the Auditors and members of their networks. These may be required by legal measures or provided at the request of the Group or its subsidiaries in respect of independence rules.

6

6.4 Information incorporated by reference

In accordance with Article 28 of Commission Regulation (EC) No. 809/2004, the following information is incorporated by reference in the present Universal Registration Document:

- the consolidated financial statements and corresponding audit reports shown on pages 126 to 185 (financial report) of the 2018/2019 Registration Document registered with the AMF on 19 December 2019 under number D. 19-1034;
- the consolidated financial statements and corresponding audit reports shown on pages 104 to 164 (financial report) of the 2017/2018 Registration Document registered with the AMF on 14 December 2018 under number D. 18-0982;
- the Group management report shown on pages 114 to 125 and 186 to 190 (financial report) of the 2018/2019 Registration Document filed with the AMF on 19 December 2019 under number D. 19-1034;
- the Group management report shown on pages 6 to 20 and 92 to 103 (financial report) of the 2017/2018 Registration Document filed with the AMF on 14 December 2018 under number D. 18-0982;
- parts not included in these documents are either irrelevant to the investor or covered elsewhere in the Universal Registration Document.

6.5 Documents on display

The regulatory information provided by Pierre & Vacances-Center Parcs pursuant to the provisions of articles 221-1 *et seq.* of the French Financial Markets Authority (AMF) General Regulation is available at the following URL: http://www.groupepvcp.com/fr/90/finance/publications.

6.6 Reference tables

Cross-reference table of the Universal Registration Document

This reference table is based on the headings set out in Annex I and II of Delegated Regulation (EU) 2019/980 of the Commission of 14 March 2019 and refers to the pages of this Universal Registration Document on which the relevant information can be found.

Management report cross-reference table pursuant to Articles L. 225-100 *et seq*. of the French Commercial Code.

Item	Sections	Pages
I. Activities		
Analysis of trends in the Company's business, results and financial position during the year	5.3	200
Analysis of trends in the Group's business, results and financial position during the year	5.1	120
Results of subsidiaries and controlled companies	5.4	226-227
Research and development	n/a	n/a
Description of the main risks and uncertainties	2.2	28
Information on receivable and supplier payment terms	5.3.10	204
Table of the Company's results over the last five years	5.3.9	203
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Post-closing events	1.1.3; 5.4	11; 228
II. Information on environmental, social and societal commitments		
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Information on environmental issues and environmental impacts of the business	4.5	101
Information on societal commitments to sustainable development	4.1; 4.3	77-85
III. Legal information and information on the shareholders		
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Table summarising authorisations in force granted by the General Meeting to the Board of Directors as concerns capital increases and use made of these delegations during the year	3.3	69
Information likely to have an impact in the event of a public offering	3.4	70
IV.Information on corporate officers		
Application of the principle of balanced gender representation	3.1.3	46
Offices and positions held in any company by each of the officers during the year	3.1.2	44
Total compensation and benefi ts in kind paid to each corporate officer	3.2	51
Summary of transactions by officers in the securities of the Company	3.2.3	68
Agreements entered into between an executive officer or significant shareholder and subsidiaries of the Company	3.5	71

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