Groupe
Pierre & Vacances
CenterParcs

Full year 2021/2022 results

Paris, 1 December 2022

This press release presents consolidated financial results established under IFRS accounting rules, currently being audited, and closed by the Pierre et Vacances SA Board of Administration on 29 November 2022.

- **2021/2022 operational performances* ahead of the pre-crisis levels and the last outlook provided on 2 August 2022**
  - Revenue from tourism activities: +13.1% relative to 2018/2019
  - Adjusted EBITDA[1] excluding the benefits of non-recurring items: €105 million (vs €96 million according to the last outlook provided on 2 August 2022 and €79 million in 2018/2019)
  - Gross cash: €470 million on 30 September 2022 (vs €451 million according to last outlook provided on 2 August 2022)
- **Capital and financial restructuring operations completed**
  - Recapitalisation: +€755 million, bringing shareholders' equity to €241 million* on 30 September 2022
  - Debt reduction: €(715) million, reflected by a negative net debt of €(67) million* on 30 September 2022
  - New shareholding structure and governance entirely renewed
- **Reinvention strategic plan: a first year of execution with tangible results**
  - Continuation of the plan to renovate sites and premiumise the offer, initiatives taken to overhaul the customer journey, digitalisation of the experience and sales strategy
  - Launch of many projects aimed at reducing structural costs
  - Roll-out of a new cash/ROI-focused corporate culture[2]

** data expressed according to the Group's operational reporting*

I. Highlights of the period

Completion of Group restructuring operations

The Covid-19 pandemic and the restrictive measures necessary took a heavy toll on the Group's activities during 2019/2022 and 2020/2021. In this context, an amicable conciliation procedure was opened on 2 February 2021 with the aim of reaching friendly solutions with the Group's main partners, specifically creditors and lessors, under the supervision of the conciliators.

On 10 March 2022, the Group concluded firm agreements with Alcentra, Fidera and Atream, as well as banking creditors, Euro PP holders and the group of Ornane bond holders. These agreements met the objective to preserve the entire Group and to reach a balanced financial structure by reducing debt and securing the liquidity required to enable the deployment of the Reinvention strategic plan.

On 16 September 2022, the capital and financial restructuring operations were finalised, resulting in:

- a €200 million contribution to shareholders' equity via a capital increase with preferential subscriptions rights maintained for shareholders for €50 million, and a reserved rights issue for Alcentra, Fidera, Atream (through its Pastel Holding affiliate), Schelcher Prince Gestion and certain Ornane bond holders, for an amount of €150 million.
- massive debt reduction for the Group with the conversion into capital of €555 million of debt under the framework of a conversion capital increase, and the redemption in cash of a portion of the existing financial debt for €160 million.
- the issue and free allocation of 42,321,972 equity warrants in favour of all shareholders justifying the registration of their shares on 5 August 2022.
- the issue of 41,934,100 equity warrants at the detachment of the new shares issued under the framework of the conversion capital increase.
- the issue and free allocation of 39,107,134 equity warrants in favour of Alcentra and Fidera, exercised by them on the same day, resulting in the issue of as many new ordinary shares, and
- the setting up of new financing of €302.5 million, maturing in September 2027.

After completion of the Restructuring Operations, 25.4% [3] of the capital of Pierre et Vacances SA is held by Alcentra, 24.2% by Fidera, 11.9% by the creditors of the state-backed loan, 8.8% by Pastel Holding, and 29.7% by the free float (of which 16.1% from the conversion of receivables into capital and 5.5% from the capital increase reserved for Schelcher Prince Gestion and certain Ornane bearers).

New governance organisation

The restructuring operations have been accompanied by a complete renewal of the Board of Directors, now chaired by Mr Georges Sampeur in replacement of Mr Gérard Brémond. The new shareholders (Alcentra, Fidera and Altream) are represented on the Board and three new independent directors have been named. Franck Gervais, Group CEO, is also a Board member.

[1] Adjusted EBITDA = current operating profit stemming from operational reporting (consolidated operating income before other non-current operating income and expense, excluding the impact of IFRS 11 and IFRS 16 accounting rules) adjusted for provisions and depreciation and amortisations of fixed operating assets. Adjusted EBITDA totalled €156.5 million for 2021/2022.
[2] Return On Investment
[3] On a non-diluted basis, see press release of 16 September 2022, available on the Group's website: www.groupepvcp.com

Initial progress in the Reinvention strategic plan

The Reinvention strategic plan, announced in May 2021, is delivering the first results in all of its pillars:

- **Modernisation and premiumisation of the offer,** in particular with the ongoing programme to renovate Center Parcs domains (84% of the cottages are now new or renovated).
- **Focus on customer experience,** with the launch of projects concerning the overhaul of the customer journey, digitalisation of the experience and the sales strategy (pricing, revenue management and distribution): customer satisfaction up 15 points vs. 2021, 80% of direct sales o/w 48% on the internet (+2 points).
- **Deployment of the road-map to improve and develop relations with lessors,** the group's key partners.
- **Asset-light developments:** Eight new Pierre & Vacances franchises, first brick laid at Center Parcs de Nordborg in Denmark (management contract).
- **Acquisitions:** maeva is stepping up is development in mountain regions with two acquisitions in seasonal rental agencies in Tarentaise**.**
- **Definition and launch of an ambitious plan to improve financial performance** aimed in particular at reducing structural, commercial and operational costs: optimisation of back-office functions, simplifying property organisation based on two transversal divisions - Asset Management and Major Projects, streamlining and massification of organisations (e.g. Integration of PV Spain under PV France), validation of an IT performance plan etc.
- **Deployment of the Group's CSR strategy "Acting for positive impact tourism",** implemented by each brand.
- **Strengthening of governance and committees** to ensure steering of the Reinvention plan's execution and to create a culture focused on cash and ROI.

Progress in negotiations with the Group's individual lessors

At the same time as seeking new funding, the Group held discussions with its lessors with a view to establishing joint solutions for rental payments suspended during periods of closure or restriction. As such, during 2021, the Group sent several proposals to amend the lease contracts[4] to its individual owners. On 30 September 2022, the overall acceptance rate (for all amendments) stood at 81%.

The Group also aims to manage the claims filed[5] by individual lessors who did not sign the amendment proposals by opposing various legal reasoning, or depending on the case, by requesting grace periods. On 30 September 2022, the Group nevertheless reflected in its accounts the consequences of the rulings returned by the Court of Appeal on 30 June 2022, which were disadvantageous to lessees concerning the periods of administrative closure (negative impact of €9 million on EBITDA). As such, all of the risks concerning the non-payment of rents for the periods of closure (including periods of administrative closure) are recorded under liabilities in the balance sheet on 30 September 2022.

Receipt of government subsidies

On 22 March 2022, the Group obtained an amount of €24.2 million from the French state in so-called "closure" aid, aimed at compensating for uncovered fixed costs for companies whose business suffered especially harshly due to the Covid-19 pandemic and which respected the conditions stipulated. The Group is set to pass a percentage of this aid onto certain individual lessors, in accordance with the amendments concluded with these lessors under the framework of the conciliation procedure opened in 2021.

Moreover, in its accounts for 2021/2022, the Group recorded €23 million in specific aid granted by the German Federal government to compensate for the impact of the health crisis.

Opening of a new Center Parcs in Lot-et-Garonne

On 23 May 2022, Center Parcs opened the doors to its first domain in the south-west of France and the seventh in the country: Landes de Gascogne, a domain with 400 cottages with an original concept and designed to raise awareness and educate families in understanding nature and how to respect it. Located around 100km from Bordeaux, it offers an open experience on the wealth of the Lot-et-Garonne department and the New Aquitaine region. The Domain is already hugely successful with an average occupancy rate of almost 92% since its opening.

Project to change the Group's organisation

On 29 September 2022, the Group announced to the employee representatives concerned, a project to change its organisation as part of the guidelines of the Reinvention strategic plan. The project consists of resizing certain support functions, by outsourcing activities related to pay in France and some of the accounting businesses, as well as adapting headcount in the Major Projects business line to its business volume. These changes in organisation are set to concern 81 jobs in France and 24 in the Netherlands.

[4] The terms of these proposals are set out in the press releases of 20 July, 8 September and 10 November 2021.

[5] On 30 September 2022, the assignations notified to the Group from owners for non-payment of rents totalled around €26 million.

II. Revenue and net profit for 2021/2022 (1 October 2021 to 30 September 2022) under operational reporting

2.1 IFRS accounting and operational reporting

To reflect the operating reality of the Group's businesses and the transparency of their performance, the Group's financial communication, in line with operational reporting as followed by management, continues to proportionally consolidate joint ventures and does not include application of the standard IFRS 16.

IFRS 11 "Joint Arrangements" implies the consolidation of joint-ventures according to the equity method.

IFRS 16 "Lease Contracts" implies:

- recognition in the balance sheet of all leases, with no distinction between operating leases and finance leases, with the recording of an asset representing the right-of-use of the asset leased throughout the duration of the lease contract, and a debt relative to the obligation of future lease payments.

  In contrast rental expenses are replaced by financial interest and the linear depreciation change over the duration of the right of use lease. The rental savings obtained from lessors are not recognised in the income statement, but are deducted from the right of use value and the rental obligation, thereby reducing by as much the depreciation and financial expenses still to be booked over the residual duration of the leases;
- cancellation in the financial statements, of a share of revenue and the capital gain for disposals undertaken under the framework of property operations with third-parties (given the Group's right-of-use rights).

The Group's results are also presented according to the following operational segments, as defined under IFRS 8[6], i.e. :

- the Center Parcs operating segment covering operation of the Center Parcs, Sunparks and Villages Nature brands, and the building/renovation activities for tourism assets and property marketing in the Netherlands, Germany and Belgium.
- the Pierre & Vacances operating segment covering the tourism businesses operated in France and Spain under the Pierre & Vacances and maeva.com brands, the property development business in Spain and the Asset Management division.
- the Adagio operating segment covering operation of the city residences leased by the Pierre & Vacances-Center Parcs Group and entrusted to the Adagio SAS joint venture (50%-owned with the Accor Group), as well as operation of the sites directly leased by the joint venture.
- an operational sector covering the Major Projects division responsible for construction and development of new assets on behalf of the Group in France, and Seniorales, the subsidiary specialised in property development and operation of non-medicalised residences for independent elderly people.
- The "Corporate" operating segment covering primarily the holding company activities.

Note that the Group's operating reporting as monitored by management, in compliance with IFRS 8, is presented in Note 3 - Information by operational segment of the appendix to the half year consolidated financial statements as of 30 September 2022.

2.2. Consolidated result under operational reporting

(€m)	2021/2022 according to operating reporting	2020/2021 according to proforma operational reporting*	Change vs. 2020/2021	*Change vs. 2018/2019 proforma**
Center Parcs	1,067.0	607.8	75.6%	
o/w accommodation revenue	*751.8*	*395.3*	*90.2%*	*25.5%*
Pierre & Vacances	412.6	240.3	71.7%	
o/w accommodation revenue	*288.6*	*158.8*	*81.8%*	*-3.8%*
Adagio	180.7	75.2	140.3%	
o/w accommodation revenue	*161.6*	*65.5*	*146.9%*	*-4.3%*
Major Projects & Seniorales	107.4	121.2	-11.3%	
Corporate	2.0	9.1	-78.1%	
GROUP FY REVENUE	**1,769.8**	**1,053.5**	**68.0%**	
Accommodation revenue	*1,202.0*	*619.5*	*94.0%*	***12.6%***
Supplementary tourism revenue	*342.2*	*181.6*	*88.4%*	***15.1%***
Income from the tourism businesses	***1,544.2***	***801.1***	***92.8%***	***13.1%***
Other revenue	***225.5***	***252.4***	***-10.6%***	

** Accommodation revenue expressed in gross terms including marketing fees*

[6] *See pages 181-182 of the Universal Registration Document, filed with the AMF on 17 March 2022*

Groupe
Pierre & Vacances
CenterParcs

After a very good first half (revenue up 141% relative to H1 of the previous year, and despite the impact of the Omicron variant), growth momentum continued in the second half (+39% relative to H2 2020/2021), bringing the Group's revenue for FY 2021/2022 to €1,769.8 million.

Accommodation revenue

Accommodation revenue over 2021/2022 totalled €1,202.0 million representing almost double the level of revenue recorded in the previous year in a context of so-called revenge travel.

Revenue over the year was higher than the pre-crisis level, with accommodation revenue **up 12.6% relative to 2018/2019**, including:

- **Center Parcs: +25.5%**
  - +25.5% for the French domains (and +20.8% excluding the contribution from the new domain Les Landes de Gascogne, which enjoyed an instant commercial success with a 98% occupancy rate over the core summer period).
  - +25.6% for the domains located in BNG[7] (+28.4% in Belgium, +15.0% in the Netherlands and +37.2% in Germany)

  These performances stemmed from the rise in average letting rates (+23%), thanks to premiumisation of the Domains. The average occupancy rate stood at 75.4% (vs. 76% over 2018/2019).

- **Pierre & Vacances: -3.8%**
  - -5.6% for the residences in France in view of the substantial decline in the available stock of accommodation (number of nights offered down 17% vs. 2018/2019 given the non-renewal of leases or withdrawals from loss-making sites). On a constant stock basis, revenue was higher (RevPar[8] up 13.7%).
    Average letting rates were up 3.2% across all destinations, while the occupancy rate rose 4.3 points to 75.1%.
  - +3.9% for the sites in Spain, benefiting from growth in the network in operation (no. of nights available up 11.3%) and growth in average letting rates (+7.5%).

- **Adagio: -4.3%**

  After a first half down 20.4% relative to the first half of 2019, the city residences business restored growth during the second half with an acceleration from one quarter to the next (+1.6% in Q3 and +16% in Q4), driven by the domestic leisure customers in France and the return of international customers in Paris and the Ile de France region.

  Over the full-year, average letting rates rose 4.9% and the occupancy rate totalled 72.4% (vs. 78.8% in 2018/ 2019).

These performances confirm the relevance of the Group's strategic directions and the quality of its tourism offer which meets new the aspirations of customers favouring local tourism. The Group recorded a higher customer satisfaction rate (NPS up 15 points vs. 2020/2021) and attracted 50% of new customers to its Center Parcs and Pierre & Vacances sites over the summer season. Direct distribution channels represented 80% of sales, including 48% on the internet (+2 points vs. 2020/2021).

Supplementary tourism revenue[9]

Over 2021/2022, supplementary tourism revenue totalled €342.2 million, up 88.4% relative to 2020/2021 and 15.1% relative to 2018/2019, driven in particular by performances at Maeva (revenue almost triple the amount recorded in 2019 thanks to the "campings maeva" chain of campsites and the "maeva" Home network managing individual home rentals).

Other revenue

Over 2021/2022, revenue from other activities totalled €225.5 million, primarily made up of:

- renovation operations at Center Parcs domains: €114.7 million (vs. €118.1 million in 2020/ 2021)
- the Senioriales business line: €65.7 million (vs. €66.6 million in 2020/2021)
- the Major Projects business line: €41.8 million (vs €54.5 million in 2020/2021), including €33.9 million relative to the new Domaine des Landes de Gascogne.

---

7 Belgium, the Netherlands, Germany

8 RevPar = revenue per available room

9 Revenue generated by onsite activities (catering, events, shops, services…), co-ownership and syndicate fees, franchises and management mandates, marketing margins and revenue from the maeva.com business line

2.3. Consolidated results under operational reporting

€ millions	FY 2022 operational reporting	FY 2021 operational reporting	FY 2019 operational reporting
Revenue	**1,769.8**	**1,053.5**	**1,672.8**
Adjusted EBITDA	**156.5**	**-186.8**	**78.6**
Center Parcs	*139.0*	*-76.6*	
Pierre & Vacances	*18.7*	*-58.3*	
Adagio	*21.2*	*-35.0*	
Major Projects & Seniorales	*-19.8*	*-17.4*	
Corporate	*-2.7*	*0.4*	
Current operating profit (loss)	**98.6**	**-236.7**	**30.9**
Gain generated by debt restructuring	418.4	-	
Financial income and expense	-100.7	-43.7	
Other operating income and expense	-53.1	-35.3	
Share of profit (loss) of equity-accounted investments	-1.6	-1.4	
Taxes	-36.6	-24.2	
Net profit (loss) for the year	**325.0**	**-341.3**	**-33.0**

Operational performances

Over 2021/2022, **adjusted EBITDA** stood at €156.5 million, including the benefits of non-recurring items for a total of around €51 million. As a reminder, 2020/2021 was penalised by more than five months of closures or partial operation of the sites.

Excluding the benefits of this non-recurring income, adjusted EBITDA totalled €105 million, higher than the level seen in the pre-Covid reference year 2018/2019 (€79 million), and the last outlook provided on 2 August 2022 (€96 million).

These performances reflect the dynamic recovery in tourism businesses, with accommodation revenue up 12.6% relative to the pre-crisis period.

Beyond the impact of this recovery in business, adjusted EBITDA for 2021/2022 included non-recurring items and in particular:

- the so-called 'closure" aid provided in France, for an amount of €24 million as well as the subsidies granted by the German Federal government for an amount of €23 million. Note that 2020/2021 included compensation related to the decline in revenue of around €69 million.
- the positive impact of the agreements concluded with the Group's lessors for a net amount of €11 million (vs. €47 million during 2020/2021), including:
  - net savings of €9.5 million generated by the application of the agreements concluded with individual lessors,
  - residual savings for an amount of €1.5 million related to the application of agreements concluded with institutional lessors.
- the consequences of the rulings returned by the Court of Appeal on 30 June 2022, which were disadvantageous to lessees concerning the periods of administrative closure (negative impact of €9 million).

Gain generated by debt restructuring

On 16 September 2022, under the framework of the Group's restructuring operations, €554.8 million in debt was converted into capital, of which (i) €136.4 million booked as capital/issue premium (amount corresponding to the fair-value of shares issued in exchange, determined on the basis of the share price of 16 September 2022, the date of issue) and (ii) €418.4 million booked under financial income (gain generated by debt restructuring), corresponding to the difference between the book value of the original debt and the fair value of the shares issued in exchange". For further details on the accounting of the capital increases and changes in debt, please refer to Note 2.2 of the Appendix for the consolidated financial statements as of 30 September 2022.

Financial income and expense

Net financial income and expenses (excluding the gain stemming from debt restructuring) amounted to -€100.7 million, up €57 million relative to 2020/2021 especially due to:

- costs incurred under the framework of the Group's financial restructuring for an amount of €42 million (consulting and legal fees and fees granted to various creditors).
- additional interest expenses primarily concerning the New Financing subscribed to in June 2021 (annualisation of interest on Tranche 1 drawn in June 2021 and drawing of Tranche 2 in November 2021).

Groupe
Pierre & Vacances
CenterParcs

Operating income and expense

Other operating income and expense totalled -€53.1 million, mainly including:

- the costs incurred by the Group for the deployment of its Reinvention strategic plan (consulting fees and departure benefits) and certain site closures for a total amount of €23 million.
- Impairment charges for assets and property stocks, especially relative to:
  - Villages Nature Paris for an amount of €14.2 million (postponement of delivery of Trance 1B, corresponding to an additional extension of almost 550 accommodation units, beyond the time-frame of the revised Reinvention business plan).
  - assets operated by the Pierre & Vacances brands for €7.8 million (mainly for the Aquariaz site at Avoriaz).
- provisioning of costs related to the organisational changes project announced on 29 September 2022 (resizing of certain support functions and headcount in the Major Projects business line) for €10 million.

Beyond costs related to the Group's reorganisation and the conciliation procedure (-€17.8 million), other operating expense for 2021 included impairment of assets and property stocks (-€11.1 million, primarily for the abandoned Center Parcs project in Roybon) and costs for site withdrawals (-€5.1million).

Taxes

Tax expenses totalled €36.6 million, primarily stemming from a reversal of deferred tax assets in France related to the updating of revenue projections under the framework of the revised Reinvention business plan, and tax expenses payable in Germany and the Netherlands.

Net profit for the year

Net profit amounted to €325.0 million, enabled by growth in operating performances and the gain generated by the conversion of debt into capital as part of the restructuring operations.

2.4. Balance sheet items and net financial debt according to operational reporting

- **Simplified balance sheet**

€ millions	**30 September 2022** *operational reporting*	**30 September 2021** *operational reporting*	**Change**
Goodwill	138.8	138.2	+0.6
Net fixed assets	390.0	356.8	+33.2
Lease assets	74.9	80.5	-5.6
TOTAL USES	**603.7**	**575.5**	**+28.2**
Share capital	241.1	-423.9	+665.0
Provisions for risks and charges	124.4	92.3	+32.1
Net financial debt	-66.8	529.8	-596.6
Debt related to lease assets obligations	88.4	91.7	-3.3
WCR and others	216.6	285.7	-69.1
TOTAL RESOURCES	**603.7**	**575.5**	**+28.2**

After completion of the restructuring operations, the Group's balance sheet has been cleaned up with:

- **Shareholders' equity rebuilt**, through €200.4 million in capital increases in cash and the conversion of debt for an amount of €554.8 million.
- **Massive debt reduction**, with the above-mentioned conversion of debt into capital and the cash redemption of a portion of existing financial debt before restructuring for €160 million.

Net financial debt

€ millions	30 September 2022	30 September 2021	Change	Reminder 30/09/2019
Bank/bond debt	**388.3**	**750.8**	**-362.5**	**244.4**
Cash (net of drawn credit lines)	**-455.1**	**-221.0**	**-234.1**	**-113.5**
Available cash	*-470.3*	*-446.7*	*-23.6*	*-114.8*
Drawn credit lines	*15.3*	*225.7*	*-210.5*	*1.3*
Net financial debt	**-66.8**	**529.8**	**-596.6**	**130.9**

After two years heavily impacted by the health crisis and a significant debt position on 30 September 2021, the Group had **a negative debt position on 30 September 2022**, after completion of the restructuring operations on 16 September 2022.

These operations consisted of:

- the conversion into capital of €554.8 million in debt as part of the conversion capital increase.
- the reimbursement in cash of a portion of existing financial debt for €159.6 million.
- new financing put in place on 16 September 2022 for a nominal amount of €302.5 million, with maturity of five years.

Gross financial debt on 30 September 2022 (€403.6 million including drawn credit lines) therefore corresponded primarily to:

▪ The debt reinstated for an amount of €302.5 million, representing:

- a term loan with a nominal amount of €174.0 million, with interest at the Euribor 3m rate plus a margin of 3.75%.
- a term loan with a nominal amount of €123.8 million, with interest at the Euribor 3m rate plus a margin of 2.50%.
- a bond loan in the form of a non-listed private Euro PP placement with a nominal amount of €1.8 million, with interest at the Euribor 3m rate plus a margin of 4.25%.
- a bond loan in the form of a non-listed private Euro PP placement with a nominal amount of €2.9million, with interest at the Euribor 3m rate plus a margin of 3.90%.

▪ the remainder of the state-backed loan for €25 million. This state-backed loan was granted in November 2021 for an amount of €34.5 million, of which €9.5 million was partly reimbursed on 16 September 2022. The loan's maturity was aligned with the maturity of the above-mentioned financing.

▪ loans taken out by the Group to finance property development programmes destined to be sold off for €56.9 million (of which €41.9 million for the CP programme in the Lot-et-Garonne, €12.5 million for the Avoriaz programme and €2.5 million in Senioriales accompaniment loans).

▪ drawn credit lines for €15.3 million.

▪ Deposits and guarantees for an amount of €2 million.

▪ Various bank loans for an amount of €1.2 million.

▪ accrued interest for an amount of €0.7 million.

Leverage

Banking covenants stipulate that the Group's total consolidated net bank debt remaining at the end of the restructuring operations should not represent more than 3.75x to 5x consolidated EBITDA, with a half-yearly assessment, as of the accounts closed on 31 March 2023.

The amount of **debt relative to lease asset obligations** corresponds primarily to the restatement of lease contracts concerning central facilities at the Center Parcs Domaine du Lac d'Ailette.

Groupe
Pierre & Vacances
CenterParcs

III. Elements post-closing and outlook

Revenue

The portfolio of tourism reservations made so far for Q1 2022/2023 is higher than the prior year level, thanks especially to performances by Center Parcs, thereby validating the Group's strategy, and Adagio. This growth is driven by both the rise in average letting rates, as well as growth in the number of nights sold.

In a difficult macro-economic backdrop, the Group remains cautious and is undertaking an in-depth overhaul of structural costs.

Reinvention strategic plan[10]

On 18 May 2021, the Pierre & Vacances - Center Parcs Group announced its Reinvention 2025 strategic plan, aimed at establishing the Group as a pioneering leader in a new reinvented and value-creating local tourism, through an in-depth modernisation of its offer and a sustainable performance. As part of the Group's restructuring agreement concluded on 10 March 2022, Alcentra, Fidera and Atream confirmed that they agreed with the strategic directions of the Reinvention plan while stating they could not rule out that more time of around 12-24 months might be needed to deliver the financial targets initially set (and revised slightly in autumn 2021) due to the current health and international context.

The update to the financial targets of the plan and their projection out to 2026 announced on 22 April 2022, include this shift in the time frame, to which the following main elements are added:

- greater care in selecting development projects chosen in the business plan and a delayed time-frame for certain programmes (impact in terms of property development and tourism margin).
- full-consolidation of Villages Nature as of 15 December 2022 (vs. 50% previously).
- higher raw materials and energy costs, as well as wage inflation on site (tension in the job market in certain sectors, especially cleaning and catering).
- a more cautious approach concerning the change in average letting rates and occupancy rates, and in general caution on targets, especially over the past two years of the plan for which the predictive quality is more uncertain.

This update to the financial targets was approved with Alcentra, Fidera and Atream, bearing in mind that the Group's business plan, which carries an ambitious transformation project, is updated periodically.

Note that the targets communicated on 22 April 2022 were the following:

Main targets[11] expressed according to operational reporting *€ millions*	**2022/2023**	**2024/2025**	**2025/2026**
Revenue from tourism activities	1,620	1,795	1,877
Adjusted Group EBITDA*	105	170	187
Group operating cash flows[12]	37	65	93

**Primarily generated by the tourism businesses*

The Group confirms its targets today. For 2022/2023, the Group remains confident, yet careful, on its ability to offset the rise in its operational costs (energy and wages especially), though higher selling prices enabled by the premiumisation of its offer. Revenue forecasts for the tourism businesses have therefore been revised upwards to €1,660 million (vs. €1,620.0 million previously). While EBITDA and cash flow targets are maintained. The Group is also working on additional savings plans (opex and capex), that it could activate if the economic backdrop were to become less beneficial.

[11] These forecasts are based on data, assumptions and estimates considered reasonable by the Group on the date they were established. These data, assumptions and estimates are likely to change or be modified due to uncertainties related in particular to the health, economic or financial environment. The occurrence of one or more of the risks described in Chapter 2 "Risk factors" of the Universal Registration Document could have an impact on the Group's activities, financial situation, results or outlook and therefore call into question its ability to deliver its targets and forecasts. The Group therefore makes no commitment and gives no guarantee that the forecasts presented will be achieved.

[12] Operating cash flows after capex and before non-recurring items and flows related to financing activities.

Groupe
Pierre & Vacances
CenterParcs

Free allocation of preference shares for Group employees and corporate officers

On 3 October 2022, the Board of Directors decided to allocate 958 preference shares "ADP 2022-1" with a nominal value equal to that of the ordinary shares, namely €0.01 to various management members and 205 preference shares "ADP 2022-2" with the same nominal value to Mr Gérard Brémond. These preference shares have no voting rights and provide no right to dividend pay-outs. These preference shares are convertible into existing or ordinary shares yet to be issued within four years as of 16 September 2022 depending on the performance conditions decided by the Board of Directors.

Setting up of interest rate hedging

Following the restructuring and refinancing operations on 16 September 2022, the majority of the Group's debt was reinstated for a five-year period. Given the uncertain current interest rate environment, the Group has decided to hedge its almost exclusively variable rate debt against a significant increase in interest rates by setting up cap options. The options put in place in November 2022 will cover a nominal amount of €136.5 million in debt until 2024, with a strike rate of 2% to the Euribor 3M rate. To set up these options, the Group has paid a premium of €2 million.

Appendix: Reconciliation table

As stated above, the Group's financial communication is in line with its operational reporting, which is more representative of the performances and economic reality of the contribution of each of the Group's businesses, i.e. :

- excluding the impact of IFRS16 application for all financial statements. Indeed, in the Group's internal financial reporting, rental expense is recognised as an operating expense. In contrast, under the IFRS16 stand, rental expenses are replaced by financial interest and the linear depreciation change over the duration of the right of use lease. The rental savings obtained from lessors are not recognised in the income statement, but are deducted from the right of use value and the rental obligation, thereby reducing by as much the depreciation and financial expenses still to be booked over the residual duration of the leases;
- with the presentation of joint undertakings in proportional consolidation (i.e. excluding application of IFRS 11) for profit and loss items.

Note that the Group's operational reporting as monitored by management, in compliance with IFRS8, is presented in Note 3 - Information by operating segment of the appendix to the half year consolidated financial statements as of 30 September 2022.

The reconciliation table with the primary financial statements are therefore set out below.

Income statement

(€ millions)	*FY 2022* Operational reporting	IFRS 11 adjustments	Impact of IFRS 16	FY 2022 IFRS
Revenue	1,769.8	(90.5)	(67.0)	1612.3
External purchases and services	(1,206.1)	+70.4	+443.8	(691.9)
of which cost of sales of property assets	*(131.4)*		*+66.3*	*(65.1)*
Of which owner rents	*(427.7)*	*+20.0*	*+368.2(1)*	*(39.5)*
Personnel costs	(403.2)	+14.7	-	(388.4)
Other operating income and expense	10.7	(2.1)	(0.8)	7.8
Net depreciation, amortisation and provisions	(72.5)	+4.1	(196.0)	(264.4)
CURRENT OPERATING PROFIT (LOSS)	**98.6**	**(3.4)**	**+180.0**	**275.3**
ADJUSTED EBITDA	**156.5**	**(6.1)**	**+376.0**	**526.4**
Other operating income and expense	(53.1)	+14.4	-	(38.7)
Gain generated by debt restructuring	418.4	-	-	418.4
Financial income and expense	(100.7)	+1.3	(216.4)	(315.9)
Equity associates	(1.6)	(13.1)	(0.2)	(14.9)
Income tax	(36.6)	+0.8	+2.9	(32.9)
NET PROFIT (LOSS) FOR THE YEAR	**325.0**	**-**	**(33.8)**	**291.3**

(1) In the Group's internal financial reporting, rental expense is recognised as an operating expense. Rental savings obtained in the form of credit notes or write-offs, are recognised as a deduction from operating expenses at the time when the rental debt is removed legally. The amount of €368.2 million therefore includes a saving of €11 million over the period, through the application of agreements concluded with lessors..

(€ millions)	FY 2021 Operational reporting	IFRS 11 adjustments	Impact of IFRS 16	FY 2021 IFRS
Revenue	1,053.5	(39.9)	(76.4)	937.2
External purchases and services	(955.8)	+36.7	+393.6	(525.5)
of which cost of sales of property assets	*(159.0)*	-	*+76.1*	*(82.9)*
Of which owner rents	*(342.3)*	*+15.5*	*+304.5[1]*	*(22.4)*
Personnel costs	(280.9)	+9.8	-	(271.1)
Other operating income and expense	15.1	(9.6)	+0.6	6.0
Net depreciation, amortisation and provisions	(68.5)	+14.4	(217.4)	(271.5)
CURRENT OPERATING PROFIT (LOSS)	**(236.7)**	**+11.4**	**+100.4**	**(124.9)**
ADJUSTED EBITDA	**(186.8)**	**+7.6**	**+317.8**	**138.6**
Other operating income and expense	(35.3)	+2.6	(1.7)	(34.3)
Financial income and expense	(43.7)	+3.3	(184.3)	(224.7)
Equity associates	(1.4)	(17.5)	(6.0)	(24.8)
Income tax	(24.2)	+0.2	+6.4	(17.5)
NET PROFIT (LOSS) FOR THE YEAR	**(341.3)**	**-**	**(85.1)**	**(426.4)**

[1] In the Group's internal financial reporting, rental expense is recognised as an operating expense. Rental savings obtained in the form of credit notes or write-offs, are recognised as a deduction from operating expenses at the time when the rental debt is removed legally. The amount of 304.5 million therefore included:
i. a saving of around €29 million corresponding to the amount of rental payments written off by lessors signing the agreement, offset mostly by a €28 million expense corresponding to the face value of holiday vouchers attributed to them.
ii. a €7 million saving on rents suspended with lessors that have not signed the amendment for the periods of administrative closures during which the Group considers, on the basis of the defence of non-performance legal foundation or that of the measures set out in Article 1722 of the Civil Code, that the rental debt has been extinguished.
iii. A net saving generated by the application of agreements concluded with institutional lessors, representing an amount of €39 million for FY 2021.

Under IFRS accounting, Group revenue totalled €1,612 million, up 72% relative to the previous year, still affected by restrictive measures in the backdrop of the health crisis. Revenue growth was driven by the tourism businesses, benefiting from a general context of revenge travel and a rise in average letting rates, notably on the back of the premiumisation of the offer. The Group's net profit stood at €291 million and apart from EBITDA of €526 million, included a gain of €418 million stemming from the restructuring operations completed on 16 September 2022 (see above). The Group's financial restructuring was also impacted by financial expenses, up €91 million relative to the previous year, related especially to external consulting costs (€42 million) and the rise in financial expenses for lease contracts (€32 million), reflecting the increase in the marginal lending rate retained for contracts that were modified over the past 12 months.

Balance sheet

(€ millions)	30 September 2022 Operational reporting	Impact of IFRS 16	30 September 2022 IFRS
Goodwill	138.8	-	138.8
Net fixed assets	390.0	(3.4)	386.6
Lease/right of use assets	74.9	+2,068.1	2,143.0
USES	**603.7**	**+2,064.7**	**2,668.4**
Share capital	241.1	(596.6)	(355.5)
Provisions for risks and charges	124.4	+12.7	137.1
Net financial debt	(66.8)	-	(66.8)
Debt related to financial leases/rental obligations	88.4	+ 2,712.3	2,800.7
WCR and others	216.6	(63.7)	152.9
RESOURCES	**603.7**	**+2,064.7**	**2,668.4**

(€ millions)	30 September 2021 Operational reporting	Impact of IFRS 16	30 September 2021 IFRS
Goodwill	138.2	-	138.2
Net fixed assets	356.8	-	356.8
Lease/right of use assets	80.5	+2,010.1	2,090.6
USES	**575.5**	**+2,010.1**	**2,585.6**
Share capital	(423.9)	(562.5)	(986.4)
Provisions for risks and charges	92.3	15.4	107.6
Net financial debt	529.8	-	529.8
Debt related to financial leases/rental obligations	91.7	+2,626.2	2,717.8
WCR and others	285.7	(69.0)	216.7
RESOURCES	**575.5**	**+2,010.1**	**2,585.6**

Groupe Pierre & Vacances CenterParcs

The Group's IFRS balance sheet shows:

- An increase in shareholders' equity of €(986.4) million on 30 September 2021 to €(355.5) million on 30 September 2022, notably due to the capital increases of 16 September 2022, in cash for an amount of €200.4 million and conversion of debt for an amount of €554.8 million. Shareholders' equity remained negative on 30 September 2022 due to the impact of the IFRS 16 accounting standard, which was applied according to the retrospective method.
- Massive debt reduction, with net financial debt falling from €529.8 million to €(66.8) million on 30 September 2022, thanks to the above-mentioned conversion of debt into capital, and the redemption in cash of a portion of existing financial debt before restructuring for €160 million.

Cash flow statement

(€ millions)	*FY 2022* Operational reporting	Impact of IFRS 16	FY 2022 IFRS
Cash flow after financial interest and taxes	+28.9	+160.4	+189.3
Change in working capital requirement	(110.0)	+6.4	(103.6)
Flows from operations	**(81.1)**	**+166.8**	**+85.7**
Net investments related to operations	(58.2)		(58.2)
Net financial investments	(10.0)		(10.0)
Acquisition of subsidiaries	+8.5		+8.5
Flows allocated to investments	**(59.8)**		**(59.8)**
OPERATING CASH FLOWS	**(140.9)**	**+166.8**	**+25.9**
Capital increase in cash	+200.5		+200.5
Change in borrowings and debts	+116.1		+116.1
Other flows related to financing operations	+58.4	(166.8)	(108.4)
FLOWS ALLOCATED TO FINANCING	**+374.9**	**(166.8)**	**+208.2**
CHANGE IN CASH	**+234.1**	**-**	**+234.1**

(€ millions)	FY 2021 operating reporting	Impact of IFRS 16	Reclassifications[1]	FY 2021 IFRS
Cash flow after financial interest and taxes	(242.5)	+132.9		(109.6)
Change in working capital requirement	+109.2	+11.9	(1.6)	+119.4
Flows from operations	**(133.4)**	**+144.8**	**(1.6)**	**+9.9**
Net investments related to operations	(38.7)	-		(38.7)
Net financial investments	(12.3)	-		(12.3)
Acquisition of subsidiaries	+0.7			+0.7
Dividends received (or earnings passed up) from equity affiliates	-		+1.6	+1.6
Flows allocated to investments	**(50.3)**	**-**	**+1.6**	**(48.7)**
OPERATING CASH FLOWS	**(183.7)**	**+144.8**	**-**	**(38.9)**
FLOWS ALLOCATED TO FINANCING	**+206.4**	**(144.8)**	**-**	**+61.6**
CHANGE IN CASH	**+22.7**	**-**	**-**	**+22.7**

(1) reclassification of earnings moved up from equity associates (+€1.6 million in 2021/2021 from flows allocated to investments to flows from operations (change in WCR).

Cash flows indicated a positive change in cash of €234.1 million over 2021/2022 compared with a positive change of €22.7 million over 2020/2021. This change stemmed notably from restructuring operations (see above) and cash flow (€189.3 million), which covered the entire cash burn related to changes in working capital requirement (-€103.6 million) and investments (-€59.8 million).

For further information:

Investor Relations and Strategic Operations

Emeline Lauté

+33 (0) 1 58 21 54 76

info.fin@groupepvcp.com

Press Relations

Valérie Lauthier

+33 (0) 1 58 21 54 61

valerie.lauthier@groupepvcp.com