# let's go beyond !

ANNUAL REPORT 2019 - 2020

GROUPE BENETEAU

GROUPE BENETEAU

# Annual Report

## 2019 - 2020

Combined general meeting
June 11, 2021

BENETEAU S.A. - French limited company (société anonyme) with a share capital of €8,278,984
Registered office: 16 boulevard de la Mer, 85803 Saint-Gilles-Croix-de-Vie, France
Trade and company register in La Roche-Sur-Yon: B 487 080 194 - APE: 6420Z
Financial year: September 1, 2019 to December 31, 2020

# Contents



# Management and supervisory bodies

### Board of Directors

**Chairman**

Jérôme de Metz

**Vice-Chairman**

Louis-Claude Roux

Annette Roux
Anne Leitzgen
Yves Lyon-Caen
Sébastien Moynot (Bpifrance)
Catherine Pourre
Claude Brignon*
Luc Dupé*
Christian de Labriffe*

** Observer*

### Management Board

**Chief Executive Officer**

Jérôme de Metz

**Deputy CEO**

Jean-Paul Chapeleau
*(appointed on* Dec. *12,2019)*
Gianguido Girotti

### Statutory Auditors

ACCIOR - ARC

PricewaterhouseCoopers Audit

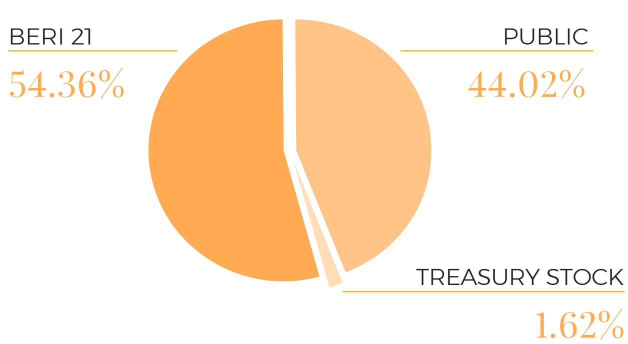
# Share capital & shareholders

### Share Capital

82,789,840 shares with a par value of €0.10

Share capital: €8,278,984

At December 31, 2020, BERI 21, a limited company owned by the family group, held 54.36% of BENETEAU S.A.'s capital. To the best of our knowledge, no other shareholders own more than 5% of BENETEAU SA's capital.




### Stock Market Profile

Company name: BENETEAU
Listed on: Euronext Paris
Compartment: Eurolist Compartment A
Date listed: March 1984
Stock name: BENETEAU
ISIN code: FR0000035164
Listed share per value: €0.10
Number of shares: 82,789,840
Voting rights: Yes
Entitlement to ordinary dividend: Yes

### Contact

Investor & Shareholder Relations
Tel +33 / (0)2 51 26 88 50

# Board of Directors' management report

In a market context in which demand was significantly remodeled by the effects of the health crisis, Groupe Beneteau closed out FY 2019-2020 (16-month transition year ended December 31, 2020) with revenues of €1,344.4 million, down 15.1% on a reported basis (-15% at constant exchange rates) compared with the 16-month pro forma period from September 1, 2018 to December 31, 2019.

EBITDA* came to €93 million, with €(-)8.1 million in income from ordinary operations, representing (-)0.6% of revenues.

Non-recurring items represent €(-)78.5 million and include (i) €31.1 million of costs relating to the measures to adapt the cost structure and production capacity in France and internationally, and (ii) €47.3 million of impairments of assets (tangible or intangible) and inventories, resulting from the rationalization of the product offering based on the Let's Go Beyond! strategic plan presented in July 2020.

Net income (Group share) for the year therefore represents €(-)80.9 million.

For the pro forma 12-month calendar period (January 1-December 31, 2020), income from ordinary operations came to €27.5 million (2.5% of revenues).

Net cash at December 31, 2020 represents €93.4 million. Despite the negative impact relating to the change of schedule for the financial year-end, free cash flow for the 16 months of the financial year was positive and totaled €25 million.

## 1. Division business and operating income

### Key indicators for each business

For the pro forma 12-month calendar period in 2020 (January 1-December 31), Groupe Beneteau's revenues came to €1,096.6 million.

| €m | 2019-2020 (16 months) | 2018-2019 (12 months) | 2019-2020 (pro forma 12 months) |
|---|---|---|---|
| **Revenues** | **1,344.4** | **1,336.2** | **1,096.6** |
| - Boats | 1,151.1 | 1,143.7 | 943.6 |
| - Housing | 193.3 | 192.5 | 153.0 |
| **EBITDA[1]** | **93.0** | **162.0** | **99.9** |
| % EBITDA / revenues | 6.9% | 12.1% | 9.1% |
| - Boats | 82.8 | 143.5 | 92.0 |
| - Housing | 10.1 | 18.5 | 7.9 |

*1 EBITDA = Income from ordinary operations restated for allocation / reversal of provisions for liabilities and charges, depreciation charges and IFRS restatements (bonus share plans, retirement benefits) - See details in point 3 – Financial structure*

| €m | 2019-2020 (16 months) | 2018-2019 (12 months) | 2019-2020 (pro forma 12 months) |
|---|---|---|---|
| **Income from ordinary operations** | **(8.1)** | **82.0** | **27.5** |
| % income from ordinary operations / revenues | (0.6%) | 6.1% | 2.5% |
| - Boats | (10.8) | 68.9 | 24.7 |
| - Housing | 2.7 | 13.1 | 2.7 |
| **Non-current operating income** | **(78.5)** | **(4.2)** | |
| - Boats | (75.1) | (3.7) | |
| - Housing | (3.4) | (0.5) | |
| **Net income (Group share)** | **(80.9)** | **49.5** | |
| Net earnings per share | (0.98) | 0.60 | |
| Free cash flow | 25.1 | (6.5) | |
| **Net cash** | **93.4** | **97.0** | |

## 1.1 Boat business

Following a summer that saw strong levels of interest in dayboating and sales of small motorboats, with the cancellation of virtually all the autumn-winter shows around the world, all of the Groupe Beneteau brands and their dealer networks had to quickly adapt and offer new formats for discovering, testing and marketing boats. A number of local private events, exclusive days and other digital initiatives and virtual shows have therefore continued to be organized around the world.

| €m | 2019-2020 (16 months) | 2018-2019 (12 months) | 2019-2020 (pro forma 12 months) |
|---|---|---|---|
| Revenues | 1,151.2 | 1,143.7 | 943.4 |
| **Income from ordinary operations** | **(10.8)** | **68.9** | **24.7** |
| **EBITDA*** | **82.8** | **143.5** | **92.0** |
| Non-current operating income | (75.08) | (3.70) | |

** EBITDA = Income from ordinary operations restated for allocation / reversal of provisions for liabilities and charges, depreciation charges and IFRS restatements (bonus share plans, retirement benefits) - See details in point 3 – Financial structure*

**Revenues** for the Boat business for the financial year (16 months) came to €1,151,200, compared with €1,143,700 the previous year (12 months).

Since the autumn, the successive waves of the epidemic in Europe and North America have led to new travel restrictions, significantly longer transport times (particularly air) and the closure of many watersports centers in the Caribbean, affecting the winter season for charter professionals. In this context, during the last four months of the year (September-December 2020), Groupe Beneteau continued to benefit from its multi-specialist positioning, enabling it to strongly mitigate the consequences of the contraction in fleet sales (-70.9% at constant exchange rates, after +80.6% for the last four months of 2019) through good growth for motorboats, with sales climbing +13.6% at constant exchange rates, driven primarily by demand for outboard boats.

Boat sales in Europe and North America are therefore up 10.2% and 6% respectively at constant exchange rates, while other regions around the world are stable. The American brands achieved a good performance on this dayboating segment in North America. As a result, the Boat business contracted by just 15.2% based on reported data during the last four months (-12.7% at constant exchange rates).

For the whole of the 2019-2020 financial year (16 months), the motorboat segment grew to represent 52.6% of Boat revenues, compared with 47.4% for the sailing segment.

**Income from ordinary operations** totaled -€10.8 million.

The key figures for the Boat business entities are presented for reference for this transition year based on the parent company financial statements, and do not reflect the organization that is now in place around global core functions.

| SPBI | 2019-2020 (16 months) | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 |
|---|---|---|---|---|---|
| Revenues (€m) | 838 | 819.4 | 772.5 | 679.2 | 630.5 |
| Operating income (€m) | 10 | 61.6 | 66.6 | 44.7 | 31.2 |
| Net income (€m) | (12) | 36.6 | 40.6 | 36.0 | 22.8 |
| Average headcount | 3,659 | 4,423 | 4,175 | 4,019 | 3,934 |

| Beneteau Inc* | 2019-2020 (16 months) | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 |
|---|---|---|---|---|---|
| Revenues (USD M) | 369.1 | 334.1 | 338.4 | 324.6 | 300.3 |
| Operating income (USD m) | (8.7) | 2.4 | 8.1 | 3.5 | (5.9) |
| Net income (USD m) | (14.8) | (0.9) | 4.0 | 0.9 | (4.9) |
| Average headcount | 597 | 821 | 816 | 697 | 685 |

** Including Rec Boat Holdings LLC, acquired in June 2014 by Beneteau Inc - Exchange rate at December 31, 2020: €1 = USD 1.2271- Average exchange rate over the year: €1 = USD 1.1323*

| Ostroda Yachts | 2019-2020 (16 months) | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 |
|---|---|---|---|---|---|
| Revenues (PLN m) | 554.6 | 517.4 | 393.7 | 322.1 | 287.6 |
| Operating income (PLN m) | 39.4 | 33.6 | 34.9 | 25.3 | 23.9 |
| Net income (PLN m) | 35.1 | 29.2 | 31.1 | 23.1 | 16.8 |
| Average headcount | 996 | 1,007 | 857 | 742 | 677 |

| SJ Delphia | 2019-2020 (16 months) | 2018-2019* |
|---|---|---|
| Revenues (PLN m) | 172.4 | 96.5 |
| Operating income (PLN m) | (26.5) | (15.3) |
| Net income (PLN m) | (32.5) | (16.0) |
| Average headcount | 717 | 707 |

** Nine months of business following the acquisition on November 30, 2018*

*Exchange rate at December 31, 2020: €1 = PLN 4.5597. Average exchange rate over the year: €1 = PLN 4.4082*

| Construction Navale Bordeaux | 2019-2020 (16 months) | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 |
|---|---|---|---|---|---|
| Revenues (€m) | 324.0 | 305.4 | 271.4 | 236.4 | 187.3 |
| Operating income (€m) | 10.2 | 19.8 | 28.1 | 30.8 | 21.5 |
| Net income (€m) | 4.8 | 12.9 | 16.6 | 17.4 | 12.2 |
| Average headcount | 1,002 | 1,109 | 1,039 | 854 | 745 |

| Monte Carlo Yachts | 2019-2020 (16 months) | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 |
|---|---|---|---|---|---|
| Revenues (€m) | 30.0 | 29.5 | 47.4 | 69.1 | 70.6 |
| Operating income (€m) | (18.6) | (10.4) | (7.9) | 4.3 | 4.6 |
| Net income (€m) | (49.8) | (11.4) | (8.1) | 3.1 | 3.6 |
| Average headcount | 240 | 263 | 295 | 344 | 261 |

| Seascape | 2019-2020 (16 months) | 2018-2019 | 2017-2018 |
|---|---|---|---|
| Revenues (€m) | 4.9 | 5.1 | 0.4 |
| Operating income (€m) | (0.9) | (0.2) | (0.1) |
| Net income (€m) | (0.9) | (0.3) | (0.1) |
| Average headcount | 33 | 33 | 25 |

Seascape, a Slovenian company specialized in designing, building and marketing performance sailing yachts, was acquired by Groupe Beneteau in July 2018, enabling it to further strengthen its range on the segment for mini-performance cruisers. In connection with the Let's Go Beyond! plan, the company's organization and governance were adapted at the start of 2021, making it possible to further strengthen its agility, leading to the sale of 10% of Seascape's capital, taking its interest to 50% (Note 3.7 to the consolidated accounts).

**GBI Holding**

The individual financial data for GBI Holding are not significant for the past five financial years, with less than €1 million on an absolute basis.

**Beneteau Brasil**

After year-end August 31, 2016, the Group decided to mothball its production operations in Brazil. At December 31, 2020, all the assets and liabilities likely to be used in the Group's other companies were transferred to them. In addition, as a probable sale is not being considered within the next 12 months, the remaining assets are not covered by IFRS 5 and are no longer presented on a separate line.

| **Bénéteau Brasil Construçao de Embarcaçoes sa** | **2019-2020 (16 months)** | **2018-2019** | **2017-2018** | **2016-2017** | **2015-2016** |
|---|---|---|---|---|---|
| Revenues (BRL m) | 0.0 | 0.1 | 2.5 | 16.4 | 9.8 |
| Operating income (BRL m) | (1.5) | (1.7) | (3.1) | (5.0) | (5.6) |
| Net income (BRL m) | (30.1) | 2.3 | (18.6) | (8.3) | (2.1) |
| Average headcount | 0 | 0 | 0 | 5 | 30 |

*Exchange rate at December 31, 2020: €1 = BRL 6.3735. Average exchange rate over the year: €1 = BRL 5.5557*

The **activities of the sales and marketing subsidiaries** involve coordinating the local network of dealers. As such, changes in and the levels of their revenues are not representative of actual sales made in their region, since all boat sales are invoiced from France.

| **Jeanneau Italia srl** | **2019-2020 (16 months)** | **2018-2019** | **2017-2018** | **2016-2017** | **2015-2016** |
|---|---|---|---|---|---|
| Revenues (€m) | 0.8 | 0.8 | 0.7 | 0.7 | 0.6 |
| Net income (€m) | 0.0 | 0.2 | 0.1 | 0.1 | 0.0 |
| Average headcount | 0 | 0 | 1 | 0 | 1 |

| **Beneteau Group Asia Pacific (previously Jeanneau Asia Pacific)** | **2019-2020 (16 months)** | **2018-2019** | **2017-2018** | **2016-2017** | **2015-2016** |
|---|---|---|---|---|---|
| Revenues (HKD m) | - | - | - | - | - |
| Net income (HKD m) | (0.1) | 0.2 | 0.1 | 0.1 | 0.1 |
| Average headcount | 11.0 | 11.0 | 9.0 | 11.0 | 4.0 |

*Exchange rate at December 31, 2020: €1 = HKD 9.5142. Average exchange rate over the year: €1 = HKD 8.8022*

The company **Band of Boats**, created in December 2017, manages a digital platform for boat services. It was further strengthened by acquiring and integrating the Digital Nautic brand in 2018-19.

The financial data are not significant.

**Beneteau Boat Club**, the company created in August 2017 and integrated into Groupe Beneteau in FY 2017-18, is developing a network of Clubs managed under brand licensing by Beneteau dealers. These Clubs coordinate and manage their member communities and provide them with access to a fleet of boats that they can use very easily on demand.

The financial data are not significant.

# 1.2 Housing business

| €m | 2019-2020 (16 months) | 2018-2019 (12 months) | 2019-2020 (pro forma 12 months) |
|---|---|---|---|
| Revenues | 193.3 | 192.5 | 153.0 |
| **Income from ordinary operations** | **2.7** | **13.1** | **2.7** |
| **EBITDA*** | **10.1** | **18.5** | **7.9** |
| Non-current operating income | (3.9) | (1.0) | (3.9) |

** EBITDA = Income from ordinary operations restated for allocation / reversal of provisions for liabilities and charges, depreciation charges and IFRS restatements (bonus share plans, retirement benefits) - See details in point 3 – Financial structure*

Affected by the lockdown in spring last year, and the effects of the health crisis throughout the 2020 season, many camping companies in France chose to defer their leisure home investments by one season. During the last four months of 2020 (September-December), Housing sales dropped significantly on the French market (-52.9%) and for export (-45.3%).

Housing revenues for FY 2019-2020 (16 months) totaled €193.3 million, down 17% compared with the previous 16-month period.

The key figures for the Housing business entities are presented based on the parent company financial statements.

| BIO Habitat | 2019-2020 (16 months) | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 |
|---|---|---|---|---|---|
| Revenues (€m) | 193.6 | 190.0 | 193.9 | 175.9 | 165.5 |
| Operating income (€m) | 6.6 | 15.5 | 18.2 | 13.1 | 2.2 |
| Net income (€m) | 2.2 | 9.6 | 10.2 | 7.0 | 1.4 |
| Average headcount | 969 | 1,090 | 1,048 | 938 | 979 |

| Bio Habitat Italia | 2019-2020 (16 months) | 2018-2019 | 2017-2018 | 2016-2017 | 2015-2016 |
|---|---|---|---|---|---|
| Revenues (€m) | 15.6 | 17.6 | 13.5 | 11.2 | 11.5 |
| Operating income (€m) | (1.3) | 0.7 | 0.5 | (0.2) | (0.9) |
| Net income (€m) | (1.4) | 0.4 | 0.2 | (0.5) | (1.0) |
| Average headcount | 70 | 64 | 61 | 65 | 44 |

All the assets and liabilities of the company BH Services were transferred to BIO Habitat in December 2018.

**SGB Finance**

SGB Finance, a financing company, is consolidated on an equity basis, with €1,671,000 in net income (Group share), versus €4,832,000 the previous year.

# 2. Transition from income from ordinary operations to net income

## 2.1 Reconciliation of income from ordinary operations and operating income

Operating income came to €(-)86.6 million. It includes a €(-)78.5 million non-current net expense, corresponding to (i) €31.1 million of costs relating to the measures to adapt the cost structure and production capacity in France and internationally, and (ii) €47.3 million of impairments of assets (tangible or intangible) and inventories, resulting from the rationalization of the product offering based on the Let's Go Beyond! strategic plan presented in July 2020.

## 2.2 Financial income / expense

| €m | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Financial income (expense) | (5.4) | (6.9) |
| Of which: | | |
| · Exchange rate gains (losses) | (2.3) | (3.9) |
| · Interest expense net of investment income | (3.1) | (3.0) |

The €2.3 million net foreign exchange loss primarily reflects the difference between our forward purchase and sales positions and the accounting exchange rate for recording transactions in dollars.

Since 2016, the Group has hedged its commercial currency risk based exclusively on currency futures.

At December 31, 2020, the foreign exchange hedging positions were as follows:

- USD 40,000,000 of forward sales at the following average rate: €1 for USD 1.1985
- USD 20,000,000 of forward purchases at the following average rate: €1 for USD 1.1996
- PLN 140,934,000 of forward purchases at the following average rate: €1 for PLN 4.5462

## 2.3 Net income

Net income (Group share) came to €(-)80.88 million, compared with €49.5 million the previous year.

Pre-tax income came to €(-)92 million, with an effective tax rate of 9.2%, compared with 38.8%, due to the non-capitalization of losses for certain subsidiaries for €44.5 million in the tax base.

# 3. Financial structure

EBITDA is now calculated based on income from ordinary operations and no longer on operating income.

| €m | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| **Income from ordinary operations** | **(8.1)** | **82.0** |
| Current depreciation | 103.2 | 74.4 |
| Provisions | (2.3) | 5.8 |
| Other | 0.1 | (0.3) |
| **EBITDA** | **93.0** | **162.0** |

| €m | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Income from ordinary operations | (8.1) | 82.0 |
| Non-current operating income | (78.5) | (4.2) |
| Depreciation | 134.3 | 74.4 |
| Provisions | 21.4 | 5.8 |
| Financial income (expense) | (5.4) | (6.9) |
| Tax | (0.9) | (26.4) |
| Dividends from associates | 1.9 | 3.9 |
| Net value of assets sold | 2.5 | 4.4 |
| **Operating cash flow** | **67.2** | **133.1** |
| Net cash flow from investments | (72.5) | (81.8) |
| Change in working capital | 25.8 | (49.8) |
| Exchange gains or losses | 4.6 | (8.0) |
| **Free cash flow** | **25.0** | **(6.5)** |
| Dividends | (18.9) | (21.4) |
| Treasury stock | (4.5) | (3.7) |
| Change in scope | 4.0 | (33.4) |
| **CHANGE IN NET CASH** | **5.7** | **(64.9)** |
| Adjusted opening net cash position* | 87.6 | 161.9 |
| Closing net cash position | 93.4 | 97.0 |

** The opening net cash position at December 31, 2020 is adjusted for the restatement concerning IFRS 16 for €9.4 million (Note 2.21 to the consolidated accounts).*

*Floor plan boat financing operations (Note 5.5 to the consolidated accounts) are presented net in free cash flow.*

The Group generated €67.2 million of operating cash flow. Thanks to the improvement in working capital requirements (significant reduction in the level of inventory), and taking into account the effective management of investments, net cash is positive at €93.4 million.

The company has carried out a specific review of its liquidity risk and considers that it is in a position to cover its upcoming maturities.

The main industrial projects concerned product investments in line with the plan for releasing new models.

| €m | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Capital expenditure | (67.5) | (79.8) |
| Income from disposal of fixed assets | 1.1 | 1.2 |
| Change in fixed asset-related liabilities | (6.2) | (3.3) |
| **Net investments** | **(72.5)** | **(81.8)** |

# 4. Post-balance sheet events

During the night of February 18 to 19, 2021, Groupe Beneteau detected a malware intrusion affecting some of its servers. As a precautionary measure, all of the information systems were disconnected in order to prevent it from spreading.

Several production units, notably in France, had to slow down or stop their production activities for a few weeks. Activities were able to gradually start up again from Friday February 26, 2021.

This event did not call into question the process to audit the Group's accounts, but will have an impact on the Group's revenues and income for 2021, without calling into question the outlook presented in point 5 below.

# 5. Outlook

## BOAT BUSINESS

This period was marked by stronger interest in recreational boat use, with strong demand for dayboating in particular and therefore sales of small motorboats (under 40 feet). The segment for boats over 40 feet (Real Estate on the Water) is also expected to be very buoyant. The Group is forecasting 10% growth at constant exchange rates for motorboat sales.

On the mono and multihull sailing market, with the strength of the leading brands - Beneteau, Jeanneau and Lagoon - and the emergence over the past two years of Excess, the Group's second catamaran brand, sales to retail customers are expected to grow 2%.

The Group is forecasting around 5% growth for its Boat Division, excluding fleets.

However, sales of sailing units to charter professionals, a very dynamic component of the Group's revenues for the past decade, are being affected by the air transport and travel restrictions. While this promising activity is expected to start up again from 2022, the Group has adopted a cautious position in view of its current difficulties, forecasting a contraction of around 50% in its charter sales in 2021, following a 15% drop for the 16 months of FY 2019-2020.

The Boat Division's revenues are therefore expected to be stable in 2021 compared with the 2020 calendar year, despite a 50% drop in fleet sales.

### HOUSING BUSINESS

The Group is forecasting a gradual upturn in demand from outdoor hospitality customers from May 2021. This is expected to be accompanied by a resumption of investment in leisure home fleets, paving the way for the Housing Division to achieve growth of around 5% to 6% compared with FY 2020 on a pro forma basis.

The Group's consolidated business is therefore expected to stabilize this year at the level from the 2020 calendar year. The progress with the order books to date covers more than 90% of this revenue forecast.

These forecasts include the consequences of the cyberattack that the Group was subject to during the night of February 18-19, 2021.

# 6. Internal control procedures

## 6.1 Internal control objectives

Within Groupe Beneteau, internal control is defined as all the arrangements aimed at effectively managing activities and risks, while making it possible to ensure that operations are effective, secure and compliant.

Implemented by the Board of Directors and the Group's staff, internal control aims to obtain reasonable assurance and not an absolute guarantee concerning:

- The correct application of the company's general policy
- Compliance with the laws and regulations applicable for the Group
- The prevention, detection and effective management of risks inherent to the business, in addition to risks of fraud and errors
- The reliability of accounting and financial information

Risk management and internal control involve limitations resulting from numerous factors, including uncertainty about the outside world, the exercising of judgment and any errors that may arise due to technical or human shortcomings or simple mistakes.

## 6.2 General organization for internal control procedures

### 6.2.1 KEY INTERNAL CONTROL PARTICIPANTS

#### BOARD OF DIRECTORS

In connection with the permanent control of the company's management and the remits granted to it under the bylaws, the Board of Directors regularly reviews the company's development strategy, including the product plan, the industrial plan, the three-year business plan and the pillars for the image and communications policy. Its work is prepared based on ad hoc meetings of the Strategic Committee. It is regularly provided with reports on the company's accounting and financial information. In its analysis, the Board of Directors is supported by the Audit and Risk Committee, which meets several times during the year, as necessary, with the statutory auditors.

It also refers to work conducted by the Compensation, Appointments and Governance Committee for decisions relating to compensation and benefits packages for the Chairman of the Board of Directors, Chief Executive Officer and Deputy CEOs.

## AUDIT AND RISK COMMITTEE

- The Audit and Risk Committee's role is to:
- Control the process for the preparation and distribution of accounting and financial information,
- Assess the relevance and consistency over time of the accounting methods and principles adopted for the preparation of the annual and half-year consolidated and parent company financial statements,
- Check the efficiency and effectiveness of the internal control and risk management procedures,
- Ensure, by any means, the quality of the information provided to the Board,
- Present its opinions to the Board.
- The Audit and Risk Committee's deliberations and decisions are presented to the Board of Directors.

## ETHICS AND CSR COMMITTEE

The Committee's missions are as follows:

- Contributing to the definition of the rules of conduct or principles for action (what to do / what not to do) that guide the behavior of the Group's executives and employees in terms of ethics and environmental, social and societal responsibility.
- Ensuring compliance with the guidelines and values set out in the Group Code of Ethics and Group Code of Conduct, and ensuring their relevance in relation to the Group's activities,
- Ensuring that the management team take into account and master the non-financial risks and stakes when performing their missions,
- Ensuring the implementation and monitoring of the programs relating to anti-corruption (SAPIN II Law), the duty of vigilance (Potier Law) and CSR.
- Reviewing the environmental, social and societal objectives and information contained in the Non-Financial Information Statement, and submitting an opinion on this report to the Board of Directors.

## OPERATIONAL COMMITTEES

Focused on the following areas, these committees meet on a regular basis:

- Product development
- Innovation
- Industrial
- Information systems
- Financial

## SUBSIDIARY MANAGEMENT COMMITTEES

Regularly brought together by the Chairman of the Board of Directors and comprising operational and functional managers from the various companies concerned, the management committees coordinate the implementation of the Group's strategic objectives, while ensuring that they are rolled out correctly within the various departments.

## MANAGEMENT BOARD AND ITS FUNCTIONAL AND OPERATIONAL MANAGERS

They are responsible for proposing action plans in line with the objectives set by the management committee, as well as setting up efficient and effective working methods for the main operational processes. Within this framework, they ensure that the measures adopted are effectively implemented with a view to reducing the likelihood of the main risks occurring and minimizing, if necessary, their consequences.

## FINANCIAL MANAGEMENT

The Group's financial management team, liaising with the management control and accounting teams in the various business units, is responsible for:

- Preventing and effectively managing any differences in relation to the objectives defined,
- Ensuring the reliability of accounting and financial information,
- The financial management team prepares the documents requested by the Audit and Risk Committee and participates in its work.

## STATUTORY AUDITORS

In addition, the Statutory Auditors provide the Group with reasonable assurance concerning the reliability and accuracy of the accounting and financial information produced.

## 6.2.2 MAIN MANAGEMENT DECISIONS

All major management decisions, which involve a significant commitment for the company, are validated by the Board of Directors.

## 6.2.3 RISK MANAGEMENT

### FINANCE

#### Cash management

Each Group company's cash is centralized at holding level - Beneteau SA - under a cash pooling agreement.

The current accounts in euros accrue interest under the following conditions: 3-month Euribor +0.25% for lending and 3-month Euribor +1% for borrowing.

The current accounts in dollars accrue interest under the following conditions: 3-month US Libor +1.2% for borrowing.

The Group's cash is invested exclusively in risk-free vehicles, such as short-term certificates of deposit, with banks chosen by the Executive Management team following a review by the Board of Directors.

#### Foreign exchange and interest rates

The Group may hedge its medium-term borrowings using interest rate swaps.

The Group carries out foreign-exchange hedging operations on the US Dollar and Zloty, based on forward sales and purchases. Hedging decisions are taken by the Group's executive leadership team and operations are set up by the holding company.

#### Credit management

**Boats**

A credit management procedure was put in place in 2007, based on written provisions. The Group has an advisory role and not a decision-making role in relation to the financial institutions.

A risk committee meets each month. The credit manager presents all the reports and an update on the situation for outstanding liabilities, as well as the risk assessment. The most important decisions are validated by the risk committee.

Ad hoc meetings may be held in addition to this monthly meeting if necessary. More specifically, credit committee meetings are held on a regular basis (two to four times per year) with SGB Finance and Wells Fargo with a view to analyzing the financial position of distributors and the inherent risks involved.

Weekly monitoring of late payments and outstanding trade receivables makes it possible to effectively monitor financial risks. The Group is notified as soon as any late payments are recorded for credit lines.

Boats are paid for before departure or financing approval is obtained beforehand from the financing structures, SGB, Wells Fargo or LH Finance.

Outstanding customer payments are financed under an SGB, Wells Fargo or LH Finance credit line, the amount of which is determined jointly by these organizations and the management team in charge of the brands concerned. For SGB, it is based on four financial ratios, which determine a credit line representing up to 40% of the target set by the brand at the start of the season. In addition to this line, specific lines may be set up, particularly for financing boats that are pre-sold to end customers.

The brands have a contractual commitment to take back any new boats that have not been paid for. During the contractual financing period, the financing organization depreciates the capital, with the boatyards' commitment then representing the difference between the amount financed (net of tax) and the amount of the capital depreciation.

The boatyards may approve an extension of this financing period, but will then request a further repayment.

At least once a month, a report is provided by the financing organizations and enables the credit manager to ensure the consistency of the various credit lines and the financing facilities granted, as well as compliance with partial repayments over the period.

The credit manager liaises with the various financing companies in order to anticipate any problems and reports on any difficulties to the risk committee.

In 2020, during the health crisis, exceptional support measures were granted to our distribution network and charter customers by our partners SGB and Wells Fargo as agreed with Groupe Beneteau. These measures, combined with reinforced financial monitoring of the counterparties concerned, involved deferring floor plan instalments, particularly from mid-March 2020 to end-May 2020, and maintaining all of the credit lines for our dealers over the period. At December 31, 2020, no defaults were recorded across our distribution network.

#### Housing

Before opening a customer account, a financial analysis is carried out by the credit management department. This approach is systematically combined with a request for credit insurance cover with Coface for orders excluding financing. The conditions for payments are then defined based on the cover provided by Coface.

The credit manager regularly monitors the levels of liabilities outstanding and may block orders from being accepted and deliveries from being made.

A customer risk committee meets regularly, bringing together the credit manager, the commercial directors and the Chief Financial Officer. This committee is responsible for reviewing and handling critical cases.

## IT

### IT security

All IT security-related issues are overseen by the IT services security manager, who heads a dedicated unit focused on:

- IT backups,
- System security (secure access, firewall, antivirus, antispam, etc.),
- Network and system availability,
- Compliance with best practices and guidelines (internet use, proxy, IT guidelines).
- The IT services security manager helps monitor emerging regulatory issues (French data protection agency), with this approach organized by the Legal Department.

Every month, the IT services security manager chairs an IT security committee, which looks back over the past period's events and defines the priorities and the actions to be carried out over the following period.

Vulnerability audits are regularly carried out by a specialized external company.

### Business continuity management

All the company's IT data are backed up daily. For the companies based in France, backups are made at two different locations. For the companies based in other countries, local backups are regularly outsourced. The data are then kept in line with a daily, weekly, monthly and yearly archiving plan determined based on the criticality and shelf life of the information concerned.

The Group is continuing to develop a business continuity plan (BCP) for its key management software enabling business to resume in the event of a disaster. This work is following on from the IT risk audit launched in June 2017 with an external firm.

### Management of the cyberattack in February 2021

Groupe Beneteau was subject to a ransomware cyberattack during the night of February 18-19, 2021. The IT teams shut down all of the Group's servers from February 19 to stop it from spreading. From the day after the attack, the IT teams gradually restarted all of the IT services, based in particular on the following security best practices:

· Segmentation of IT administrators' rights in the company directory (Active Directory)

· Segmentation / filtering of all information flows between the various network "bubbles" ("O trust network")

· Introduction of a second authentication factor for key IT services, such as the email system and VPN (Multi-Factor Authentication, MFA).

The IT teams will be supported by an external Security Operations Center (SOC) to ensure 24-7 monitoring for mission-critical IT services. The IT teams will continue to implement additional security measures with a view to increasing protection levels and reducing vulnerabilities.

## PROCUREMENT AND LOGISTICS

Managing supplier risks effectively is essential in order to ensure the continuity of production.

This involves setting up means of control on several levels:

### Checking the long-term viability of suppliers

Around 50 strategic or vulnerable suppliers are specifically monitored. The objective is to ensure the long-term viability of partner firms and anticipate any difficulties they may face as early as possible.

This approach is combined with financial monitoring: through subscriptions to accounting and financial monitoring services for a list of suppliers selected by the purchasing department, or a more detailed financial review requested by the purchaser from the credit manager.

The purchasing department and the financial departments work together to improve the monitoring of supplier risks.

### Effectively managing quality risks

The main suppliers (around 100, representing nearly 80% of material purchases) have signed a quality, logistics and environment agreement.

This agreement sets out a framework for our requirements in terms of timeframes, traceability, environmental standards, flexibility and quality.

In addition, the Group defines a contractual framework for its relations with its major and strategic suppliers through purchasing agreements. These agreements may cover a number of years.

### Effectively managing dependence on suppliers

There are always several sources for a given area of expertise. Nevertheless, the Group is not safe from the risk of certain products not being able to be replaced without a new development by the product development department. In such cases, there is a risk of certain productions being temporarily stopped or disrupted due to an interruption in the flow of supplies.

These risks are clearly identified, regularly assessed and restricted to a limited number of products.

### Checking the continuity of supplies

Supplies are overseen on a daily basis using tools for monitoring the fulfilment rate, delays and interruptions. Safety stocks are set up depending on the product's critical nature and the supplier risk.

Supplies also benefit from a tool for forecasting requirements, which makes it possible to detect and address any capacity risks with a forward-looking approach.

### Checking suppliers' regulatory compliance

The purchasing and logistics departments work to continuously improve the procedures and controls intended to ensure the Group's compliance with the requirements of the French SAPIN II and Potier Laws.

### Authorized economic operator (AEO) status

European customs authorities have awarded their AEO label to Groupe Beneteau. Beneteau SA, the Group holding company, and its subsidiary SPBI are approved as authorized economic operators. This certification is intended to facilitate international trade in goods, with a trust-based agreement between the customs authorities and our Group, obtained following an audit of our administrative and production sites.

## LEGAL

### Monitoring of cases

In line with the executive management team's instructions, faced with any significant issue and any contract to be set up with third parties, all managers are required to notify the legal department as quickly as possible.

Since the legal department primarily has an advisory role in relation to the executive management team and the company's various operational and functional departments, each of the company's departments has a responsibility to notify the legal department. Upstream from projects, the legal department is involved in drawing up and negotiating the company's main agreements and contracts, working closely with the operational units concerned, with a view to securing the interests of the company and its managers. The legal department, in its advisory role, is responsible for assessing and clarifying the choices of the executive management team and the various operational and functional departments in relation to the level of the legal risk taken by the company in connection with its operations: nevertheless, it is still dependent on the effective assessment of risks by the various managers concerned.

For the management and monitoring of litigation or pre-litigation cases, the legal department regularly informs the executive management team of the significant risks relating to these cases, to enable the executive management team to quickly understand the stakes involved, helping it with the management of the business, while minimizing the risks linked to these cases, which may sometimes be sensitive for the business.

### Insurance

The legal department also seeks to optimize and ensure the long-term viability of the insurance policies taken out for Beneteau SA and all its subsidiaries to protect the company against potential incidents, while ensuring that the costs involved with this protection are and will continue to be at a level that safeguards the company's competitiveness on its global markets. This long-term insurance policy requires a trust-based partnership with insurers and a good quality broker.

In addition to the insurance policies required by law, Beneteau SA takes out liability insurance covering damages to third parties that its subsidiaries could be responsible for, as well as covering damages that either itself or its subsidiaries could sustain as a result of cyberattacks or fraud. As the subsidiaries are of various sizes, the amounts of cover are adapted in line with the risks faced.

For all the insurance policies, the deductibles are adapted based in particular on the type of risk covered to optimize the overall cost for Beneteau SA depending on the probability of claims occurring, while effectively negotiating the amount of premiums for each policy, aligned as closely as possible with the actual requirements.

Lastly, Beneteau SA and its subsidiaries, coordinating operations closely with certain insurers and its broker, are continuing to develop prevention and protection measures aimed at reducing the occurrence of accidents and claims and limiting their scope.

## 6.3 Procedures for the preparation and processing of accounting and financial information

The Group has adopted a set of rules and methods making it possible to provide reliable financial information, notably with a view to:

- Ensuring that financial information is reported within reasonable timeframes, and being able to take corrective actions if necessary,
- Guaranteeing the quality of financial information provided for the Group's Board of Directors,
- Ensuring that information is consistent across the Group's various companies,
- Ensuring compliance with the various regulations applicable (accounting, tax, customs, etc.)
- Keeping the risk of errors occurring under control.

The consolidated financial statements are presented in accordance with all the standards published by the International Accounting Standards Board (IASB) and adopted by the European Union (IFRS).

To meet these objectives, each Groupe Beneteau company notably applies an identical budgetary process.

A projected income statement is drawn up at the start of the financial year. During the year, the initial estimates are adjusted on two or three occasions.

These adjustments are based on the internal reports drawn up by each Group company.

Several departments work together on the process to produce the Group's consolidated accounting and financial information:

- Accounting and consolidation,
- Management control,
- Information systems,
- Cash management,
- Legal.

These departments ensure that the Group's various business units are kept informed of the latest developments in terms of legislation, recommendations issued by the French financial markets authority (AMF), or the Group's internal procedures and their application.

They provide information on the Group's financial policy, the standards and procedures to be applied, any corrective actions to be taken, and internal control relating to accounting and financial data.

Furthermore, monthly management committees have been set up for each business unit in order to analyze results and contribute to economic steering efforts, while helping create and maintain a financial culture within the Group.

The main management processes support the internal control system. This concerns the medium-term strategic plan, annual budget, quarterly estimates for annual earnings, monthly reports on management results, operational reporting charts and half-year close of accounts (parent company and consolidated).

To draw up its consolidated financial statements, Beneteau SA uses the common Group-wide standards, which ensures that the accounting methods and consolidation rules applied are consistent and that the reporting formats are standardized.

Beneteau SA draws up its consolidated financial statements under IFRS. The financial department issues memos with instructions, setting out the schedules for the close of accounts. Every six months, elements from the consolidated financial statements are reconciled with monthly reports in order to analyze and account for any differences. In connection with their mission, the statutory auditors conduct a limited review at the end of the first six months as a minimum, followed by an audit at August 31.

# 7. Vigilance plan

The Groupe Beneteau vigilance plan meets the obligations set by French Law 2017-399 of March 27, 2017 relating to the duty of vigilance for parent companies and companies that subcontract work. It presents the measures put in place within the Group to identify risks and prevent serious infringements of human rights, fundamental freedoms, personal health and safety, and the environment. It covers the major risks resulting from the activities of all the Group's subsidiaries, suppliers and subcontractors.

The approach put in place in connection with the duty of vigilance is based on all the arrangements supporting the Group's corporate social responsibility policy: the Code of Ethics, the Code of Conduct, the whistleblowing procedure, the materiality matrix for sustainability stakes, the environmental policy and the BSAFE safety plan.

The definition and implementation of the vigilance plan are coordinated by the Internal Control Department, with support from the Group Human Resources, Purchasing and Health, Safety and Environment Departments.

## 7.1 Monitoring of the measures implemented and performance assessment

The Group's risk management performance is monitored and assessed through the annual non-financial reporting process, led by the Corporate Communications Department, alongside monthly QHSE reporting in the business units. The measures rolled out in response to the vigilance risks are presented in the non-financial performance statement. Various indicators, which are adjusted and enhanced each year, covering social, societal and environmental aspects, are shared and reviewed internally with a view to continuously improving and monitoring performance. The annual external audit makes it possible to confirm the robustness of the data reported. During FY 2019-2020, and as announced with the vigilance plan for FY 2018-2019, Groupe Beneteau achieved the objectives set:

- Halving the number of occupational accidents compared with the frequency rate from 2015-16, with an annual reduction of 25%,
- Implementing a supplier and subcontractor assessment procedure covering all production purchases and incorporating the stakes relating to the Duty of Vigilance,
- Formalizing a supplier and subcontractor code of conduct incorporating the guidelines from the Group Code of Conduct.

However, as a result of the health crisis, the assessment of strategic suppliers and/or suppliers of raw materials (gelcoats, catalysts, resins, timber) will continue during the first half of 2021, incorporating the risks relating to the duty of vigilance.

# 7.2 Risk mapping: identifying and assessing the risks generated by Groupe Beneteau's activities

## SCOPE

Groupe Beneteau's risk mapping was carried out in FY 2018-2019, covering the risks relating to the areas addressed by the vigilance plan. This approach was led by the Internal Control Department, in partnership with an external provider. The scope for this mapping covers the Boat and Housing activities, and all the subsidiaries located in France and other countries. SJ Delphia, the company acquired in December 2018, was not included in the mapping scope when it was carried out.

## CONTINUOUS IMPROVEMENT AND UPDATES

The risk mapping (Groupe Beneteau activities) will be updated on a regular basis and at least every three years. The following table presents the measures put in place to prevent the risks identified as major during the risk mapping process. For each major risk, this table refers to the Non-Financial Information Statement sections that present the risk management policies and their results in more detail.

| Major risks | Mitigation or prevention actions | Monitoring arrangements | Non-Financial Information Statement reference |
|---|---|---|---|
| **Human rights and fundamental freedoms** | | | |
| Discrimination<br>Gender inequality<br>Harassment | Code of Ethics<br>Code of Conduct<br>HR policy for gender equality<br>Training on workplace harassment and sexist behavior | Departments:<br>· Human Resources<br>· Internal Control | Stake 12 |
| **Environment** | | | |
| Environmental impacts | Environmental policy<br>ISO 14001 and 50001 certification | HSE Manager in each subsidiary | Stake 8 |
| Insufficient or inappropriate treatment of waste | Environmental policy<br>ISO 14001 and 50001 certification | HSE Manager in each subsidiary | Stake 8 |
| Non-recyclability of product components / materials | Eco-design approach | Product development teams<br>HSE Manager in each subsidiary | Stake 7 |

| Major risks | Mitigation or prevention actions | Monitoring arrangements | Non-Financial Information Statement reference |
|---|---|---|---|
| **Personal health and safety** | | | |
| Occupational accidents | BSAFE plan | HR Department<br>HSE Manager in each subsidiary | Stake 1 |
| Raising awareness on insufficient or inappropriate personal safety | BSAFE plan | HR Department<br>HSE Manager in each subsidiary | Stake 1 |
| Psychosocial risks | Developing the managerial culture<br>Quality of life at work plan<br>Code of Ethics<br>Code of Conduct | Departments:<br>• HR<br>• Internal Control | Stake 12 |

## SUPPLIERS AND SUBCONTRACTORS

During this year, the Group drew up a specific Code of Conduct for its suppliers and subcontractors, setting out the social, societal and environmental commitments required by the Group, modelled on the Group Code of Conduct. The Supplier Code of Conduct covers the following areas:

- Human rights and fundamental freedoms,
- Workplace health and safety,
- Environment,
- Ethical business practices and anti-corruption.

This Code of Conduct was drawn up by a multidisciplinary team, with representatives from the Procurement, QHSE, Legal, Corporate Communications and Internal Control teams. It was approved by the Management Board and the Ethics and CSR Committee. It is available on the Group's corporate site.

An information campaign targeting all suppliers was carried out in July 2020 presenting the Supplier Code of Conduct and approach. In autumn 2020, the strategic suppliers were asked to sign this Code of Conduct electronically. As the percentage of signatures at December 31, 2020 was less than 100%, actions will continue to be carried out in 2021.

The Group also drew up a CSR questionnaire that was sent out in July 2020 to all of the strategic suppliers and/or suppliers of raw materials (gelcoats, catalysts, resins, timber). An initial assessment was able to be carried out on 105 of the respondents. The analysis will continue in 2021 and lead to action plans.

The Group has mapped out two priority objectives for FY 2021:

- Defining a supplier risk management methodology incorporating the duty of vigilance stakes and supporting suppliers in these areas,
- Updating the general conditions for sales to incorporate a specific Duty of Vigilance clause into customer contracts. Dealer and campsite customers perform an after-sales service on behalf of the Group.

## WHISTLEBLOWING PROCEDURE

Groupe Beneteau has chosen to have one dedicated whistleblowing procedure that meets the requirements of both the French Sapin 2 law and the French duty of vigilance law. Alerts are collected using an online platform that is open to all the Group's staff and all its internal and external stakeholders. These arrangements guarantee the confidentiality of the identity of the whistleblower, the facts reported and the people concerned by each case.

During FY 2019-2020, Groupe Beneteau did not receive any alerts concerning the stakes and risks relating to the duty of vigilance.

In FY 2021, Groupe Beneteau is committed to continuing to communicate on the whistleblowing procedure through an Ethics and Compliance communications plan, led by the Internal Control Director.

# 8. Non-Financial Information Statement

Presented on July 9, 2020, the Let's Go Beyond! plan sets Groupe Beneteau's strategic heading as it looks ahead to 2025. While the 16-month transition year FY 2019-2020 was marked by the health crisis and its consequences for all of the Group's activities, significant progress was made in terms of CSR policy governance. The Board of Directors' specialized ethics committee saw its missions extended to become the Ethics and CSR Committee. The Management Board is responsible for overseeing the CSR strategy, while the management and coordination of this approach with the various activities is entrusted to the Corporate Communications Department.

## 8.1 Business model

Groupe Beneteau operates in two areas: building and marketing recreational boats with an ambition to further develop its activities relating to boat services; building and marketing leisure homes and alternative forms of accommodation for campsites. The Boat Division represents 85% of the Group's revenues, with the remaining 15% generated by the Housing Division. The Group also has a financing activity for its two Divisions, through SGB Finance, in which it has a 49% stake.

# BUSINESS MODEL

## ASSETS & RESOURCES

**HUMAN CAPITAL**

**7,528 employees** with 92% on permanent contracts

**4 in-house training centers** en France et en Pologne in France and Poland for employees and temporary staff

Involvement in the training networks for boat-related careers

**71% global employee satisfaction rate** (2019 internal opinion survey result)

**INTELLECTUAL CAPITAL**

**4 R&D centers:** France, Poland, Italy, United States

**8 strategic boat brands**

**2 market-leading leisure home brands**

**FINANCIAL CAPITAL**

€541m of shareholders' equity

Stable shareholding structure: 54% of the capital held by BERI 21, the family holding company

**INDUSTRIAL CAPITAL**

**12 Boat sites*:** 8 sites in France, 2 in Poland, 1 in Italy and 1 in the United States

**8 Housing sites:** 7 sites in France and 1 in Italy

**ENVIRONMENTAL CAPITAL**

**Raw materials:** resins, gelcoats, timber

**Production:** $CO_2$ emissions linked to energy consumption: 2.51 kg $CO_2$-eq/1000 hours worked

**In use:** development of alternative propulsion solutions for boats and landscape integration solutions for leisure homes

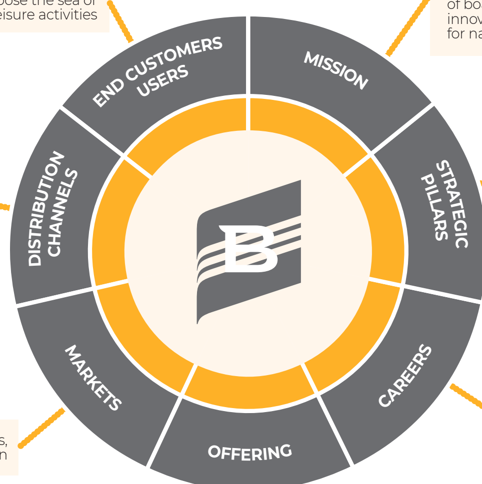
** Following the announcement in 2020 that two sites in France were to close, and one American site and the Slovenian subsidiary were to be sold*

Millions of recreational boat users and holidaymakers who choose the sea or camping for their leisure activities

Offering everyone the opportunity to share moments of joy and discovery on the water; facilitating access to the world of boating by creating simple and innovative solutions for life, with respect for nature.

Boats: over 1,300 points of sale worldwide

Leisure homes: 3 million pitches at campsites across Europe, with 930,000 in France




Further strengthening the House of Brands on 4 strategic markets

Improving industrial efficiency and reducing development times and costs

Creating value with services / Adapting the organization and developing talents

Boats, Outdoor accommodation

Design, Production, Distribution coordination, Services

Recreational boats (sailing and motor), Leisure homes, Boat services, Financing

## 2020 ACHIEVEMENTS

**HUMAN CAPITAL**

**507 permanent staff recruited** (worldwide)

62 interns in France (80% of fixed-term contracts in France)

8.4h of training per employee on average

15% reduction in the accident frequency rate

**No Covid-19 clusters at the sites**

Progress with the 2020 gender equality index

**INTELLECTUAL CAPITAL**

**22 new boat models**

Virtual shows and new formats created with our dealers

Innovation and co-design with our suppliers

**FINANCIAL CAPITAL**

16-month revenues: **€1,344.4m**

EBITDA : **€93m**

Net cash: **€93.4m**

**INDUSTRIAL CAPITAL**

€67.5m of investments

Adaptation of production capacity*

More than **9,000 boats and 10,000 leisure homes sold**

**ENVIRONMENTAL CAPITAL**

**Procurement:** 41% of purchases placed with local suppliers

**Production:** 80% of non-hazardous waste recycled / recovered in France

**Decommissioning:** participation in the French decommissioning channels

** Following the announcement in 2020 that two sites in France were to close, and one American site and the Slovenian subsidiary were to be sold*

## VALUE FOR STAKEHOLDERS

**2019-2020 REVENUES (16 months)** €1,344.4M

**EMPLOYEES (COMPENSATION)** €441M

**SHAREHOLDERS (DIVIDENDS PAID IN 2020)** €18.85M

THE GLOBAL GOALS

# 8.2 Analysis of non-financial stakes and risks

Groupe Beneteau bases its analysis of non-financial stakes and risks on the materiality matrix drawn up in FY 2018-2019. This matrix was developed with the internal stakeholders (including executives, employees, shareholders, employee representative partners) and external stakeholders (including customers, users, dealers, suppliers, training partners, civil society, non-profits, public authorities) who helped identify and prioritize the various non-financial stakes. 44 stakes were identified, including nine priority stakes. The two stakes relating to CSR policy governance were addressed in FY 2019-2020. During FY 2018-2019, the risks relating to its activities were also mapped by the Internal Control Department.

The risks relating to the fight against food insecurity and respect for animal welfare, as well as the risks relating to responsible, fair and sustainable nutrition, have not been analyzed because they are not considered to have any direct or indirect links with Groupe Beneteau's activities.

The following table presents the 13 non-financial stakes and risks based on the combined analysis of the risks identified by the materiality matrix and the risk mapping process.

| Social and societal | Environment | Anti-corruption | Human rights | Anti-tax evasion |
|---|---|---|---|---|
| 1. Ensuring a safe and healthy work environment for our employees | 6. Ensuring the safety of industrial operations | 11. Ensuring ethical business practices | 12. Safeguarding human rights and fundamental freedoms; combating discrimination, gender inequality and harassment | 13. Protecting the company against risks relating to tax evasion and fraud |
| 2. Ensuring product quality for consumer safety | 7. Reducing the environmental impact of our products during their use | | | |
| 3. Developing the skills required for the company's sustainable performance | 8. Reducing the environmental impact of our industrial operations | | | |
| 4. Attracting talents and further strengthening the appeal of careers in the boat sector | 9. Developing responsible procurement and long-term supplier relations | | | |
| 5. Managing health risks effectively to safeguard employees' health and ensure business continuity | 10. Contributing to the deconstruction channels | | | |

# 8.3 Core non-financial stakes

## 8.3.1 SOCIAL AND SOCIETAL

### STAKE 1: GUARANTEEING A SAFE AND HEALTHY WORK ENVIRONMENT FOR OUR EMPLOYEES

**Description of the risk**

Protecting the physical integrity and ensuring the safety of each employee is an absolute priority for Groupe Beneteau. The main risks relate to the industrial activities and concern exposure to hazardous chemical agents and dusts, manual load handling operations at workstations, falls from height, plant organization and product configuration aspects. In 2019-2020, exposure to biological risks (virus) was incorporated and recovery plans then business continuity plans for staff who were unable to work from home were put in place (see Stake 9). The risks are assessed and ranked based on their severity, frequency and occurrence. Undesired events (near-miss accidents, treatments applied, accidents with or without time off work, occupational illnesses, fire outbreaks, spillage, etc.) are systematically recorded and analyzed. Action plans are rolled out to prevent them from reoccurring.

**Policy and objective**

Adopted in 2016, the multi-year safety action plan BSAFE is deployed at all the sites in France and the US. The Polish and Italian subsidiaries are rolling out similar programs. The 2020 target is to halve the number of accidents compared with the reference year 2015-2016 for the Group's CSR scope (all production subsidiaries), reducing the frequency rate for employees by 25% each year. The 2022 target will be to reduce the frequency rate by 20%, with an interim target of -10% at end-2021. To achieve this collective target, each production site is set an individual safety target.

Regular assessments (in-house by the sites and external by the experts appointed) are carried out to assess the level of maturity and progress points for each site. These assessments lead to collective action plans for the Group or site-specific plans.

**Actions rolled out in 2019-2020**

The BSAFE program is based on training the management team and developing safety awareness among all employees, including permanent and temporary staff, apprentices and interns. The key message with the BSAFE training is responsibility: collective responsibility, because safety is everyone's concern, and individual responsibility, because everyone has a role to play in this area. The safety dialogue reviews are a core part of this program, providing opportunities for exchanges between operators and managers on safety aspects.

In addition to the standard regulatory training courses (CACES for handling, electrical accreditations, etc.), programs are offered covering safety guidelines and risks, the use of hazardous materials, how to act and behave, and chemical risk prevention for the Boat Division's composites activity. In 2019-2020, an ergonomics awareness program was carried out for the various support activities (product development, procurement and logistics).

**2019-2020 results**

The production sites did not record any major industrial accidents in 2019-2020. More than half of the safety investments in 2019-2020 focused on operators' exposure to hazardous chemical agents. These investments in equipment have made it possible to ensure the suitability of the collective aspiration - and blowing - systems with volatile organic compound emissions at the sites and particularly in the molding units. Emissions are also reduced by using closed mold techniques, which cover +62% of the parts produced (based on the tonnage of resins and gelcoats recorded by SPBI in 2019).

Another key strategy for reducing employees' exposure levels involves replacing conventional resins and gelcoats with low-styrene products (68% of the resins used).

**Group health and safety investments in 2019-2020: €4.26 million**

**In France**

- 8,308 safety dialogue reviews carried out
- 88 managers trained on BSAFE
- More than 2,955 people trained on safety
- More than 85% of deferred risk correction actions carried out

### Key performance indicator

**Accident frequency[1] – CSR scope**

| Performance indicator, CSR scope | BSAFE 2020 target | 2019-2020 (16 months) | 2018-2019 (12 months) | 2015-2016 reference year |
|---|---|---|---|---|
| Employee frequency rate | 16 | 21.13<br>-15% year-on-year<br>-36% vs. reference year | 24.6 | 32.7 |
| Employee severity rate | NA | 1.19 | 0.88 | 1.63 |

| France scope | 2019-2020 (16 months) | 2018-2019 (12 months) | 2017-2018 |
|---|---|---|---|
| Days of absence due to occupational illness | 18,298<br>+1.4% vs. 2018-2019 | 13,228<br>-12% vs. 2017-2018 | 15,032 |

## STAKE 2: ENSURING PRODUCT QUALITY FOR CONSUMER SAFETY

**Description of the risk**

In the boating sector, quality is a particularly crucial safety issue for consumers and end users due to the conditions in which boats are used. Looking beyond the aesthetic considerations with perceived quality, the non-quality risks for the Boat Division are linked directly to potential safety risks for end users.

**Policy and objective**

The Boat Division's quality policy is based on a multi-year roadmap that aims to improve quality in four areas: product quality, development quality, supplier purchases quality and production quality. On a day-to-day basis, the critical non-quality points are analyzed and managed according to their impact on consumer safety. This dynamic loop approach aims to rapidly integrate corrections in the model development and/or production phases. When developing a new model, all of the boat's critical safety functions are approved by the quality teams. These teams also accompany the water launches for a particular model's first units in order to carry out quality audits on the boats during sea trials under the conditions that they would be used in by customers.

For procedures concerning purchases that are considered to be sensitive or critical from a quality and consumer safety perspective, suppliers are selected based on a matrix with recommendations covering the quality and safety criteria expected. In the event of production issues relating to equipment that has been purchased, the supplier concerned is involved in addressing and resolving the issues with a view to preventing the quality risk from occurring again.

During the boat building process, the intermediate and final quality controls are intended to identify and correct any defects. Groupe Beneteau's in-house training centers make it possible to train and accredit operators for all operations involving risks for the boat's compliance.

To guarantee the safety of its boats throughout their use, the Groupe Beneteau's brands offer technical training programs for the dealer networks over several days, provided at its in-house training centers and led by the after-sales service and training center teams, with certain suppliers also involved. The brands all have a dedicated mobile after-sales service team who visit dealers worldwide to provide them with support and training on technical aspects.

In the Housing Division, the quality approach is rolled out with an industrial monitoring plan based on compulsory checkpoints throughout the production process: safety, functional and design checks during production and on existing products. Upstream from production, qualification tests are carried out to validate all the components and products.

1 Exclusively for companies with production activities

**Actions rolled out in 2019-2020**

During FY 2019-2020, the ISO 9001 certification for quality management was renewed for all the subsidiaries concerned, which represent 87% of the Boat Division's revenues.

Groupe Beneteau's in-house training centers share technical know-how and issue certificates, valid for three years, for activities and operations that involve quality and/or safety risks, such as installing gas circuits and gluing portlights or decks.

The Boat development teams increasingly work on a co-design basis with suppliers for the Group's new models. Each year, a supplier quality audit schedule is drawn up, covering a dozen suppliers. The schedule is based on the significance and critical nature of the suppliers (including quality aspects). The procurement and quality teams carry out these supplier quality audits together and determine a quality rating. These actions are all intended to reduce the non-quality risk resulting from purchases and the average change in the overall rating for suppliers is improving, with nearly 70% of suppliers awarded an A rating.

During this year, the work of the technical correspondents from the after-sales service teams covering the various brands around the world was significantly disrupted as a result of the health crisis and the major travel restrictions in place. Insofar as possible, the teams have continued to provide their support remotely, using videoconferencing and other tools.

### Key performance indicator

Set up in 2019-2020, this indicator will be published from FY 2021.

## STAKE 3: DEVELOPING THE SKILLS REQUIRED FOR THE COMPANY'S SUSTAINABLE PERFORMANCE

**Description of the risk**

For the industrial activity to build recreational boats and leisure homes, insufficient skills may be a source of non-quality and result in products that may involve risks for end users.

**Policy and objective**

Groupe Beneteau's training policy is focused on developing know-how and skills by providing training for employees throughout their careers, supporting the development of skills and facilitating career development paths within the company.

More specifically, the training plan has been created to support Groupe Beneteau's priority areas: technical know-how, industrial excellence, managerial efficiency, quality and safety awareness[1].

**Technical know-how**

With complex professions and few training programs available for the boat industry, Groupe Beneteau has set up its own technical training centers in Vendée and Bordeaux in France, as well as in the US and Poland. They make it possible to share technical boat building know-how (molding with composite materials, boat assembly and installation) and also provide training for staff from the product development teams and engineers when they join the Group.

In France, the trainers are all former operators, with extensive experience, ensuring that the Group's culture, fine craftsmanship and industrial know-how can be passed on. Mentoring actions make it possible to provide continuous on-the-job training for employees (AFEST). The training catalogue covers more than 100 topics and new modules are added each year to take on board technological innovations for the boats built by the Group.

**Industrial excellence**

Alongside the technical know-how and quality training programs, two project management and methods career development pathways are offered respectively for staff from the plant methods and product development launch methods teams, as well as for project managers.

**Actions rolled out in 2019-2020**

The lockdown periods in France and the measures introduced by governments in the other countries where the Group operates significantly disrupted the training schedules. Several training programs were held during the periods when staff were on furlough. Some training actions that were initially scheduled for in-person sessions were adapted to be provided online. However, this approach was not suitable for certain topics (e.g. technical courses during which learning how to do things in person is essential) and the conditions for online learning were not always optimal (availability of IT equipment, quality of internet connections at home, availability, etc.).

1 The training actions focused on safety and quality are presented respectively under Stakes 1 and 2 in this Non-Financial Information Statement for 2019-2020.

With the resumption of activity, and to effectively manage absenteeism in the plants, various training courses had to be deferred or cancelled. The launch of job protection plans in the French subsidiaries in autumn 2020 also disrupted the training schedule and its implementation. These factors account for the reduced number of hours of training per employee this year.

### Key performance indicator

| Number of hours of training per employee (permanent contracts) | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| France | 9.34 | 10.9 |
| CSR scope | 8.37 | NA (errors in historical data) |

## STAKE 4: ATTRACTING TALENTS AND FURTHER STRENGTHENING THE APPEAL OF CAREERS IN THE BOAT SECTOR

### Description of the risk

Careers in industry and particularly boat building are generally not very well known by members of the public and young people in particular. With limited visibility as an employer, this sector struggles to promote itself and attract talents for the careers available with boat building.

### Policy and objective

To raise awareness and promote the careers available with boat building, Groupe Beneteau is actively involved in the work of the boating qualifications and careers campus (Campus des Métiers et des Qualifications du Nautisme) in France's Pays de Loire region.

### Actions rolled out in 2019-2020

In December 2019, Groupe Beneteau launched the "Become a Boat Builder" (Deviens constructeur nautique) campaign online and on the Paris Boat Show's employment space. It also launched a website presenting boat building careers and know-how: deviens-constructeur-nautique.fr. The "Become a Boat Builder" site contains extensive information on the Group's various career opportunities, from undergraduate to postgraduate. It also presents the training offered, including pre-recruitment programs, which are fully reimbursed and covered, as well as events offering opportunities for candidates to talk directly with recruiters.

For the start of the 2020 academic year, Groupe Beneteau maintained its commitment to work-based training programs despite the health crisis and its consequences, which forced it to scale down the number of interns taken on. Around 20 work-based training contracts were set up in France, including a group of apprentices trained as part of the CAP composites program in partnership with CFA – MFR de Saint-Gilles-Croix-de-Vie. The other work-based training contracts covered activities such as joinery, continuous improvement, industrial projects, IT development, engineering and accounting. To encourage different generations to mix and knowledge to be shared, each young person is mentored by a very experienced member of staff in their area.

The boating qualifications and careers campus, which is chaired by Groupe Beneteau, covers three key areas: the attractive positioning of careers and training opportunities, the effective alignment between the training offered and the skills required by businesses, as well as collaborative projects and actions. The Campus regularly carries out actions in the Pays de Loire region to promote careers in boat building, such as taking part in various regional career fairs (Salon de l'étudiant, Semaine de l'emploi maritime, employment-training fairs, etc.) and giving presentations every two weeks in middle schools, high schools and training centers. For the start of the 2020 academic year, the Campus launched the "sea induction course" and the "certificate of competence for the introduction to the sea program" for middle-school students with a view to promoting careers relating to the sea as an essential preliminary step for encouraging them to consider training and careers in the maritime sector. Lastly, the project to set up a boat industry employers association for integration and qualifications (GEIQ) is currently being looked into.

### 2019-2020 results

35 new work-based training contracts were set up for the start of the 2020 academic year in France, in the Boat Division. After reviewing businesses' requirements, the Boat Building Campus adapted the courses offered by the training centers to meet these needs by creating and adapting the following programs: FCIL boat preparation

technician, two professional baccalaureate courses in digital systems / connected environments and electricity, professional qualification as a timber and composites fitter.

### Key performance indicator

**France scope – Number of people on work-based training contracts at December 31, 2020**: 62, representing 80% of the fixed-term contracts in France

## STAKE 5: MANAGING THE HEALTH CRISIS EFFECTIVELY IN ORDER TO SAFEGUARD EMPLOYEES' HEALTH AND ENSURE BUSINESS CONTINUITY

#### Description of the risk

In the context of Groupe Beneteau, the health risk may result in operations being disrupted due to the unavailability of employees and, by extension, skilled replacements, which may also lead to a safety and quality risk. The Covid-19 health crisis began by affecting the Group's operations in Italy in February 2020, before quickly spreading to all the countries where it operates.

#### Policy and objective

As a result of the Covid-19 health crisis, the Group suspended all of its industrial operations for six weeks in March-April 2020. The development of the business continuity plan aimed to define the technical and organizational actions enabling the absenteeism rate to be kept within limits making it possible to maintain production activities at each site.

These activities were able to gradually resume from the end of April 2020, rolling out a restart plan that made it necessary to adapt the working times and organization in the plants, while drawing up new guidelines for use of communal areas at the production sites and putting in place new health protocols and prevention measures. This prevention approach includes setting up communication and guidelines for staff and at workplaces, and providing appropriate personal protective equipment (masks, hand sanitizer, disinfection kits), in addition to cleaning and disinfecting workspaces and shared resources. When they were able to carry out their missions remotely, staff were encouraged to work from home for all activities, across all the subsidiaries and the various countries.

The Covid-19 Steering Committee, set up at Group level, has monitored developments with the health crisis each week. This Committee checks that the prevention measures applied are effective and recommends possible improvements. A Covid-19 memo is sent out every week to all employees.

#### 2019-2020 actions and results

Changes in the number of positive Covid-19 cases and contacts have been monitored every week since March 2020. The incidence rate and mortality rate criteria for the regions concerned have guided the level of protection put in place depending on the vulnerability of each site.

At the production sites, the Covid-19 health crisis has required specific measures to be put in place, making it necessary to adapt certain operational processes and quality procedures, without altering their scope.

The Group has put in place an ad hoc, non-dynamic indicator calculated based on the number of cases in relation to the total headcount (equivalent to the frequency rate / 1,000 people). This indicator has made it possible to monitor changes in the number of cases and to reinforce the prevention measures in certain sectors.

During the year, Groupe Beneteau did not record any Covid-19 clusters at its sites.

### Key performance indicators

| Absenteeism rate<br>CSR scope | 2019-2020<br>(16 months) | 2018-2019 | 2017-2018 |
|---|---|---|---|
| Illness | 5.82% | 5.69% | 5.73% |
| Occupational accident / illness | 0.58% | 1.14% | 1.39% |
| Other[1] | 0.34% | 0.71% | 0.63% |
| **Total absenteeism rate** | **7.33%** | **7.54%** | **7.75%** |

## 8.3.2 ENVIRONMENT

### STAKE 6: ENSURING THE SAFETY OF INDUSTRIAL OPERATIONS

**Description of the risk**

Ensuring the safety and therefore the reliability and continuity of industrial operations requires prevention and protection actions to be carried out that cover the main risks, i.e. outbreak of fire, spillage and accidental pollution linked to fires.

**Policy and objective**

For the Boat Division and the Housing Division, the Health, Safety, Environment and Energy (HSEE) Departments work, both at each site and centrally, on risk prevention with a view to ensuring the effective management of the processes and activities that are essential to the safety of products.

The prevention actions, such as passive defense measures (fireproof construction) and active defense measures (anti-spill barriers, firefighting resources, etc.), contribute to an initial reduction of the risk. They are combined with organizational measures (management of flammable liquids, fire permit checks, creation of in-house fire response teams) and training programs (during onboarding, for first responders or for the first people to observe a fire) in order to help prevent unwanted events (fire, fire outbreak). If an unwanted event occurs, the protective systems in place help ensure that its impact is limited (annual exercises, deployment and checking of sprinklers and smoke evacuation systems, partitioning, etc.).

The internal emergency plans for the various sites are regularly updated and tested.

All the sites have the capacity to contain a potential spillage accident, leak or fire extinction water thanks to the equipment in place (e.g. water-tight discharge areas, secure storage areas, shutter mechanisms, containment ponds and intervention kits).

This equipment is further enhanced each year to improve the prevention of spillage risks.

For new construction operations (new sites, extensions or changes to existing sites), the protection systems are scaled in accordance with the potential risks.

**Actions rolled out in 2019-2020**

In the Boat Division, 11 of the 12 sites in France are classed as regulated environmental protection facilities (ICPE[2]). Each new industrial project is reviewed with the State services, making it possible to inform the services concerned of any changes made.

The "ETARE" plans for listed facilities are reported to the local and regional emergency services. Regular exercises are carried out with these emergency services to improve their ability to intervene at sites that they are already familiar with. Weekly tests to check that the fire sprinkler systems are working correctly are carried out at each production site and audits are regularly conducted to ensure that these checks are correctly followed up on.

1 Maternity leave, leave for personal reasons, unjustified absences
2 Installation classée pour la protection de l'environnement

In France, the Boat Division works closely with its insurers to look into new industrial projects and securing existing activities. Facilities are visited at all the sites, making it possible to highlight good practices and points for progress to be acted on with a view to reaching the levels of safety required for the entire Boat Division. The HSEE manager is responsible for the environmental management program, overseen by the HSEE Department.

### Key performance indicator

During FY 2019-2020, there were no major industrial accidents or fires (spreading outside the limits of the site or having a lasting impact on production) at Groupe Beneteau sites.

## STAKE 7: REDUCING THE ENVIRONMENTAL IMPACT OF OUR PRODUCTS DURING THEIR USE

#### Description of the risk

With particularly long lifespans and useful lives (30 to 40 years on average), recreational boats are used on seas, lakes and rivers around the world. The main environmental impacts relating to their use concern their propulsion systems and the gas emissions and noise generated by petrol or diesel combustion engines, as well as the composition and frequency of their antifouling paint, the wastewater generated on board and the behavior of users when navigating, moored or in port. The lifecycle analyses found that 87% of the greenhouse gas emissions generated by motorboats during their lifecycle are linked to their use phase. The proportion is 45% for sailing yachts.

#### Policy and objective

From the boat design phase, the teams work in three areas making it possible to reduce the environmental impact of recreational boats: how their naval architecture and engineering (including their propulsion system) can improve the boats' overall performance levels; how to limit the consumption of raw materials and use more sustainable materials[1] (composites, timber, recycled or bio-sourced plastics); how to offer more comfort on board, while reducing energy consumption.

Naval architecture and engineering make it possible to reduce the boats' weight and design hulls that improve their buoyancy with a view to reducing engine consumption levels at sea. On-board energy management covers renewable energy production (solar panels, wind power) and storage, as well as the choice of more energy-efficient equipment.

Communication to encourage best practices for the upkeep, maintenance and environmentally responsible use of boats is essential in order to limit the environmental impact of recreational boats. Groupe Beneteau's various brands regularly distribute messages for boat users aimed at raising their awareness. The boat maintenance manuals include the environmental best practices to be adopted for boat use, upkeep and maintenance.

The Housing Division's eco-design approach is based on choosing environmentally-friendly materials, energy-efficient equipment and solutions that facilitate decommissioning, based in particular on the following aspects: choice of materials and components (phthalate-free products, timber from PEFC certified and environmentally-managed forests, recyclable steel, glass wool and cladding), optimization of leisure home water and energy consumption (LED lighting, A or A+ rated appliances, centralized technical management solutions for energy, outdoor lighting timers), simple cleaning and maintenance, landscaping integration of homes, optimization of leisure home deployment (reversibility, waste generated), reduction of impacts relating to upstream and downstream transportation.

#### Actions rolled out in 2019-2020

In line with the *Let's Go Beyond* strategic plan, the Delphia brand has been repositioned to offer a range of electric boats designed and developed to limit the environmental impact of using boats on inland waterways. In addition, several models of sailing yachts and motorboats available with combustion engine systems have been developed to offer electric versions, which will be on sale from autumn 2021.

To further strengthen the landscape integration of leisure homes at the natural sites where they are located, and limit what may be considered as their visual pollution, the Housing Division has worked with its supplier to jointly develop a 3D printed outer skin making it possible to reproduce the surrounding mineral or plant environment.

1 See Stake 8 – Reducing the environmental impact of our industrial operations

### Key performance indicator

As the Let's Go Beyond! strategic plan was adopted in July 2020, the key performance indicator is currently being defined and will be published from FY 2021.

## STAKE 8: REDUCING THE ENVIRONMENTAL IMPACT OF OUR INDUSTRIAL OPERATIONS

**Description of the risk**

The industrial operations manufacturing products account for a significant percentage of the greenhouse gas emissions (the other significant percentage is linked to the use phase). As part of its environmental management programs, Groupe Beneteau looks to reduce the environmental impact of its industrial operations relating to the production of recreational boats and leisure homes.

**Policy and objective**

The areas for work making it possible to limit the environmental impact of production operations and greenhouse gas emissions are based on reducing the consumption of raw materials, improving the energy efficiency of production sites, reducing greenhouse gas and pollutant emissions, and ensuring effective control over waste generation. To date, Groupe Beneteau does not have a climate change policy.

Part of this objective to reduce the environmental impact of industrial operations is covered by the design choices for boats, which make it possible to limit the consumption of raw materials and use more sustainable materials (composites, timber from sustainably managed forests, bio-sourced or recycled plastics). For boat production, the environmental management program defines the framework for the actions carried out at the production sites. These actions are then checked in connection with the ISO 9001, 14001 and 50001 certifications, which are based on environmental analysis, setting up improvement plans with significant impacts, and setting objectives with a view to respecting commitments for the certified sites in France and Poland. Over the coming years, the scope for certified sites is expected to increase.

The Housing Division is following an ISO 14001 approach, although without aiming to renew its certification.

Timber is used to produce interior fixtures and fittings for the boats and leisure homes, as well as their timber frames. Timber is a renewable resource and the Group aims to optimize its consumption and increase the percentage of timber from environmentally-managed forests in order to ensure the sustainability of resources.

**Actions rolled out in 2019-2020**

The actions rolled out concern the following aspects: consumption of raw materials, energy performance, VOC emissions and waste.

With regard to the consumption of raw materials, the Group is continuing to deploy more efficient machines, making it possible to limit resin and gelcoat consumption during injection and infusion. Non-structural composite parts have been produced for certain boat models using natural fibers instead of fiberglass. Various tests are underway with suppliers to validate the use of recycled materials in the composition of sails and external fabrics (biminis).

The Group is rolling out actions at all the production sites to improve energy performance, including: thermal insulation of buildings (roofing or cladding) when they are subject to work, centralized monitoring of energy (setting up central technical management systems and operational monitoring of energy consumption), installation of destratifiers (ensuring better consistency of heat and avoiding heat loss in the molding units, which represent 60% of gas consumption), detection of compressed air leaks (monitoring of consumption levels and checking of installations, because compressed air represents 10% of energy consumption), optimization of ventilation in the units, installation of LED lighting, integration of energy performance criteria into purchases, optimization of heating use, rollout of a vehicle booking and ride-sharing system, and employee awareness actions. The target is to improve energy performance by 5%.

Pollutant emissions are linked primarily to volatile organic compounds (VOC) with the composite activities (use of resins, gelcoats, adhesive sealants and solvents) and woodwork activities (varnishing wood) for building recreational boats. Each year, the Group sets itself a target to reduce its emissions compared with the previous year. It is putting in place the following actions in two areas:

- Composite materials: focusing in priority on injection and infusion techniques, replacing resins and adhesive sealants with low-styrene products, reducing acetone consumption;
- Timber: reducing consumption of solvent-based varnishes (replacement with water-based varnishes).

Each year, the material assessments and solvent management plans are communicated on with the stakeholders concerned.

To ensure effective control over waste generation with its industrial operations, the Group aims to manage waste production effectively by reducing its consumption of materials, increasing its non-hazardous waste recovery and recycling rate, and adopting solutions to reduce the transportation of waste. Waste management focuses on recycling actions, then the recovery of non-hazardous waste, limiting its transfer to landfill and the generation of hazardous waste. All of the sites sort their waste, with various channels for recovery and reclamation, particularly for packaging (cardboard, plastics, metals) and timber. The non-hazardous waste that cannot be recycled is used to produce energy (incineration). Each ton of waste processed enables the provider to produce 30KWh of electricity. Actions are rolled out to increase hazardous waste recovery (regeneration of acetone-contaminated waste, WEEE and batteries, recycling or reuse of containers after washing). Most of the hazardous waste is incinerated with energy recovery systems by our providers.

**2019-2020 results**

In 2019-2020, all of the ISO 9001, 14001 and 50001 certifications were renewed.

## Key performance indicators

Most of the environmental indicators are presented as a ratio in relation to the number of hours worked, which include temporary staff. VOC and $CO_2$ emissions are higher for FY 2019-2020, which covered 16 months of activity, including two four-month periods (September/December) with strong levels of industrial activity. The data on raw materials, water and energy consumption is appended.

**Volatile organic compound (VOC) emissions**

| CSR scope | 2019-2020 (16 months) | 2018-2019 (12 months) | 2017-2018 |
|---|---|---|---|
| Production site VOC emissions<br>kg / 1000 hours worked | 78.3<br>-1% | 79.2<br>-7% | 85.1 |

**Carbon dioxide ($CO_2$) emissions**

| CSR scope | 2019-2020 (16 months) | 2018-2019 (12 months) | 2017-2018 |
|---|---|---|---|
| $CO_2$ emissions linked to energy consumption<br>kg$CO_2$ eq / 1000 hours worked | 2.51<br>+4% | 2.41<br>-4% | 2.50 |

**Non-hazardous waste recycling / recovery rate**

| Non-hazardous waste recycling and recovery rate | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| France | 80.5% | 72.4% |
| CSR | 65.6% | 65.3% |

## STAKE 9: DEVELOPING RESPONSIBLE PROCUREMENT AND LONG-TERM SUPPLIER RELATIONS

### Description of the risk

As the contracting authority, Groupe Beneteau ensures that its suppliers make a positive contribution to social and environmental commitments, and that they respect human rights.

### Policy and objective

With its suppliers, Groupe Beneteau is committed to a sustainable development approach, ensuring ethical business practices. The Procurement function is a key player within the CSR strategy of Groupe Beneteau, which wants to establish long-term, trust-based relationships with its suppliers and subcontractors. The Group's responsible procurement policy engages all stakeholders across its value chain.

### Actions rolled out in 2019-2020

During FY 2019-2020, Groupe Beneteau adopted its Supplier Code of Conduct, which is available in seven languages (French, English, Italian, Spanish, Polish, German, Chinese), and distributed it to all of its suppliers. Dedicated communications were shared with each strategic supplier, who confirmed their acceptance of the Code, covering 150 suppliers in total. The Supplier Code of Conduct is systematically referred to in all new procurement contracts. The Procurement teams have also raised awareness among production subcontractors on the application of this Code. Lastly, a questionnaire was sent out to the strategic suppliers with a view to better identifying their CSR approach and enabling the Group to put in place any support measures required.

As a result of the health crisis and the travel difficulties, the Supplier Quality Assurance audits, focused on quality, environmental and social criteria, were not able to be carried out.

On July 30, 2020, Groupe Beneteau signed a framework transatlantic transport agreement with NEOLINE, a new French shipowner and energy transition pioneer specialized in out-of-gauge freight. By loading the boats built in Pays de Loire at Saint-Nazaire port, Groupe Beneteau will be able to significantly reduce the percentage of road transport that is necessary today to reach the ports of departure for transatlantic lines. Sailing-based roll-on roll-off cargo shipping, as offered by NEOLINE, will make it possible to reduce greenhouse gas emissions by almost 90% and will be operational in 2023.

As part of its eco-design approach, the Housing Division applies a responsible procurement policy for materials and components with a view to limiting the environmental impact of leisure homes[1].

### Key performance indicator

**Percentage of purchases placed with local suppliers in France**: 40.96%

## STAKE 10: CONTRIBUTING TO THE DECONSTRUCTION CHANNELS

### Description of the risk

In France, two eco-organizations - APER and Eco Mobil-Home - are respectively in charge of the decommissioning channels for recreational boats and leisure homes at the end of their lives. Recreational boats reach the end of their lives 30 to 40 years after being built, while leisure homes have a lifespan of a dozen years.

### Policy and objective

Groupe Beneteau is actively engaged in the decommissioning sectors: it actively participates in the work carried out by their eco-organizations and sits on their executive bodies.

1 See Stake 7 – Reducing the environmental impact of our products

**Actions rolled out in 2019-2020**

In addition to its financial contribution relating to its activity bringing products to the market, Groupe Beneteau is actively involved in the governance of the eco-organization APER through three representatives on its Board of Directors, including two Office members and its Chairman.

**2019-2020 results**

In 2019-2020, APER decommissioned 1,624 recreational boats in France, with the participation of 102 member companies (companies that bring products to the market) and 25 treatment centers. This sector aims to decommission 20,000 to 25,000 boats by 2023. To date, no other countries have put similar obligations in place.

### Key performance indicator

**Percentage of the target achieved for 20,000 boats to be decommissioned by 2023**: 9.3%

## 8.3.3 ANTI-CORRUPTION

### STAKE 11: ENSURING ETHICAL BUSINESS PRACTICES

**Description of the risk**

Ensuring ethical business practices is necessary for Groupe Beneteau to carry out its activities in a responsible way in relation to all of its stakeholders, in all countries. This requires it to assess all of its commercial partners (suppliers, dealers) and subcontractors. The Boat activity's subcontractors primarily concern mold production, fiberglass cutting and timber parts production. The main risks concern the monetization / leak of confidential information concerning development projects, money laundering and the financing of terrorism, as well as risks relating to the legacy responsibility inherited from these subcontractors.

**Policy and objective**

The framework created by the Code of Ethics and Code of Conduct, which apply to all of the Group's employees, was further strengthened with the adoption of the Supplier Code of Conduct (see Stake 5 concerning responsible procurement). The procedure to set up contracts with subcontractors, suppliers or dealers for the Boat business is subject to the risk assessment relating to the activity (chemical products, timber, upholstery, transport, construction, secondment of production staff, intellectual services for architects and designers, fleets) and the country where they are based. This approach is also applied for the Housing Division.

**Actions rolled out in 2019-2020**

The Supplier Code of Conduct was distributed to all the suppliers and signed by the Group's strategic suppliers. It is available on the Groupe Beneteau website. For the Boat business, the distribution contracts with dealers now include an anti-corruption and money laundering clause.

Internally, the Covid-19 health crisis delayed the rollout of awareness and training actions for the teams who are most exposed to the corruption risk (sales, procurement, finance and executive management). These training programs were deferred to the start of 2021.

### Key performance indicator

As the actions were rolled out in 2020, the key performance indicator will be published from FY 2021 and will cover two aspects: the percentage of executives trained on the corruption risk and the percentage of strategic suppliers that have signed the Supplier Code of Conduct.

## 8.3.4 HUMAN RIGHTS

### STAKE 12: SAFEGUARDING HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS; COMBATING DISCRIMINATION, GENDER INEQUALITY AND HARASSMENT

**Policy and objective**

Present in Europe (France, Poland, Italy) and the United States for its industrial activity, and operating in the Asia-Pacific region from a commercial representative office in Hong Kong, Groupe Beneteau is committed to respecting and safeguarding human rights and fundamental freedoms in all activities and with all of its stakeholders. The Code of Ethics, Code of Conduct and whistleblowing procedure apply to all employees worldwide and set out the fundamental framework for this commitment. The Supplier Code of Conduct also includes the aspects relating to human rights and fundamental freedoms.

Groupe Beneteau is opposed to all forms of discrimination, harassment and inequality in terms of opportunities or treatment and gender inequality. The Group is also moving forward with actions to support people with disabilities and professional restrictions, and is committed to ensuring a safe and healthy work environment within which each employee can fulfil their potential.

**Actions rolled out in 2019-2020**

In France, during the year, the Group trained eight anti-harassment correspondents (11 employees in total), in accordance with the French law to prevent sexual harassment and sexist behavior. Five of the eight correspondents trained are employee representatives. Teams of two people each, made up of an employee representative and a HR employee, have been set up in each French legal entity.

The Supplier Code of Conduct has been brought to the attention of all of the Boat Division's suppliers. The suppliers identified as strategic for the Boat and Housing Divisions have been asked to sign this Code.

In the context of the Covid-19 health crisis from March 2020, the Group has set up psychological support actions for employees, with a toll-free number available in France.

In the context of negotiations for the job protection plans that were launched in France in September 2020, the Group has set up training courses for managers in order to learn how to better detect psychosocial risks and manage risky situations with their staff.

**2019-2020 results**

No alerts were recorded with the whistleblowing system.

**France scope:**

Number of calls to the psychological support toll-free number: 35 calls (March-December 2020)

Number of managers trained on psychosocial risks in France: 178 managers

### Key performance indicators

**Gender equality index (France)**

| Subsidiaries - France | At end-2020 | At end-2019 | At end-2018 |
|---|---|---|---|
| SPBI | 89/100 | 79/100 | 84/100 |
| Construction Navale Bordeaux | 77/100 | 77/100 | 84/100 |
| BIO Habitat | 92/100 | 88/100 | 77/100 |

The index rating (out of 100 points) is calculated for the Groupe Beneteau subsidiaries based on five indicators: the gender pay gap, the individual pay rise gap, the promotion gap, the number of employees awarded pay rises when returning from maternity leave, and parity among the top 10 earners.

Women represent 28.5% of the total CSR workforce, in line with the data published by INSEE for the manufacturing industry.

**People with disabilities (France)**

| France scope at year-end | 2019-2020 | 2018-2019 | 2017-2018 |
|---|---|---|---|
| Number of units of value recognized for disabled people | 365 | 370.1 | 352.7 |
| % of the average French headcount | 6.9% | 7.0% | 7.0% |

## 8.3.5 ANTI-TAX EVASION

### STAKE 13: PROTECTING THE COMPANY AGAINST RISKS RELATING TO TAX EVASION AND FRAUD

**Description of the risk**

This stake covers two risks: tax fraud and tax evasion. Internally, this involves protecting against tax fraud within the company, while externally, it involves preventing the Group from involuntarily acting as a facilitator for tax fraud by its customers.

**Policy and objective**

In the Boat Division, the sales model is based on a distribution network made up of independent dealers. Due diligence checks are carried out depending on the potential customer's location and activity (dealer or charter professional). Stronger due diligence is systematically applied for any boat orders from third parties that are not Group dealers and/or that have a corporate purpose that is not connected to the boating sector.

In the Housing Division, this risk is not significant because sales are handled exclusively through a European network of professional customers.

**Actions rolled out in 2019-2020**

Any new dealer customers for the Boat business are assessed based on their level of risk in relation to their activity and/or the country where they are located. The assessment procedures have been distributed to the sales, sales administration and financial teams for application.

Each renewal of a standard distribution contract now includes an anti-corruption and money laundering clause.

**2019-2020 results**

As a result of the Covid-19 health crisis, certain controls that were initially planned for this year were not able to be carried out due to the travel restrictions. At December 31, 2020, Groupe Beneteau had six dealers located in two countries with strong boat tourism sectors and maritime traditions that are included on the list of countries classed as uncooperative for tax purposes by the European Union (Panama and Seychelles).

# 8.4 Appendix – Non-financial data

## 8.4.1 Employee-related data

### GROUP WORKFORCE – CSR SCOPE

| Headcount at year-end – permanent and fixed-term contracts | 2019-2020 | 2018-2019 | 2017-2018 |
|---|---|---|---|
| France | 5,256 | 5,526 | 5,338 |
| Poland | 1,555 | 1,668 | 893 |
| United States* | 467 | 811 | 795 |
| Italy | 241 | 317 | 314 |
| Slovenia | NA | 40 | NA |
| Hong Kong | 9 | NA | NA |
| Total headcount – CSR scope | 7,528 | 8,362 | 7,340 |
| **Headcount- Group** | **7,528** | **8,361** | **7,379** |

** The Marion production site (South Carolina) was sold in October 2020. The workforce figures at December 31, 2020 include the Cadillac production site (Michigan) and the Annapolis sales office (Maryland).*

| Breakdown of the workforce by status at year-end | 2019-2020 | 2018-2019 | 2017-2018 |
|---|---|---|---|
| Permanent contracts | 92.4% | 90% | 92.9% |
| Fixed-term contracts | 7.6% | 10% | 7.1% |

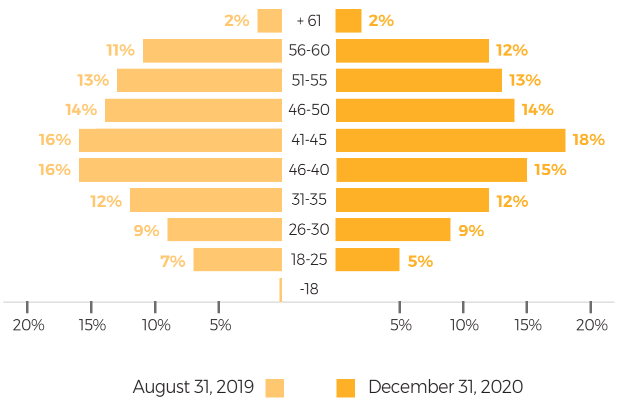
| Headcount at year-end | 2019-2020 | 2018-2019 | 2017-2018 |
|---|---|---|---|
| Permanent contracts | 6,957 | 5,376 | 5,186 |
| Fixed-term contracts | 571 | 150 | 152 |
| Registered headcount | 7,528 | 5,526 | 5,338 |
| **Temporary staff – France** | **369** | **800** | **848** |
| Total headcount | 7,897 | 6,326 | 6,186 |

| Breakdown of the workforce by category at year-end | 2019-2020 | 2018-2019 | 2017-2018 |
|---|---|---|---|
| Employees and operatives | 74% | 73.1% | 73.4% |
| Other* | 26% | 26.9% | 26.6% |

| Percentage of female staff by status at year-end | At Dec 31, 2020 | At Aug 31, 2019 | At Aug 31, 2018 |
|---|---|---|---|
| Other* | 27.9% | 28.7% | 26.4% |
| Employees / operatives | 28.7% | 27.5% | 26.5% |
| Total CSR scope | 28.5% | 27.8% | 26.5% |

** The "Other" category includes technicians, supervisors and managers.*

## Age pyramid




## ORGANIZATION OF WORKING TIME

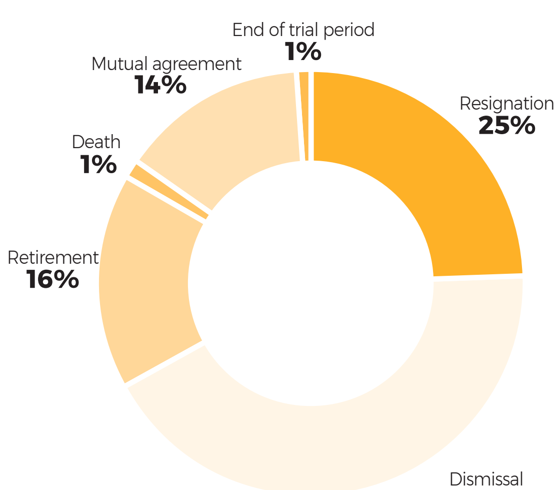
| CSR scope - at year-end | 2019-2020 | 2018-2019 | 2017-2018 |
|---|---|---|---|
| Percentage of part-time staff | 3.9% | 3.7% | 4.1% |
| Staff working nights | 115 | 147 | 175 |

Team-based work, in shifts or overnight, primarily concerns molding / composite activities in the Boat business, in line with the production cycles and processes used. To be classed as working nights, staff had to work for more than 120 nights during the year.

## RECRUITMENTS AND DEPARTURES DURING THE YEAR

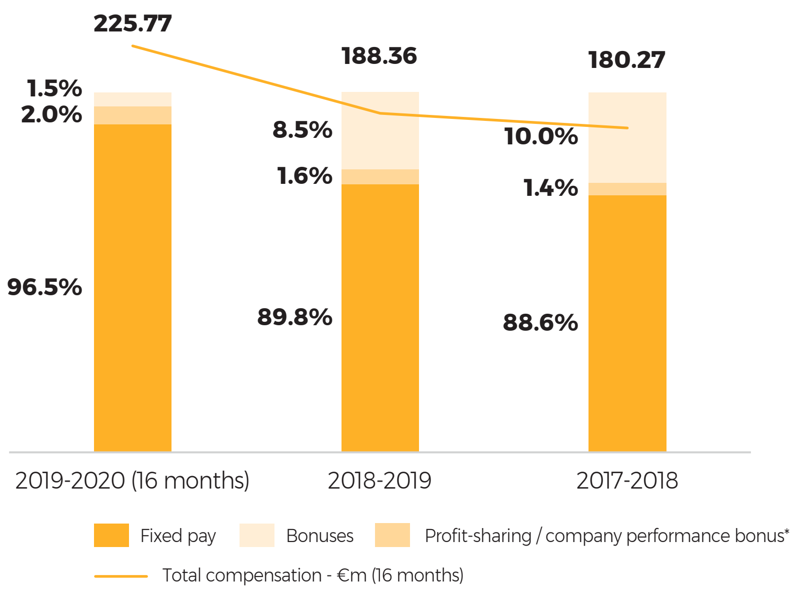
| Recruitments - CSR scope | 2019-2020 (16 months) | 2018-2019 | 2017-2018 |
|---|---|---|---|
| Permanent contracts | 507 | 1,053 | 989 |
| Fixed-term contracts | 663 | 643 | 540 |

## Reasons for departures - Permanent staff



| Turnover rate - Permanent staff | 2019-2020 (16 months) | 2018-2019 (12 months) | 2017-2018 |
|---|---|---|---|
| France | 3.79% | 4.51% | 3.69% |
| CSR scope | 9.09% | 8.09% | 5.91% |

## COMPENSATION – FRANCE




**Amounts provisioned. The data for the previous year have been adjusted.*

The compensation policy aims to optimize the balance between the various forms of compensation. It is based around three principles: the market value for positions based on a local market benchmark, the level of inflation and individual performance.

In addition to their fixed pay, staff benefit from a system of profit-sharing and performance-related bonuses; alongside this, executive-grade staff are entitled to a variable compensation package based, depending on their positions, on the company's results and their individual or commercial performance levels.

Agreements relating to the mandatory annual negotiations were signed in the French companies BIO Habitat and Construction Navale Bordeaux in FY 2019-2020.

## COLLECTIVE AGREEMENTS – FRANCE

15 collective agreements were signed and filed with DIRECCTE, the French Regional Department of Enterprise, Competition, Consumer Affairs, Labor and Employment, in FY 2019-2020.

## USE OF SUBCONTRACTING – CSR SCOPE

The Boat business subcontracts its composites and joinery operations. In the Housing business, subcontracting primarily concerns furniture, wiring bundles and frameworks. Production purchases with subcontractors are defined as all the services purchased to replace work in the plants. For 2019-2020 (16 months), subcontracting represented the equivalent of 422 FTEs across all of the Group's companies.

## TACKLING FOOD WASTE

The Group works with external providers for catering services at its production sites. These providers are committed to tackling food waste. Prevention and awareness actions are carried out by the providers on site, such as setting up food waste composting at the Bordeaux site.

## 8.4.2 DATA RELATING TO STAKE 2: ENSURING PRODUCT QUALITY FOR CONSUMER SAFETY

### CERTIFICATION OF THE BOAT DIVISION'S PRODUCTION SITES

| Production sites | ISO 9001 certification Quality management | ISO 14001 Environmental management | ISO 50001 Energy performance improvement |
|---|---|---|---|
| France: SPBI | x | x | x |
| Poland: Ostroda | x | x | |
| Poland: Delphia | x | | |

The certifications of the subsidiaries indicated above were all renewed in FY 2019-2020. The Bordeaux (France), Cadillac (USA) and Monfalcone (Italy) production sites are not certified.

## 8.4.3 DATA RELATING TO STAKE 3: DEVELOPING THE SKILLS REQUIRED FOR THE COMPANY'S SUSTAINABLE PERFORMANCE

**France scope – cost of training / payroll indicator**: 0.67%

## 8.4.4 DATA RELATING TO STAKE 8: ENVIRONMENTAL IMPACT OF INDUSTRIAL OPERATIONS

### CONSUMPTION OF RAW MATERIALS (RESINS, GELCOATS, TIMBER)

The main raw materials used by the Group are resins, gelcoats and timber. The consumption figures for FY 2019-2020 correspond to a 16-month period, including two four-month periods (September/December) with strong levels of industrial activity.

| Resins and gelcoats – CSR scope | 2019-2020 (16 months) | 2018-2019 (12 months) | 2017-2018 |
|---|---|---|---|
| Tons / million hours worked | 1,018 | 998<br>-9.1% | 1,097 |
| Percentage of timber from environmentally-managed forests – CSR scope | 78.45% | Not monitored | Not monitored |

### WATER CONSUMPTION

Water consumption is linked to the Boat business for filling its test tanks and carrying out water-tightness testing, as well as sanitation purposes. This last area accounts for one quarter of water consumption. The change in total water consumption over the years is linked to the renewal of water in the test tanks, which are emptied approximately every three years. The water used comes from the public network and wells for certain sites. At the sites where this is possible, water consumption levels are monitored on a regular basis with a view to minimizing the risk of leaks.

| Water - CSR scope | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Cu.m / million hours worked | 9,306<br>+38% | 6,743 |

## SITE ENERGY CONSUMPTION

Electricity is used for production site operations and lighting. Gas is used to heat the industrial buildings and certain administrative buildings.

| CSR scope | 2019-2020 (16 months) | 2018-2019 (12 months) | 2017-2018 |
|---|---|---|---|
| Electricity consumption kWh / 1000 hours worked | 3,893 | 3,620<br>-8.1% | 3,939 |
| Gas consumption kWh GCV / 1000 hours worked | 7,453 | 7,352<br>-6.5% | 7,860 |
| Percentage of renewable electricity | 6.23% | Not monitored | Not monitored |

## COMPLIANCE RATE FOR INDUSTRIAL WATER DISCHARGES

All the Group's sites have oil interceptors which are regularly maintained and make it possible to treat water before it is discharged into the natural environment. Water discharges are monitored with regular measurements.

| France scope | 2019-2020 (16 months) | 2018-2019 (12 months) | 2017-2018 |
|---|---|---|---|
| Compliance rate | 96% | 93.4% | 95.8% |

## ENSURING EFFECTIVE CONTROL OVER WASTE GENERATION

| Tons of waste generated per million hours worked | 2019-2020 (16 months) | 2018-2019 (12 months) | 2017-2018 |
|---|---|---|---|
| France | 1,756 | 1,726 | 1,746 |
| CSR | 1,544 | 1,435 | Unavailable |

## WASTE TREATMENT

CSR scope - Tons

| Type of waste | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Recycled non-hazardous waste | 3,933 | 2,884 |
| Recovered non-hazardous waste | 11,075 | 10,189 |
| Non-hazardous waste sent for landfill | 7,861 | 6,936 |
| Hazardous waste | 1,981 | 1,748 |

# 8.5 CSR reporting methodology and scope

## REPORTING PROCEDURE

The procedures to be implemented for measuring and reporting on Groupe Beneteau's corporate social responsibility indicators are described and developed in a methodological guide. This guide aims to ensure the reliability of data collection and consistency between the data collected from the various subsidiaries. It is updated each year.

During this year, the Group set up software for collecting and consolidating its sustainability reporting information. Data are entered by the various contributors in the software and then checked and analyzed by the CSR leaders, who coordinate the preparation of the Non-Financial Information Statement. Various checks, some of which are automatic, are carried out to ensure the reliability of the data. The software collection matrixes and the methodological guide are translated into English for the international subsidiaries.

## REPORTING PERIOD

The data collected concern the period from September 1, 2019 to December 31, 2020, with a financial year that exceptionally covered a 16-month period as a result of the change of the year-end date.

However, to correlate the information provided in this report with the data from the various regulatory environmental disclosures, SPBI, Ostroda Yacht and SJ Delphia report on VOC emission and resin and gelcoat consumption indicators based on the calendar year (January 1 to December 31, 2020). The contribution by these companies represents around 75% for each of these indicators. The data relating to water consumption are reported based on the calendar year for SPBI. The indicators relating to the number of units of value recognized for disabled staff are also reported based on the calendar year for all the French companies.

## REPORTING SCOPE

The "CSR scope" refers to the reporting scope that has gradually been extended with a view to covering the Group's financial scope.

The scope for companies included in the CSR reporting framework at December 31, 2020 includes:

- The French companies,
- The subsidiaries located in Poland, the United States, Italy and Hong Kong.

Seascape, which represents 0.5% of the Group's total workforce, is outside the CSR reporting scope. From 2021, this company will be consolidated on an equity basis.

The companies included in the CSR reporting scope represent 99.5% of the Group's total workforce at December 31, 2020, compared with 100% at August 31, 2019.

## SCOPE FOR INDICATORS

To ensure the relevance and reliability of the data published, the non-French companies have been excluded from the scope for certain indicators. The scope for each indicator is presented in the indicator's heading. The French scope corresponds to 70% of the Group's workforce.

For FY 2019-2020, new indicators have been published:

- Percentage of renewable electricity in total electricity consumption for the sites,
- Percentage of timber from certified forests.

Various indicators have been identified as not being relevant for some of the companies from the scope and as such do not cover the full scope. More specifically, this concerns:

- Safety indicators, environmental indicators and indicators relating to suppliers and subcontractors that exclusively concern companies with production activities (the indicators relating to suppliers and subcontractors are linked to production purchases and therefore industrial activities),
- The indicator relating to resin and gelcoat consumption: only the companies from the Boat Division, which use resins and gelcoats, have been taken into account.

## UNAVAILABILITY OF CERTAIN DATA

The change of the year-end date and the exceptional 16-month period covered by the financial year made it necessary to set up two data collection campaigns (September-December 2019 and January-December 2020). The four-month reporting period in 2019 does not correspond to a standard reporting period. In addition, the Group was affected by a cyberattack from February 19, 2021, which resulted in the unavailability of its IT infrastructure and the data stored on its servers and required for its CSR reporting. As a result of these events, data was unavailable for certain collection points and certain indicators. In these cases, the data were estimated by applying the ratio from the previous year to the number of hours worked during the reporting period.

## CLARIFICATIONS CONCERNING CERTAIN INDICATORS

### SOCIAL AND SOCIETAL SECTION

#### Workforce

This concerns staff linked by an employment contract to one of the companies from the scope, whether they are full-time or part-time, remunerated or non-remunerated positions. The workforce figures taken into consideration are those recorded at December 31.

Staff made available to another company and still employed by a company from the CSR scope (seconded staff and expatriates), professional development and apprenticeship contracts, international work placements (VIE), work-based training contracts, staff on maternity, paternity and parental leave, as well as staff on sabbatical leave, unpaid leave, business start-up leave, long-term leave or sick leave are recorded in the workforce. Corporate officers, temporary staff, staff seconded by another company, retired staff, subcontractors and interns are not taken into account here.

#### Recruitment

A recruitment corresponds to any fixed-term or permanent employment contract entered into during the period in question. Transfers from fixed-term contracts to permanent positions, transfers from professional development contracts to permanent or fixed-term contracts, transfers from temporary contracts to permanent or fixed-term contracts, and transfers from internships to permanent positions are treated as recruitments on permanent contracts. Two successive fixed-term contracts, set up for the same purpose, are counted as two recruitments if there is a break between the two contracts. Otherwise, only one recruitment is recorded. Two successive fixed-term contracts that have been renewed for different reasons are treated as two recruitments. Internal transfers within the CSR scope are not considered to be recruitments.

#### Turnover

Turnover for permanent staff corresponds to departures by permanent employees during the year in question, initiated by the employer or employee, divided by the average permanent headcount for the year. The following reasons for departures are taken into account: resignation, dismissal, breaches of contracts and termination of probation periods.

#### Permanent headcount

The permanent headcount comprises staff with a permanent employment contract. It therefore excludes people employed by an external company, fixed-term contracts, apprenticeship or professional development contracts and interns.

#### Absenteeism

The figures cover absences due to illness, occupational illness, part-time arrangements for people receiving treatments, occupational accidents (including time when people have had to stop work on the day of their accident), as well as unpaid absences (leave for personal reasons and unjustified absences). Leave entitlements for family events are excluded. The theoretical number of hours worked corresponds to the number of hours theoretically worked in accordance with the employment contracts, excluding paid leave, "RTT" days off in lieu under the French reduced working week system, and public holidays.

#### Occupational accidents

Accidents travelling to and from work are not taken into account. Temporary staff, trainees, expatriates and service providers are excluded from this calculation.

Accidents that have only resulted in work being stopped on the day of the accident are not taken into account. Relapses relating to an initial occupational accident are not counted as a new occupational accident. Occupational accidents that have not been recognized by the administrative authorities are not taken into account. Occupational accidents that have been disputed by the employer are taken into account, unless they have not been recognized by the administrative authorities.

#### Actual time worked

Time worked includes all the hours of presence within the company (including training time, time spent as staff representatives and any time in the infirmary), in addition to time for training outside the company. The theoretical number of hours per day for employees working on a day basis has been defined by each company based on the employee's category.

#### Number of days off work following an accident

Any cases when employees have to take time off work are taken into account, irrespective of the period for which they may be off work, but the day of the accident itself is not counted, unless the date when the work stoppage is reported coincides with the date of the accident. Days off work during the reporting period relating to relapses following an initial occupational accident are taken into account. In such cases, the day of the relapse is also counted. Days off work following an occupational accident that has not been recognized by the administrative authorities are not taken into account. Days off work following an occupational accident that has been disputed by the employer are taken into account, unless they have not been recognized by the administrative authorities. Days off work are counted on a calendar day basis.

**Frequency rate**

The frequency rate is the number of occupational accidents resulting in time off work x 1,000,000 / actual number of hours worked.

**Severity rate**

The severity rate is the number of days off work for occupational accidents x 1,000 / actual number of hours worked.

**Training**

Training includes any operations provided for a company employee, whether they are provided by an external party or not, and which are subject to a certificate of presence formalized with an attendance sheet and program. The number of hours of training per employee is calculated based on the average permanent headcount.

**Number of units of value recognized for disabled people**

The scope includes people with recognized disabilities in connection with the annual declaration filed with AGEFIPH, the French association for the management of funding for the integration of disabled people (French scope). The number of units of value is calculated on the company scope, including temporary staff and subcontractors.

**Production purchases with subcontractors**

Production purchases with subcontractors are defined as all the services purchased to replace work in the plants.

**Local suppliers**

Local suppliers are suppliers located in the Brittany, Pays de la Loire, Poitou-Charentes and Aquitaine regions of France. The reference address is the billing address.

## ENVIRONMENTAL SECTION

**ISO 14001 certification**

The sites or subsidiaries taken into account are those with a valid ISO 14001 certificate at December 31 of the year in question. For a multi-site certificate, all the sites are recorded as certified.

**Volatile organic compound (VOC) emissions**

Any organic compound, excluding methane, with a steam pressure of 0.01 kPa or more at a temperature of 293.15 Kelvin or corresponding volatility under specific usage conditions. As a minimum, organic compounds contain the element carbon and one or more of the following elements: hydrogen, halogens, oxygen, sulfur, phosphorus, silicon or nitrogen (with the exception of carbon oxides and inorganic carbonates and bicarbonates). They are emitted either through combustion or evaporation. Emissions are assessed by calculating a material assessment based on the quantities of products containing VOCs. The emission factors are taken from the guide for preparing a framework for effectively managing VOC emissions in the composites sector (Guide de Rédaction d'un Schéma de Maîtrise des Emissions de COV dans le Secteur des Composites), published in 2004 and drawn up with the technical inter-industry center for atmospheric pollution research (CITEPA), the composites and plastics processing industry association (GPIC), the boating industry federation (FIN) and the plastic materials producers union (SPMP).

**Waste**

The following classification is applied:

- Recycled non-hazardous waste: cardboard, PVC, paper, copper, plastic, scrap metal, plaster,
- Reclaimed non-hazardous waste: waste timber and sawdust for the Boat business,
- Non-hazardous landfill waste: all other items, inert waste,
- Hazardous waste: glues, paints, resins, batteries, bulbs / neon lighting, medical waste.

**Recycling**

Reprocessing of materials or substances contained in waste through a production process in such a way that they are used to create or incorporated into new products, materials or substances for their initial purpose or other functions. This includes the reprocessing of organic materials, but notably excludes reclamation for energy, conversion for use as a fuel, processes involving combustion or use as an energy source, including chemical energy, or backfilling operations.

**Reuse**

Direct use of waste, without applying any techniques to process it, such as the reuse of pallets for instance.

**Recovery**

Use of waste to produce an energy source or to replace an element or material.

**Burial**

Storage underground or disposal in landfill.

**Water consumption**

Quantity of water specifically used for the site's requirements (domestic or industrial use).

**Energy consumption**

Total quantity of electricity (kWh) or gas (kWh GCV) purchased or produced and consumed by the sites. With regard to gas consumption, only natural gas is taken into account. Propane consumption is excluded from the calculation.

**Greenhouse gas emissions**

This concerns energy-related emissions. The emission factors are taken from the ADEME Carbon Base. These factors take into account upstream emissions and combustion levels for the facility.

**Resin and gelcoat consumption**

Resin and gelcoat consumption is measured based on the quantities consumed during the period in question.

Déclaration de performance extra-financière

Présenté le 9 juillet 2020, le plan Let's Go Beyond ! fixe les orientations stratégiques du Groupe Beneteau à horizon 2025. Si l'exercice de transition de 16 mois 2019-2020 a été marqué par la crise sanitaire et ses conséquences sur toutes les activités du Groupe, des avancées significatives ont été réalisées en matière de gouvernance de la politique RSE. Ainsi le Comité spécialisé du Conseil d'Administration pour l'éthique a vu ses missions élargies pour devenir le Comité Ethique et RSE. Le pilotage de la stratégie RSE est placé sous la responsabilité du Comité de Direction Générale, tandis que l'animation et la coordination de la démarche avec les différents métiers est confiée à la direction de la Communication corporate.

# 9. BENETEAU S.A.

## 9.1 Breakdown of earnings

BENETEAU S.A., Groupe Beneteau's parent company, has an operating activity that is not significant in relation to its industrial subsidiaries.

**ITS EARNINGS CAN BE BROKEN DOWN AS FOLLOWS:**

| €m | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---:|---:|
| **Revenues** | 23.1 | 19.8 |
| Operating income | (10.1) | (8.4) |
| Financial income (expense) | (14.0) | 22.9 |
| Net income | (24.5) | 14.3 |

## 9.2 Information on terms of payment for suppliers and customers

**BY PERIOD FOR LATE PAYMENTS (A):**

| **€'000** | Unpaid invoices received at Dec 31, 2020 in arrears | | | | | |
|---|---|---|---|---|---|---|
| Late payment brackets | 0 days | 1 to 30 days | 31 to 60 days | 61 to 91 days | Longer | TOTAL |
| Total amount of invoices concerned including VAT | 0 | 95 | 0 | 14 | 25 | 135 |
| Percentage of total amount of purchases including VAT | 0.0% | 0.5% | 0.0% | 0.1% | 0.1% | 0.6% |
| Number of invoices | | | | | | 127 |

| **€'000** | Unpaid invoices issued at Dec 31, 2020 in arrears | | | | | |
|---|---|---|---|---|---|---|
| Late payment brackets | 0 days | 1 to 30 days | 31 to 60 days | 61 to 91 days | Longer | TOTAL |
| Total amount of invoices concerned including VAT | 0 | 2 | 0 | 0 | 165 | 168 |
| Percentage of revenues including VAT | 0.0% | 0.0% | 0.0% | 0.0% | 0.6% | 0.6% |
| Number of invoices | | | | | | 171 |

**INVOICES EXCLUDED FROM POINT (A) RELATING TO DISPUTED OR UNRECORDED PAYABLES AND RECEIVABLES**

| | **Unpaid invoices received at Dec 31, 2020 in arrears** | **Unpaid invoices issued at Dec 31, 2020 in arrears** |
|---|---|---|
| Number of invoices excluded | na | 5 |
| Total amount of invoices excluded (€'000) | na | 132 |

**REFERENCE TERMS OF PAYMENT USED**

| | **Unpaid invoices received at Dec 31, 2020 in arrears** | **Unpaid invoices issued at Dec 31, 2020 in arrears** |
|---|---|---|
| Number of invoices excluded | Legal | Legal |

## 9.3 Other items

To the best of our knowledge, with the exception of BERI 21 S.A., three other legal entities hold more than 2.5% of the capital of BENETEAU S.A., with 3.78% for Béri 210, 2.70% for NORGES BANK and 2.51% for CDC.

The Board of Directors would like to add that 573,565 shares, representing 0.693% of the capital, are held by current and former staff under the BENETEAU ACTION company mutual fund, in accordance with Article L.225-102 of the French commercial code.

The expenditure covered by Article 39-4 of the French general tax code (Code Général des Impôts, CGI) came to €64,676 for the year.

The general meeting did not grant any delegations for capital increases during the year.

During the year, the company bought and sold Beneteau shares under the following conditions:

- Buying a total of 1,023,762 shares at an average price of €9.30 per share
- Selling a total of 456,143 shares at an average price of €9.82 per share
- Trading costs: €86,000.

This gives a balance of 1,341,848 treasury shares at December 31, 2020, with a par value of €0.10, representing 1.62% of the capital, with 1.62% for shares awarded. The net balance sheet value represents €12,205,000, while the value at December 31, 2020, based on the average share price for December 2020, came to €12,429,000.

The reasons for acquisitions are included in the treasury stock buyback program approved at the general meeting on February 7, 2020.

## 9.4 Allocation of income

The Board of Directors proposes the following appropriation of the -€24,472,769.05 in net income for BENETEAU S.A. for the year ended December 31, 2020, less €187,502.67 in prior retained earnings:

Other reserves: -€24,285,266.68

Other reserves will therefore be reduced from €109,481,852.56 to €85,196,586.18.

As a result, no dividend will be paid out for this financial year.

As required under French law, shareholders are reminded that the dividends paid out for the last three years were as follows:

| | 2016-2017 | 2017-2018 | 2018-2019 |
|---|---|---|---|
| Share par value | €0.10 | €0.10 | €0.10 |
| Number of shares | 82,789,840 | 82,789,840 | 82,789,840 |
| Net dividend | €0.25 | €0.26 | €0.23 |

## 9.5 Acquisitions of significant capital stakes and controlling interests

Indirectly, through its interest in its fully-owned subsidiary SPBI, BENETEAU SA increased its stake in SJ DELPHIA, located in Poland, from 80% to 100% on November 18, 2020.

## 9.6 Five-year financial summary for BENETEAU S.A.

| € | 2015-2016 (12 months) | 2016-2017 (12 months) | 2017-2018 (12 months) | 2018-2019 (12 months) | 2019-2020 (16 months) |
|---|---|---|---|---|---|
| **Capital at year-end** | | | | | |
| Share capital | 8,278,984 | 8,278,984 | 8,278,984 | 8,278,984 | 8,278,984 |
| Number of shares | 82,789,840 | 82,789,840 | 82,789,840 | 82,789,840 | 82,789,840 |
| **Operations and earnings for the year** | | | | | |
| Revenues (net of tax) | 14,359,635 | 15,126,363 | 17,900,536 | 19,799,730 | 23,111,149 |
| Earnings before tax, profit-sharing, depreciation and provisions | (7,779,580) | 9,181,307 | 16,137,137 | 8,375,048 | (19,257,282) |
| Corporate income tax | (5,447,177) | (602,351) | 2,271,212 | (1,499,866) | (2,236,662) |
| Employee profit-sharing | 42,387 | 69,578 | 170,725 | 3,545 | (36,530) |
| Net income | (1,706,206) | (211,015) | 8,239,164 | 14,297,760 | (24,472,769) |
| Distributed earnings | 8,278,984 | 20,697,460 | 21,525,358 | 19,041,663 | 0 |
| **Earnings per share** | | | | | |
| Earnings after tax and profit-sharing, | | | | | |
| but before depreciation and provisions | (0.03) | 0.12 | 0.17 | 0.12 | (0.21) |
| Net income | (0.02) | (0.00) | 0.10 | 0.17 | (0.30) |
| Dividend per share | 0.10 | 0.25 | 0.26 | 0.23 | 0.00 |
| **Workforce** | | | | | |
| Average headcount | 27 | 30 | 38 | 39 | 44 |
| Payroll | 3,458,392 | 3,281,244 | 4,394,253 | 5,192,930 | 7,050,000 |
| Employee benefits | 7,326,158 | 1,525,858 | 5,354,910 | 2,100,411 | 3,063,000 |

# Groupe Beneteau financials



## CONSOLIDATED INCOME STATEMENT

| €'000 | Note | FY 2019-2020 (16 months) | FY 2018-2019 (12 months) |
|---|---|---|---|
| **Revenues** | **5.1** | **1,344,476** | **1,336,227** |
| Change in inventories of finished products and work-in-progress | | 46,704 | 29,734 |
| Other income from operations | | 3,099 | 1,959 |
| Purchases consumed | | (666,437) | (647,141) |
| Staff costs | 6.2 | (440,509) | (397,822) |
| External expenses | 5.6 | (159,442) | (138,587) |
| Tax | | (29,793) | (24,251) |
| Depreciation | | (103,038) | (74,205) |
| Other current operating expenses | 5.7 | (8,083) | (7,976) |
| Other current operating income | 5.7 | 4,948 | 4,112 |
| **Income from ordinary operations** | | **(8,076)** | **82,049** |
| Other non-current operating income and expenses | 5.8 | (78,489) | (4,179) |
| Operating income | | (86,564) | 77,870 |
| Income from cash and cash equivalents | | 772 | 1,030 |
| Gross finance costs | | (3,732) | (3,954) |
| **Net finance costs** | | **(2,960)** | **(2,924)** |
| Other financial income | | 79 | 0 |
| Other financial expenses | | (2,562) | (3,978) |
| **Financial income (expense)** | **9.2** | **(5,443)** | **(6,902)** |
| Share in income of associates | 7.5 | 1,671 | 4,832 |
| Corporate income tax | 10 | 8,443 | (27,559) |
| **Consolidated net income** | | **(81,893)** | **48,240** |
| Non-controlling interests | | (1,016) | (1,248) |
| Net income (Group share) | | (80,877) | 49,488 |
| **€** | | | |
| Net income (Group share) per share | 11.3 | (0.977) | 0.600 |
| Diluted net earnings per share | 11.3 | (0.977) | 0.600 |

## COMPREHENSIVE INCOME STATEMENT

| €'000 | FY 2019-2020 (16 months) | FY 2018-2019 (12 months) |
|---|---|---|
| **Items that will not be subsequently reclassified to profit or loss** | | |
| Actuarial gains or losses | (2,063) | (6,354) |
| Tax effect | 534 | 1,839 |
| **Subtotal** | **(1,529)** | **(4,515)** |
| **Items that will be reclassified subsequently to profit or loss** | | |
| Foreign currency translation adjustments | 1,357 | (113) |
| Fair value adjustments on financial hedging instruments | 2,550 | (2,350) |
| Share of gains and losses recognized directly in equity for associates | 0 | 0 |
| Tax effect | (787) | 677 |
| **Subtotal** | **3,120** | **(1,787)** |
| **Subtotal for gains and losses recognized directly in equity** | **1,591** | **(6,302)** |
| **Net income for the period** | **(81,893)** | **48,241** |
| **Net income and gains and losses recognized directly in equity** | **(80,302)** | **41,939** |
| Of which, share attributable to owners of the parent | (79,288) | 43,178 |
| Of which, share attributable to non-controlling interests | (1,014) | (1,241) |

# CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2020

| ASSETS (€'000) | Note | At Dec 31, 2020 | At Aug 31, 2019 |
|---|---|---|---|
| Goodwill | 7.1 | 87,350 | 91,095 |
| Other intangible assets | 7.2 | 15,291 | 27,352 |
| Property, plant and equipment | 7.3 | 295,244 | 346,489 |
| Investments in associates | 7.5 | 39,765 | 40,040 |
| Non-current financial assets | | 213 | 218 |
| Deferred tax assets | 10 | 18,197 | 9,364 |
| **Non-current assets** | | **456,059** | **514,558** |
| Inventories and work-in-progress | 5.3 | 306,036 | 278,161 |
| Trade receivables and related | 5.2 | 33,032 | 90,262 |
| Other receivables | 5.4 | 32,750 | 46,619 |
| Floor plan-related dealer receivables | 5.5 | 130,391 | 228,073 |
| Current tax assets | | 9,815 | 6,407 |
| Cash and cash equivalents | 9.4 | 315,417 | 233,809 |
| **Current assets** | | **827,425** | **883,331** |
| **Assets held for sale** | | **0** | **200** |
| **Total assets** | | **1,283,500** | **1,398,089** |

## CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2020 (CONTD.)

| SHAREHOLDERS' EQUITY AND LIABILITIES (€'000) | Note | At Dec 31, 2020 | At Aug 31, 2019 |
|---|---|---|---|
| Share capital | 11 | 8,279 | 8,279 |
| Additional paid-in capital | | 27,850 | 27,850 |
| Treasury stock | 11 | (12,254) | (8,960) |
| Consolidated reserves | | 599,989 | 568,534 |
| Consolidated income | | (80,877) | 49,488 |
| **Shareholders' equity (Group share)** | | **542,987** | **645,191** |
| Non-controlling interests | | (1,778) | (1,073) |
| **Total shareholders' equity** | | **541,209** | **644,118** |
| Provisions | 8 | 25,487 | 6,472 |
| Employee benefits | 6.3 | 34,480 | 33,736 |
| Financial liabilities | 9.3 | 19,261 | 29,867 |
| Deferred tax liabilities | 10 | 324 | 142 |
| **Non-current liabilities** | | **79,552** | **70,217** |
| Short-term loans and current portion of long-term loans | 9.3 | 202,773 | 106,934 |
| Floor plan-related financial debt with financing organizations | 5.5 | 130,391 | 228,073 |
| Trade payables and related | 5.4 | 96,141 | 114,335 |
| Other liabilities | 5.4 | 200,656 | 204,033 |
| Other provisions | 8 | 32,507 | 30,379 |
| Current tax liabilities | 5.4 | 272 | 0 |
| **Current liabilities** | | **662,740** | **683,754** |
| **Liabilities held for sale** | | **0** | **0** |
| **Total shareholders' equity and liabilities** | | **1,283,500** | **1,398,089** |

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| €'000 | Capital stock | Additional paid-in capital | Treasury stock | Consolidated reserves | Translation adjustments | Earnings | Shareholders' equity (Group share) | Non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|
| **Shareholders' equity at Aug 31, 2018** | **8,279** | **27,850** | **(5,299)** | **549,241** | **(9,758)** | **61,322** | **631,636** | **1,663** | **633,299** |
| Earnings for 2018-2019 | | | | | | 49,488 | 49,488 | (1,248) | 48,240 |
| Other comprehensive income | | | | (6,185) | (123) | | (6,308) | 7 | (6,301) |
| Comprehensive income for 2018-2019 | | | | (6,185) | (123) | 49,488 | 43,180 | (1,241) | 41,939 |
| Appropriation of earnings for 2017-2018 | | | | 61,322 | | (61,322) | 0 | 0 | 0 |
| Dividends paid | | | | (21,360) | | | (21,360) | 0 | (21,360) |
| Foreign currency translation adjustments | | | | | (180) | | (180) | 0 | (180) |
| Change in scope | | | | (5,956) | | | (5,956) | (1,495) | (7,451) |
| Changes in treasury stock | | | (3,662) | (12) | | | (3,675) | 0 | (3,675) |
| Other (1) | | | | 1,545 | | | 1,545 | 0 | 1,545 |
| **Shareholders' equity at Aug 31, 2019** | **8,279** | **27,850** | **(8,961)** | **578,595** | **(10,061)** | **49,488** | **645,191** | **(1,073)** | **644,118** |
| Earnings for 2019-2020 | | | | | | (80,877) | (80,877) | (1,016) | (81,893) |
| Other comprehensive income | | | | 231 | 1,357 | | 1,587 | 3 | 1,591 |
| Comprehensive income for 2019-2020 | | | | 231 | 1,357 | (80,877) | (79,288) | (1,014) | (80,302) |
| Appropriation of earnings for 2018-2019 | | | | 49,488 | 0 | (49,488) | | | 0 |
| Dividends paid | | | | (18,855) | | | (18,855) | | (18,855) |
| Foreign currency translation adjustments | | | | 0 | (3,873) | | (3,873) | | (3,873) |
| Change in scope (1) | | | | 3,711 | | | 3,711 | 309 | 4,020 |
| Changes in treasury stock | | | (3,294) | (1,207) | | | (4,500) | | (4,500) |
| Other (2) | | | | 601 | | | 601 | | 601 |
| **Shareholders' equity at Dec 31, 2020** | **8,279** | **27,850** | **(12,254)** | **612,566** | **(12,577)** | **(80,877)** | **542,987** | **(1,778)** | **541,209** |

*[1] Change in scope presented in Note 3.4*

*[2] Detailed breakdown of other changes - IFRS 2 -€602,000 (Note 6.2)*

## CASH FLOW STATEMENT

| €'000 | Note | FY 2019-2020 (16 months) | FY 2018-2019 (12 months) |
|---|---|---|---|
| **Operating activities** | | | |
| Net income for the year | | (81,618) | 47,300 |
| Consolidated net income | | (81,893) | 48,241 |
| Share in income of associates (restated for dividends received) | | 275 | (941) |
| Elimination of income and expenses without any impact on cash flow or unrelated to operations | | 148,790 | 85,761 |
| Depreciation, amortization and provisions (*) | | 155,663 | 80,202 |
| Capital gains or losses on disposals | | 2,484 | 4,442 |
| Deferred tax | | (9,357) | 1,117 |
| Operating cash flow | | 67,172 | 133,061 |
| Change in working capital requirements | | 25,818 | (49,751) |
| Inventories and work-in-progress | | (32,216) | (32,691) |
| Receivables | | 135,503 | (2,758) |
| Current tax | | (3,317) | (13,750) |
| Payables | | (74,152) | (552) |
| Change in floor plan-related dealer receivables | 5.5 | 88,173 | (17,094) |
| **Total 1 - Cash flow from operating activities** | | **181,163** | **66,216** |
| **Investment activities** | | | |
| Fixed asset acquisitions | 7.4 | (67,472) | (79,757) |
| Fixed asset disposals | | 1,146 | 1,232 |
| Fixed asset-related receivables - payables | | (6,224) | (3,287) |
| Impact of changes in scope | 3.4 | (1,591) | (22,937) |
| **Total 2 - Cash flow from investment activities** | | **(74,141)** | **(104,749)** |
| **Financing activities** | | | |
| Change in share capital | | 0 | 0 |
| Other cash flow from financing activities | | 0 | 0 |
| Treasury stock | | (4,501) | (3,674) |
| Dividends paid to shareholders | | (18,855) | (21,360) |
| Issuing of financial debt | 9.3 | 133,246 | 5,439 |
| Repayment of financial debt | 9.3 | (38,567) | (13,351) |
| Change in floor plan-related financial debt with financing organizations | 5.5 | (88,173) | 17,094 |
| **Total 3 - Cash flow from financing activities** | | **(16,850)** | **(15,852)** |
| CHANGE IN CASH POSITION (1+2+3) | | 90,172 | (54,398) |
| Opening cash position | 9.4 | 202,740 | 256,297 |
| Closing cash position (1) | 9.4 | 291,520 | 202,740 |
| Impact of changes in exchange rates | | (1,392) | 828 |
| Change | | 90,172 | (54,398) |
| (1) *Of which, transferable securities* | | *5,291* | *40,736* |
| *Cash at bank and in hand* | | *310,126* | *193,073* |
| *Bank overdrafts* | | *(23,897)* | *(31,070)* |

*(*) Of which, expenses recognized in non-current items for €54,116,000 resulting from the restructuring plan and the "Let's Go Beyond!" strategic plan: depreciation of assets and provisions for restructuring for €31,042,000 and €23,074,000 respectively (Notes 1.1 and 1.3).*

**Listed on Euronext Paris, BENETEAU S.A. is a French-law limited company (société anonyme).**

The Group has two main activities:

- Designing, producing and selling sailing yachts and motor boats through an international network of dealers, with this activity grouped together under the "Boat" division. As the boating industry's global market leader, Groupe Beneteau, through the Boat division's current 12 brands, offers around 200 recreational boat models serving its customers' diverse navigational needs and uses, from sailing to motorboating, monohulls and catamarans;
- Designing, manufacturing and selling leisure homes, with this activity grouped together under the "Housing" division. Leading the European leisure homes market, the three brands from the Group's Housing division offer a comprehensive range of leisure homes, lodges and pods that combine eco-design with high standards of quality, comfort and practicality.

The Group's other activities are ancillary and considered as reconciliation items in terms of the segment reporting given in Note 4.

The consolidated financial statements for the 16-month financial year ended December 31, 2020 reflect the accounting position of the company and its subsidiaries (hereafter "the Group"). They were approved by the company's Board of Directors on April 16, 2021, which authorized their publication. These accounts will be submitted for approval at the next general shareholders' meeting on June 11, 2021.

# 1. Highlights of the year

## 1.1 Let's Go Beyond! strategic plan

On July 9, 2020, the Group presented its strategic plan, Let's Go Beyond! (see pages 7 and 8 of the activity report).

Specifically, this plan reflects an approach to rationalize its investments around eight strategic brands and to reorganize its operations around global core functions.

The financial consequences of this rationalization were recognized in the accounts for the year ended December 31, 2020 for €47.3 million (Note 5.8).

## 1.2 Impact of the COVID-19 health crisis

The Covid-19 health crisis resulted in all of our industrial sites being closed for six weeks in spring 2020, then paralyzed the air transport sector and led to the closure of many boat rental bases, traditionally operated by our charter customers, particularly in the Caribbean region. Many orders were deferred in view of these developments.

The Housing sector was also affected, as outdoor tourism operators were not able to open their campsites until the summer and were not able to carry out their pre-season activities, which are crucial to their profits, restricting their ability to finance investments to renew their leisure homes.

Over the first 12 months of the financial year, in view of the Covid-19 health crisis, furlough measures were applied for a total of €8.7 million, including €1.2 million of direct subsidies.

However, the Group's liquidity and financial position remain strong. As indicated in Note 9.4, the Group had €93.4 million of positive net cash at year-end, alongside its confirmed and available credit facilities that can be used in line with requirements, as well as a €120 million government-backed loan, taken out on July 8, 2020.

On the reporting date, the Group considers that the continuity of its operations is not in doubt.

## 1.3 Restructuring operations

In the context of the health crisis, the Group decided to adapt its production capacity, while simplifying its organization and reducing all of its fixed costs.

For the Boat Division's 16 active molding and assembly sites (10 in France), the Group divested the Marion production site in South Carolina (USA) and temporarily shut down two production sites in France.

In addition, considering the outlook for Seascape's business, the Group recorded a €1.7 million impairment for the full amount of its goodwill (Note 7.6).

For the Housing Division's eight sites (seven in France and one in Italy), the following measures were rolled out:

- Closing one site in France,
- Significantly scaling down operations in Italy.

For the two divisions globally, these measures have led to job cuts for direct and indirect production staff, as well as the product development and support functions, concerning less than 600 people.

As a result of all of these measures, a non-current expense was recorded for €31.2 million (Note 5.8).

## 1.4 Change of year-end date

The extraordinary general meeting on August 28, 2020 decided to amend the bylaws of Bénéteau SA to set the year-end date as December 31 instead of August 31 previously. This decision will notably enable the Group to:

- align itself more closely with standard market practices,
- adopt a more fluid approach for its financial communications with the market by being able to report its guidance for the coming financial year when it publishes its full-year results.

The accounts presented at December 31, 2020 therefore cover 16 months of business (September 1, 2019 to December 31, 2020) and are not comparable, in terms of their timeframe, with the data for the previous financial year that ended on August 31, 2019 and covered a 12-month period. The strong seasonality of our activity also significantly affects the comparability of the two financial years.

The following information presents the main accounting aggregates, i.e. revenues and income from ordinary operations, on a calendar year basis for 2020 (January 1 - December 31):

| €m | 2019-2020 (16 months) | 2019-2020 (pro forma 12 months - January-December) | 2018-2019 (12 months) |
|---|---|---|---|
| Revenues | 1,344.4 | 1,096.6 | 1,336.2 |
| · Boats | 1,151.1 | 943.6 | 1,143.7 |
| · Housing | 193.3 | 153.0 | 192.5 |
| Income from ordinary operations | (8.1) | 27.5 | 82.0 |
| % income from ordinary operations / revenues | (0.6%) | 2.5% | 6.1% |

# 1.5 Accounting changes

## 1.5.1 MODIFICATION OF THE REVENUE RECOGNITION DATE - BOAT DIVISION

In connection with the changes launched during the first half of 2020 to update its commercial processes and internal control arrangements for boats built in Europe, the Group changed the billing date for boats from the date when boats were made available to the date when boats are shipped to dealer customers.

In this context, the Group reviewed the judgements made concerning the application of the principles from paragraph 38 of IFRS 15 regarding the transfer of control over products sold, and concluded that the obligating event for transfer of control needed to be modified from products being made available to their shipping.

The new revenue recognition date is now aligned with:

• collection, subject to full payment beforehand,

• transfer of ownership, which cannot take place before payment due to the reservation of ownership contractual clause.

The reasons for changing the obligating event for revenue recognition relate to both a change in circumstances and a change in Groupe Beneteau Management's judgements concerning the indicators for transfer of control (IFRS 15.38).

The Group judges that this change contributes to the quality and relevance of its financial information. This change did not have any significant impact on the consolidated accounts and was treated on a prospective basis from the year ended December 31, 2020.

## 1.5.2 IMPACT OF THE GROUP'S NEW ORGANIZATION ON MONITORING GOODWILL

In July 2020, the Group's Executive Leadership Team announced a new strategic plan, *Let's Go Beyond!*, with a medium-term vision looking ahead to 2025 for the corresponding brand / product plan and industrial plan.

Until year-end August 31, 2019:

• For the Housing Division, which accounted for the bulk of goodwill, the Group carried out a test on the CGU group comprising the Housing operating segment, since this goodwill related to the acquisition of IRM, an operation that had contributed to structuring this division and giving it critical mass.

• For the Boat Division, the Group carried out tests on the companies acquired which had led to the recognition of this goodwill, and particularly Rec Boat Holdings (RBH) in the United States and SJ Delphia in Poland.

In June 2020, the Group announced that it was setting up a unified Executive Industrial Operations and Development Department for the Boat Division, covering all the activities in all the countries where the Group operates. This confirms the commitment to manage the Group based around global core functions, rather than around legal entities, in order to maximize synergies and consistency.

As the legal entities which house the brands or plants no longer represent the level at which goodwill is monitored internally, the Group considers that it is now more relevant to carry out impairment tests on goodwill for the operating segment, i.e. the Boat Division overall. The allocation of goodwill is therefore compliant with IAS 36 §80.

Details of the monitoring of goodwill are provided in Note 7.6.

# 2. Accounting principles

## 2.1 Basis for preparation

The Group's consolidated accounts comprise the accounts of the company BENETEAU SA ("the Company") and its subsidiaries. The Group refers to the Company, the Group's parent company, and the entities from its basis for consolidation (see Note 3 "Basis for consolidation and key developments for the year" and Note 12 "Information concerning related parties").

The consolidated accounts are prepared in accordance with the principle of continuous operations and on a historical cost basis, primarily with the exception of the following items:

- Derivative financial instruments and indemnification assets, contingent liabilities and financial liabilities representing a price adjustment, recognized in a business combination, which are measured at fair value;
- Liabilities (or assets) relating to employee benefits which are measured at the fair value of plan assets, less the present value of defined benefit obligations, in accordance with the limits set by IAS 19;
- Assets held for sale, which are measured at the lower of their carrying amount or their fair value after sales costs.

The financial statements are presented in thousands of euros, unless otherwise indicated.

## 2.2 Standards applied

The consolidated financial statements are presented for the year ended December 31, 2020 in line with the IFRS published by the International Accounting Standards Board (IASB) and adopted by the European Union on the reporting date. A full list of the IFRS adopted by the European Union is available on the European Commission site (https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en).

These consolidated financial statements are the first to take into account IFRS 16 "Leases", with its conditions for application and impacts presented in detail below.

The Group does not apply the IFRS that have not yet been approved by the European Union on the reporting date for the period. The Group opted against the early application of the standards or interpretations whose application is not compulsory for the financial year ended December 31, 2020.

### 2.2.1 FIRST-TIME APPLICATION OF IFRS 16 "LEASES"

IFRS 16 "*Leases*" must be applied by the Group at September 1, 2019, replacing IAS 17 and the related interpretations.

Up until now, each lease for which the Group was the lessee was classed as a finance lease or an operating lease, with a specific accounting treatment for each of these categories.

In accordance with IFRS 16, leases are now recognized based on a single model for the lessee. With the exception of the exemptions that the Group may be entitled to for short-term leases (initial term of 12 months or less, with no renewal option) or leases concerning low-value assets (less than €5,000), all the leases are recognized on the consolidated balance sheet:

- On the asset side as a "right of use", representing the right to use the underlying asset throughout the lease term, which the Group has chosen to classify on the balance sheet depending on the category of the asset concerned,

- On the liability side as a "lease liability" corresponding to the present value of future lease payments.

On the income statement, the lease expense is replaced by:

- A depreciation charge on the right of use relating to the leases,
- An interest expense on the corresponding lease liability.

On the cash flow statement, the variable lease payments and interest continue, if applicable, to affect cash flow from operations. The repayment of the principal portion of the lease liability is presented in cash flow from financing activities.

The Group has applied IFRS 16 from September 1, 2019 in line with the "modified retrospective" transition method, without restatements for comparative periods. At September 1, 2019, the Group therefore recorded a lease liability corresponding to the present value of the lease payments over the remaining term of the lease, allocated against a right of use adjusted, if applicable, for prepaid lease payments or recorded under accrued expenses. The comparative information reported for FY 2018-2019 is therefore presented in accordance with the principles of IAS 17 and its interpretations.

At September 1, 2019, the Group's financing advisory firm indicated the rates that would be applied for each of these leases depending on their maturity and the financing currency of the various subsidiaries (Euro, Polish zloty, US dollar). These bank rates used for determining the present value of lease charges vary from 0.63% to 3.24%.

At September 1, 2019, the impact of the application of IFRS 16 on financial debt and fixed assets respectively came to €9,384,000 and €9,399,000, as presented in detail below.

The reconciliation between the off-balance sheet commitments relating to leases at August 31, 2019 under IAS 17 and the lease liabilities valued under IFRS 16 at September 1, 2019 can be broken down as follows:

| **Off-balance sheet commitments for operating leases at August 31, 2019** | **8,197** |
|---|---|
| Discounting effect | (495) |
| Leases not covered by IFRS 16 or exempt | (343) |
| Difference linked to changes in the duration of the commitment | 2,025 |
| Lease liabilities at September 1, 2019 | 9,384 |

The leases for which the Group is the lessee primarily concern the following categories of assets:

- Real estate assets (land and property): the Group leases plots of land for storing materials and industrial buildings or offices. It also has authorizations to temporarily occupy the maritime public domain at certain sites in France. These agreements are generally entered into for a maximum of 20 years;
- Industrial plant and equipment: the Group leases industrial equipment for its production plants, primarily including forklift trucks and stackers, for a period of one to five years;
- Vehicles: certain Group companies lease the vehicles used by employees. The agreements are primarily for three years.

**The impacts of the first-time application of IFRS 16 at September 1, 2019 and during the financial year are as follows:**

- Under assets on the balance sheet

| €'000 | At Sep 1, 2019 | Acquisition | Disposal | Depreciation | Change Exch. gains or losses | At Dec 31, 2020 |
|---|---|---|---|---|---|---|
| Land | 354 | 0 | 0 | 0 | (14) | 340 |
| Property | 6,252 | 1,219 | (850) | (1,861) | (48) | 4,713 |
| Plant and equipment | 1,598 | 465 | (137) | (616) | (14) | 1,296 |
| Other property, plant and equipment(*) | 1,357 | 1,095 | (175) | (1,037) | (8) | 1,233 |
| **FIXED ASSETS** | **9,561** | **2,779** | **(1,161)** | **(3,514)** | **(83)** | **7,582** |
| Other receivables | (162) | 157 | 0 | 0 | 0 | (4) |
| TOTAL ASSETS | 9,399 | 2,936 | (1,161) | (3,514) | (83) | 7,577 |

*(*) Primarily comprising transport equipment*

- Under liabilities on the balance sheet

| €'000 | Sep 1, 2019 | Increase | Reimbursement | Transfer | Change Exch. gains or losses | Dec 31, 2020 |
|---|---|---|---|---|---|---|
| Non-current lease liabilities | 6,826 | 2,154 | (216) | (3,424) | (42) | 5,298 |
| Current lease liabilities | 2,558 | 637 | (4,365) | 3,424 | (40) | 2,214 |
| **LEASE LIABILITY** | **9,384** | **2,791** | **(4,582)** | **0** | **(81)** | **7,512** |
| Trade payables | (41) | 42 | 0 | 0 | (1) | (0) |
| TOTAL LIABILITIES | 9,343 | 2,833 | (4,582) | 0 | (82) | 7,512 |

- On the income statement

| €'000 | Dec 31, 2020 reported | IFRS 16 impact | Dec 31, 2020 - before IFRS 16 | Aug 31, 2019 |
|---|---|---|---|---|
| Lease expense | (8,713) | 4,035 | (12,748) | (11,190) |
| Depreciation | (103,038) | (3,860) | (99,178) | (74,205) |
| **Operating income** | **(86,175)** | **185** | **(86,361)** | **77,870** |
| Financial expenses | (5,443) | (172) | (5,271) | (6,902) |
| **Net income** | **(84,837)** | **14** | **(84,850)** | **48,241** |

- On the cash flow statement

| €'000 | Dec 31, 2020 reported |
|---|---|
| **Operating activities** | |
| Net income for the year | 14 |
| Elimination of income and expenses without any impact on cash flow or unrelated to operations | |
| Depreciation and provisions | 3,860 |
| Capital gains or losses on disposals | 815 |
| Deferred tax | 0 |
| **Operating cash flow** | **4,689** |
| Change in working capital requirements | |
| Inventories and work-in-progress | 0 |
| Receivables | 0 |
| Current tax | 0 |
| Payables | (119) |
| Change in floor plan-related dealer receivables | 0 |
| **Total 1 - Cash flow from operating activities** | **4,570** |
| **Investment activities** | |
| Fixed asset acquisitions | (2,779) |
| Fixed asset disposals | 0 |
| Fixed asset-related receivables - payables | 0 |
| Impact of changes in scope | 0 |
| **Total 2 - Cash flow from investment activities** | **(2,779)** |
| **Financing activities** | |
| Change in share capital | 0 |
| Other cash flow from financing activities | 0 |
| Treasury stock | 0 |
| Dividends paid to shareholders | 0 |
| Issuing of financial debt | 2,791 |
| Repayments of financial debt | (4,582) |
| Change in floor plan-related financial debt with financing organizations | 0 |
| **Total 3 - Cash flow from financing activities** | **(1,791)** |
| **CHANGE IN CASH POSITION (1+2+3)** | 0 |
| Opening cash position | 0 |
| Closing cash position | 0 |
| Impact of changes in exchange rates | 0 |

## 2.2.2 FIRST-TIME APPLICATION OF THE INTERPRETATION IFRIC 23 – UNCERTAINTY OVER INCOME TAX TREATMENTS

The IFRIC 23 interpretation, which applies to the Group from the financial year starting September 1, 2019, clarifies the application of the terms of IAS 12 "Income Taxes" concerning the determination of elements relating to income tax, when there is uncertainty concerning the treatments retained, in view of the tax provisions applicable.

The Group reviewed its tax positions in order to determine the impacts of this interpretation on its consolidated accounts. This review did not identify any significant uncertainties concerning the tax treatments applied. The first-time application of the IFRIC 23 interpretation has therefore not had any impact on the consolidated accounts.

## 2.3 Significant accounting judgments and estimates

The following notes and tables are presented in thousands of euros, unless otherwise indicated.

Current assets comprise assets intended to be sold off or consumed in connection with the normal operating cycle, or within 12 months of the close of accounts, as well as cash and cash equivalents.

Current liabilities comprise debt falling due during the normal operating cycle or within 12 months of the reporting date.

Other assets or liabilities are considered to be non-current.

In order to prepare the consolidated financial statements, the Group's management team must exercise their judgment when making estimates and assumptions that have an impact on the application of the accounting methods and the amounts recorded in the financial statements.

These underlying assumptions and estimates are drawn up and reviewed on an ongoing basis in light of past experience and other factors that are considered to be reasonable in view of the circumstances. The actual values recorded may be different from the estimated values.

The underlying assumptions and estimates are reexamined on a continuous basis. The impact of changes in accounting estimates is recorded during the period of the change if it only affects this period or during the period of the change and subsequent periods if they are also affected by this change.

| Notes | Estimate | Type of disclosure |
|---|---|---|
| Note 3.4 | Principal acquisitions, disposals and changes in scope | As relevant, presentation of the principal valuation assumptions and methods applied for the identification of intangible assets in connection with business combinations, and assumptions retained for annual impairment tests |
| Note 7.2.1 | Development costs | If applicable, presentation of impairment methods |
| Note 6.3 | Employee benefits | Discount rate, inflation, yield for plan assets, rate for increase in wages |
| Note 11 | Share-based payments | Underlying assumptions and model for determining fair values |
| Note 8 | Provisions | Underlying assumptions for assessing and estimating risks |
| Note 10 | Corporate income tax | Assumptions retained for recognizing deferred tax assets and the conditions for application of tax legislation |

# 3. Basis for consolidation and key developments for the year

## 3.1 Consolidation method

### Subsidiaries

A subsidiary is an entity controlled by the Group. The Group controls a subsidiary when it is exposed or entitled to variable returns as a result of its links with the entity and it has the capacity to influence these returns as a result of its power over the entity. Subsidiaries' financial statements are included in the consolidated financial statements from the date on which control is obtained up until the date when it ceases to have control over them. When assessing control, the Group takes into consideration the potential voting rights that may currently be exercised, if applicable.

### Non-controlling interests

Non-controlling interests are valued prorata based on the identifiable net assets of the company acquired on the acquisition date.

Changes to the percentage held by the Group in a subsidiary that do not result in a loss of control are recognized as transactions in equity.

### Interests in associates or joint ventures

The Group's interests in equity affiliates comprise interests in associates or joint ventures.

Associates are entities for which the Group has a significant influence over their financial and operational policies, although without having control or joint control over them.

Joint ventures are partnerships under which the Group has joint control, giving it rights to the partnership's net assets, but not rights to its assets and obligations to be assumed in connection with its liabilities.

The Group's interests in associates and joint ventures are recorded on an equity basis. They are initially recognized at cost, including transaction costs. Following their initial recognition, the consolidated financial statements include the Group's share of net income and other comprehensive income for entities recorded on an equity basis until the date when the significant influence or joint control ends.

### Methods applied for the Group

At December 31, 2020, the Group's companies were exclusively controlled by BENETEAU S.A. As such, the accounts of these companies are fully consolidated. Only SGB Finance, over which the Group has joint control, with a 49% interest, is consolidated on an equity basis.

Any unrealized income, expenses and balance sheet items resulting from intragroup transactions are eliminated when preparing the consolidated financial statements. Any unrealized gains and losses resulting from transactions with associates are eliminated under equity-consolidated securities.

The basis for consolidation and the list of subsidiaries are presented in Note 12.1.

## 3.2 Business combination

To record the acquisition of subsidiaries, the Group uses the acquisition method. The fair value of the consideration transferred corresponds to the fair value of the assets submitted, the equity instruments issued by the acquirer and the liabilities assumed on the date of the exchange. The costs linked directly to the acquisition are recognized as expenses for the period during which they are incurred.

When a subsidiary or associate is consolidated for the first time, the Group measures all the identifiable elements acquired at their fair value on this date. This measurement is carried out in the currency of the company that has been acquired.

Value adjustments for assets and liabilities relating to acquisitions recorded on a provisional basis (due to additional analyses or appraisals underway) are recognized as retrospective adjustments to goodwill if they occur within the allocation period, which may not exceed one year from the acquisition date, and if they result from facts and circumstances that existed on the acquisition date. Beyond this period, the effects are recognized directly in profit and loss, unless they correspond to corrections for errors, notably with regard to deferred tax assets, which, if they are recognized more than one year after the acquisition date, generate tax income. Goodwill relating to acquisitions of joint ventures and associates is included in the value of interests in companies consolidated on an equity basis.

Goodwill is not amortized, but is subject to impairment tests when there are indications of impairment and at least once a year. The conditions for impairment tests are presented hereafter in Note 6.6 “Impairment on fixed assets”. The impairments recognized in profit and loss cannot be reversed.

### Goodwill

The residual difference corresponding to the surplus for the fair value of the consideration transferred (e.g. the amount paid), plus the amount of non-controlling interests in the company acquired (measured at either their fair value or for their share in the fair value of the identifiable net assets acquired), compared with the fair value on the acquisition date of the assets acquired and liabilities assumed is recorded as an asset in the consolidated financial position statement under “goodwill”.

The option to measure non-controlling interests at their fair value or for their share in the fair value of the identifiable net assets acquired is available on a case-by-case basis for each business combination operation.

When the fair value of the assets acquired and liabilities assumed for the company acquired on the acquisition date exceeds the acquisition price plus the amount of the non-controlling interests, the negative goodwill is recognized immediately in profit and loss during the acquisition period, after checking the process to identify and measure the various items taken into account to calculate it.

### Transactions concerning non-controlling interests

Changes in non-controlling interests, which do not involve obtaining or losing control, are recognized in equity. For instance, for an additional acquisition of securities in an entity that is already controlled by the Group, the difference between the securities’ acquisition price and the additional share in consolidated equity acquired is recognized in equity - Group share. The consolidated value of the subsidiary’s identifiable assets and liabilities (including goodwill) remains unchanged.

### Price adjustments and/or earnouts

Potential price adjustments or earnouts for business combinations are measured at their fair value on the acquisition date if they are considered likely to be achieved. Following the acquisition date, changes to the fair value estimates for price adjustments result in adjustments to goodwill only if they occur within the allocation period (maximum of one year from the acquisition date) and if they result from facts and circumstances that exist on the acquisition date. In all other cases, changes are recognized in profit and loss unless the consideration transferred represents an equity instrument.

## 3.3 Conversion of foreign currencies

The financial statements of foreign subsidiaries are converted based on the exchange rate applicable at the close of accounts for the balance sheet, and at the average exchange rate over the year for the income statement. This average rate is an approximate value for the exchange rate on the transaction date if there are no significant fluctuations.

Translation differences linked to intercompany transactions are recognized in financial income and expenses, as relevant.

## 3.4 Change in the basis for consolidation

**Stocznia Jachtowa Delphia sp z.o.o. (SJ Delphia) - acquisition of the 20% held by the minority shareholders**

Following on from the acquisition of 80% of Stocznia Jachtowa Delphia sp z.o.o. (SJ Delphia) in 2018, the Group acquired the additional 20% interest to become the sole shareholder of SJ Delphia, through its subsidiary OSTRODA YACHTS.

Under the shareholders agreement relating to SJ Delphia, the Group had a call option on the 20% held by the minority shareholders, which it did not activate.

The Group cancelled the financial liability relating to the put option held by SJ Delphia's minority shareholders, which had become obsolete after their shares were bought back. This financial liability totaled €4,642,000 at August 31, 2019 and corresponded to the estimated future exercise price. As this transaction did not have any impact on the Group's control of SJ Delphia, all of the impacts were recognized in equity.

**The impacts of the changes in scope on shareholders' equity are as follows:**

| €'000 | Group | Non-controlling interests | Total |
|---|---|---|---|
| Band of Boats | 411 | | 411 |
| SJ Delphia | 4,642 | | 4,642 |
| Seascape | 560 | | 560 |
| **Total put on minorities** | **5,613** | | **5,613** |
| Acquisition of SJ Delphia minority interests | (1,950) | 459 | (1,491) |
| Other | 48 | (150) | (102) |
| **Change in scope** | **3,711** | **309** | **4,020** |

| €'000 | Dec 31, 2020 | SJ Delphia | Monte Carlo Yachts |
|---|---|---|---|
| Amount paid | (1,591) | (1,491) | (100) |
| Net cash acquired with the subsidiaries | | | |
| **Net cash flow** | **(1,591)** | **(1,491)** | **(100)** |

## 3.5 Non-current assets (or groups of assets) held for sale

Non-current assets or groups of assets and liabilities are classed as assets held for sale if it is highly probable that they will be recovered primarily through a sale or distribution, rather than continuing use.

Immediately before their classification as held for sale, the assets or the components of the group to be sold are valued in accordance with the group's other accounting principles.

The assets (or the group held for sale) are recorded at the lower of their carrying amount or their fair value after sales costs. Any impairment relating to a group held for sale is allocated first to goodwill, then to the other assets and liabilities, prorated to their carrying value, with the exception of inventories, financial assets, deferred tax assets, assets arising from employee benefits, investment properties and biological assets, which continue to be valued in line with the group's other accounting principles that apply to them.

Any impairments resulting from an asset (or group of assets and liabilities) being classed as held for sale and any profits and losses due to subsequent valuations are recognized in profit or loss.

## 3.6 Non-controlling interests

The Group has granted put options to third parties with non-controlling interests in certain consolidated companies to sell all or part of their interests in these companies. These financial liabilities do not accrue interest.

Under IAS 32 "Financial Instruments: Presentation", when holders of non-controlling interests have put options to sell their interests to the Group, a financial liability is recognized for an amount corresponding to the present value of the option's exercise price. The liability resulting from these commitments is reflected in:

- On the one hand, a reduction in the book value of the non-controlling interests concerned;
- On the other hand, a reduction in shareholders' equity (Group share), for the amount of the financial liability that exceeds the book value of the non-controlling interests concerned.

The financial liability is adjusted at the end of each period based on changes in the exercise price for the options and the book value of the non-controlling interests.

As there is no IFRS guidance in this area, the Company has applied the recommendations issued by the AMF in November 2009, recognizing the subsequent changes in the financial liability in equity.

## 3.7 Post-balance sheet events relating to the basis for consolidation

Following on from the restructuring plan launched during the year (see Note 1.4), the Group sold 10% of Seascape's capital, taking its interest in this company to 50%, without majority control.

From 2021, the Group will therefore have a significant influence over Seascape's management, without having majority control over this company. The Group will therefore consolidate Seascape on an equity basis, as indicated in Note 3.1.

# 4. Segment reporting

The Group has two segments to present as described hereafter, corresponding to the Group's two divisions.

The Group's operating segments are organized and managed separately depending on the nature of the products and services provided:

- The "Boat" division, which groups together the activities for producing and marketing boats with a customer base made up primarily of dealers;
- The "Housing" division, which groups together the activities for manufacturing and marketing leisure homes with a customer base made up of campsites and tour operators.

Other activities are considered as reconciliation items.

Segment assets and liabilities are used for or result from this segment's operational activities.

More specifically, the Group has assets in France, the US, Poland, Italy and Slovenia.

The Boat Division's revenue from ordinary activities is broken down by region depending on the customer's location and by type of boat (Sailing / Motor), in accordance with IFRS 15.

## 4.1 Revenue from ordinary activities

Within the Boat division, revenue from ordinary activities is broken down as follows by region, boat type and customer segment:

| **Boat Division - Sales (€'000)** | **2019-2020 (16 months)** | | **2018-2019 (12 months)** | |
|---|---|---|---|---|
| France | 198,454 | | 219,094 | |
| Rest of Europe | 497,586 | | 465,813 | |
| North America | 315,006 | | 327,622 | |
| South America | 11,554 | | 7,228 | |
| Asia | 34,642 | | 44,917 | |
| Rest of world | 94,100 | | 78,868 | |
| **TOTAL for each region** | **1,151,195** | | **1,143,544** | |
| Fleet sales* | 153,697 | | 129,100 | |
| Other sales | 997,603 | | 1,014,444 | |
| **TOTAL per customer category** | **1,151,195** | | **1,143,544** | |
| Sailing | 531,554 | 47.4% | 519,411 | 46.5% |
| Motor | 588,717 | 52.6% | 597,965 | 53.5% |
| **Total Boats** | **1,120,271** | **100%** | **1,117,376** | **100%** |
| Other** | 31,030 | | 26,168 | |
| **TOTAL per type of boat** | **1,151,301** | | **1,143,544** | |

** Fleet sales represent the volume of sales with boat charter companies*

*** "Other" sales primarily concern sales of spare parts*

## 4.2 Operating segment reporting

### FY 2019-2020 (16 MONTHS)

| €'000 | Boats | Housing | Reconciliation items | Total |
|---|---|---|---|---|
| Revenue from ordinary activities | 1,151,196 | 193,281 | | 1,344,476 |
| Depreciation of segment assets | 95,285 | 7,754 | | 103,038 |
| Income from ordinary operations | (10,874) | 2,799 | | (8,076) |
| Segment assets | 2,069,812 | 215,249 | (1,001,561) | 1,283,500 |
| Segment liabilities | 1,622,058 | 121,795 | (1,001,561) | 742,292 |
| Acquisitions of property, plant and equipment and intangible assets | 64,252 | 3,220 | | 67,472 |

### FY 2018-2019 (12 MONTHS)

| €'000 | Boats | Housing | Reconciliation items | Total |
|---|---|---|---|---|
| Revenue from ordinary activities | 1,143,689 | 192,538 | | 1,336,227 |
| Income from ordinary operations | 68,894 | 13,154 | | 82,049 |
| Segment assets | 2,097,402 | 205,661 | (1,129,231) | 1,173,839 |
| Segment liabilities | 1,554,732 | 104,213 | (1,129,231) | 529,710 |
| Acquisitions of property, plant and equipment and intangible assets | 75,804 | 3,953 | | 79,757 |

# 4.3 Geographical reporting

## FY 2019-2020 (16 MONTHS)

| Business | Region | Revenue from ordinary activities | Segment assets | Acquisitions of property, plant and equipment and intangible assets |
|---|---|---|---|---|
| Boats | France | 198,454 | 1,139,887 | 55,495 |
| | Rest of Europe | 497,438 | 184,369 | 5,465 |
| | North America | 315,006 | 745,357 | 3,149 |
| | South America | 11,554 | 0 | 0 |
| | Asia | 34,642 | 199 | 143 |
| | Rest of world | 94,100 | 0 | 0 |
| **Total BOATS** | | **1,151,195** | **2,069,812** | **64,252** |
| Housing | France | 159,198 | 199,418 | 3,073 |
| | Europe | 34,083 | 15,831 | 147 |
| | Rest of world | 0 | 0 | 0 |
| **Total HOUSING** | | **193,281** | **215,249** | **3,220** |
| Reconciliation items | | 0 | (1,001,561) | |
| **TOTAL** | | **1,344,476** | **1,283,500** | **67,472** |

## FY 2018-2019 (12 MONTHS)

| Business | Region | Revenue from ordinary activities | Segment assets | Acquisitions of property, plant and equipment and intangible assets |
|---|---|---|---|---|
| **Boats** | France | 219,175 | 1,130,074 | 60,362 |
| | Rest of Europe | 465,791 | 231,803 | 9,630 |
| | North America | 327,608 | 735,142 | 5,811 |
| | South America | 7,228 | - | |
| | Asia | 44,917 | 352 | 0 |
| | Rest of world | 78,970 | 0 | 0 |
| **Total BOATS** | | **1,143,690** | **2,097,401** | **75,804** |
| **Housing** | France | 160,421 | 186,137 | 3,686 |
| | Europe | 31,630 | 19,525 | 267 |
| | Rest of world | 486 | 0 | 0 |
| **Total HOUSING** | | **192,537** | **205,661** | **3,953** |
| Reconciliation items | | 0 | (1,129,231) | |
| **TOTAL** | | **1,336,227** | **1,173,838** | **79,757** |

# 5. Operational data

## 5.1 Revenue from ordinary activities

Revenue from ordinary activities is recorded when the control of assets has been transferred to the customer, and its amount can be valued on a reliable basis.

This amount is net of any discounts granted to customers, as well as transport purchases paid to the freight forwarders and carriers responsible for transporting boats and leisure homes. Transport purchases primarily concern land transport services (pre-carriage for FCA boat sales – arrival at the location chosen by the customer) and, for a small percentage, marine transport services (CIF sales).

For the Housing Division, the Group recognizes revenues on shipping.

For the Boat Division, as indicated in Note 1.6.1, since this year, revenues have been recognized on the shipping date for products, which is the date when control over the products sold is transferred to customers.

## 5.2 Trade and other receivables

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets.

An impairment is recorded when the carrying value of receivables is lower than their gross value.

The Group derecognizes a financial asset when the contractual rights comprising the financial asset expire, when the company relinquishes its rights or when the company transfers its rights and it no longer holds virtually all of the risks and benefits involved.

| €'000 | Gross value at Dec 31, 2020 | Depreciation | Net value at Dec 31, 2020 | Net value at Aug 31, 2019 |
|---|---|---|---|---|
| Trade receivables and related | 36,288 | (3,255) | 33,032 | 90,262 |
| **TOTAL** | **36,288** | **(3,255)** | **33,032** | **90,262** |

The management of the financial risk relating to trade receivables and related accounts is presented in Note 9.1.1.

## 5.3 Inventories

Inventories of materials, goods and other supplies are valued in line with the first in, first out method.

Impairments in inventories of raw materials are determined in line with a statistical method, based primarily on the risk of such parts not being used.

In addition to direct costs, the production cost of finished products and work-in-progress factors in any indirect expenses strictly attributable to production, excluding research and after-sales service costs. Indirect costs include all the general costs for production and product development teams, in addition to insurance costs and depreciation charges. These costs are then allocated based on production time.

Impairments are calculated based on the difference between the gross value, determined in line with the abovementioned principles, and the net realizable value.

This net realizable value corresponds to the expected price net of direct distribution costs for the inventory in question.

| €'000 | Gross value at Dec 31, 2020 | Depreciation | Net value at Dec 31, 2020 | Net value at Aug 31, 2019 |
|---|---|---|---|---|
| Raw materials and other supplies | 79,786 | (8,824) | 70,961 | 75,221 |
| Production work-in-progress | 81,037 | (8,550) | 72,486 | 84,159 |
| Intermediate and finished products | 170,286 | (7,698) | 162,588 | 118,781 |
| **Total** | **331,108** | **(25,073)** | **306,036** | **278,161** |

## 5.4 Trade payables and other receivables and payables

| €'000 | Notes | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|---|
| **Trade payables** | | **96,141** | **114,335** |
| Advances and deposits received on orders | | 108,119 | 58,101 |
| Tax and social security liabilities | | 76,547 | 107,086 |
| Other trade payables | | 12,527 | 28,980 |
| Payables on financial instruments | 9 | 62 | 3,151 |
| Liabilities on fixed assets | | 1,832 | 5,672 |
| Accrued income | | 1,569 | 1,044 |
| **Other liabilities** | | **200,656** | **204,033** |
| **Current tax liabilities** | | **272** | **-** |

| €'000 | Notes | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|---|
| Advances and deposits on orders | | 2,631 | 4,719 |
| Receivables on financial instruments | 9 | 387 | -0 |
| Sundry tax and social security receivables | | 15,747 | 23,754 |
| Other receivables | | 6,532 | 8,939 |
| Prepaid expenses | | 7,454 | 9,207 |
| **OTHER RECEIVABLES** | | **32,750** | **46,619** |

Other receivables primarily comprise tax and social security-related receivables.

## 5.5 Dealer floor plan-related receivables and payables

The Group's client dealers benefit from floor plan bank financing arrangements for their boat inventory. Invoices that have been approved by the financing organizations are paid directly by the financing organizations within a very short timeframe after being issued. Under collaboration agreements between the Group and the financing organizations concerned, the Group is committed to buying back from the financing organizations any boats that they repossess if dealers default on repayments for their floor plan loans.

The payment of the invoice by a bank is analyzed as a transfer of the debt to the financing organization, making it necessary to assess whether the risks and benefits are retained by the assignor or transferred to the assignee. As a result of the Group's commitment to buy back boats, it takes on almost all of the risks relating to the debt. The Group has therefore concluded that the claims on dealers that were transferred to the financing organizations under floor plan mechanisms need to be kept on the balance sheet, with the corresponding financial liability recognized.

The Group has not identified expected credit losses on the dealer receivables relating to floor plan arrangements.

The floor plan payables and receivables have the same maturity.

| | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| **At year-start** | **228,099** | **210,979** |
| Change | (88,173) | 8,558 |
| Exchange rate impact | (9,534) | 8,536 |
| **At year-end** | **130,391** | **228,073** |

## 5.6 Breakdown of other external expenses

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Consumables, outsourcing, maintenance | 83,532 | 60,064 |
| Marketing, advertising | 17,050 | 18,515 |
| Fees, commissions, research, insurance | 25,056 | 24,726 |
| Leasing | 8,713 | 11,194 |
| Other | 25,092 | 24,087 |
| **External expenses** | **159,442** | **138,586** |

For FY 2019-2020, lease expenses and the corresponding lease charges concern leases that are exempt or outside the scope of IFRS 16.

## 5.7 Other operating income and expenses

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Obsolete provisions | 1,184 | 1,500 |
| Net capital gains on disposal of fixed assets | 0 | 331 |
| Net income on unrecoverable receivables | 0 | 0 |
| Commercial compensation | 0 | 815 |
| Sundry income (*) | 3,764 | 1,466 |
| **Other current operating income** | **4,948** | **4,112** |

*(*) Of which, subsidy received in connection with the health crisis: €1,200,000.*

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Patents, copyright royalties, attendance fees | (3,714) | (2,104) |
| Net capital losses on disposal of fixed assets | (315) | 0 |
| Net expenses on unrecoverable receivables | (542) | (513) |
| Commercial compensation | 0 | (985) |
| Sundry expenses | (3,512) | (4,374) |
| **Other current operating expenses** | **(8,083)** | **(7,976)** |

Provisions recorded in relation to technical disputes have been updated in view of the new elements available, leading to a reduction in the residual risk.

More specifically, sundry income includes compensation received in connection with the resolution of disputes.

Within other current operating expenses, the "Sundry" item corresponds to estimates for disputes whose outcome is not known on the reporting date and that are valued based on the elements known to date.

## 5.8 Other non-current operating income and expenses

The items classed as other non-current operating income and expenses correspond to items relating to a major event that occurred during the reporting period when the failure to present its impacts separately from other items of income from ordinary operations would distort the understanding of the company's current performance.

This concerns expense or income items that are of a limited number, significant and unusual or abnormal, including the impact of non-recurring events such as the discontinuation of an activity, the disposal of fixed assets not related to operations, and the costs and provisions relating to a significant dispute.

| **€'000** | **2019-2020 (16 months)** | **2018-2019 (12 months)** |
|---|---|---|
| "Let's Go Beyond!" strategic plan - Boat Division | (47,318) | |
| Restructuring plan - Boat Division | (28,220) | |
| Restructuring plan - Housing Division | (2,948) | |
| Transfer of outstanding development costs linked to the ERP project to losses – Boat | | (1,787) |
| Compensation linked to the departure of executives | | (1,429) |
| Discontinuation of SJ Delphia's "Sailing" business following the acquisition | | (1,057) |
| Other | | 94 |
| **Other non-current operating income and expenses** | **(78,489)** | **(4,179)** |

The launch of the "Let's Go Beyond!" strategic plan for the Boat Division (Note 1.1) is primarily reflected in the impairment of fixed assets for €31,042,000 (Note 7.4) and the write-down of inventories for €15,879,000.

The restructuring plan launched by the Group (Note 1.3) led to the recognition of employee-related costs and external fees under non-current provisions for liabilities for €22,713,000 (Note 8.1) and trade payables or social security liabilities based on the elements known on the reporting date for the consolidated financial statements.

# 6. Staff costs and employee benefits

## 6.1 Workforce

**The average headcount (including temporary staff) can be broken down for each business as follows:**

| | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Boats | 7,583 | 8,387 |
| Housing | 1,045 | 1,153 |
| **Total average headcount (including temporary staff)** | **8,628** | **9,580** |

**The breakdown of the average headcount by category is as follows:**

| | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Managers | 641 | 626 |
| Supervisors | 1,292 | 432 |
| Employees | 353 | 1,309 |
| Operatives | 6,341 | 7,213 |
| **Total average headcount (including temporary staff)** | **8,628** | **9,580** |

In light of the Group's seasonal activity, it uses temporary staff.

An average of 704 temporary staff worked within the Group (509 for the Boat business and 195 for Housing), compared with 1,367 the previous year.

**At December 31, 2020, Groupe Beneteau had a total of 7,569 employees (excluding temporary staff) around the world, with the following breakdown:**

| | At December 31, 2020 | At August 31, 2019 |
|---|---|---|
| France | 4,473 | 4,695 |
| Rest of Europe | 1779 | 1968 |
| USA - Brazil - Asia | 480 | 802 |
| **Boats** | **6,732** | **7,465** |
| France | 780 | 817 |
| Rest of Europe | 57 | 56 |
| **Housing** | **837** | **873** |
| **Total headcount (excluding temporary staff)** | **7,569** | **8,338** |

## 6.2 Expenses relating to employee benefits

Staff costs can be broken down as follows:

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Salaries and wages | 271,984 | 219,160 |
| Payroll taxes | 112,207 | 90,806 |
| External staff | 52,480 | 67,756 |
| Employee benefits resulting in provisions | 60 | 2,016 |
| Share-based payments (IFRS 2) | 377 | 1,499 |
| Profit sharing and performance-related bonuses | 3,401 | 16,584 |
| **Staff costs** | **440,509** | **397,822** |

## 6.3 6.3 Assets / liabilities relating to employee benefits

There are two categories of assets / liabilities relating to employee benefits:

- Long-service awards (*médailles du travail*) exclusively for the French companies
- Retirement benefits for the subsidiaries in Poland, the United States, Italy and France.

| €'000 | At Dec 31, 2020 | At Aug 31, 2019 |
|---|---|---|
| Long-service awards (médailles du travail) | 1,681 | 1,654 |
| Retirement benefits | 32,799 | 32,082 |
| **Total** | **34,480** | **33,736** |

**Retirement benefits**

There are four different pension plans in place within the Group, depending on the countries where the subsidiaries are located: Poland, the United States, Italy and France. They are all defined benefit plans (internal management in France, Italy and Poland; external management in the United States).

The Group recognizes the commitments relating to retirement benefits in line with the usual measures applicable. This concerns a defined benefit plan. In France, Poland and Italy, this is managed in-house with direct employer contributions. In the US, contributions are paid to a pension fund. Commitments are assessed by an independent actuary based on the projected unit credit method, the same method as for the defined benefit plans, with a discount rate of 0.6% at December 31, 2020, compared with 1% at August 31, 2019.

The sensitivity of commitments to a 1-point increase in the discount rate represented €7,132,000 at December 31, 2020.

In accordance with IAS 19 (revised), the Group recognizes actuarial gains or losses in other comprehensive income that cannot be recycled. In this respect, during the financial year, the Group increased the rate of payroll taxes for manager-grade staff by 1.3 points from 53.25% to 54.62%, and the payroll taxes rate for non-manager staff by 1.17 points from 42.59% to 43.76%. In addition, the turnover and wage growth rates have been updated.

| €'000 | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| Financial hedging assets | | |
| Value at year-start | 6,970 | 6,821 |
| Return | 826 | 149 |
| Supplementary payments | | |
| Benefits paid | | |
| **Value at year-end** | **7,796** | **6,970** |
| **Commitment recognized on the balance sheet** | | |
| Actuarial value of commitments to be hedged with financial assets (actuarial liability) | 40,595 | 39,052 |
| Value of financial assets | (7,796) | (6,970) |
| Actuarial value of unhedged commitments | | |
| **Net commitment recognized on the balance sheet** | **32,799** | **32,082** |
| **Annual expense components** | | |
| Cost of services provided | 2,176 | 2,656 |
| Interest charges on actuarial liability | 197 | 391 |
| Expected return on assets | (826) | (149) |
| Actuarial gains and losses recognized in profit or loss | | |
| **Expense for the year** | **1,547** | **2,898** |
| **Change in commitments recognized on the balance sheet** | | |
| Year-start | 32,082 | 24,535 |
| Change in scope | | 62 |
| Translation differences | (116) | 37 |
| Disbursements | (2,729) | (1,591) |
| Expense for the year | 1,547 | 2,898 |
| Actuarial gains and losses recognized in other comprehensive income | 2,015 | 6,141 |
| **Net commitment recognized at year-end** | **32,799** | **32,082** |
| **Principal actuarial assumptions** | | |
| Discount rate | 0.6% | 1.0% |
| Average rate for wage growth (with inflation) | 1% to 3.5% depending on age bracket | 1% to 3.5% depending on age bracket |
| Retirement ageManager born before 1952 | 60 | 60 |
| Manager born after 1952 | 65 | 65 |
| Non-manager born before 1952 | 60 | 60 |
| Non-manager born after 1952 | 65 | 65 |

A 1% change in the actuarial rate would have a (-)€7,132,000 impact on the provision for retirement benefits.

**Long-service awards (médailles du travail)**

Long-service awards are linked to company agreements applying to the Group's various French companies. These additional bonuses are paid in one installment to employees who have a certain level of seniority on a given date. The Group records the corresponding commitments based on the probability of employees being present in the Group on the payment date.

Commitments are assessed by an independent actuary based on a discount rate of 0.6% at December 31, 2020, compared with 1% at August 31, 2019, with the corresponding impacts recognized in other comprehensive income.

| €'000 | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| Commitment recognized at year-start | 1,654 | 1,487 |
| Change in scope | (-) | (-) |
| Disbursements | (116) | (84) |
| Expense for the year | 95 | 35 |
| Actuarial gains and losses recognized in other comprehensive income | 48 | 216 |
| **Commitment recognized at year-end** | **1,681** | **1,654** |

## 6.4 Share-based payments

The bonus share plans for employees and corporate officers are measured at their fair value, which is recognized in profit and loss against equity over the vesting period for beneficiaries to acquire rights.

The fair value of bonus shares, whose awards are dependent on internal and/or external performance conditions, has been determined using the Monte Carlo model.

The main elements retained for calculating the fair value are as follows:

- Share price on the date awarded by the Board of Directors
- Average of the last 20 share prices
- Estimated dividend per share rate
- Share's volatility
- Risk-free interest rate
- Vesting period
- Estimated turnover

The bonus share plan from February 9, 2018 was definitively awarded on February 9, 2020 (further details in Note 11.2). The performance conditions concerned the change in Beneteau's share price in relation to the SBF120 index and changes in the percentage of the operating margin in relation to targets set by Management.

## 6.5 Executive compensation (related parties)

All the compensation and related benefits awarded to members of the Group's administrative and management bodies, booked under expenses, can be broken down as follows:

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Short-term benefits | 2,852 | 3,043 |
| Other long-term benefits | 0 | 22 |
| Attendance fees | 247 | 265 |
| Share-based payments (1) | 113 | 269 |
| **Total** | **3,213** | **3,599** |

*(1) Amount determined in accordance with IFRS 2 "Share-based Payment" and the conditions presented in Notes 6.4 and 11.2.*

# 7. Intangible assets, property, plant and equipment, and non-current financial assets

## 7.1 7.1 Goodwill

In accordance with IAS 36, the Group has allocated its goodwill to "cash generating units" (CGUs) with a view to conducting impairment tests.

As indicated in Note 1.5.2, the Group now carries out impairment tests on goodwill for each of its operating segments overall as defined in Note 4, i.e. the Boat Division on the one hand and the Housing Division on the other. These tests are detailed in Note 7.6.

## 7.2 Intangible assets

The intangible assets acquired are recorded at their acquisition cost, while other intangible assets created internally are recorded at their cost price.

When their useful life is definite, intangible assets are depreciated over the useful life expected by the Group. This timeframe is determined on a case-by-case basis in view of the nature and characteristics of the elements included in this section.

When their useful life is indefinite, intangible assets are not depreciated, but systematically subject to annual impairment tests in accordance with the approach presented in Note 7.1. Intangible assets with definite useful lives are valued at cost less any depreciation and impairments, while intangible assets with indefinite useful lives are valued at cost less any aggregate impairments.

The main categories of intangible assets correspond to goodwill and development costs.

### 7.2.1 DEVELOPMENT COSTS

Development costs, net of related research tax credits, are recorded as intangible assets when the capitalization conditions are met in line with the following criteria:

- The projects are clearly identified and the related costs can be determined separately and measured reliably,
- The technical feasibility of the projects has been proven. There is an intention and a capacity to complete the projects and use or sell the products resulting from them. There is a potential market for the production resulting from these projects or their usefulness internally has been proven.

The necessary resources are available to complete the projects successfully.

The Group considers that it is in a position to satisfy the conditions set out above. As a result, its development projects for the production of molds in the "Boat" division are capitalized since they are part of individual projects and their ability to be recovered in the future can be reasonably considered as being assured.

### 7.2.2 DEPRECIATION OF OTHER INTANGIBLE ASSETS

Amortization charges are recorded as an expense on a straight-line basis in line with the estimated useful life of the intangible assets in question:

- Concessions, patents, licenses over the filing's validity period,
- Software 1 to 3 years.

They are subject to impairment tests when there are indications of impairment.

## 7.3 Property, plant and equipment

Property, plant and equipment that have been acquired are recognized at their acquisition cost, less the total amount of any depreciation and impairment recorded, with the exception of land, which is recognized at cost less impairments. This cost includes the spending linked directly to the item's acquisition and the estimated cost of the obligation to restore part of the asset to its previous state, if applicable.

Property, plant and equipment that have been produced are recognized at their production cost for those produced by the Group.

The subsequent costs are included in the book value of the fixed asset or recognized as a separate component, when relevant, if it is likely that the future economic benefits relating to this item will be allocated to the Group and the cost of this asset can be measured reliably. All other upkeep and repair costs are recognized as expenses for the year during which they are incurred, with the exception of those incurred to increase productivity or extend the item's useful life, which are capitalized.

When an item of property, plant and equipment has significant components with different useful lifespans, these components are recorded separately.

Property, plant and equipment are depreciated in line with the component-based approach over their useful life and taking into account their residual value, if applicable.

Amortization charges are recorded as an expense on a straight-line basis in line with the estimated useful life of the tangible assets in question.

The book values of property, plant and equipment are subject to impairment tests whenever any events or changes in circumstances indicate that it may not be possible to recover their book value.

The depreciation periods retained are as follows:

| | |
|---|---|
| · Site developments | 10 to 20 years |
| · Operating buildings | 20 years |
| · Building fixtures and fittings | 10 to 20 years |
| · Plant and equipment | 3 to 10 years |
| · Equipment fixtures and fittings | 3 to 10 years |
| · Transport equipment | 3 to 5 years |
| · Office and IT equipment and furniture | 2 to 10 years. |

# 7.4 Breakdown of fixed assets at year-end

## 7.4.1 CHANGE IN FIXED ASSETS (GROSS)

| €'000 | Year started Sep 1, 2019 | Acquisition | Disposal, retirement | Translation differences | Change in scope(*) | Change through inter-item transfers | Other(**) | Year ended Dec 31, 2020 |
|---|---|---|---|---|---|---|---|---|
| **Goodwill** | **91,095** | **0** | **0** | **(1,997)** | **(85)** | **0** | **0** | **89,013** |
| Start-up costs and goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development costs | 13,389 | 562 | (270) | (23) | 61 | (5,613) | 0 | 8,107 |
| Concessions, patents, licenses | 25,037 | 27 | 0 | (2,183) | 361 | 0 | 0 | 23,242 |
| Other intangible assets | 12,204 | 485 | (427) | (10) | (337) | 1,204 | 0 | 13,118 |
| Current intangible assets | 1,498 | 819 | (190) | (0) | 0 | (1,118) | 0 | 1,009 |
| Advances and deposits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total intangible assets (a)** | **52,128** | **1,893** | **(887)** | **(2,217)** | **85** | **(5,527)** | **0** | **45,475** |
| Land (1) | 63,178 | 779 | (296) | (118) | 0 | 45 | 355 | 63,942 |
| Property and facilities (2) | 299,813 | 10,366 | (10,528) | (2,834) | (0) | 7,628 | 6,252 | 310,697 |
| Plant and equipment (3) | 548,723 | 29,726 | (32,891) | (4,069) | 0 | 28,583 | 1,598 | 571,669 |
| Other property, plant and equipment | 52,074 | 3,235 | (5,181) | (488) | 0 | 1,140 | 1,356 | 52,137 |
| Current tangible assets | 35,283 | 21,473 | (3,048) | (187) | 0 | (29,807) | (1) | 23,713 |
| Advances and deposits on fixed assets | 341 | 271 | (253) | (2) | (0) | (198) | (1) | 158 |
| **Total property, plant and equipment (a)** | **999,412** | **65,849** | **(52,196)** | **(7,698)** | **0** | **7,390** | **9,559** | **1,022,317** |
| **Investments in associates and joint-ventures** | **40,040** | **(275)** | **0** | **0** | **0** | **0** | **0** | **39,765** |
| Equity interests | 41 | 0 | 0 | (0) | 0 | 0 | (1) | 40 |
| Other capitalized securities | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 21 |
| Loans | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| Other non-current financial assets | 151 | 51 | (50) | (7) | 0 | 0 | (1) | 144 |
| **Total non-current financial assets (a)** | **218** | **51** | **(50)** | **(7)** | **0** | **0** | **(2)** | **210** |
| **TOTAL FIXED ASSETS** | **1,182,893** | **67,519** | **(53,133)** | **(11,919)** | **0** | **1,863** | **9,558** | **1,196,780** |

** Finalization of goodwill for Band of Boats and SJ Delphia*

*** Impact of the first application of IFRS16 Leases for €9,561,000 (see Note 2.2.1)*

**Acquisition of fixed assets in cash flow**

| €'000 | |
|---|---|
| Acquisition of intangible assets | 1,893 |
| Acquisition of property, plant and equipment | 65,849 |
| Excluding advances and deposits | (271) |
| **Acquisition of fixed assets in cash flow statement** | **67,472** |

## 7.4.2 CHANGE IN AMORTIZATION, DEPRECIATION AND PROVISIONS

| €'000 | Year started Sep 1, 2019 | Charges | Depreciation | Disposal or retirement | Translation differences | Change through inter-item transfers | Other * | Year ended Dec 31, 2020 |
|---|---|---|---|---|---|---|---|---|
| **Goodwill** | **0** | **0** | **(1,663)** | **0** | **0** | **0** | **0** | **(1,663)** |
| Development costs | (10,065) | (1,841) | 0 | 162 | 19 | 4,647 | 0 | (7,077) |
| Concessions, patents, licenses | (4,076) | (457) | (7,859) | 0 | 785 | (120) | 1 | (11,727) |
| Other intangible assets | (10,636) | (1,347) | 0 | 428 | 19 | 154 | 1 | (11,380) |
| Current intangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total intangible assets** | **(24,776)** | **(3,645)** | **(7,859)** | **590** | **823** | **4,681** | **2** | **(30,184)** |
| Land (1) | (27,923) | (3,218) | 0 | 110 | 538 | 7 | (1) | (30,487) |
| Property and facilities (2) | (165,473) | (18,432) | (4,759) | 9,058 | 875 | 83 | 0 | (178,648) |
| Plant and equipment (3) | (417,106) | (68,846) | (16,761) | 32,258 | 3,175 | (6,635) | (53) | (473,967) |
| Other property, plant and equipment | (42,422) | (9,090) | 0 | 7,185 | 363 | 0 | (7) | (43,971) |
| Current tangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total property, plant and equipment** | **(652,923)** | **(99,585)** | **(21,520)** | **48,610** | **4,952** | **(6,545)** | **(62)** | **(727,073)** |
| **Investments in associates and joint-ventures** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total non-current financial assets** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **TOTAL FIXED ASSETS** | **(677,700)** | **(103,230)** | **(31,042)** | **49,200** | **5,775** | **(1,864)** | **(60)** | **(758,921)** |

The depreciation recorded during the financial year is linked to the Boat Division's "*Let's go Beyond!*" strategic plan (Note 1.1).

# 7.5 Investments in associates

This concerns the 49% equity interest in SGB Finance, with the other 51% owned by CGL (Société Générale Group). SGB Finance paid out a dividend of €10.00 per share, representing €3,970,000, with €1,945,000 for Groupe Beneteau.

### CHANGES IN THE REMAINING 49% INTEREST IN SGB

| €'000 | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| At September 1 | 40,040 | 39,099 |
| Dividends paid | (1,945) | (3,891) |
| Earnings | 1,671 | 4,832 |
| **At year-end** | **39,765** | **40,040** |

### RECONCILIATION WITH SHAREHOLDERS' EQUITY

| €'000 | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| Shareholders' equity | 81,154 | 81,714 |
| % interest | 49% | 49% |
| **Net book value of equity-consolidated securities** | **39,765** | **40,040** |

### OTHER INFORMATION CONCERNING SGB

| €'000 | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| Total net assets | 927,181 | 854,483 |
| With a maturity exceeding one year | 589,428 | 568,000 |
| Shareholders' equity | 81,154 | 81,714 |
| Accounts and borrowings (*) | 793,066 | 697,971 |
| With a maturity exceeding one year | 502,245 | 468,915 |
| Net banking income | 30,892 | 21,648 |
| Net income | 3,409 | 9,861 |

*(*) With Société Générale*

# 7.6 Goodwill and impairment on fixed assets

In accordance with IAS 36, the Group has allocated its goodwill to cash generating units (CGUs) with a view to conducting impairment tests.

As indicated in Note 1.5, the Group now carries out impairment tests on goodwill for each of its operating segments overall as defined in Note 4, i.e. the Boat Division on the one hand, and the Housing Division on the other.

Goodwill and other intangible assets with an indefinite useful life, such as certain brands that have been acquired, are subject to impairment tests when any indications of impairment appear and as a minimum once a year at the financial year-end.

Property, plant and equipment and intangible assets with a finite useful life are subject to impairment tests when there are indications of impairment. These impairments are recognized in profit and loss and can be reversed.

### Cash generating units

Fixed assets that do not generate largely independent cash inflows that allow them to be tested individually are grouped together in cash generating units (CGU).

Impairment tests are carried out for each CGU or CGU group at the lowest level at which goodwill is tracked by the Group. Goodwill impairment tests are not carried out at a higher level than the operating segment before consolidation for segment reporting purposes.

The assets of the CGU or CGU group include:

- The goodwill that is allocated to them insofar as the CGU or CGU group are likely to benefit from the business combination;
- Other intangible assets, property, plant and equipment, and net working capital requirements.

The main indications of impairment retained for the CGUs concern a significant decrease in the CGU's revenues and operating income, as well as changes in the markets on which the Group operates.

### Method for determining the recoverable value

An impairment is recognized in profit and loss when the book value of the asset or CGU is higher than its recoverable value.

The recoverable value of an asset is the higher of the following values:

- Its fair value less sales costs corresponding to the amount for which the Group would be able to sell the asset (net of sales costs) in a normal transaction between market participants on the valuation date; and
- Its value-in-use, corresponding to the present value of the estimated future cash flows from the continued use and ultimately the sale of an asset or CGU.

The value-in-use of the CGUs or CGU groups is determined based on the cash flow after tax taken from the business plans and a terminal value calculated by extrapolating the data from the last year. The business plans are generally drawn up over one to five years.

The Management team of the Group and its subsidiaries has budgeted operating income based on past performance and its market development forecasts.

The growth rate retained after the period covered by these plans corresponds to the growth rate for the market concerned, taking into account the geographical areas in which the subsidiary operates.

Cash flows are discounted based on the weighted average cost of capital calculated for the Group, plus, for certain CGUs or CGU groups, a premium to take into account the more significant risk factors impacting certain countries in which activities are carried out.

An impairment recorded for a CGU is allocated first to the reduction in the book value of any goodwill allocated to this CGU, then to the reduction in the book value of the CGU's other assets prorated to the book value of each of the CGU's assets.

### Impairment tests at year-end

The Group applied the methodology defined above to its CGUs at year-end based on the following conditions.

**HOUSING DIVISION**

The CGU previously recognized as IRM is now recorded as BIO Habitat, as a result of the merger between IRM, O'Hara and Bio Habitat in June 2015.

**BOAT DIVISION**

The former scope for this division's CGUs (Rec Boat Holdings LLC, Seascape and SJ Delphia) was tested prior to the division's reorganization.

Only the goodwill allocated to Seascape was subject to an impairment for €1.7 million due to the outlook for this company's business.

The tests carried out by the Group on the two groups represented by the Housing Division and the Boat Division (see Note 1.5.2) did not lead to any impairment being recognized on goodwill.

The assumptions used for the tests are based on the *"Let's go Beyond!"* strategic plan (Note 1.1).

**The following table summarizes the valuations, discount rates and impairment test results:**

| | Dec 31, 2020 | | Aug 31, 2019 | | |
|---|---|---|---|---|---|
| €'000 | BIO Habitat | Boat Division | BIO Habitat | RecBoat Holdings LLC* | SJ Delphia / Ostroda Yachts** |
| Gross value of goodwill | 63,335 | 27,564 | 63,335 | 16,257 | 9,385 |
| Net book value of the CGU | 116,790 | 400,620 | 103,856 | 54,974 | 52,940 |
| Enterprise value | 178,379 | 824,798 | 212,520 | 65,816 | 62,860 |
| Discount rate | 9.80% | 10.08% | 8.14% | 9.42% | 10.47% |
| - Cost of equity capital | 9.72% | 9.98% | 8.14% | 9.42% | 10.47% |
| - Net cost of debt | 0.08% | 0.10% | 0.00% | 0.00% | 0.00% |
| Perpetuity growth rate | 1.6% | 1.6% | 1% | 1.8% | 1% |
| Discount rate resulting in an impairment | 13.79% | 17.35% | 16.54% | 10.81% | 62.47% |
| Reduction in the margin rate resulting in an impairment | -4.15% | -5.08% | -4.83% | -0.83% | -5.00% |

*(*) Goodwill of $17.9 million converted into euros at the year-end rate.*

*(**) Goodwill of PLN 41.1 million converted into euros at the year-end rate*

# 8. Provisions and contingent liabilities

## 8.1 Provisions

Provisions are recorded if the following conditions are met:

- The Group has a current obligation - legal or implied - resulting from a past event;
- It is likely that an outflow of resources representative of economic benefits will be required to fulfill the obligation;
- It is possible to reliably estimate the amount of the obligation.

The main risks covered concern business disputes, manufacturer warranties, tax disputes and trade tribunal disputes.

Provisions for warranties cover costs arising during the warranty period for products sold by the Group. They are calculated based on a statistical approach making it possible to determine a ratio for warranty costs in relation to revenues. This ratio is calculated based on observed historical data. The statistical provision may be supplemented with series provisions under certain circumstances.

| €'000 | Aug 31, 2019 | Charges | Reversal of used provisions | Reversal of unused provisions | Translation differences | Dec 31, 2020 |
|---|---|---|---|---|---|---|
| Provisions for restructuring | 80 | 23,074 | (311) | (50) | (73) | 22,721 |
| Provisions for legal disputes | 5,077 | 1,596 | (3,434) | (1,435) | 0 | 1,804 |
| Other non-current provisions | 1,314 | 393 | (701) | (19) | (25) | 962 |
| **Total non-current provisions** | **6,472** | **25,063** | **(4,446)** | **(1,504)** | **(98)** | **25,487** |
| Provisions for warranties | 30,147 | 14,275 | (10,800) | (591) | (731) | 32,299 |
| Other current provisions | 232 | 0 | 0 | 0 | (23) | 209 |
| Provisions for exchange rate risk | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total provisions** | **36,850** | **39,338** | **(15,247)** | **(2,095)** | **-853** | **57,995** |

Provisions were reviewed at December 31, 2020 based on the elements available at year-end. Reversals that are no longer applicable primarily correspond to the updating of technical risks in view of actual historical data.

In addition, based on the elements known at December 31, 2020, the Group recorded specific non-current provisions to cover the restructuring operations launched during the financial year (Note 1.3), for a net total of €22,713,000, classed as non-current operating income (Note 5.8).

## 8.2 Contingent liabilities

The Group has contingent liabilities relating to court proceedings or disputes arising in the normal context of its activities.

To the best of the company's knowledge, there are no other governmental, arbitration or legal proceedings, including any unsettled or threatened proceedings, which are or were in the past 12 months likely to have a material impact on the financial position or profitability of Group companies.

### Tax inspections

The Group may be subject to tax inspections in various countries. When it considers that it has sufficient supporting factors, no liabilities are recognized.

# 9. Financing and financial instruments

## 9.1 Financial risk management

### 9.1.1 CUSTOMER CREDIT RISK

This risk concerns trade receivables and more specifically the risk of a financial loss for the Group if customers fail to fulfill their contractual obligations.

Moreover, the expected credit losses on floor plan-related trade receivables, presented on a separate line on the balance sheet (Note 5.5), are estimated to be not significant.

#### BOATS

Invoicing occurs when the product is shipped (see Note 5.1).

Customers pay the Group's companies, under the terms of the sales agreement, i.e. primarily cash before collection except when a financing agreement has been arranged or a bank guarantee obtained.

For financing agreements, the dealer gets its purchase financed through the financing organization using part of the credit line that it has been allocated by this organization based on criteria looked into beforehand. Within 30 days of the invoice being issued to the customer, the financing organization makes the payment to the Group, which is recorded as extinguishing the trade receivable. The dealer then repays the financing organization in line with a detailed schedule.

If the dealer defaults, the Group must physically repossess the boat on behalf of the financing organization and the Group undertakes to buy the boat back from the financing organization at a price equal to the outstanding capital. When it recovers the boat, the Group has its own network of dealers to resell it. The residual risk therefore corresponds exclusively to any sales effort required to sell the boat to a new dealer on top of the outstanding capital owed by the dealer.

As such, the risk of unpaid invoices is limited for this business.

#### HOUSING

The Housing Division's customers are primarily French and benefit from terms of payment. The credit management department systematically carries out a financial analysis before opening a customer account, making it possible to set the accepted level of liabilities.

This approach is systematically combined with a request for credit insurance cover with Coface for orders excluding financing. Coface's cover represents between 30% and 50% of the credit facilities authorized.

**Breakdown of trade receivables due and not due:**

| | At Dec 31, 2020 | | | |
|---|---|---|---|---|
| **€'000** | **Gross** | **Of which, export** | **Depreciation** | **Net** |
| Not due | 16,284 | 4,789 | 0 | **16,284** |
| Due | 20,003 | 14,319 | (3,255) | **16,748** |
| Trade receivables | 36,287 | 19,108 | (3,255) | **33,032** |

| | At Aug 31, 2019 | | | |
|---|---|---|---|---|
| **€'000** | **Gross** | **Of which, export** | **Depreciation** | **Net** |
| Not due | 22,645 | 11,041 | 0 | **22,645** |
| Due | 71,160 | 62,681 | (3,543) | **67,618** |
| Trade receivables | 93,805 | 73,721 | (3,543) | **90,262** |

At December 31, 2020, the €16,748,000 in net receivables due primarily concern late payments from customers compared with the theoretical deadline for payment, with the credit risk determined by the Group:

- Within the Boat business: €11,682,000;
- Within the Housing business: €5,066,000.

**The breakdown of receivables due by age, excluding bad debt, is as follows:**

| **€'000** | **Due for longer than 120 days** | **Due between 90 and 120 days** | **Due between 30 and 90 days** | **Due for less than 30 days** | **Total** |
|---|---|---|---|---|---|
| Boats | 2,214 | 1,047 | 586 | 7,835 | 11,682 |
| Housing | 929 | 1,165 | 632 | 2,340 | 5,066 |
| **TOTAL** | **3,143** | **2,212** | **1,218** | **10,175** | **16,748** |

**At February 28, 2021, outstanding receivables can be broken down as follows:**

| **€'000** | **Due for longer than 120 days** | **Due between 90 and 120 days** | **Due between 30 and 90 days** | **Due for less than 30 days** | **Total** |
|---|---|---|---|---|---|
| Boats | 2,175 | 408 | 0 | 173 | 2,756 |
| Housing | 813 | 1,155 | 498 | 1,489 | 3,955 |
| **TOTAL** | **2,988** | **1,563** | **498** | **1,662** | **6,711** |

**Change in depreciation on trade receivables**

| €'000 | Aug 31, 2019 | At Dec 31, 2020 |
|---|---|---|
| Balance at September 1 | 4,094 | 3,543 |
| Impairment recognized | (551) | (288) |
| **Balance at year-end** | **3,543** | **3,255** |

## 9.1.2 OTHER CREDIT RISK

This risk primarily concerns financial assets and more specifically the risk of a financial loss for the Group if a counterparty for a financial instrument fails to fulfill its contractual obligations.

This risk primarily concerns the Group's investments in term deposits or certificates of deposit with six first-rate banks.

## 9.1.3 LIQUIDITY RISK

The liquidity risk corresponds to the risk of the Group struggling to fulfill its obligations relating to financial liabilities that will be settled in cash or other financial assets.

The Group has a cash position that changes with its operating cycle.

The Group may use means of financing during the winter period. In FY 2016, the Group secured a medium-term revolving credit line for €150 million over five years, with a possible two-year extension, with a pool of partner banks, amended in 2017 to allow a maximum drawdown in dollars equivalent to €50 million. The current agreement includes clauses for early repayment if financial ratios are not met based on assessments on the reporting date (consolidated net financial debt / EBITDA higher than 3). These requirements were met at December 31, 2020.

The Group took out a loan in dollars from a banking pool to finance its acquisition of Rec Boat Holdings LLC. This loan agreement includes clauses for early repayment if financial ratios are not met based on assessments on the reporting date (consolidated net financial debt / EBITDA higher than 2.75). These requirements were met at December 31, 2020.

In 2016-17, the Group set up a credit agreement with a banking partner for $20 million. This agreement includes clauses for early repayment if financial ratios are not met based on assessments on the reporting date (consolidated net financial debt / EBITDA higher than 3). These requirements were met at December 31, 2020.

In addition, the Group took out a €120 million government-backed loan in July 2020, scheduled for repayment in July 2021.

At December 31, 2020, unused credit lines totaled €230.6 million.

## 9.1.4 MARKET RISK

This represents the risk of changes in the market price affecting the Group's earnings. As the Group operates primarily in Europe and North America for approximately 80%, it has significant foreign exchange risk exposure.

To manage its exposure to the foreign exchange risks resulting from its operations, the Group exclusively uses currency forwards on the dollar and zloty.

The hedge accounting eligibility criteria are as follows:

- Formal and documented existence of a hedging relationship when the financial instrument is put in place;
- Expected efficiency of the hedging, which may be measured on a reliable basis and demonstrated throughout the hedging relationship initially determined.

Financial derivatives are initially recognized at their fair value, which is updated at each close of accounts. Any differences are recognized in profit or loss, except in the event of any dispensations applicable under hedge accounting.

For hedge accounting purposes, hedges are rated either as fair value hedging instruments when they cover exposure to changes in the fair value of an asset or liability recorded in the accounts, or cash flow hedging instruments when they cover exposure to changes in the cash flow attributable to an asset or liability recorded in the accounts or a planned transaction.

**The Group's exchange risk exposure can be broken down as follows:**

| | At Dec 31, 2020 | | At Aug 31, 2019 | |
|---|---|---|---|---|
| | USD '000 | PLN '000 | USD '000 | PLN '000 |
| Trade receivables | 8,153 | 0 | 36,973 | 0 |
| Trade payables | (25,740) | (31,561) | (20,215) | (24,168) |
| **Gross balance sheet exposure** | **(17,588)** | **(31,561)** | **16,759** | **(24,168)** |
| Estimated sales forecasts | 185,228 | 0 | 172,968 | 0 |
| Estimated purchase forecasts | (24,823) | (267,832) | (45,756) | (261,974) |
| **Gross forecast exposure** | **160,405** | **(267,832)** | **127,212** | **(261,974)** |
| Currency forwards | (2,132) | 141,351 | (125,000) | 219,060 |
| **Net exposure** | **140,685** | **(158,043)** | **18,971** | **(67,082)** |

## 9.1.5 INTEREST RATE RISK

The Group takes out variable-rate loans. To protect itself against exposure to the interest rate risk, it sets up interest rate swaps alongside this to hedge the variability of cash flow attributable to the interest rate risk.

## 9.2 Financial income and expenses

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Interest income from cash and cash equivalents | 772 | 1,030 |
| Income from cash and cash equivalents | 772 | 1,030 |
| Interest and related expenses | (3,732) | (3,954) |
| Fair value adjustment on investments held for trading | 0 | 0 |
| Gross finance costs | (3,732) | (3,954) |
| **Net finance costs** | **(2,960)** | **(2,924)** |
| Net foreign exchange loss* | (2,423) | (3,475) |
| Fair value adjustment on derivative financial instruments* | 0 | (383) |
| Other financial expenses | (139) | (120) |
| **Other financial expenses** | **(2,562)** | **(3,978)** |
| Fair value adjustment on derivative financial instruments* | 78 | 0 |
| Other interest and related income | 1 | 0 |
| **Other financial income** | **79** | **0** |
| **Financial income (expense)** | **(5,443)** | **(6,902)** |

* *This concerns the ineffective portion of value adjustments on hedging instruments.*

## 9.3 Gross financial debt

Borrowings are initially recorded at fair value, net of related transaction costs. Borrowings are then recognized at their amortized cost; any difference between the proceeds (net of transaction costs) and the repayment value is recognized in profit and loss over the term of the facility in line with the effective interest rate method.

Borrowings are classed as current liabilities except when the Group has an unconditional right to defer the debt's payment at least 12 months after the reporting date, in which case these borrowings are classed as non-current liabilities.

This note provides information on the Group's financial debt. The Group's interest rate, exchange rate and liquidity risk exposure is presented in Note 9.1.

| €'000 | Aug 31, 2019 | Change of method | Change in scope | Translation differences | Changes in cash position | Issue | Repayment | Reclassification | Dec 31, 2020 |
|---|---|---|---|---|---|---|---|---|---|
| Bank overdrafts | 31,070 | 0 | 0 | (867) | (6,306) | 0 | 0 | 0 | 23,897 |
| Finance-lease borrowings | 125 | 0 | 0 | (3) | 0 | 0 | (33) | 0 | 89 |
| Financial debt and borrowings from credit institutions | 72,362 | 0 | 0 | (5,926) | 0 | 130,382 | (24,645) | 1,533 | 173,707 |
| Finance lease-related financial debt | 0 | 2,558 | 0 | (40) | | 637 | (4,365) | 3,424 | 2,214 |
| Sundry borrowings and financial debt | 3,377 | 0 | 0 | 0 | 0 | 9 | 0 | (521) | 2,865 |
| **Short-term financial debt** | **75,864** | **2,558** | **0** | **(5,968)** | **0** | **131,029** | **(29,043)** | **4,436** | **178,876** |
| Finance-lease borrowings | 48 | 0 | 0 | 0 | 0 | 0 | (48) | 0 | 0 |
| Financial debt and borrowings from credit institutions | 22,429 | 0 | 0 | (34) | 2 | 64 | (8,739) | (1,533) | 12,188 |
| Finance lease-related financial debt | 1 | 6,826 | 0 | (42) | 0 | 2,154 | (216) | (3,424) | 5,298 |
| **Sundry borrowings and financial debt** | **7,387** | **0** | **(5,613)** | **0** | **0** | **0** | **(521)** | **521** | **1,774** |
| **Long-term financial debt** | **29,865** | **6,826** | **(5,613)** | **(76)** | **2** | **2,218** | **(9,524)** | **(4,436)** | **19,260** |
| **Short and long-term financial debt** | **105,729** | **9,384** | **(5,613)** | **(6,044)** | **2** | **133,246** | **(38,567)** | **0** | **198,136** |
| **Net financial debt** | **136,799** | **9,384** | **(5,613)** | **(6,911)** | **(6,304)** | **133,246** | **(38,567)** | **0** | **222,033** |

Sundry borrowings and financial debt include liabilities relating to the commitments to buy out non-controlling interests in the controlled subsidiaries as presented in Note 3.4.

| €'000 | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| Band of Boats | 654 | 1,065 |
| SJ Delphia | 0 | 4,642 |
| Seascape | 1,120 | 1,680 |
| **Sundry financial liabilities** | **1,774** | **7,387** |

After the Group acquired an additional 20% interest in SJ Delphia, the financial liability relating to the buyout commitment was reversed at December 31, 2020 and allocated against Group shareholders' equity (Note 3.4).

At December 31, 2020, the terms and conditions of current borrowings from credit institutions were as follows:

| €'000 | Currency | Nominal interest rate | Year due | Nominal value | Short-term book value | Long-term book value |
|---|---|---|---|---|---|---|
| Bank loan | USD | US Libor +1.425% on average | 2021 | 5,747 | 5,747 | 0 |
| Guaranteed bank loan | EUR | 80% 6-month Euribor +0.85% | 2025 | 1,697 | 377 | 1,320 |
| Guaranteed bank loan | EUR | 35% 6-month Euribor +0.45% | 2021 | 1,540 | 1,540 | 0 |
| Guaranteed bank loan | EUR | 80% 6-month Euribor +0.85% | 2031 | 2,492 | 216 | 2,276 |
| Guaranteed bank loan | EUR | 80% 6-month Euribor +0.95% | 2027 | 1,478 | 228 | 1,250 |
| Guaranteed bank loan | EUR | 80% 6-month Euribor +0.85% | 2026 | 2,220 | 370 | 1,850 |
| Bank loan | EUR | Fixed rate of 0.67% | 2022 | 6,019 | 3,008 | 3,011 |
| Government-backed loan | EUR | 0% | 2021 | 120,000 | 120,000 | 0 |
| Short-term drawdown line | USD | USD 3-month Libor +1.25% | | 41,879 | 41,879 | |
| Leasing | | | | 1,187 | 431 | 756 |
| Other financial debt | | | | 1,722 | | 1,726 |
| **Financial debt and borrowings from credit institutions** | | | | **185,980** | **173,796** | **12,188** |

Caps were also purchased during the year, with deferred activation from July 7, 2020 maturing on July 27, 2021, with the following features: guaranteed average maximum rate of 1.625% for $50M on 3-month USD LIBOR.

## 9.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, petty cash and short-term deposits with an initial maturity of less than three months.

Transferable securities represent short-term investments that are highly liquid, easily convertible for a known amount of cash and subject to a negligible risk in terms of changes in their value.

| €'000 | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| Transferable securities and accrued interest | 5,291 | 40,736 |
| Cash at bank and in hand | 310,126 | 193,073 |
| **CASH AND CASH EQUIVALENTS** | **315,417** | **233,809** |

Cash and cash equivalents comprise cash at bank, petty cash and short-term deposits with an initial maturity of less than three months.

Transferable securities represent short-term investments that are highly liquid, easily convertible for a known amount of cash and subject to a negligible risk in terms of changes in their value.

The Group tracks the net cash position, which is defined and calculated based on cash and cash equivalents as follows:

| €'000 | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| Transferable securities and accrued interest | 5,291 | 40,736 |
| Cash at bank and in hand | 310,126 | 193,073 |
| Bank borrowings and accrued interest | (23,897) | (31,070) |
| Financial debt with credit institutions | (185,981) | (94,963) |
| Finance lease-related financial debt | (7,512) | |
| Other sundry financial liabilities | (4,644) | (10,769) |
| **NET CASH** | **93,383** | **97,008** |

**The change in net cash is as follows:**

| €'000 | Aug 31, 2019 | Change | Change of method (*) | Translation differences | Change in scope | Dec 31, 2020 |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 233,809 | 85,457 | 0 | (2,259) | (1,591) | 315,417 |
| Gross financial debt | (136,801) | (88,372) | (9,384) | 6,911 | 5,613 | (222,033) |
| **Net cash** | **97,008** | **(2,915)** | **(9,384)** | **4,652** | **4,022** | **93,383** |

## 9.5 Financial assets and liabilities

Financial assets and liabilities comprise trade receivables, other receivables, trade payables, borrowings and financial debt. When a financial asset or liability is initially recorded in the accounts, it is measured at fair value, in addition to, as relevant, any transaction costs that may be directly attributed to the acquisition. Financial assets classed as assets at amortized cost correspond to assets held with a view to receiving contractual flows and with the basic characteristics of a loan. Financial assets classed as "assets at fair value through profit or loss" or "assets at fair value through other comprehensive income" and financial liabilities classed as "liabilities at fair value through profit or loss" are measured at their fair value.

Insofar as possible, when measuring the fair value of an asset or liability, the Group uses observable market data. The fair value is determined with reference to the market price published on the reporting date for financial investments that are actively traded on an organized financial market. In other cases, it is determined in relation to a virtually identical instrument traded on a given market, or by discounting the future cash flow expected from the assets.

In accordance with IFRS 7 (revised), financial assets and liabilities measured at fair value have been classed depending on the fair value levels indicated by the standard:

· Level 1: the fair value corresponds to the market value of instruments listed on an active market (based on non-adjusted prices observed on active markets for identical assets or liabilities).

· Level 2: the fair value is measured with a valuation based on observable data for the asset or liability, either directly (as a price) or indirectly (determined based on a price).

· Level 3: the fair value is measured with a valuation based on non-observable data.

**The financial instruments used by the Group are listed below:**

| Type | Valuation technique | Significant unobservable data | Correlation between significant unobservable data and fair value measurement |
|---|---|---|---|
| Currency forwards | Forward pricing: the fair value is determined using quoted forward exchange rates on the reporting date and present value calculations based on high credit quality yield curves in the respective currencies. | Not applicable | Not applicable |
| Interest rate swaps | Swap models: the fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices. | Not applicable | Not applicable |

## 9.5.1 BREAKDOWN OF FINANCIAL INSTRUMENTS BY CATEGORY FOR RECOGNITION

| €'000 | Book value at Dec 31, 2020 | Fair value at Dec 31, 2020 | Financial assets at fair value through profit and loss | Assets at amortized cost | Financial assets at fair value through OCI | Loans and receivables | Financial liabilities at fair value through profit and loss | Liabilities at amortized cost |
|---|---|---|---|---|---|---|---|---|
| Other equity securities | 21 | 21 | | | 21 | | | |
| Loans and deposits | 144 | 144 | | 144 | | | | |
| Trade receivables | 33,032 | 33,032 | | 33,032 | | | | |
| Other receivables | 32,750 | 32,750 | | 32,750 | | | | |
| Floor plan-related dealer receivables | 130,391 | 130,391 | | 130,391 | | | | |
| Cash and cash equivalents | 315,417 | 315,417 | 315,417 | | | | | |
| Financial liabilities | (222,033) | (222,033) | | | | | | (222,033) |
| Floor plan-related financial debt with financing organizations | (130,391) | (130,391) | | | | | | (130,391) |
| Trade payables | (96,141) | (96,141) | | | | | | (96,141) |
| Other liabilities | (62) | (62) | (62) | | | | | |
| **Subtotal** | **63,128** | **63,128** | **315,355** | **196,317** | **21** | **0** | **0** | **(448,565)** |

| €'000 | Book value at Aug 31, 2019 | Fair value at Aug 31, 2019 | Financial assets at fair value through profit and loss | Assets at amortized cost | Financial assets at fair value through OCI | Financial liabilities at fair value through profit and loss | Liabilities at amortized cost |
|---|---|---|---|---|---|---|---|
| Other equity securities | 21 | 21 | | | 21 | | |
| Loans and deposits | 151 | 151 | | 151 | | | |
| Trade receivables | 90,262 | 90,262 | | 90,262 | | | |
| Other receivables | 46,619 | 46,619 | 0 | 46,619 | 0 | | |
| Floor plan-related dealer receivables | 228,073 | 228,073 | 0 | 228,073 | 0 | | |
| Cash and cash equivalents | 233,809 | 233,809 | 233,809 | | | | |
| Financial liabilities | (136,801) | (136,801) | | | | | (136,801) |
| Floor plan-related financial debt with financing organizations | (228,073) | (228,073) | | | | | (228,073) |
| Trade payables | (114,333) | (114,333) | | | | | (114,333) |
| Other liabilities | (2,312) | (2,312) | (2,312) | | | | |
| **Subtotal** | **117,416** | **117,416** | **231,497** | **365,105** | **21** | **0** | **(479,207)** |

## 9.5.2 BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE DEPENDING ON FAIR VALUE LEVELS

| | | | | **At Dec 31, 2020** |
|---|---|---|---|---|
| **€'000** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Financial assets at fair value through OCI | 0 | 0 | 21 | 21 |
| Hedging instruments | 0 | 0 | 0 | 0 |
| Other financial assets at fair value through profit and loss | 0 | 0 | 315,417 | 315,417 |
| **Financial assets** | **0** | **0** | **315,438** | **315,438** |
| Hedging instruments | 0 | (62) | | (62) |
| Other financial liabilities at fair value through profit and loss | 0 | 0 | 0 | 0 |
| **Financial liabilities** | **0** | **(62)** | **0** | **(62)** |

| | | | | **At Aug 31, 2019** |
|---|---|---|---|---|
| **€'000** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Financial assets at fair value through OCI | 0 | | 21 | 21 |
| Hedging instruments | 0 | 0 | 0 | 0 |
| Other financial assets at fair value through profit and loss | 0 | 0 | 233,809 | 233,809 |
| **Financial assets** | **0** | **0** | **233,830** | **233,830** |
| Hedging instruments | 0 | (2,312) | | (2,312) |
| Other financial liabilities at fair value through profit and loss | 0 | 0 | 0 | 0 |

### 9.5.3 BREAKDOWN OF FINANCIAL INSTRUMENTS BY RISK CATEGORY

| €'000 | Book value at Dec 31, 2020 | Credit risk | Liquidity risk | Interest rate risk | Foreign exchange risk |
|---|---|---|---|---|---|
| Loans and deposits | 144 | 144 | | | |
| Trade receivables | 33,032 | 33,032 | | | |
| Other receivables | 32,750 | 32,750 | | | 0 |
| Floor plan-related dealer receivables | 130,391 | 130,391 | | | |
| Cash at bank and in hand | 310,126 | | 310,126 | | |
| Mutual funds and other investments | 5,291 | | 5,291 | | |
| Finance lease | 0 | | | | |
| Other borrowings | (198,136) | | (198,136) | | |
| Bank borrowings | (23,897) | | (23,897) | | |
| Floor plan-related financial debt with financing organizations | (130,391) | (130,391) | | | |
| **Total** | **159,311** | **65,926** | **93,384** | | |

| €'000 | Book value at Aug 31, 2019 | Credit risk | Liquidity risk | Interest rate risk | Foreign exchange risk |
|---|---|---|---|---|---|
| Loans and deposits | 151 | 151 | | | |
| Trade receivables | 90,262 | 90,262 | | | |
| Other receivables | 46,619 | 46,619 | | | 0 |
| Floor plan-related dealer receivables | 228,073 | 228,073 | | | 0 |
| Cash at bank and in hand | 193,073 | | 193,073 | | |
| Mutual funds and other investments | 40,736 | | 40,736 | | |
| Finance lease | 0 | | | | |
| Other borrowings | (105,731) | | (105,731) | | |
| Bank borrowings | (31,070) | | (31,070) | | |
| Floor plan-related financial debt with financing organizations | (228,073) | (228,073) | | | |
| **Total** | **234,040** | **137,032** | **97,008** | **0** | **0** |

## 9.6 Financial derivatives and hedging transactions

For derivatives that do not meet the hedge accounting definition, any gains and losses representative of changes in their market value at the closing date are recognized in profit and loss, under “other financial expenses”.

At December 31, 2020, the portfolio of financial instruments was as follows:

| Type | Volume ('000 in each currency) | Maturing | Fair value (€'000) | IFRS-compliant hedging | Gross impact on profit and loss (€'000) | Gross impact on reserves (€'000) |
|---|---|---|---|---|---|---|
| VAT$ | 40,000 | Between March and June 2021 | 731 | Yes | (45) | 776 |
| AAT$ | 20,000 | Between February and June 2021 | (360) | Yes | 14 | (374) |
| AAT PLN | 141,351 | Between January and December 2021 | (62) | Yes | 97 | (160) |
| **Payables on financial instruments (Note 15)** | | | **315** | | | |

At December 31, 2020, the Group held:

- $ forward sales, with an average rate of 1.1985 €/$;
- $ forward purchases, with an average rate of 1.1996 €/$;
- PLN forward purchases against the €, with an average rate of 4.5462 PLN/€.

## 9.7 Off-balance sheet commitments

**At December 31, 2020, the off-balance sheet commitments were as follows:**

| | Inter-company | Given | Received |
|---|---|---|---|
| Deposits | 0 | 521 | 0 |
| Guarantees | 0 | 34,895 (1) | 2,739 (2) |
| Guarantees with associates | 0 | 119 (3) | 0 |
| **Group total** | **0** | **35,535** | **2,739** |

*(1) Bank guarantees €23,956,000*

*Commitments given on lease agreements €1,511,000*

*Collateral on borrowings €9,428,000*

*(2) Commitments received on lease agreements €1,974,000*

*(3) Commitments on lease agreements*

As indicated in Note 2.1 relating to changes in IFRS, the Group recorded €9.4 million of additional assets and liabilities for leases at September 1, 2019. The amount of off-balance sheet commitments for the remaining lease agreements relates to the leases that are not concerned by IFRS 16.

# 10. Corporate income tax

### Current income tax

The current tax assets and liabilities for the financial year and previous years are valued based on the amount that is expected to be recovered from or paid to the tax authorities. The tax rates and tax regulations applied to determine these amounts are those that were adopted as at the reporting date.

The current tax relating to items recognized outside profit or loss is recognized outside profit or loss.

### Deferred income tax

Deferred taxes are determined in line with the accrual method for timing differences arising from differences between the tax and accounting bases for assets and liabilities.

Deferred tax is not recorded for the following items: the initial recognition of an asset or liability in a transaction which does not constitute a business combination and which does not affect the accounting profit or taxable profit, and the timing differences linked to equity interests in subsidiaries or joint ventures insofar as they are not likely to be reversed in the foreseeable future. In addition, deferred tax is not recorded in the event of a taxable timing difference generated by the initial recognition of goodwill.

Deferred taxes are determined in view of the tax rates that have been ratified by legislation.

Deferred tax assets, linked to losses that may be deferred, may only be recorded if it is likely that future profits will be sufficient to cover the deferrable losses.

The Group's normal tax rate for the French scope of 34.43% at December 31, 2020 (year started January 1, 2019) is the theoretical rate retained in the tax proof for all of the Group companies. Deferred taxes have been determined based on a tax rate of 28.41% for items unwinding after January 1, 2021 and 25.83% for items unwinding after January 1, 2022, taking into account the gradual reduction in the standard rate.

**The tax expense can be broken down as follows:**

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Current tax | 910 | 26,448 |
| Deferred tax | (9,353) | 1,111 |
| **Corporate income tax expense (income)** | **(8,443)** | **27,559** |

In the context of the significant losses recorded, the uncapitalized tax losses represent €15,336,000 and primarily concern the Italian subsidiaries for €12,513,000, for which the aggregate uncapitalized losses at December 31, 2020 came to €46,495,000.

At December 31, the aggregate amount of uncapitalized losses for the Brazilian subsidiary totaled €14,752,000.

In addition, the creation of a five-year tax schedule that is considered to be reasonable made it possible to capitalize the French and American subsidiaries' tax losses for €14,426,000 and €20,630,000 respectively.

**The reconciliation between the theoretical tax expense and the tax expense recorded in the accounts can be broken down as follows:**

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Theoretical tax on consolidated income | (31,674) | 24,439 |
| Calculated at a rate of | 34.43% | 34.43% |
| Impact of tax credits | (1,770) | (2,803) |
| Impact of tax losses | 15,336 | 4,724 |
| Impact of other permanent differences | 1,096 | 949 |
| Impact of tax adjustments | 226 | 0 |
| Impact of tax rate changes | 8,343 | 250 |
| **Impact in profit and loss** | **(8,443)** | **27,559** |

**Deferred tax assets and liabilities at year-end can be broken down as follows:**

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Intangible assets | 0 | 254 |
| Inventories | 1,256 | 1,500 |
| Employee benefits | 7,454 | 8,161 |
| Financial instruments | 73 | 0 |
| Other | 8 | 366 |
| Timing differences | 6,264 | 6,999 |
| Capitalization of tax loss carryforwards | 9,408 | 0 |
| Offsetting | (6,266) | (7,916) |
| **Total deferred tax assets** | **18,197** | **9,364** |
| Accelerated depreciation | 4,566 | 5,704 |
| Financial instruments | | (854) |
| Other | 2,024 | 3,207 |
| Offsetting | (6,266) | (7,916) |
| **Total deferred tax liabilities** | **324** | **142** |
| **Net deferred tax assets** | **17,874** | **9,222** |

**The change in net deferred tax assets can be broken down as follows:**

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| **At September 1** | **9,222** | **7,656** |
| Change in scope | 0 | 172 |
| IAS 32 & 39 | (783) | 674 |
| Foreign currency translation adjustments | (435) | (11) |
| Deferred tax income (expenses) | 9,331 | (1,111) |
| Inter-account transfer (*) | | |
| Other tax recognized in equity | 540 | 1,842 |
| **At August 31** | **17,874** | **9,222** |

# 11. Equity and earnings per share

## 11.1 Information concerning the capital and reserves

When the Group buys or sells its own shares, the amount paid or received and the directly attributable transaction costs are recorded as a change in shareholders' equity. Treasury stock are deducted from the total amount of shareholders' equity and recorded under the section for "treasury stock".

The share capital is split into 82,789,840 fully paid-up shares with a par value of €0.10.

**Capital structure at December 31, 2020:**

| | At Dec 31, 2020 | | At Aug 31, 2019 | |
|---|---|---|---|---|
| | Shares | Voting rights | Shares | Voting rights |
| BERI 21 | 45,001,527 | 90,003,054 | 45,001,527 | 90,003,054 |
| Treasury stock | 1,341,848 | | 943,706 | |
| Public | 36,446,465 | 38,807,147 | 36,844,607 | 38,986,586 |
| Employee shareholders | 0 | | 0 | |
| **TOTAL** | **82,789,840** | **128,810,201** | **82,789,840** | **128,989,640** |

BERI 21 is entitled to double voting rights, in the same way as any shareholder registered for at least two years.

- The limited company BERI 21 holds 54.36% of the capital and 69.78% of the voting rights.
- 1.62% of the capital is held as treasury stock, without any voting rights.
- The rest of the capital is held by the public. In accordance with the bylaws, any shareholder owning more than 2.5% of the capital is required to notify the company. At December 31, 2020, three shareholders in addition to BERI 21 held more than 2.5% of the capital: BERI210 with 3.78%, Norges Bank with 2.70% and CDC with 2.51%.

The Board of Directors would like to add that 573,565 shares, representing 0.693% of the capital, are held by current and former staff under the BENETEAU ACTION company mutual fund, in accordance with Article L.225-102 of the French commercial code.

There are no preferred shares.

### Dividend policy

The Group's dividend policy aims to reward shareholders based on earnings for the past year, while maintaining the Group's capacity for investment through its equity.

### Bonus share policy for employees and executives

The Group's policy is based on awarding bonus shares within the limits of the maximum number of shares from the company's share buyback plan. They are awarded to executives and corporate officers, as well as more widely among the Group's employees.

### Treasury stock management policy

Every 18 months at most, a new share buyback program is defined and submitted for approval at the general meeting. The current program was approved at the general meeting on February 7, 2020.

## 11.2 Treasury stock and bonus share plans

**The changes in the number of treasury stock outstanding can be broken down as follows:**

| | Number | Valuation (€'000) |
|---|---|---|
| Shares at Aug 31, 2019 | 943,706 | 8,960 |
| Acquisitions | 1,023,762 | 9,518 |
| Allocation | (169,477) | (1,785) |
| Sales | (456,143) | (4,438) |
| **Shares at Dec 31, 2020** | **1,341,848** | **12,254** |

**The bonus share plan from February 9, 2018 was awarded on February 9, 2020 based on the following conditions:**

| | | Initial allocation | Shares lapsed at Dec 31, 2020 | Shares distributed in February 2020 | Balance at Dec 31, 2020 |
|---|---|---|---|---|---|
| **Number of shares initially awarded** | | **243,550** | **(74,073)** | **(169,477)** | **0** |
| | Not subject to conditions | 74,775 | (74,073) | (91,150) | 0 |
| | With economic performance conditions | 145,275 | 0 | (78,327) | 0 |
| | With market-related performance conditions | 23,500 | 0 | 0 | 0 |
| Share price on day awarded | | | | | €18.80 |
| Vesting period | | | | | from Feb 9, 2018 to Feb 9, 2020 |

# 11.3 Earnings per share

### Earnings per share

This figure is determined by dividing the amount of net income by the weighted average number of ordinary shares outstanding during the period, net of shares held as treasury stock.

### Diluted earnings per share

To calculate diluted earnings per share, the denominator is increased by the number of shares that could potentially be created and the numerator is adjusted for any dividends, interest recorded during the period and any other change in income or expenses that would result from the conversion of potentially dilutive ordinary shares. Dilutive instruments are taken into account if and only if their dilution effect decreases earnings per share or increases the loss per share.

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| **Net income (Group share) - €'000** | **(80,877)** | **49,488** |
| Weighted average number of shares outstanding | 82,789,840 | 82,789,840 |
| **Net earnings per share (€)** | **(0.98)** | **0.60** |
| Weighted average number of shares after dilution | 82,791,445 | 82,784,821 |
| **Net earnings per share (€)** | **(0.98)** | **0.60** |

# 12. Information concerning related parties

## 12.1 12.1 Consolidated companies and subsidiaries

**At December 31, 2020, the following entities were consolidated:**

| | Registered office | Siren no. | % interest | Method |
|---|---|---|---|---|
| Beneteau Inc Holding USA (Charleston) | Marion – USA | | 100.00 | FC |
| Beneteau America Inc | Marion – USA | | 100.00 | FC |
| BGM America Inc | Marion – USA | | 100.00 | FC |
| Beneteau Italia | Parma – Italy | | 95.00 | FC |
| Beneteau Brésil Construçao de Embarcaçoes SA | Angra dos Reis (RJ) - Brazil | | 100.00 | FC |
| SPBI* | Dompierre-sur-Yon – France | 491 372 702 | 100.00 | FC |
| Ostroda Yacht | Ostroda – Poland | | 100.00 | FC |
| Jeanneau America Inc | Annapolis – USA | | 100.00 | FC |
| Beneteau Group Asia Pacific | Hong Kong | | 100.00 | FC |
| Jeanneau Italia | Rome – Italy | | 100.00 | FC |
| Rec Boat Holdings LLC | Cadillac – USA | | 100.00 | FC |
| 925 Frisble Street LLC | Cadillac – USA | | 100.00 | FC |
| Wellcraft LLC | Cadillac – USA | | 100.00 | FC |
| Glastron LLC | Cadillac – USA | | 100.00 | FC |
| Four Winns LLC | Cadillac – USA | | 100.00 | FC |
| Band of Boats *** | Nantes – France | | 66.66 | FC |
| Beneteau Boats Club | Les Sables d'Olonne | | 61.93 | FC |
| Seascape D.o.o. | Ljubljana - Slovenia | | 60.00 | FC |
| S. J. Delphia sp z.o.o. | Olecko – Poland | | 100.00 | FC |
| Construction Navale Bordeaux | Bordeaux – France | 342 012 390 | 100.00 | FC |
| GBI Holding | Turin - Italy | | 100.00 | FC |
| Monte Carlo Yachts | Turin - Italy | | 100.00 | FC |
| Bio Habitat** | La-Chaize-le-Vicomte - France | 511 239 915 | 100.00 | FC |
| Bio Habitat Italia | Turin - Italy | | 100.00 | FC |
| SGB Finance | Marcq-en-Barœul - France | 422 518 746 | 49.00 | EM |

*FC: fully consolidated - EM: equity method*

** SPBI is made up of three entities: Chantiers Beneteau, Chantiers Jeanneau and BJ Technologie*

*** Effective retroactively to September 1, 2014, the companies O'Hara and IRM were merged within Bio Habitat; at December 31, 2017, the company BH was merged into BIO Habitat; in July 2019, the company BHS was dissolved without being liquidated and merged into Bio Habitat.*

**** Digital Nautic was acquired by Band of Boats in October 2018 and all its assets and liabilities were transferred to this company on February 28, 2019.*

# 12.2 Information concerning related parties

Transactions with related parties concern:

- Transactions with companies or directors of companies that perform management and supervisory functions within the Group, including transactions with the company BERI 21, the Group's majority shareholder. This company carries out research for the design of the Group's industrial buildings and invoices Group companies in this capacity.
- It also invoices for legal assistance, organization and investment assistance and advisory, and strategic advisory services. Furthermore, the Group leases part of its offices to BERI 21.
- Compensation and related benefits awarded to members of Groupe Beneteau's administrative and management bodies.
- Transactions with the joint venture SGB Finance.

## 12.2.1 TRANSACTIONS WITH BERI 21 AND OTHER SHAREHOLDERS OR DIRECTORS

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Sales of goods and services | 410 | 75 |
| Purchases of goods and services | 992 | 960 |
| Receivables | 9 | 15 |
| Payables | 96 | 375 |

## 12.2.2 TRANSACTIONS WITH JOINT VENTURES

**Transactions with the joint venture SGB Finance (49% interest) were as follows:**

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Sales of goods and services | 29,020 | 42,646 |
| Purchases of goods and services | 951 | 814 |
| Financial expenses | 264 | 238 |
| Transferable securities | 0 | 15,000 |
| Receivables | 163 | 205 |
| Payables | 928 | 0 |

# 13. Post-balance sheet events

During the night of February 18 to 19, 2021, Groupe Beneteau detected a malware intrusion affecting some of its servers. As a precautionary measure, all of the information systems were disconnected in order to prevent it from spreading.

Several production units, notably in France, had to slow down or stop their production activities for a few days. Activities were able to gradually start up again from Friday February 26.

This event did not call into question the continuity of the Group's operations, which continued to be assured on the reporting date for these consolidated accounts.

# 14. Statutory auditing fees

**Fees billed by the statutory auditors for the legal auditing of the accounts and services other than the certification of the accounts can be broken down as follows for the financial year ended December 31, 2020 (16 months):**

| | | PwC | | ACCIOR-ARC |
|---|---|---|---|---|
| **€'000** | **Pricewaterhouse Coopers Audit*** | **Network** | **ACCIOR-ARC*** | **Network** |
| Certification and limited review of individual and consolidated accounts | | | | |
| * Issuer | 147 | 0 | 113 | 0 |
| * Fully consolidated subsidiaries | 194 | 369 | 194 | |
| **Subtotal** | **341** | **369** | **306** | **0** |
| Services other than account certification | | | | |
| * Issuer (1) | 19 | 0 | 0 | 0 |
| * Fully consolidated subsidiaries (2) | 1 | 0 | 3 | 0 |
| **Subtotal** | **20** | **0** | **3** | **0** |
| **TOTAL** | **360** | **369** | **309** | **0** |

** Incumbent statutory auditor for Beneteau SA*

*(1) These services include:*

*For PwC, reviews in connection with checking the Non-Financial Information Statement and a transformation report*

*(2) These services include:*

*For PwC, the issuing of a transformation auditors' report*

*For ACCIOR-ARC, the issuing of a transformation auditors' report and the issuing of a certificate concerning the number of leisure homes invoiced in France.*

# Statutory Auditors' report on the consolidated financial statements

**For the 16-month period ended December 31, 2020**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.* To the Shareholders.

## OPINION

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying consolidated financial statements of Beneteau for the 16-month period ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2020 and of the results of its operations for the period 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 these standards are further described in the "*Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements*" section of our report.

### INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from September 1, 2019 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

## OBSERVATIONS

Without qualifying our opinion, we draw your attention to the matters set out in the following Notes to the consolidated financial statements:

- Note 1.4 "*Change of reporting date*" states that your Extraordinary General Meeting of August 28, 2020 decided to change the year-end reporting date from August 31 to December 31. As such, the reporting period ended December 31, 2020 exceptionally covered a period of sixteen months. The year ended August 31, 2019 presented as a comparison covered a period of 12 months;
- Note 1.5 "*Changes in accounting methods*" sets out the changes and their impact on the consolidated financial statements, as regards the date at which revenues were recognized for the Boat Division, the procedures for monitoring goodwill in the Boat Division and the conducting of annual impairment tests on the Group's cash generating units (CGUs);
- Note 2.2.1 sets out the impacts of adopting IFRS 16 "*Leases*" from September 1, 2019.

## JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

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

## RECOGNITION OF BOAT BUSINESS REVENUES

### Description of risk

As indicated in Note 5.1 to the consolidated financial statements, the Group records revenues when control of the goods has been transferred to the buyer and its cost can be measured reliably.

Within the Boat Division, up until the prior financial period, the Group recognized revenues on the date the product was made available, as indicated in Note 1.5.1 to the consolidated financial statements. If the customer asked for the boat that they had purchased to be made available before shipping, the Group determined whether control of the product had been effectively transferred to the customer and whether all of the criteria required by IFRS 15 for "bill-and-hold" arrangements were met in order to record the corresponding revenues.

From the period ended December 31, 2020, as indicated in the aforementioned Note, the Group's business processes within the Boat Division, as well as the internal control system relating to boat sales, have changed. Boats are no longer invoiced on the date they are made available but on the date they are shipped to the client dealers. This change in accounting method was applied prospectively to boat sales made over the period.

We considered the compliance with the Group's revenue recognition policies in the Boat Division to be a key audit matter in consideration of the aforementioned changes in the Group's organization over the period resulting in a change in obligating event for recognizing boat sales.

### How our audit addressed this risk

Our audit approach to the recognition of revenues in the Boat Division consisted in testing the internal control system set up by the Group and performing substantive procedures on recognized revenue transactions.

Our work relating to internal control focused primarily on the controls put in place relating to IT systems for customer billing and the corresponding general IT controls, as well as the control activities put in place by management to cover the process from when an order is placed to when the revenue is recognized. For the controls we deemed relevant to our audit of the consolidated financial statements, we examined their design and tested their operational efficiency where appropriate.

Our substantive procedures also consisted in:

- Understanding the changes in the Group's business processes and the decisions made by management relating to the criteria for the recognition of revenues under IFRS 15 in light of these changes.
- Testing compliance with revenue recognition accounting principles, particularly the application of accrual accounting method, based on a sample of recognized sales, according to relevant selection criteria, and carrying out reconciliations with external confirmations from customers,
- Verifying that Notes 1.5.1 and 5.1 to the consolidated financial statements provide appropriate disclosures on the accounting principles applied by the Group and the changes in those principles over the period.

## MEASUREMENT OF THE RECOVERABLE AMOUNT OF GOODWILL

### Description of risk

At December 31, 2020, the carrying amount of goodwill recognized in the balance sheet amounted to €87.4 million. An impairment loss is recognized if the recoverable value, as determined during the annual impairment test or during a specific test carried out where there is an indication of impairment, is lower than its carrying amount.

As described in Note 7.6 to the consolidated financial statements, the recoverable amount is typically determined based on the present value of future cash flows and requires significant judgment from management, in particular for the preparation of business forecasts, as well as in deciding the discount rates and long-term growth rates to be used.

In addition, as described in Note 1.5.2, as a result of the Group's new organization implemented during the period management reviewed the arrangements for monitoring recognized goodwill and accordingly, the methods for performing impairment tests on these assets. Within the Boat Division, a test was carried out at the end of the reporting period at the division level as a whole, and no longer at the level of the acquired companies taken into account for the initial recognition of goodwill. However, management carried out additional tests based on the methods used prior to this change to ensure that there was no impairment.

We deemed the valuation of the recoverable amount of goodwill to be a key audit matter, due to the inherent uncertainty of certain components and the probability of achieving forecast results taken into account to determine the recoverable amount, particularly in the context of the Covid-19 health crisis, as well as the changes in the methods used to carry out the aforementioned tests.

### How our audit addressed this risk

We performed a critical review of methods used to implement the impairment test carried out by management to determine the recoverable amount of goodwill. Our work, carried out with the support of our asset valuation experts, consisted primarily in:

• Understanding the changes in the Group's organization of and the internal systems used for monitoring recognized goodwill and, subsequently, management's judgment in assessing the impact on the methods of carrying out impairment tests on these assets,

• Assessing the components of the carrying amount of the CGUs or groups of CGUs at the level of which goodwill is monitored by the Group, and their consistency with those used in projecting future cash flows,

• Assessing the consistency of the projected future cash flows with the economic environments in which the Group operates and verifying that these projections are derived from budgets and business plans that have been approved by the Group's Board of Directors,

• Assessing the consistency of the growth rates used in determining projected future cash flows with available external analyses,

• Assessing the reasonableness of the discount rates applied to estimated future cash flows, verifying in particular that the various inputs used to calculate the weighted average cost of capital for each CGU or group of CGUs were sufficient to approximate the return expected by market participants of similar activities,

• Verifying that Note 7.6 to the consolidated financial statements contains the appropriate disclosures on the sensitivity analyses of the recoverable amount of goodwill to changes in the main assumptions used.

## SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Director's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements. We attest that the information pertaining to the Group presented in the management report includes the consolidated Non-Financial Information Statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

## OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

### PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

Pursuant to paragraph III of Article 222-3 of the AMF's General Regulations, the Company's management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018, to reporting periods beginning on or after January 1, 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the consolidated financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

### APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Beneteau by the General Meeting held on February 24, 1989 for ACCIOR – A.R.C. and on February 8, 2019 for PricewaterhouseCoopers Audit.

At December 31, 2020, ACCIOR – A.R.C. and PricewaterhouseCoopers Audit were in the 32nd and 2nd consecutive year of their engagement, respectively.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

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

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

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

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

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as

a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

## REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee 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 any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute 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 defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and La Roche-sur-Yon, April 26, 2021

**The Statutory Auditors**

| PricewaterhouseCoopers | Audit ACCIOR - A.R.C. |
|---|---|
| Philippe Vincent | Sébastien Caillaud |

# Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated Non-Financial Information Statement included in the management report

**16-month financial year ended December 31, 2020**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France*To the BENETEAU annual general meeting,

In our capacity as Statutory Auditor of BENETEAU (hereinafter the "entity), appointed as an independent third party and accredited by Cofrac (accreditation Cofrac Inspection n°3-1060 whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated Non-Financial Information Statement for the year ended 31 December 2020 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

## THE ENTITY'S RESPONSIBILITY

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are available online or on request from the entity's head office.

## INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

## RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing 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 in accordance with article R. 225 105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

· The entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;

· The compliance of products and services with the applicable regulations.

## NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements as well as with ISAE 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

· we obtained an understanding of the consolidated entities' activities, the description of the social and environmental risks associated with their activities and the impact of these activities on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;

· we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;

· we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III, as well as information set out in the second paragraph of article L. 22-10-36 regarding compliance with human rights and anti-corruption and tax evasion legislation;

· we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2;

· we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;

· we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;

· we assessed the process used to identify and confirm the principal risks;

· we asked what internal control and risk management procedures the entity has put in place;

· we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;

· we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16;

· we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;

· for the key performance indicators and other quantitative outcomes that we considered to be the most important, we implemented:

∘ analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,

∘ substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities (SPBI and Monte Carlo Yachts) and covers between 50% and 60% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;

· we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;

· we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

## MEANS AND RESOURCES

Our work was carried out by a team of 4 people between mid-July and mid-April and took a total of 5 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 15 interviews with the people responsible for preparing the Statement, representing executive management, communication, marketing, administration and finance, compliance, human resources, health and safety, environmental and purchasing departments.

## CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the Non-Financial Information Statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

## COMMENTS

Without qualifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

• The policies related to “the product quality for consumer safety”, "the development of the skills necessary for the sustainable performance of the company", "the talent and attractiveness of the nautical professions", "the health crisis", "the environmental impact of products", "the development of responsible purchasing", "the deconstruction channels", "the ethical business practices" and "the preservation of human rights and fundamental freedoms" do not mention any commitments and/or objectives for improvement.

• The results presented for the product quality for consumer safety, for the environmental impact of our products during their use, for tax evasion and fraud, and the risks related to tax evasion and fraud do not allow us to identify any key performance indicators for the related policies.

Neuilly-sur-Seine, April 16, 2021

**One of the Statutory Auditors**

PricewaterhouseCoopers Audit

| | |
|---|---|
| Philippe Vincent | Pascal Baranger |
| Partner | Sustainable Development Director |

# Beneteau S.A. financials



# 1. BENETEAU S.A. parent company financial statements

## BALANCE SHEET AT DECEMBER 31, 2020 - ASSETS

| €'000 | Notes | Gross Dec 31, 2020 | Depreciation and provisions | Net Dec 31, 2020 | Net Aug 31, 2019 |
|---|---|---|---|---|---|
| Intangible assets | 2.1.2 | | | | |
| Research and development costs | 2.1.2 | 4,887 | 4,355 | 532 | 1,456 |
| Concessions, patents, licenses and brands | 2.1.2 | 1,180 | 948 | 232 | 1,020 |
| Goodwill (1) | | 0 | 0 | 0 | 0 |
| Other intangible assets | | 8,637 | 7,324 | 1,313 | 788 |
| Current intangible assets | | 917 | 0 | 917 | 1,252 |
| Property, plant and equipment | 2.1.3 | | | | |
| Land | | 392 | 146 | 246 | 258 |
| Property | | 6,617 | 5,810 | 807 | 1,240 |
| Plant and equipment | | 815 | 789 | 26 | 35 |
| Other property, plant and equipment | | 4,325 | 3,809 | 516 | 916 |
| Current fixed assets | | 76 | 0 | 76 | 168 |
| Advances and deposits | | 0 | 0 | 0 | 0 |
| Non-current financial assets (2) | 2.1.4 | | | | |
| Equity interests | | 98,058 | 0 | 98,058 | 98,058 |
| Equity interest-related receivables | | 0 | 0 | 0 | 0 |
| Other capitalized securities | | 12,275 | 49 | 12,226 | 8,258 |
| Loans | | 0 | | 0 | 0 |
| Other non-current financial assets | | 1 | | 1 | 10 |
| **Fixed assets** | **2.1.1** | **138,180** | **23,230** | **114,950** | **113,459** |
| Inventories and work-in-progress | | | | | |
| Raw materials and other supplies | | 0 | 0 | 0 | 0 |
| Production work-in-progress | | 0 | 0 | 0 | 0 |
| Intermediate and finished products | | 0 | 0 | 0 | 0 |
| Advances and deposits on orders | | 4,273 | 3,341 | 932 | 895 |
| Receivables | 2.1.5 | | | | |
| Trade receivables and related | | 1,805 | 110 | 1,695 | 3,939 |
| Other receivables | | 101,393 | 8,500 | 92,893 | 147,115 |
| Transferable securities | 2.1.6 | 5,005 | 0 | 5,005 | 40,000 |
| Cash at bank and in hand | | 272,063 | 0 | 272,063 | 158,287 |
| Prepaid expenses | 2.1.9 | 2,654 | 0 | 2,654 | 1,194 |
| **Current assets** | | **387,193** | **11,951** | **375,242** | **351,430** |
| Foreign currency translation gains | | 0 | 0 | 0 | 0 |
| **TOTAL ASSETS** | | **525,373** | **35,181** | **490,192** | **464,889** |
| *(1) Of which, right to lease* | | *0* | *0* | *0* | *0* |
| *(2) Of which, less than one year* | | *0* | *0* | *0* | *0* |

## BALANCE SHEET AT DECEMBER 31, 2020 - LIABILITIES

| €'000 | Notes | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|---|
| Share capital (including capital paid) | 2.2.1 | 8,279 | 8,279 |
| Additional paid-in capital | | 27,850 | 27,850 |
| Reserves | | | |
| Legal reserve | | 871 | 871 |
| Regulated reserves | | | |
| Other reserves | | 109,482 | 114,061 |
| Retained earnings | | 187 | 165 |
| Earnings for the year | | (24,473) | 14,298 |
| Investment subsidies | | | |
| Regulated provisions | | 392 | 372 |
| **Shareholders' equity** | **2.2.1** | **122,589** | **165,897** |
| Provisions | | | |
| Provisions for liabilities | | | |
| Provisions for charges | | 806 | 667 |
| **Provisions for liabilities and charges** | **2.2.2** | **806** | **667** |
| Financial liabilities (1) | | | |
| Loans and borrowings from credit institutions (2) | | 173,810 | 76,036 |
| Sundry borrowings and financial debt | | 179,154 | 211,253 |
| Advances and deposits received on orders | | 1 | 1 |
| Operating liabilities (1) | | | |
| Trade payables and related | | 3,307 | 5,276 |
| Tax and social security liabilities | | 2,555 | 3,995 |
| Other | | 7,735 | 1,648 |
| Other liabilities (1) | | | |
| Fixed asset liabilities and related | | 235 | 116 |
| Accrued income (1) | | | |
| **Current liabilities** | **2.2.3** | **366,797** | **298,325** |
| Foreign currency translation losses | | 0 | 0 |
| **TOTAL LIABILITIES** | | **490,192** | **464,889** |
| *(1) Of which, less than one year* | | *363,786* | *289,548* |
| *(2) Of which, current bank borrowings* | | *165* | *1,231* |

## INCOME STATEMENT AT DECEMBER 31, 2020

| €'000 | Notes | 2019-2020 | 2018-2019 |
|---|---|---|---|
| **Operating income** | | **-** | **-** |
| Production sold: goods and services | | 23,111 | 19,800 |
| **Net revenues** | **2.3.1** | **23,111** | **19,800** |
| Stored production | | - | - |
| Capitalized production | | | |
| Operating subsidies | | | |
| Reversal of provisions, depreciation and transferred expenses | 2.3.2 | 750 | 51 |
| Other income | | 0 | 0 |
| **Operating income** | | **23,861** | **19,851** |
| **Operating expenses** | | | |
| Purchases of goods | | - | - |
| Other external purchases | | 16,970 | 16,307 |
| Tax and related | | 503 | 248 |
| Staff costs | 2.3.3 | | |
| Salaries and wages | | 7,050 | 5,193 |
| Payroll taxes | | 3,063 | 2,101 |
| Depreciation and provisions | | | |
| On fixed assets: depreciation | | 2,750 | 2,158 |
| On fixed assets: provisions | | - | - |
| On current assets: provisions | | 0 | 2 |
| For liabilities and charges: provisions | | 0 | 254 |
| Other expenses | | 3,639 | 1,980 |
| **Operating expenses** | | **33,975** | **28,243** |
| **Operating income** | | **(10,114)** | **(8,392)** |
| **Financial income** | | | |
| From equity interests | | 31,206 | 26,283 |
| Other interest and related income | | 3,769 | 4,458 |
| Reversal of provisions and transferred expenses | | 6,508 | 4,804 |
| Net income on sale of transferable securities | | 182 | 208 |
| Net foreign exchange gains | | 1,275 | 6,483 |
| **Financial income** | | **42,940** | **42,236** |
| **Financial expenses** | | | |
| Depreciation and provisions | | 8,548 | 4,723 |
| Interest and related expenses | | 44,304 | 11,776 |
| Net expenses on sale of transferable securities | | 1,877 | 0 |
| Net foreign exchange losses | | 2,187 | 2,814 |
| **Financial expenses** | | **56,916** | **19,313** |
| **Financial income (expense)** | **2.3.4** | **(13,976)** | **22,923** |
| **Pre-tax income from ordinary operations** | | **(24,090)** | **14,531** |

## INCOME STATEMENT AT DECEMBER 31, 2020 (CONTD.)

| €'000 | Note | 2019-2020 | 2018-2019 |
|---|---|---|---|
| **Non-recurring income** | | | |
| On management operations | | 97 | 167 |
| On capital operations | | 15 | 26 |
| Reversal of provisions and transferred expenses | | 75 | 6,813 |
| **Non-recurring income** | | **187** | **7,006** |
| **Non-recurring expenses** | | | |
| On management operations | | 1,180 | 131 |
| On capital operations | | 16 | 8,549 |
| Depreciation and provisions | | 1,648 | 56 |
| **Non-recurring expenses** | | **2,844** | **8,736** |
| **Non-recurring income (expense)** | **2.3.5** | **(2,657)** | **(1,730)** |
| **Employee profit-sharing** | | **37** | **(3)** |
| **Corporate income tax** | **2.3.6** | **(2,237)** | **(1,500)** |
| **NET INCOME** | | **(24,473)** | **14,298** |

# 2. Notes to the financial statements of BENETEAU S.A.

These notes represent an integral part of the annual financial statements for the financial year from September 1, 2019 to December 31, 2020.

Any items of information that are not mandatory are given only when significant.

## Highlights of the year

### Change of year-end date

The extraordinary general meeting on August 28, 2020 decided to modify the financial year start and end dates, previously set respectively as September 1 of one year and August 31 of the following year, to set them respectively as January 1 and December 31 of each year. As a result, the financial year ended December 31, 2020 exceptionally covers a 16-month period.

### Financing for the Italian subsidiaries

Considering the financing requirements of GBI Holding (and its subsidiaries Monte Carlo Yachts and Bio Habitat Italia), and to comply with Italian legislation requiring a certain level of equity in relation to the share capital throughout the financial year, a €40,548,000 write-off was recorded during the year (a current account provision had been recorded for €4,000,000 at August 31, 2019). A current account provision was also recorded for €8,500,000 during the year and is expected to lead to a write-off next year.

## Accounting methods, principles and presentation of the financial statements

The figures provided in these notes are given in thousands of euros, unless otherwise indicated.

The financial statements for the year ended December 31, 2020 have been prepared in accordance with the principles and methods set out under the French commercial code (Art. 123-12 to 123-23), the decree of November 29, 1983, and French GAAP (Regulation 2014-03 amended by ANC Regulations 2016-07 and 2015-06).

The accounting rules have been applied in accordance with the principle of conservatism, in light of the following basic assumptions: continuous operations, independent financial years, and unchanged accounting methods from one financial year to the next.

# 2.1 Notes to the balance sheet: assets

## 2.1.1 CHANGES IN FIXED ASSETS, DEPRECIATION AND PROVISIONS FOR IMPAIRMENT OF FIXED ASSETS

### GROSS VALUES

| €'000 | Gross value of fixed assets at Aug 31, 2019 | Change through inter-item transfers | Acquisitions, creations, increase in assets | Disposals, retirements, reduction in assets | Gross value of fixed assets at Dec 31, 2020 |
|---|---|---|---|---|---|
| Research and development costs | 4,887 | - | - | - | 4,887 |
| Concessions, patents, licenses and brands | 1,081 | - | - | - | 1,081 |
| Goodwill | 99 | - | - | - | 99 |
| Software | 7,392 | 1,029 | 216 | 0 | 8,637 |
| Current intangible assets | 1,252 | (1,047) | 789 | (79) | 916 |
| **TOTAL Intangible assets** | **14,711** | **(18)** | **1,006** | **(79)** | **15,620** |
| Land and developments | 392 | - | - | - | 392 |
| Property and facilities | 6,617 | - | - | - | 6,617 |
| Plant and equipment | 812 | 7 | 20 | (25) | 815 |
| Other property, plant and equipment | 4,125 | 112 | 93 | (6) | 4,325 |
| Current fixed assets | 167 | (101) | 31 | (23) | 75 |
| Advances and deposits on fixed assets | - | - | - | - | - |
| **TOTAL Property, plant and equipment** | **12,115** | **18** | **145** | **(53)** | **12,225** |
| Equity interests | 98,058 | - | - | - | 98,058 |
| Equity interest-related receivables | - | - | - | - | - |
| Other capitalized securities | 8,980 | - | 7,733 | 4,438 | 12,274 |
| Loans | - | - | - | - | - |
| Other non-current financial assets | 10 | - | 1 | (10) | 2 |
| **TOTAL Non-current financial assets** | **107,048** | **-** | **7,734** | **(4,448)** | **110,334** |
| **GENERAL TOTAL** | **133,874** | **-** | **8,885** | **(4,580)** | **138,180** |

## DEPRECIATION AND PROVISIONS

| €'000 | Depreciation at Aug 31, 2019 | Increase in charges over year | Change through inter-item transfers | Reduction linked to disposals and retirements | Depreciation at Dec 31, 2020 |
|---|---|---|---|---|---|
| **TOTAL Intangible assets** | **10,195** | **2,432** | **-** | **-** | **12,627** |
| Land and developments | 134 | 11 | - | - | 146 |
| Property | 5,377 | 433 | - | - | 5,810 |
| Plant and equipment | 775 | 22 | - | (7) | 789 |
| Other property, plant and equipment | 3,210 | 604 | - | (5) | 3,809 |
| **TOTAL Property, plant and equipment** | **9,496** | **1,070** | **-** | **(12)** | **10,554** |
| **TOTAL DEPRECIATION AND PROVISIONS ON FIXED ASSETS** | **19,691** | **3,502** | **-** | **(12)** | **23,181** |
| Provision for impairment of assets | | | | | |
| On equity interests | - | - | - | - | - |
| On other capitalized securities | 722 | 49 | - | (722) | 49 |
| **TOTAL PROVISIONS** | **722** | **49** | **-** | **(722)** | **49** |
| **GENERAL TOTAL** | **20,415** | **3,551** | **-** | **(734)** | **23,230** |

## 2.1.2 INTANGIBLE ASSETS

Intangible assets represent €15,621,000 gross and €2,994,000 net after depreciation and provisions at December 31, 2020, compared with €4,516,000 net at August 31, 2019.

This item can be broken down as follows:

### 2.1.2.1 RESEARCH AND DEVELOPMENT COSTS

In previous years, the company launched a research and development project focusing on totally different processes for designing, developing and producing boats.

On account of the nature of this project, the Group decided to capitalize the external costs (primarily fees) and the internal costs (workforce linked directly to the project) and record them as an asset on the balance sheet under research and development costs.

The depreciation of these research and development costs began when the boats concerned were brought into production and released, i.e. September 1, 2004.

In addition, the development costs for the deployment of a new ERP for the whole of Groupe Beneteau are depreciated over seven years. Since the year ended August 31, 2019, only the Housing section deployed in July 2015 has been retained. For the Boat Division, a new tool was chosen during the year, with its scoping phases launched during the year.

### 2.1.2.2 CONCESSIONS, PATENTS, LICENSES AND BRANDS

The timeframe for consuming the economic benefits expected from the brand cannot be determined. As such, it has not been subject to depreciation.

In connection with the restructuring plan launched by the Group in July 2020, the decision was taken to stop using the Monte Carlo brand held by Beneteau SA. As the value-in-use of this brand was not determined, a provision for impairment for the full amount of its book value was recorded for €753,000.

The concession concerns an exclusive long-term usage right making it possible to benefit from full use of dark fiber optics; it is being depreciated over its useful life, i.e. 15 years.

### 2.1.2.3 SOFTWARE

Software are depreciated over one to five years, in line with their planned life.

## 2.1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at their acquisition cost or at their production cost for assets produced by the company. They have never been revalued.

Economic depreciation is calculated on a straight-line basis in accordance with the planned useful life:

| | |
|---|---|
| · Site developments | 20 years |
| · Operating buildings | 20 years |
| · Building fixtures and fittings | 10 to 20 years |
| · Plant and equipment | 3 to 10 years |
| · Equipment fixtures and fittings | 3 to 10 years |
| · Transport equipment | 3 to 5 years |
| · Office and IT equipment and furniture | 3 to 10 years. |

When possible, the company applies the diminishing balance method for accelerated depreciation charges for the fraction exceeding the level of economic depreciation. The provision booked in this way represents €392,000.

## 2.1.4 NON-CURRENT FINANCIAL ASSETS

Non-current financial assets totaled €110,333,000 at December 31, 2020, compared with €107,048,000 at August 31, 2019.

Equity securities and other non-current financial assets are recorded on the balance sheet at their acquisition cost or contribution value. At year-end, an impairment is recorded when the value-in-use is lower than the net book value on the balance sheet, including the technical losses on mergers allocated in the accounts.

The value-in-use of equity securities is determined based on the accounting net assets, profitability and future prospects of the equity interests.

When the net book value of equity securities is higher than the share of accounting net assets, the valuation is generally confirmed by determining a value-in-use based on the discounting of future cash flows. The parameters retained are as follows:

- Cash flow after tax taken from the business plans and a terminal value calculated by extrapolating the data from the last year based on the long-term growth rates for the business sectors and geographical areas concerned. The business plans are generally drawn up over one to five years;
- Discounting of cash flows based on the weighted average cost of capital.

The estimation of the value-in-use may justify keeping a higher net book value than the share of accounting net assets.

The costs relating to the acquisition of equity securities included in the cost price of the securities are deducted for tax purposes through accelerated depreciation over a five-year period.

Equity interest-related receivables are recorded at their nominal value. An impairment is recorded when the carrying value is lower than the book value.

In addition, when equity interests are liquidated or sold, the impairment on equity securities is reversed to non-recurring income and expenses.

## 2.1.5 RECEIVABLES

Receivables are measured at their nominal value. An impairment is recorded when the carrying value is lower than the final value.

Receivables denominated in foreign currencies are converted at the closing exchange rate or converted at the hedging rate if they are subject to forward exchange hedge agreements.

A provision for expenses is recorded concerning any unrealized exchange rate losses for the relevant amount.

**At year-end, trade receivables did not include any items outstanding for over one year, and can be broken down as follows:**

| €'000 | At Dec 31, 2020 | At Aug 31, 2019 |
|---|---|---|
| Ordinary trade receivables | 46 | 62 |
| Trade receivables for associates | 1,626 | 3,855 |
| Notes receivable | - | - |
| Bad debt | 132 | 132 |
| Provisions for impairment of trade receivables | (110) | (110) |
| **TOTAL** | **1,695** | **3,939** |

**Other trade receivables do not include any items outstanding for over one year, and can be broken down as follows:**

| €'000 | At Dec 31, 2020 | At Aug 31, 2019 |
|---|---|---|
| Tax | 8,715 | 4,972 |
| Other receivables | 918 | 2,858 |
| Other receivables for associates | 91,760 | 143,285 |
| Provisions for impairment of receivables * | (8,500) | (4,000) |
| **TOTAL** | **92,893** | **147,115** |

** Impairment of receivable for associate: GBI Holding for the amount of the planned debt write-off*

## 2.1.6 TRANSFERABLE SECURITIES

There were no longer any treasury shares allocated and reserved for the bonus share plans (see Notes 2.4.4 and 2.4.5) at December 31, 2020.

Other securities comprise term accounts for €5,005,000, with a carrying value also of €5,005,000.

## 2.1.7 ACCRUALS AND RELATED - ASSETS

Accrued expenses represent €2,654,000 and consist exclusively of operating expenses, compared with €1,194,000 at August 31, 2019.

**Revenue accruals totaled €32,000, and can be broken down as follows:**

| €'000 | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|
| Operating income | - | 31 |
| Operating income - associates | - | - |
| Financial income | 32 | 326 |
| **TOTAL** | **32** | **357** |

# 2.2 Notes to the balance sheet: liabilities

## 2.2.1 SHARE CAPITAL

The share capital is split into 82,789,840 fully paid-up shares with a par value of €0.10.

Detailed information on treasury stock and share plans is given in Notes 2.4.4 and 2.4.5.

**The change in shareholders' equity over the year can be broken down as follows:**

| €'000 | |
|---|---|
| Shareholders' equity at Sep 1, 2019 | 165,897 |
| Accelerated depreciation | 19 |
| Dividends paid | (18,854) |
| Earnings for the year | (24,473) |
| **Shareholders' equity at Dec 31, 2020** | **122,589** |

Net income excluding the impact of optional tax provisions came to €(-)24,453,000 at December 31, 2020.

For our company, the tax provisions are reflected in a future tax liability of €135,000 (net), calculated at a rate of 34.43%.

## 2.2.2 PROVISIONS FOR LIABILITIES AND CHARGES

| €'000 | Amount at year-end Aug 31, 2019 | Increase over year | Reversal of provisions used | Reversal of provisions not used | Amount at year-end Dec 31, 2020 |
|---|---|---|---|---|---|
| Provisions for exchange rate loss | - | - | - | - | - |
| Provisions for restructuring | - | 800 | - | - | 800 |
| Other provisions for liabilities and charges | 667 | - | (661) | - | 6 |
| **TOTAL** | **667** | **800** | **(661)** | **-** | **806** |

At December 31, 2020, BENETEAU S.A. recorded:

- An €800,000 provision for charges relating to the restructuring process launched by the Group in July 2020.
- A €660,000 reversal of provisions for charges relating to the BENETEAU SA shares to cover the February 9, 2018 bonus share plan, which vested in February 2020,
- A €700 reversal of provisions for long-service awards, whose valuation factors in staff present in the company on the calculation date, as well as their seniority, the scale for bonuses based on this seniority, the survival rate, the turnover rate and a financial discounting process.

## 2.2.3 LIABILITIES

**The breakdown of liabilities based on their due dates is presented in the following table as at December 31, 2020:**

| €'000 | Total amount | < 1 year | 1 to 5 years | > 5 years |
|---|---|---|---|---|
| Loans and borrowings from credit institutions | | | | |
| · Initially due within 2 years | 162,044 | 162,044 | - | - |
| · Initially due after more than 2 years | 11,766 | 8,755 | 3,011 | |
| Sundry borrowings and financial debt | 2,865 | 2,865 | - | - |
| Financial debt for associates | 176,289 | 176,289 | - | - |
| Trade payables and related | 2,268 | 2,268 | - | - |
| Trade payables for associates | 1,039 | 1,039 | - | - |
| Staff and related | 1,142 | 1,142 | - | - |
| Social security and related | 1,058 | 1,058 | - | - |
| Tax and related | - | - | - | - |
| · Corporate income tax | 0 | 0 | 0 | - |
| · Value-added tax | 22 | 22 | - | - |
| · Other tax and related | 333 | 333 | - | - |
| Fixed asset liabilities and related | 235 | 235 | - | - |
| Fixed asset liabilities for associates | - | - | - | - |
| Other liabilities | 1,969 | 1,969 | - | - |
| Other liabilities for associates | 5,767 | 5,767 | 0 | - |
| **TOTAL** | **366,797** | **363,786** | **3,011** | **0** |

### 2.2.4 ACCRUED EXPENSES

**At December 31, 2020, accrued expenses totaled €4,435,000, with the following breakdown:**

| €'000 | Operating | Financial | Non-recurring |
|---|---|---|---|
| Trade payables and related | 2,352 | - | - |
| Trade payables for associates | 90 | - | - |
| Tax and social security liabilities | 1,776 | - | - |
| Loans and borrowings from credit institutions | - | 165 | - |
| Sundry borrowings and financial debt | - | 52 | - |
| Other liabilities | - | - | - |
| Other liabilities for associates | - | - | - |
| **TOTAL** | **4,218** | **217** | **-** |

## 2.3 Notes to the income statement

As the year-end date was changed to December 31, the 2019-2020 financial year covers 16 months and not 12 months as in 2018-2019.

### 2.3.1 REVENUES

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Sales in France | 18,346 | 15,753 |
| Sales outside of France | 4,765 | 4,047 |
| **TOTAL** | **23,111** | **19,800** |

### 2.3.2 CHANGES IN PROVISIONS AND TRANSFERRED OPERATING EXPENSES

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Reversal of provisions for liabilities and charges(*) | 660 | - |
| Transferred expenses | 90 | 49 |
| **TOTAL** | **750** | **49** |

** In 2019-2020, reversal relating to the provision for bonus shares vested during the year.*

## 2.3.3 STAFF COSTS

Compensation for members of the administrative and management bodies came to €2,547,000, compared with €2,003,000 the previous year.

Staff costs at December 31, 2020 include the cost of bonus shares vested by BENETEAU S.A. corporate officers and employees in connection with the bonus share plan from February 9, 2018 and maturing in February 2020 for €837,000.

## 2.3.4 FINANCIAL INCOME AND EXPENSES

Financial income and expenses show a net expense of €13,976,000.

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---|---|
| Dividends received from subsidiaries | 31,206 | 26,283 |
| Debt write-offs granted to subsidiaries | | |
| - GBI Holding | (40,548) | (8,000) |
| Provisions on equity securities | 0 | 0 |
| Net allocation to provisions on subsidiary current account | (4,500) | 800 |
| Bonus share plan costs charged to the subsidiaries | 948 | 0 |
| Interest and related expenses (net) | 3,067 | 3,441 |
| **Financial income and expenses with associates** | **(9,827)** | **22,524** |
| Other interest and related expenses (net) | (3,054) | (2,759) |
| Net income on transferable securities (*) | (1,695) | 208 |
| Transferred expenses for the cost of bonus share plans (*) | 837 | 0 |
| Net charge after reversals of provisions | 675 | (719) |
| Foreign exchange gain (loss) | (912) | 3,669 |
| **TOTAL financial income and expenses** | **(13,976)** | **22,923** |

** Of which, net cost of the plan for bonus shares acquired during the year: €(-)948,000*

## 2.3.5 NON-RECURRING INCOME AND EXPENSES

**The non-recurring items recorded can be broken down as follows:**

| €'000 | 2019-2020 (16 months) | 2018-2019 (12 months) |
|---|---:|---:|
| Accelerated depreciation charge / reversal | (20) | 14 |
| Capital gains or losses on asset disposals | (1) | 6 |
| Treasury stock buyback premium | 40 | 59 |
| Reversal of provisions on current fixed assets (*) | - | 6,743 |
| Loss on current fixed assets (*) | - | (8,529) |
| Provision for impairment of a brand (*"Let's Go Beyond!"* strategic restructuring plan) | (754) | |
| Staff costs and provisions - Restructuring plan | (1,917) | |
| Donations | 0 | (21) |
| Penalties | (8) | |
| Other | 3 | (2) |
| **TOTAL** | **(2,657)** | **(1,730)** |

** Group ERP project*

## 2.3.6 TAX

**At December 31, 2020, the breakdown of tax between income from ordinary operations and non-recurring items is as follows:**

| €'000 | Before tax | Net tax expense | After tax |
|---|---:|---:|---:|
| Income from ordinary operations | (24,090) | 1,759 | (22,331) |
| Non-recurring income (expense) | (2,657) | 478 | (2,179) |
| Profit-sharing | 37 | | 37 |
| **TOTAL** | **(26,710)** | **2,237** | **(24,473)** |

BENETEAU S.A. has opted for the tax consolidation system. The agreement set up in this respect is compliant with the second conception authorized, with the tax savings recorded, linked to losses, recognized immediately in profit or loss for the parent company, within the limits of the consolidated taxable income available for use.

The tax consolidation-related tax saving for FY 2019-2020 came to €2,129,000.

# 2.4 Other information

## 2.4.1 ASSOCIATES

The amounts concerning associates are given for each corresponding item on the balance sheet.

The accounts of BENETEAU S.A., in line with the full consolidation method, are included in the financial statements for BERI 21 S.A.

## 2.4.2 COMMITMENTS GIVEN

**Commitments given can be broken down as follows:**

| €'000 | Dec 31, 2020 |
|---|---|
| Deposits: | |
| - Consortium for building a plant for a subsidiary | 500 |
| - Customs | 21 |
| Guarantees with associates: | |
| - Banking commitment for subsidiaries' credit lines | 17,204 |
| - Banking commitment for subsidiaries' customer defaults | 6,710 |
| - Counter-guarantee for subsidiaries linked to product financing agreements | 23,198 |
| Retirement benefits* | 430 |
| Long-term finance leases | 1,144 |
| Currency forward sales in €'000 at hedging rate | 18,668 |
| **TOTAL** | **67,875** |

** The company's commitments in this respect are calculated in line with the method adopted within the Group, factoring in all staff, in addition to the terms of the agreements concerned, the survival rate, wage trends, staff turnover, financial returns and payroll taxes. The method used is the projected unit credit method.*

The deposits and guarantees given do not concern any executives.

## 2.4.3 SUBSIDIARIES AND ASSOCIATES

| €'000 | Share capital | Shareholders' equity excl. earnings for last year | % of capital held | Book value of securities held | | Outstanding loans and advances granted by company | Deposits and guarantees granted by company | Revenues net of tax for last year | Profit or loss for last year | Dividends received by company over year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Gross | Net | | | | | |
| **SUBSIDIARIES (at least 50% interest)** | | | | | | | | | | |
| C.N.B | 3,488 | 71,382 | 100 | 4,776 | 4,776 | 0 | 0 | 324,036 | 4,805 | 6,440 |
| S.P.B.I | 51,542 | 308,241 | 100 | 40,774 | 40,774 | 0 | 0 | 837,500 | -12,277 | 18,040 |
| Bio Habitat | 12,923 | 80,231 | 100 | 42,933 | 42,933 | 0 | 0 | 193,596 | 2,220 | 4,781 |
| GBI Holding | 4,608 | 45,391 | 100 | 5,608 | 5,608 | 38,060 | 0 | 0 | -40,568 | 0 |
| Band of Boats | 1,500 | -581 | 100 | 1,000 | 1,000 | 4,221 | 1 | 611 | -1,679 | 0 |
| **ASSOCIATES (10 to 50%)** | | | | | | | | | | |
| SGB Finance | 6,054 | 57,468 | 49 | 2,967 | 2,967 | 0 | 0 | 0 | 23,687 | 1,945 |

## 2.4.4 BONUS SHARES

In accordance with the authorizations given by shareholders at general meetings, the company's relevant bodies did not decide to award any bonus shares during the year.

**The breakdown of bonus shares exercised in previous years is presented below:**

| Year awarded | Number of bonus shares awarded |
|---|---|
| 2006-2007 | 42,500 |
| 2007-2008 | 57,500 |
| 2010-2011 | 21,250 |
| 2012-2013 | 32,500 |
| 2015-2016 | 1,056,200 |
| 2017-2018 | 530,000 |
| 2018-2019 | 169,477 |

## 2.4.5 TREASURY STOCK

The value of treasury stock at December 31, 2020, based on the average share price for December 2020, came to €12,429,000, with a net balance sheet value of €12,205,000.

| | Number | Valuation (€'000) |
|---|---|---|
| **Shares at Aug 31, 2019** | **943,706** | **8,960** |
| Acquisitions | 1,023,762 | 9,518 |
| Transfer (*) | 0 | 0 |
| Allocation | (169,477) | (1,785) |
| Sales | (456,143) | (4,438) |
| **Shares at Dec 31, 2020** | **1,341,848** | **12,254** |

Average purchase price over the year: ................................€9.30

Average sales price over the year: ..........................................€9.82

Share price at December 31, 2020: ........................................€9.465

Average share price in December 2020: ..........................€9.263

## 2.5 Cash-flow statement

| €'000 | | 2019-2020 (16 months) | | 2018-2019 (12 months) |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Net income for the year | | (24,473) | | 14,297 |
| Elimination of income and expenses without any impact on cash flow or unrelated to operations | | 3,088 | | 5,000 |
| Depreciation and provisions | 2,988 | | 2,318 | |
| Capital gains or losses on disposals | 100 | | 1,884 | |
| **Operating cash flow** | | **(21,385)** | | **18,497** |
| Change in working capital requirements | | 23,190 | | (31,686) |
| Receivables | 58,144 | | (22,689) | |
| Payables | (34,954) | | (8,197) | |
| **Total 1 - Cash flow from operating activities** | | **1,805** | | **(12,389)** |
| **Investment activities** | | | | |
| Fixed asset acquisitions | | (1,149) | | (2,108) |
| Fixed asset disposals | | 15 | | 26 |
| Liabilities on fixed assets | | 127 | | (357) |
| **Total 2 - Cash flow from investment activities** | | **(1,007)** | | **(2,439)** |
| **Financing activities** | | | | |
| Dividends paid to shareholders | | (18,854) | | (21,360) |
| Payments received for financial debt | | 130,241 | | 9,320 |
| Repayments of financial debt | | (29,044) | | (8,044) |
| Disposal / transfer (acquisition) of treasury stock | | (3,294) | | (3,662) |
| Change in scope | | 0 | | (4,500) |
| **Total 3 - Cash flow from financing activities** | | **79,049** | | **(28,246)** |
| **CHANGE IN CASH POSITION (1+2+3)** | | **79,847** | | **(43,074)** |
| Opening cash position | | 197,056 | | 240,130 |
| Closing cash position | | 276,903 | | 197,056 |
| Of which: Treasury stock | 0 | | 0 | |
| Other transferable securities | 5,005 | | 40,000 | |
| Cash at bank and in hand | 272,063 | | 158,287 | |
| Bank overdrafts | (165) | | (1,231) | |

# Statutory auditors' report on the annual financial statements

**(For the 16-month period ended December 31, 2020)**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*To the Shareholders,

## OPINION

In compliance with the engagement entrusted to us by your General Meeting, we have audited the accompanying financial statements of Beneteau for the 16-month period ended December 31, 2020.

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 at December 31, 2020 and of the results of its operations for the period 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 these standards are further described in the "*Responsibilities of the Statutory Auditors relating to the audit of the financial statements*" section of our report.

### INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from September 1, 2019 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

## EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to the matter set out in the Note "*Significant events of the year – Change of reporting date*" to the financial statements regarding the change of the reporting date from August 31 to December 31 each year, following the decision made by the shareholders at the Extraordinary General Meeting of August 28, 2020. Accordingly, the reporting period ended December 31, 2020 exceptionally covered a period of sixteen months. The year ended August 31, 2019 presented as a comparison covered a period of 12 months.

## JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823 9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

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

### VALUATION OF EQUITY SECURITIES AND RECEIVABLES FROM AFFILIATED COMPANIES

#### DESCRIPTION OF RISK

Equity securities at December 31, 2020 amounted to €98,058,000, and represented the largest fixed asset item on the balance sheet. Equity securities are carried at cost, and impaired at each reporting date, based on their value in use.

As described in Note 2.1.4 to the financial statements, value in use is determined by management on the basis of the net book assets, profitability and the future prospects of the investee.

When the net book value of the equity securities exceeds the share of net book assets, value in use is determined based on discounted future cash flows, taken from business plans prepared by management covering one to five years, which requires management to exercise judgment.

We deemed the valuation of equity securities and receivables from affiliated companies to be a key audit matter due to the inherent uncertainty of certain components of the valuation including the probability of achieving the forecast results used to calculate value in use, particularly in the context of the Covid-19 health crisis.

#### HOW OUR AUDIT ADDRESSED THIS RISK

In order to assess the reasonableness of the estimated values in use of equity securities, based on the information provided to us, our audit work consisted mainly in verifying that the estimated values in use determined by management were based on an appropriate measurement method and underlying data and, depending on the investee concerned:

- For valuations based on historical data, verifying that the equity values used were consistent with the financial statements of the entities concerned, and that any adjustments to equity were based on documentary evidence;
- For valuations based on forecast data:
  - obtaining the projected future cash flows of the investees concerned, and assessing their consistency with the business plans drawn up by management,
  - assessing the consistency of the growth rates used for projected future cash flows with available external analyses as regards the economic environments in which the investees operate,
  - assessing the reasonableness of the discount rates applied to estimated future cash flows, verifying in particular that the various inputs used to calculate the weighted average cost of capital for each investee were sufficient to approximate the return demanded by market participants for similar activities.

Our work also consisted in assessing the recoverability of any receivables from affiliated companies.

## SPECIFIC VERIFICATIONS

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

### INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO THE SHAREHOLDERS WITH RESPECT TO THE COMPANY'S FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

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 and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D.441-6 of the French Commercial Code.

### REPORT ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22 10 9 of the French Commercial Code relating to remuneration and benefits paid or awarded to corporate officers 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 the Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

### 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.

## OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

### PRESENTATION OF THE FINANCIAL STATEMENTS TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

Pursuant to paragraph III of Article 222-3 of the AMF's General Regulations, the Company's management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018, to reporting periods beginning on or after 1 January 2021.

Accordingly, this report does not contain a conclusion on the compliance of the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) with this format.

### APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Beneteau by the General Meeting held on February 24, 1989 for ACCIOR - A.R.C. and on February 8, 2019 for PricewaterhouseCoopers Audit. At December 31, 2020, ACCIOR - A.R.C. and PricewaterhouseCoopers Audit were in the 32nd and 2nd consecutive year of their engagement, respectively.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of 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 expects 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 risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

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

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

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

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

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

- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the Notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

## REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee 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 any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute 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, defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

La Roche-sur-Yon and Neuilly-sur-Seine, April 26, 2021

**The Statutory Auditors**

| ACCIOR - ARC | PricewaterhouseCoopers Audit |
|---|---|
| Sébastien Caillaud | Philippe Vincent |

# Board of Directors' corporate governance report

## 1. Board of Directors' operations

Since the extraordinary general shareholders' meeting on February 8, 2019, the Company has adopted a corporate governance structure with a Board of Directors (replacing the previous structure with Management and Supervisory Boards).

The Company's bylaws are available on www.beneteau-group.com.

The Board of Directors has put in place a set of rules of procedure governing its operating conditions and those of its various Committees, and this can be consulted on www.beneteau-group.com.

## 2. Board of Directors' composition and meetings

The Group is committed to referring to the AFEP-MEDEF corporate governance code (available on the French High Committee for Corporate Governance site: www.hcge.fr).

To ensure compliance with its recommendations, staggered terms of office were organized from 2015 and 2016.

In 2017, the necessary arrangements were put in place to ensure compliance with (i) the proportion of at least one third independent members, and (ii) the proportion of at least 40% of members of each gender. More specifically, the concept of observers was introduced into the bylaws and various observers were appointed.

| **Name** | **Year of birth** | | | | | | **Supervisory Board** | | | | **Board of Directors** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **2005** | **...** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** |
| **Directors:** | | | | | | | | | | | | |
| Yves Lyon-Caen | 1950 | A | | X | R/R | | | X | A | | E | |
| Annette Roux | 1942 | A | | X | R/R | | | X | A | | E | |
| Jérôme de Metz | 1959 | | | | | | | | A | | | E |
| Catherine Pourre * | 1957 | | | A | | R/R | | | E/A | | | E |
| Sébastien Moynot * | 1972 | | | | | | | | A | | | E |
| Louis-Claude Roux | 1982 | | | A | | R/R | | | E/A | E | | |
| Anne Leitzgen * | 1973 | | | | | | A | | A | E | | |

| Name | Year of birth | | | | | | Supervisory Board | | | | | Board of Directors |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2005 | ... | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| **Observers:** | | | | | | | | | | | | |
| Claude Brignon | 1950 | | | A | | | X | | B | | | E |
| Luc Dupé | 1949 | A | | X | R/R | | R/B | | B | | | E |
| Christian de Labriffe | 1947 | A | | X | | R/R | R/B | | B | | | E |

*A: Year first appointed / member of Supervisory Board or Board of Directors*

*B: Year first appointed / observer on Supervisory Board or Board of Directors*

*X: Year when potentially reappointed*

*E: Year current term expires*

*R/R: Resignation / reappointment*

** Independent*

The list of the offices held by each director at December 31, 2020 is presented in this report, with details of any remuneration received.

During FY 2019-2020 (16 months), your Board of Directors met nine times:

- On October 29, 2019, primarily to review the annual and consolidated financial statements for the year ended August 31, 2019; Directors present or represented: 6 (out of a total of 7) as well as 3 observers (out of a total of 3)
- On December 18, 2019, primarily to approve the annual and consolidated financial statements for the year ended August 31, 2019, convening of the general shareholders' meeting, its agenda and its resolutions; Directors present or represented: 7 (out of a total of 7) as well as 2 observers (out of a total of 3)
- On February 4, 2020, primarily for the 2019-2020 budget presentation; Directors present or represented: 7 (out of a total of 7) as well as 3 observers (out of a total of 3)
- On February 7, 2020, following the general shareholders' meeting, primarily to renew the appointment of the Vice-Chairman of the Board of Directors; Directors present or represented: 5 (out of a total of 7) as well as 2 observers (out of a total of 3)
- On March 19, 2020, exceptionally to take stock of the Group's position due to the Covid-19 health crisis situation; Directors present or represented: 7 (out of a total of 7) as well as 3 observers (out of a total of 3)
- On April 28, 2020, primarily to review and approve the consolidated half-year financial statements at February 29, 2020 and the Group's financing plan; Directors present or represented: 7 (out of a total of 7) as well as 3 observers (out of a total of 3)
- On July 3, 2020, primarily for the revised budget forecast for 2019-2020, the next communication on the *Let's Go Beyond!* strategic plan, and the convening of an extraordinary general meeting to change the financial year-start and year-end dates; Directors present or represented: 7 (out of a total of 7) as well as 3 observers (out of a total of 3)
- On August 28, 2020, primarily for the revised budget forecast at August 31, 2020 and the budget for the last four months of the extended financial year (September / December 2020); Directors present or represented: 7 (out of a total of 7) as well as 3 observers (out of a total of 3)
- On October 26, 2020, primarily to review the interim financial statements at August 31, 2020; Directors present or represented: 8 (out of a total of 8, including the new director representing employees) as well as 3 observers (out of a total of 3).

## Guidelines for allocating directors' compensation

For FY 2019-2020, the Board of Directors decided to continue to apply the guidelines adopted last year (when changing the administration structure) for the period from September 1, 2019 to August 31, 2020:

- €5,000 of fixed attendance fees are allocated for each director and observer (except for the Board Chairman);
- €3,000 of fixed attendance fees are allocated for each specialized Committee Chairman;
- Maximum of €1,500 of variable attendance fees per half-day's presence for each director, observer and Committee member;
- A special attendance fee may be added for specific assignments approved by the Board.
- These provisions are reviewed each year by the Board of Directors.

No compensation was added for the four additional months of this 16-month financial year (period from September 1, 2020 to December 1, 2020) and only 80% of the amount allocated by the ordinary general meeting on February 7, 2020 was distributed.

# 3. Strategic Committee composition and meetings

At December 31, 2020, the Strategic Committee comprised:

- Chairman: Mr Louis-Claude Roux
- Members: Ms Annette Roux, Ms Anne Leitzgen, Mr Claude Brignon, Mr Yves Lyon-Caen, Mr Jérôme de Metz

The Chairman of the Board of Directors, the Chief Executive Officer and certain qualified individuals may be invited to attend committee meetings depending on their agenda.

During FY 2019-2020 (16 months), the Strategic Committee met 10 times, primarily for the 2025 Medium-Term Plan "*Let's Go Beyond!*" (reviewed following the Covid-19 health crisis), the digital strategy, the green innovation and environment projects, the change of the year-end date, the acquisition / divestment projects, business intelligence concerning competitors, the ERP / BOAT project.

# 4. Audit and Risk Committee composition and meetings

At December 31, 2020, the Audit and Risk Committee comprised:

- Chairwoman: Ms Catherine Pourre
- Members: Mr Sébastien Moynot, Mr Yves Lyon-Caen

The Chief Executive Officer, the statutory auditors and certain qualified individuals may be invited to attend committee meetings depending on their agenda.

During FY 2019-2020 (16 months), the Audit and Risk Committee met five times, primarily to review the annual and consolidated financial statements for the year ended August 31, 2019, to review the half-year consolidated financial statements at February 29, 2020, to review the interim financial statements at August 31, 2020, the 2019-2020 budget (12 months then an additional four months), the change of the financial year-end date (December 31 instead of August 31), the Group's financing plan, the related-party agreements procedure, the work relating to the AMF recommendations, the revenue recognition method, the harmonization of procedures for bringing fixed assets into service, SAPIN II and POTIER compliance, and elements from the AFA questionnaire,

The SAPIN II and POTIER compliance work was reorganized between the Audit and Risk Committee and the Ethics Committee (which became the Ethics and CSR Committee).

# 5. Compensation, Appointments and Governance Committee composition and meetings

At December 31, 2020, the Compensation, Appointments and Governance Committee comprised:

- Chairman: Mr Sébastien Moynot
- Members: Ms Catherine Pourre, Mr Louis-Claude Roux, Mr Yves Lyon-Caen, Mr Claude Brignon

Certain qualified individuals may be invited to attend committee meetings depending on their agenda.

During FY 2019-2020 (16 months), the Compensation, Appointments and Governance Committee met four times, primarily to set the variable component for executive officers, their compensation packages and their individual assessment (for the period from September 1, 2019 to August 31, 2020, then the additional four-month period from September 1, 2020 to December 1, 2020), the reorganization of the Executive Leadership Team, and the proposed 2021 bonus share plan.

# 6. Ethics Committee composition and meetings

At December 31, 2020, the Ethics Committee comprised:

- Chairman: Mr Claude Brignon
- Members: Mr Yves Lyon-Caen, Mr Louis-Claude Roux, Mr Jérôme de Metz, Mr Luc Dupé and Ms Corinne Margot (HR Director)

Certain qualified individuals may be invited to attend committee meetings depending on their agenda.

During FY 2019-2020 (16 months), the Ethics Committee met five times, primarily regarding the Code of Ethics, Code of Conduct (employees, suppliers, customers), the whistleblowing procedure, the vigilance plan, the anti-corruption policy and procedure (training), and monitoring the health conditions linked to the Covid 19 crisis.

The SAPIN II and POTIER compliance work was reorganized between the Audit and Risk Committee and the Ethics Committee (which became the Ethics and CSR Committee).

# 7. Conditions for shareholder participation in general meetings

General meetings are convened by the Board of Directors or, failing that, by the statutory auditor(s), or by any duly authorized party, and deliberate under the legal conditions in force. They are held at the registered office or any other venue indicated in the notice to attend.

Since the company is publicly traded, general meetings are convened with an initial notice published in the French official gazette (Bulletin des Annonces Légales Obligatoires, BALO) at least 35 days before the meeting date, followed by a second notice published in an authorized gazette for legal announcements in the region where the registered office is located, at least 15 days before the meeting date.

These publications are also available on the Group website: www.beneteau-group.com.

Furthermore, shareholders who have held registered shares for at least one month on the date of the notice to attend are invited to attend any meetings in an ordinary letter or, if requested by them and at their cost, in a letter sent recorded delivery.

The general meeting comprises all the shareholders, irrespective of the number of shares held, provided that they have been fully paid-up.

The right to attend or be represented at the meeting is subject to the securities being recorded in the name of the shareholder or their intermediary in the registered securities accounts held by the company or the bearer securities accounts held by the authorized intermediary by midnight (CET) two working days prior to the meeting.

Shareholders may vote by mail under the legal and regulatory conditions in force: to be taken into account, postal voting forms must be received by the company at least three days before the date of the meeting.

Under the bylaws, any shareholders taking part in the meeting using videoconferencing or other telecommunications resources making it possible to identify them, the nature and conditions of which are determined by decree, may be deemed to be present for calculating the quorum and majority: this possibility has not yet been used by the company.

A double voting right is awarded to fully paid-up registered shares that have been registered for at least two years in the name of the same shareholder, whether they are French nationals or from a European Union member state.

This right will also be granted upon issue:

- In the event of a capital increase through the incorporation of reserves, profits or issue premiums, to any registered shares awarded freely to shareholders based on the existing shares for which they were entitled to this right;
- In the event of a merger, to any registered shares awarded to a shareholder in the merged company in exchange for this company's shares for which they were entitled to this right.

If shares are transferred further to a case of inheritance, liquidation of joint ownership between spouses or inter-vivos donations to spouses or relatives entitled to inherit, they do not lose the rights acquired and the two-year period set out above continues uninterrupted. Joint owners of shares are required to be represented with the company and at general meetings by only one of them, who the company considers as the sole owner, or by a single proxy.

The voting right associated with the share belongs to the beneficial owner at all general meetings. Even when voting rights have been waived, the bare owner of shares still has the right to attend the general meetings.

For securities that have been pledged, voting rights are exercised by the owner and not the pledgee.

**Important note**: due to the exceptional circumstances linked to the Coronavirus (Covid-19), the conditions for shareholder participation in the general meeting are likely to evolve. Groupe Beneteau will keep shareholders informed of any changes relating to the conditions for taking part in and voting at the general meeting, and invites shareholders to regularly consult the dedicated general meeting section on the website: **www.beneteau-group.com.**

# 8. Shareholding disclosure thresholds

Any individuals or legal entities, acting alone or in concert, that may directly or indirectly hold, through one or more legal entities they control as per Article L. 233-3 of the French commercial code, a number of shares representing a proportion of the share capital and/or voting rights greater than or equal to 2.5%, or any multiple thereof, including cases when this exceeds the legal and regulatory disclosure thresholds applicable, must inform the company of the total number of shares and voting rights they hold, as well as any securities entitling holders to access the capital in the future and the corresponding potential voting rights, in a letter sent recorded delivery within the legal and regulatory timeframe.

The requirement to inform the company also applies when the shareholder's interest in the capital or level of voting rights falls below any of the disclosure thresholds indicated in the bylaws.

If shareholders fail to make such disclosures in the proper manner, the shares in excess of the fraction that should have been disclosed in accordance with the bylaws and/or legal provisions applicable will not be entitled to voting rights at any shareholder meetings that may be held for two years following notification that the situation has been resolved.

# 9. Proposed resolutions relating to the compensation policy

In accordance with legislation, three resolutions are being presented for:

(i) Review and approval of the compensation policy for corporate officers,

(ii) Review and approval of the information indicated in Article L. 22-10-9 I of the French commercial code,

(iii) Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year, with this last resolution presented for each of the following corporate officers:

- Mr Jérôme de Metz, Chairman and CEO
- Mr Gianguido Girotti, Deputy CEO
- Mr Jean-Paul Chapeleau, Deputy CEO
- Mr Christophe Caudrelier, former Deputy CEO

· **[ ] ordinary resolution** *(Review and approval of the compensation policy for corporate officers)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code describing the elements from the compensation policy for corporate officers, approves, in accordance with Article L. 22-10-8 II of the French commercial code, the compensation policy for the corporate officers, as presented in the 2019-2020 Annual Report.

· **[ ] ordinary resolution** *(Review and approval of the information indicated in Article L. 22-10-9 I of the French commercial code)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 I of the French commercial code, the information indicated in Article L. 22-10-9 I of the French commercial code, as presented in the 2019-2020 Annual Report.

· **[ ] ordinary resolution** (*Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year to ..., [office]*)

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 II of the French commercial code, the information indicated in Article L. 22-10-9 I of the French commercial code, as well as the fixed, variable and exceptional items of the overall compensation package and benefits of any kind paid during the year ended December 31, 2020 or awarded for this same year to ... for their office as [...], as presented in the 2019-2020 Annual Report.

This resolution covers both (i) the initial 12-month period (from September 1, 2019 to August 31, 2020) and (ii) the additional four-month period (from September 1, 2020 to December 31, 2020), made necessary by the change of the financial year-end date.

# 10. List of corporate officers at December 31, 2020

| Jérôme de Metz | Position |
|---|---|
| **BENETEAU SA** (listed) First appointed: Chairman of Board of Directors by general meeting Feb 8, 2019 + CEO by Board of Directors Jun 14, 2019, ending: 2021 accounts / 2022 general meeting & Board of Directors | Chairman of Board of Directors & CEO |
| SPBI SA | Director |
| CNB SASU | Representative of BENETEAU SA, Chairman |
| BAND OF BOATS SAS | Chairman of Board of Directors |
| BIO HABITAT SA | Chairman of Board of Directors |
| BENETEAU INC | Director & President |
| BENETEAU AMERICA INC | Director |
| JEANNEAU AMERICA INC | Director |
| REC BOAT HOLDING LLC | Manager (Director) |
| WELLCRAFT LLC | Manager (Director) |
| GLASTRON LLC | Manager (Director) |
| FOUR WINNS LLC | Manager (Director) |
| 925 FRISBIE STREET LLC | Manager (Director) |
| BERI 21 SA | Observer |
| BENETEAU FOUNDATION | Director |
| LGF SAS | Chairman |

| Jean-Paul Chapeleau | Position |
|---|---|
| **BENETEAU SA** (listed) First appointed: Board of Directors Dec 18, 2019, ending: 2022 accounts / 2023 Board of Directors | Deputy CEO |
| SPBI SA | Chairman of Board of Directors & CEO |
| JEANNEAU AMERICA INC | Director & Chairman |
| JEANNEAU ITALIA SRL | Chairman of Board of Directors |
| OSTRODA YACHT | Chairman of Supervisory Board |
| Stocznia Jachtowa DELPHIA Spolka Zoo | Chairman of Supervisory Board |
| French boating industry federation (FIN) | Vice-Chairman and Director |
| APER | Chairman and Director |
| EBI (European Boating Industry) | Chairman of Executive Committee |
| NAUTIC FESTIVAL | Director |

| Gianguido Girotti | Position |
|---|---|
| **BENETEAU SA** (listed) First appointed: Board of Directors Jun 14, 2019, ending: 2020 accounts / 2021 Board of Directors | Deputy CEO |
| SPBI SA | Observer |
| SGB FINANCE SA | Director |
| GBI HOLDING SRL | Director |
| BENETEAU GROUP ASIA PACIFIC Ltd | Director |

| Anne Leitzgen | Position |
|---|---|
| **BENETEAU SA** (listed) First appointed: general meeting Jan 27, 2017 Last reappointed: general meeting Feb 7, 2020, ending: 2022 accounts / 2023 general meeting | Director |
| SCHMIDT GROUPE SAS | CEO and Company Chairwoman |
| SCHMIDT GROUPE Limited (UK) | Director |
| SCHMIDT GROUPE SPAIN & PORTUGAL, S.L. (Spain) | Sole Director |
| SALM Groupe SPAIN (Spain) | Sole Director |
| SCHMIDT Suofeiya Kitchen Co. Ltd | Chairman of the Board |
| Beteiligungsgesellschaft Leitzgen mbH (DE) | CEO |
| FIM SPL (Spain-Jerez) | Sole Director |
| EMA | Representative of Schmidt Group, Chairman |
| ECC | Representative of Schmidt Group, Chairman |
| IMMO DEVELOPPEMENT | Representative of Schmidt Group, Chairman |
| BETTYLEEUW SPRL | Representative of EMA, Manager |
| ANNA SG | Representative of EMA, Chairman |
| LOUISA SG | Representative of EMA, Chairman |
| ALICIA SG | Representative of EMA, Chairman |
| MELISSA SG | Representative of EMA, Chairman |
| SOFIA SG | Representative of EMA, Chairman |
| ELENA SG | Representative of EMA, Chairman |
| MYLA SG | Representative of EMA, Chairman |
| UNIFA | Director |
| SOCOMEC | Director |
| Société Civile Karl Leitzgen | Co-manager |
| Prospective Invest (SCI) | Manager |
| HEDY (SAS) | Chairwoman |
| SCI PERLES | Co-manager |
| SCI Leitzgen-Giraud | Manager |
| La Parenthèse Blanche (SARL) | Manager |
| SCI Les Aigles | Manager |
| INSA | Director |
| Parenthèse Urbaine SAS | Chairwoman |
| Parenthèse Nature SAS | Chairwoman |

| Yves Lyon-Caen | Position |
|---|---|
| BENETEAU SA (listed) First appointed: Jan 28, 2005 Last reappointed: general meeting Feb 8, 2019, ending: 2020 accounts / 2021 general meeting | Director |
| GBI HOLDING SRL | Chairman of Board of Directors |
| MONTE CARLO YACHT SPA | Director |
| BERI 21 SA | Management Board member |
| BENETEAU FOUNDATION | Director and Treasurer |
| ODYSSEY SAS | Chairman |
| BERI 210 SARL | Manager |
| BERI 75 SARL | Manager |
| French boating industry federation (FIN) | Chairman of Board of Directors |
| Recreational boating confederation (CNP) | Chairman |
| NAUTIC FESTIVAL | Chairman of Supervisory Board |

| Sébastien Moynot | Position |
|---|---|
| **BENETEAU SA** (listed) First appointed: general meeting Feb 8, 2019, ending: 2021 accounts / 2022 general meeting | Representative of Bpifrance Investissement SAS Director |
| ALBIOMA | Representative of Bpifrance Investissement SAS Director |
| VERALLIA | Representative of Bpifrance Investissement SAS Director |
| ALTRAD INVESTMENT AUTHORITY SAS | Representative of Bpifrance Investissement SAS Director |
| COSMEUR SAS | Representative of Bpifrance Investissement SAS Chairman of Board of Directors |
| GREEN YELLOW | Representative of Bpifrance Investissement SAS Supervisory Board member |
| VIVESCIA INDUSTRIES | Representative of Bpifrance Investissement SAS Observer on Supervisory Board |
| NEXTEAM | Representative of Bpifrance Investissement SAS Observer on Supervisory Board |

| Catherine Pourre | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Jan 31, 2014<br>Last reappointed: general meeting Feb 8, 2019,<br>ending: 2021 accounts / 2022 general meeting | Director |
| SEB SA (listed) | Member of Board of Directors |
| CREDIT AGRICOLE SA (listed) | Member of Board of Directors |
| CREDIT AGRICOLE CIB | Member of Board of Directors |
| CPO Services SARL | Manager |
| Association Class 40 | Member of Board of Directors |

| Louis-Claude Roux | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Jan 31, 2014<br>Last reappointed: general meeting Feb 7, 2020,<br>ending: 2022 accounts / 2023 general meeting | Vice-Chairman of Board of Directors |
| SPBI SA | Vice-Chairman of Board of Directors |
| BIO HABITAT SA | Vice-Chairman of Board of Directors |
| BAND OF BOATS SAS | Member of Board of Directors |
| BERI 21 SA | Chairman of Management Board |
| BENETEAU FOUNDATION | Director and Secretary |

| Annette Roux | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Jan 28, 2005Last reappointed:<br>General Meeting Feb 8, 2019,<br>ending: 2020 accounts / 2021 general meeting | Director |
| SPBI SA | Director |
| BIO HABITAT SA | Director |
| BERI 21 SA | Chairman of Supervisory Board |
| BENETEAU FOUNDATION | Chairman |
| BERI 210 SARL | Manager |

# 11. List of observers at December 31, 2020

| Claude Brignon | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Jan 31, 2014<br>Last reappointed: Board of Directors Feb 8, 2019,<br>ending: 2021 accounts / 2022 Board of Directors | Observer on Board of Directors |
| VALOPTEC | Member of Board of Directors |

| Luc Dupé | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Jan 28, 2005<br>Last reappointed: Board of Directors Feb 8, 2019,<br>ending: 2021 accounts / 2022 Board of Directors | Observer on Board of Directors |
| BERI 21 SA | Management Board member |
| ELMA ASSOCIES SAS | Deputy CEO |

| Christian de Labriffe | Position |
|---|---|
| **BENETEAU SA** (listed)<br>First appointed: Jan 28, 2005 Last reappointed:<br>Board of Directors Feb 8, 2019, ending: 2021 accounts / 2022 Board of Directors | Representative of PARC MONCEAU,Observer on Board of Directors |
| Parc Monceau (SARL) | Manager |
| CHRISTIAN DIOR SE (listed) | Director |
| TCA Partnership SAS | Chairman |
| Tikehau Capital (SCA) | Chairman of Supervisory Board |
| ACE CAPITAL PARTNERS (SAS) | Chairman of Supervisory Board |
| Tikehau Capital Belgium (Belgian company) | Director |
| Fondation Nationale des Arts Graphiques et Plastiques | Director |

# 12. Executive compensation

## Compensation, options and shares awarded to each executive officer

| | | | Dec 31, 2020 | | Aug 31, 2019 | |
|---|---|---|---|---|---|---|
| **Name** | **Position** | **Type** | **Amounts due** | **Amounts paid** | **Amounts due** | **Amounts paid** |
| Jérôme de Metz | Chairman and CEO of BENETEAU S.A. | Fixed compensation | 477,154 | 485,469 | 181,350 | 147,375 |
| | | Variable compensation | 271,264 | 36,250 | 36,250 | 0 |
| | | Exceptional compensation | 0 | 0 | 0 | 0 |
| | | Attendance fees | 0 | 0 | 0 | 0 |
| | | Benefits in kind | 5,096 | 4,732 | 0 | 0 |
| | | **TOTAL** | **753,514** | **526,451** | **217,600** | **147,375** |
| Jean-Paul Chapeleau | Deputy CEO BENETEAU S.A. | Fixed compensation | 426,024 | 399,174 | 0 | 0 |
| | | Variable compensation | 273,303 | 75,000 | 0 | 0 |
| | | Exceptional compensation | 0 | 0 | 0 | 0 |
| | | Attendance fees | 0 | 0 | 0 | 0 |
| | | Benefits in kind | 5,070 | 4,753 | 0 | 0 |
| | | **TOTAL** | **704,397** | **478,927** | **0** | **0** |
| Gianguido Girotti | Deputy CEO BENETEAU S.A. | Fixed compensation | 388,338 | 364,016 | 246,217 | 194,084 |
| | | Variable compensation | 255,434 | 85,200 | 85,200 | 92,721 |
| | | Exceptional compensation | 0 | 0 | 0 | 0 |
| | | Attendance fees | 0 | 0 | 0 | 0 |
| | | Benefits in kind | 6,597 | 6,121 | 2,660 | 2,660 |
| | | **TOTAL** | **650,369** | **455,337** | **334,077** | **289,466** |
| Hervé Gastinel* | Chief Executive Officer BENETEAU S.A. | Fixed compensation | 0 | 0 | 334,752 | 371,135 |
| | | Variable compensation | 0 | 0 | 150,000 | 328,640 |
| | | Exceptional compensation | 0 | 0 | 1,054,901 | 124,106 |
| | | Attendance fees | 0 | 0 | 0 | 0 |
| | | Benefits in kind | 0 | 0 | 6,963 | 7,659 |
| | | **TOTAL** | **0** | **0** | **1,546,616** | **831,540** |
| Christophe Caudrelier** | Deputy CEO BENETEAU S.A. | Fixed compensation | 738,152 | 660,396 | 245,830 | 242,400 |
| | | Variable compensation | 0 | 101,100 | 101,100 | 193,833 |
| | | Exceptional compensation | 0 | 0 | 0 | 0 |
| | | Attendance fees | 0 | 0 | 0 | 0 |
| | | Benefits in kind | 5,922 | 6,455 | 6,658 | 6,520 |
| | | **TOTAL** | **744,074** | **767,951** | **353,588** | **442,753** |

** End of term of office on June 14, 2019 ** End of term of office on June 3, 2020*

During the financial year, Jérôme de Metz, Chairman and Chief Executive Officer, proposed to waive 25% of his fixed pay for a six-month period (extended until end-December 2020, covering eight months), to show solidarity with the employees affected by a drop in their income. The Board of Directors approved this request and highlighted that this is a great illustration of the Group's values.

## Summary of compensation, options and shares awarded to each executive officer

| Name | Position | Type | Dec 31, 2020 | Aug 31, 2019 |
|---|---|---|---|---|
| Jérôme de Metz | Chairman and CEO BENETEAU S.A. | Compensation due for the year | 753,514 | 217,600 |
| | | Value of options awarded during the year | 0 | 0 |
| | | Value of performance shares awarded during the year | 0 | 0 |
| Jean-Paul Chapeleau | Deputy CEO BENETEAU S.A. | Compensation due for the year | 704,397 | 0 |
| | | Value of options awarded during the year | 0 | 0 |
| | | Value of performance shares awarded during the year | 0 | 0 |
| Gianguido Girotti | Deputy CEO BENETEAU S.A. | Compensation due for the year | 650,369 | 334,077 |
| | | Value of options awarded during the year | 0 | 0 |
| | | Value of performance shares awarded during the year | 0 | 0 |
| Hervé Gastinel* | Chief Executive Officer BENETEAU S.A. | Compensation due for the year | 0 | 1,546,616 |
| | | Value of options awarded during the year | 0 | 0 |
| | | Value of performance shares awarded during the year | 0 | 0 |
| Christophe Caudrelier** | Deputy CEO BENETEAU S.A. | Compensation due for the year | 744,074 | 353,588 |
| | | Value of options awarded during the year | 0 | 0 |
| | | Value of performance shares awarded during the year | 0 | 0 |

** End of term of office on June 14, 2019 ** End of term of office on June 3, 2020*

| Dec 31, 2020 | Executive officer | Employment contract | Supplementary pension scheme (*) | Actual or potential severance or termination benefits | Benefits due to a no-compete clause |
|---|---|---|---|---|---|
| Name | **Jérôme de Metz** | Mandate agreement | Yes | No | No |
| Position | Chairman and CEO BENETEAU SA | | | | |
| Term of office start date | Jun 14, 2019 | | | | |
| Term of office end date | General meeting and Board of Directors approving accounts for year ended Aug 31, 2021 in 2022 | | | | |
| Name | **Jean-Paul Chapeleau** | No | Yes | No | No |
| Position | Deputy CEO BENETEAU S.A. | | | | |
| Term of office start date | Dec 18, 2019 | | | | |
| Term of office end date | Board of Directors approving accounts for year ended Aug 31, 2022 in 2023 | | | | |
| Name | **Gianguido Girotti** | No | Yes | No | No |
| Position | Deputy CEO BENETEAU S.A. | | | | |
| Term of office start date | Jun 14, 2019 | | | | |
| Term of office end date | Board of Directors approving accounts for year ended Aug 31, 2020 in 2021 | | | | |

* *See Compensation policy*

# Equity ratio between the level of compensation for executive officers and the average and median compensation for employees of the group parent company – BENETEAU SA

| | FY 2019-2020 | FY 2018-2019[1] |
|---|---|---|
| **CEO then Chairman and CEO** | | |
| Average compensation ratio | 4.80 | 11.82 |
| Median compensation ratio | 7.23 | 16.17 |
| **Deputy CEO** | | |
| **Christophe Caudrelier** | | |
| Average compensation ratio | 5.52 | 6.23 |
| Median compensation ratio | 8.31 | 8.52 |
| **Gianguido Girotti** | | |
| Average compensation ratio | 4.15 | |
| Median compensation ratio | 6.25 | |
| **Jean-Paul Chapeleau** | | |
| Average compensation ratio | 3.63 | |
| Median compensation ratio | 5.47 | |

The ratios are calculated based on the compensation paid.

### Position of Chief Executive Officer then Chairman and Chief Executive Officer

Hervé Gastinel was Chief Executive Officer until June 14, 2019. Jérôme de Metz has been Chairman and Chief Executive Officer of BENETEAU SA since June 15, 2019. The ratios for the year have been calculated in line with this change, prorated to the respective periods for which they were present.

### Position of Deputy Chief Executive Officer

The compensation for the Deputy Chief Executive Officers has been prorated to their presence during the periods considered for calculating the ratio.

1 The information provided concerning the equity ratio is limited to 2020 and 2019. Due to the governance changes within BENETEAU SA (change from a limited company with Management and Supervisory Boards to a limited company with a Board of Directors), and the changes in the structure for salaried staff at BENETEAU SA over the last five years, it was not considered to be relevant to present the changes in this ratio before 2019.

# Attendance fees and other compensation awarded to non-executive officers

| Name | Position | Type | Dec 31, 2020 Amounts due | Dec 31, 2020 Amounts paid | Aug 31, 2019* Amounts due | Aug 31, 2019* Amounts paid |
|---|---|---|---|---|---|---|
| Jérôme de Metz | Chairman of Board of Directors | Attendance fees | 25,500 | 49,330 | 28,030 | 4,200 |
| | | Other compensation | 0 | 0 | 0 | 0 |
| Yves Lyon-Caen | Director | Attendance fees | 35,000 | 78,159 | 43,159 | 0 |
| | | Other compensation | 0 | 0 | 185,755 | 477,641 |
| Louis-Claude Roux | Vice-Chairman of Board of Directors | Attendance fees | 38,000 | 74,189 | 36,189 | 0 |
| | | Other compensation | 0 | 0 | 242,559 | 185,619 |
| Annette Roux | Director | Attendance fees | 27,500 | 56,660 | 34,160 | 5,000 |
| | | Other compensation | 0 | 0 | 100,000 | 100,000 |
| Catherine Pourre | Director | Attendance fees | 26,000 | 53,366 | 27,366 | 0 |
| | | Other compensation | 0 | 0 | 0 | 0 |
| Anne Leitzgen | Director | Attendance fees | 24,500 | 45,293 | 20,793 | 0 |
| | | Other compensation | 0 | 0 | 0 | 0 |

** Including compensation paid and awarded to the employees or corporate officers of Beri21, the company that controls Beneteau SA, in accordance with Article L.225-37-3 based on its wording prior to Order 2019-1234.*

# Attendance fees and other compensation awarded to observers

| Name | Position | Type | Dec 31, 2020 Amounts due | Dec 31, 2020 Amounts paid | Aug 31, 2019* Amounts due | Aug 31, 2019* Amounts paid |
|---|---|---|---|---|---|---|
| Christian de Labriffe | Observer on Board of Directors | Attendance fees | 14,000 | 28,793 | 14,793 | 0 |
| | | Other compensation | 0 | 0 | 0 | 0 |
| Claude Brignon | Observer on Board of Directors | Attendance fees | 36,500 | 72,512 | 36,012 | 0 |
| | | Other compensation | 0 | 0 | 0 | 0 |
| Luc Dupé | Observer on Board of Directors | Attendance fees | 20,000 | 40,351 | 20,351 | 0 |
| | | Other compensation | 0 | 0 | 39,996 | 39,996 |

** Including compensation paid and awarded to the employees or corporate officers of Beri21, the company that controls Beneteau SA, in accordance with Article L.225-37-3 based on its wording prior to Order 2019-1234.*

# Corporate officers' transactions on shares

## 1. Stock options or warrants

**Stock options or warrants awarded at Dec 31, 2020**

NA

**Options or warrants awarded to corporate officers in FY 2019-2020 (16 months)**

NA

**Options or warrants exercised by corporate officers in FY 2019-2020 (16 months)**

NA

## 2. Bonus shares

**Bonus shares awarded at Dec 31, 2020**

NA

**Bonus shares awarded to corporate officers in FY 2019-2020 (16 months)**

NA

**Bonus shares definitively vested for corporate officers in FY 2019-2020 (16 months)**

| Name | Number of shares awarded (Feb 9, 2018) | Number of shares vested (Feb 10, 2020) |
|---|---|---|
| Christophe Caudrelier | 17,500 | 6,563 |
| Jean-Paul Chapeleau | 20,000 | 7,500 |
| Gianguido Girotti | 6,000 | 4,500 |

*Opening share price on Feb 9, 2018: €18.72*

*Closing share price on Feb 7, 2020: €9.85*

## 3. Corporate officers' transactions in FY 2019-2020 (16 months)

| Name | Type of transaction | Transaction date | Number of securities | Amount |
|---|---|---|---|---|
| Jérôme de Metz | Acquisition | Sep 9, 2020 | 5,000 | €30,600 |
| | Acquisition | Sep 24, 2020 | 5,000 | €30,500 |
| | Acquisition | Nov 19, 2020 | 5,000 | €41,050 |
| | Acquisition | Dec 10, 2020 | 5,000 | €45,350 |
| Christophe Caudrelier | Bonus share award | Feb 10, 2020 | 6,563 | - |
| Jean-Paul Chapeleau | Bonus share award | Feb 10, 2020 | 7,500 | - |
| Gianguido Girotti | Acquisition | Oct 31, 2019 | 2,378 | €20,213 |
| | Bonus share award | Feb 10, 2020 | 4,500 | - |

In addition, Mr Jérôme de Metz holds a 0.1% interest in the company BERI 21, following an investment made in 2018 by LGF, the company that he fully controls with his family.

### 4. Observers' transactions in FY 2019-2020 (16 months)

| Name | Type of transaction | Transaction date | Number of securities | Amount |
|---|---|---|---|---|
| Luc Dupé | Acquisition* | Sep 9, 2020 | 5,071 | €30,643 |

** Closely related person*

Executive compensation packages are set by the Board of Directors based on proposals from the Compensation Committee.

Items of variable compensation are determined in view of the results achieved.

Executive officers are required to retain the shares awarded for two years from their vesting date for the plans from before 2016 and for one year since 2016, as well as a minimum of 50% of the shares awarded for their entire time in office.

There are no commitments for any executive severance packages.

# Compensation policy

**For the year ended December 31, 2020** (16 months), the variable compensation due or awarded was determined as follows:

Period from September 1, 2019 to August 31, 2020 (12 months):

For the Chairman and Chief Executive Officer (who combines the positions of Chairman of the Board of Directors and Chief Executive Officer) and the Deputy Chief Executive Officers, their variable compensation is linked to the Group's performance levels This variable component may represent 70% of their fixed compensation if the objectives set are achieved and up to 90% if the objectives are exceeded.

The objectives primarily concerned the Group's quantitative performance levels (income from ordinary operations, revenues and free cash flow) for 70%, with 30% based on annual qualitative objectives reviewed on an individual basis by the Compensation Committee then the Board of Directors.

The Vice-Chairman of the Board of Directors was not awarded any variable pay.

Period from September 1, 2020 to December 31, 2020:

To take into account the additional four months of the financial year linked to the change of year-end date (December 31 instead of August 31), the Board of Directors set, as proposed by the Compensation Committee, an additional variable component for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers potentially representing 70% of the fixed compensation due for the specific period concerned if the objectives are achieved and up to 90% if they are exceeded. The quantitative and qualitative objectives retained by the Board of Directors specifically for this period took into account the priorities resulting from the context, and particularly the Group's adaptation to this environment.

**For the current financial year** (January 1, 2021 to December 31, 2021), the variable compensation will be determined as follows:

For the Chairman and Chief Executive Officer (who combines the positions of Chairman of the Board of Directors and Chief Executive Officer) and the Deputy Chief Executive Officers, their variable compensation is linked to the Group's performance levels This variable component may represent 70% of their fixed compensation if the objectives set are achieved and up to 90% if the objectives are exceeded.

The objectives will primarily concern quantitative performance aspects relating to the Group's activities (income from ordinary operations and revenues) for 70%, with 30% based on annual qualitative objectives set individually by the Board of Directors based on proposals from the Compensation Committee.

The Vice-Chairman of the Board of Directors was not awarded any variable pay.

In addition, the executive officers are entitled to an "Article 83" defined contribution retirement benefit, which has also been set up for certain categories of the company's staff. The corresponding contributions are covered by the Company under the same conditions as those applied for the corresponding categories of staff. The Article 83 plan aims to fund supplementary pension payments based exclusively on life annuities as part of a mandatory collective policy taken out by the Company with Groupama Gan Vie. Under this plan, the Company is committed to funding 6% for Tranche A (fraction of remuneration capped at the maximum Social Security limit), Tranche B (fraction of remuneration exceeding the maximum Social Security limit, without exceeding the ARCCO-AGIRC cap) and Tranche C (fraction of remuneration exceeding the maximum Social Security limit, without exceeding double the amount of this cap).

Lastly, it is proposed to award the Board of Directors a maximum total amount of annual compensation of €357,000 (attendance fees) for the current financial year, which the Board will distribute as appropriate.

# 13. Related-party agreements

During the financial year ended December 31, 2020, the Board of Directors authorized the following related-party agreements:

**With GBI HOLDING,**

- In accordance with the authorization given by the Board of Directors on August 29, 2019 to cover the potential losses of its Italian subsidiaries during FY 2019-2020, BENETEAU S.A. granted a €9,047,500 debt write-off on April 16, 2020 to its fully-owned subsidiary GBI HOLDING (press release from May 4, 2020)
- In accordance with the authorization given by the Board of Directors on August 28, 2020 to cover the potential losses of its Italian subsidiaries at year-end August 31, 2020, BENETEAU S.A. granted a €5,000,000 debt write-off on August 31, 2020 to its fully-owned subsidiary GBI HOLDING (press release from October 2, 2020)
- In accordance with the authorization given by the Board of Directors on October 26, 2020 to cover the potential losses of its Italian subsidiaries, on December 1, 2020 BENETEAU S.A. converted the financing granted to GBI HOLDING, its fully-owned subsidiary, into a reserve to cover losses for €26,500,000 (press release from December 9, 2020)
- These operations aim to support the Group's activities in Italy and enable GBI HOLDING to comply with the terms of the Italian civil code relating to minimum capital requirements, making it necessary to take all the measures required for the effective management of the Italian subsidiaries' annual accounts, as well as at the lowest point in their seasonal patterns.

Lastly, an agreement that was authorized during the year and concerned the creation of the **BENETEAU FOUNDATION endowment fund**, was only implemented on January 25, 2021, with BENETEAU S.A., as the sole founder, paying the initial endowment of €15,000.

In its annual review of related-party agreements, the Board of Directors on March 16, 2021 confirmed that the continuation of the previous agreements and the new agreements entered into during the financial year ended December 31, 2020 were effectively aligned with the company's interests.

In accordance with the French PACTE Law, a set of internal guidelines on related-party agreements was approved by the Board of Directors, as proposed by the Audit and Risk Committee and appended to the rules of procedure.

# 14. Capital increase delegations

NA

# Statutory Auditors' special report on related-party agreements

**(For the 16-month period ended December 31, 2020)**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France*To the Shareholders,

In our capacity as Statutory Auditors of Beneteau, we hereby report to you on related party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

## AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

### AGREEMENTS AUTHORIZED AND ENTERED INTO DURING THE YEAR

In accordance with Article L.225-40 of the French Commercial Code, we were informed of the following agreements entered into during the year and authorized in advance by the Board of Directors.

#### With GBI Holding

***Parties concerned:*** *Yves Lyon-Caen (director of the Company and Chairman of the Board of Directors of GBI Holding), as well as Christophe Caudrelier (until June 3, 2020) and Gianguido Girotti (both Deputy Chief Executive Officers of the Company and directors of GBI Holding).*

Following the authorization given by the Board of Directors at its meeting of August 29, 2019:

- the Company granted GBI Holding, its wholly-owned subsidiary located in Italy, a debt write-off in the amount of €9,047,500 on April 16, 2020;
- in accordance with the provisions of the Italian Civil Code, the Company undertook to cover any potential losses incurred in respect of the coming year 2019-2020, particularly in the course of the year, as the Italian Civil Code requires that the amount needed to keep the accounts in good order to be written off first, at the lowest point in the season.

The purpose of this operation is to support the Beneteau Group's activities in Italy and to bring GBI Holding into compliance with Italian regulations regarding minimum capital requirements.

Pursuant to the authorization given by your Board of Directors at its meeting of August 28, 2020, the Company granted GBI Holding another debt write-off in the amount of €5,000,000.

Following the authorization given by the Board of Directors at its meeting of October 26, 2020, the Company converted the financing granted to GBI Holding by setting up a loss reserve for a total of €26,500,000. This operation has the same objectives as above.

### AGREEMENTS AUTHORIZED AND ENTERED INTO SINCE THE YEAR-END

We were informed of the following agreements, authorized and entered into since the year-end, which were authorized in advance by the Board of Directors.

#### With the BENETEAU FOUNDATION endowment fund

***Parties concerned:*** *Annette Roux (director of the Company and Chair of the Beneteau Foundation endowment fund), Yves Lyon-Caen (director of the Company and director – treasurer of the Beneteau Foundation endowment fund), Louis-Claude Roux (Vice-Chairman of the Company's Board of Directors and director – secretary of the Beneteau Foundation endowment fund) and Jérôme De Metz (Chairman and Chief Executive Officer of the Company and director of the Beneteau Foundation endowment fund).*

Following the authorization given by the Board of Directors at its meeting of April 28, 2020, the Company created the Beneteau Foundation endowment fund and, as the only founder, made an initial donation of €15,000 on January 25, 2021.

The Beneteau Foundation endowment fund will carry out and/or support all public interest initiatives relating to the environment, science, heritage and education, both in France and abroad, to help raise awareness and understanding of the world of boating, as well as the related challenges and its ecosystem. This fund is therefore of direct interest to the Company as it operates in the same area.

## AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

### AGREEMENTS APPROVED IN PREVIOUS YEARS

In accordance with Article R.225-30 of the French Commercial Code, we were informed of the following agreements, approved by the General Meeting in previous years, which were implemented during the year.

#### With SPBI, Construction Navale Bordeaux and Bio Habitat, subsidiaries of the Company

***Parties concerned:*** *Jérôme de Metz, Jean-Paul Chapeleau, Louis-Claude Roux and Annette Roux, directors of the Company and corporate officers of SPBI, Construction Navale Bordeaux and Bio Habitat.*

Following the authorization given by the Supervisory Board at its meeting of August 31, 2011, the Company put in place a centralized foreign exchange management agreement. This agreement provides for the Company to implement comprehensive currency hedging, bear the foreign exchange risk and retain any gains on foreign exchange hedging transactions. This service does not give rise to any additional compensation in return.

The amount recorded for the period in respect of foreign exchange hedging for the Company's subsidiaries was a net expense of €911,420.

#### With Annette Roux, director of the Company:

Interest has been calculated on the shareholder current account advances made by Annette Roux to the Company within the authorized limits for the Company to include them in its tax-deductible expenses.

It amounted to €20,423 for the 16-month period ended December 31, 2020.

La Roche-sur-Yon and Neuilly-sur-Seine, April 26, 2021

**The Statutory Auditors**

| ACCIOR - ARC | PricewaterhouseCoopers Audit |
|---|---|
| Sébastien Caillaud | Philippe Vincent |

# Board of Directors' additional report

## BOARD OF DIRECTORS' SUPPLEMENTARY REPORT ON THE PROPOSED RESOLUTIONS SUBMITTED FOR THE COMBINED GENERAL MEETING ON JUNE 11, 2021

Dear Shareholders,

Following on from the Board of Directors' deliberations on March 16 and April 16, 2021, we have invited you to attend an ordinary and extraordinary general meeting, in accordance with French law and our bylaws, in order to deliberate on the agenda presented below.

### RESOLUTIONS FOR THE ORDINARY GENERAL MEETING:

- Approval of the parent company financial statements for the year ended 31 December 2020;
- Approval of the consolidated financial statements for the year ended December 31, 2020;
- Approval of the agreements covered by Articles L. 225-38 *et seq* of the French commercial code;
- Review and approval of the compensation policy for corporate officers;
- Review and approval of the information indicated in Article L. 22-1-9 I of the French commercial code;
- Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year to Mr Jérôme de Metz, Chairman and Chief Executive Officer;
- Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year to Mr Gianguido Girotti, Deputy Chief Executive Officer;
- Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year to Mr Jean-Paul Chapeleau, Deputy Chief Executive Officer;
- Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year to Mr Christophe Caudrelier, former Deputy Chief Executive Officer;
- Allocation of income;
- Renewal of Ms Annette Roux's term of office as a Director;
- Renewal of Mr Yves Lyon-Caen's term of office as a Director;
- Authorization for the Board of Directors, for an 18-month period, for the Company to acquire its own shares based on a maximum price of €25 per share, representing a total maximum price of €70 million;

### RESOLUTIONS FOR THE EXTRAORDINARY GENERAL MEETING:

- Authorization for the Board of Directors, for a 38-month period, to award bonus shares to be issued, with shareholders' preferential subscription rights waived, or existing shares to staff and/or executive officers of the Company and related entities for up to 1.5% of the capital, of which a maximum of 40% may be awarded to the listed company's executive officers;
- Delegation of authority for the Board of Directors, for a 26-month period, to issue shares or capital securities entitling holders to access other Company capital securities or entitling holders to debt securities in exchange for contributions in kind comprising capital securities or transferrable securities giving access to the capital, representing up to 10% of the share capital;
- Delegation of authority for the Board of Directors, for a 26-month period, to issue shares and/or capital securities entitling holders to access other capital securities or debt securities and/or transferrable securities giving access to a share of the capital to be issued by the Company or, provided that the initial security is a share, to debt securities in exchange for securities tendered for any public exchange offer initiated by the Company;
- Delegation of authority for the Board of Directors, for a 26-month period, to issue shares, capital securities entitling holders to access other capital securities or debt securities, and/or capital securities entitling holders

to access Company capital securities, with shareholders' preferential subscription rights waived, for members of the Group's company savings scheme(s) for a maximum of €21,000, based on a price determined in accordance with the French employment code (Code du Travail);
- Authorization for the Board of Directors, for a 26-month period, to cancel shares held by the Company after purchasing treasury stock;
- Powers for formalities.

We would like to inform you that the notices to attend this general meeting have been issued under the conditions required and that the documents required by the regulations in force have been provided or made available to you within the timeframes set.

We are available should you require any clarifications or any further information that you may consider necessary. We would like to inform you that, in accordance with French law, a management report is available to you, in addition to a report prepared by the Board of Directors and various reports from your statutory auditors.

This report is intended to supplement these reports in order to present the following specific points for you:

## 1. APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS, RELATED-PARTY AGREEMENTS, COMPENSATION FOR CORPORATE OFFICERS AND ALLOCATION OF INCOME (RESOLUTIONS 1 TO 14)

The first points on the agenda, which are presented in further detail in our management report, concern the approval of the parent company and consolidated financial statements for FY 2019-2020, the approval of the related-party agreements presented in the statutory auditors' special report, the approval of compensation for corporate officers and the allocation of income for the year.

## 2. RENEWAL OF THE TERMS OF OFFICE OF TWO DIRECTORS (RESOLUTIONS 15 AND 16)

We propose that you renew, for a three-year period, the terms of office of Ms Annette Roux and Mr Yves Lyon-Caen as Directors, which are due to end with this general meeting.

## 3. RENEWAL OF THE COMPANY SHARE BUYBACK PROGRAM AND RELATED AUTHORIZATIONS (RESOLUTIONS 17, 18 AND 22)

For all annual general meetings, BENETEAU proposes to include the renewal of its share buyback program on the agenda, following on from the authorizations already approved at the general meetings held on: February 5, 1999 - August 31, 2000 - February 1, 2002 - July 17, 2003 - January 28, 2005 - July 20, 2006 - June 22, 2007 - January 30, 2009 - July 9, 2010 - January 28, 2011 - January 27, 2012 - February 1, 2013 – January 31, 2014 – January 30, 2015 – January 29, 2016 – January 27, 2017 – February 9, 2018 - February 8, 2019 - February 7, 2020.

Under the previous authorization, you will find details of the operations carried out by the company on its own securities in the share buyback program description appended to this Report.

We therefore invite you to authorize your Board of Directors, for a further 18-month period, to allow the company to acquire its own shares representing up to 5% of the share capital and a maximum theoretical investment of €70 million, based on a maximum purchase price set at €25.00.

The program's objectives and conditions are detailed in the share buyback program description, appended to this Report, and include:
- Awarding bonus shares to company or Group staff and/or corporate officers, subject to Resolution 18,
- Canceling shares, subject to Resolution 22.

## 4. POTENTIAL ISSUE OF SHARES IN EXCHANGE FOR CONTRIBUTIONS IN KIND COMPRISING CAPITAL SECURITIES (RESOLUTIONS 19 AND 20)

We propose that you grant the Board of Directors a delegation of authority to issue shares (or capital securities entitling holders to access other capital securities or debt securities) in exchange for contributions in kind comprising capital securities from another company or in exchange for securities tendered for any public exchange offer for a company whose securities are admitted for trading on a regulated market.

## 5. POTENTIAL CAPITAL INCREASE RESERVED FOR EMPLOYEES WHO ARE MEMBERS OF THE GROUP'S COMPANY SAVINGS SCHEMES, WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED (RESOLUTION 21)

Under the provisions of the French employee savings act (Loi sur l'épargne salariale), the general shareholders' meeting must deliberate, on a regular basis and at the time of any decision to increase the capital, on a proposed resolution concerning a capital increase reserved for employees, carried out in accordance with the French employment code.

Since the 18th resolution proposes to potentially award bonus shares that will need to be issued, we have an obligation to propose to you a potential capital increase alongside this reserved for employees who are members of Group company savings schemes, with preferential subscription rights waived, for up to a nominal limit of €21,000.

**Board of Directors**

# Statutory Auditors' report on the share capital transactions

**PROPOSED IN THE 18TH TO 22ND RESOLUTIONS OF THE COMBINED GENERAL MEETING OF JUNE 11, 2021**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France*To the Shareholders,

In our capacity as Statutory Auditors of Beneteau, and in accordance with the French Commercial Code (*Code de commerce*), we hereby report to you on the transactions which are submitted to you for approval.

## 1. AUTHORIZATION TO GRANT FREE OR NEWLY ISSUED SHARES (18TH RESOLUTION)

In accordance with Article L.225-197-1 of the French Commercial Code, we hereby report to you on the proposed authorization to grant free existing or newly issued shares to employees and/or corporate officers of the Company and companies related to it, which is submitted to you for approval. The total number of shares that may be granted under this authorization may not exceed 1.5% of the Company's share capital.

On the basis of its report, the Board of Directors proposes that you delegate to it the authority, for a 38-month period, to grant free existing or newly issued shares.

It is the Board of Directors' responsibility to prepare a report on the proposed transaction. It is our responsibility to provide you with our observations, if any, in respect of the information provided to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying in particular that the proposed terms and conditions described in the Board of Directors' report comply with the applicable legal framework.

We have no matters to report on the information provided in the Board of Directors' report, with respect to the proposed authorization to grant shares.

## 2. ISSUE OF SHARES AND/OR SECURITIES GIVING ACCESS TO OTHER EQUITY SECURITIES OR THE ISSUE OF DEBT SECURITIES AS CONSIDERATION FOR CONTRIBUTIONS IN KIND CONSISTING OF EQUITY SECURITIES (19TH AND 20TH RESOLUTIONS)

In accordance with Articles L.228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby report to you on the proposed delegation of authority to the Board of Directors to decide to issue shares and/or securities giving access to other equity securities or securities giving access to the allocation of debt securities of another company or as consideration for shares transferred under a public exchange offer, which is submitted to you for approval.

On the basis of its report, the Board of Directors proposes that you delegate to it the authority, for a period of 26 months, to decide to carry out issues of shares and/or securities giving access to other equity securities or the allocation of debt securities as consideration for:

- contributions in kind of equity securities of another company (19th resolution),
- securities transferred under any public exchange offer (20th resolution),
- and, where applicable, to cancel your preferential subscription rights.

The total nominal amount (excluding issue premium) of capital increases that may be carried out by issuing shares or transferable securities giving access to the company's capital, or provided that the initial security is a share, giving the right to the allotment of debt securities, may not exceed 10% of the Company's share capital as provided for in the 19th resolution and €827,898.40 as provided for in the 20th resolution.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, regarding the proposed cancellation of shareholders' preferential subscription rights and on other information relating to these operations, which is presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report relating to these operations and the terms and conditions for setting the issue price of the shares.

Subject to a subsequent examination of the terms and conditions of the proposed issues once they have been decided, we have no matters to report on the information provided in the Board of Directors' report relating to the methods used to set the issue price of the shares to be issued.

We do not express an opinion on the final terms and conditions of the issues, as they have not been set, or consequently on the proposed cancellation of shareholders' preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses these delegations of authority.

## 3. ISSUE OF ORDINARY SHARES AND/OR TRANSFERABLE SECURITIES GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL, RESERVED FOR MEMBERS OF AN EMPLOYEE SHARE OWNERSHIP PLAN (21ST RESOLUTION)

In accordance with Articles L.228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby report to you on the proposed delegation of authority to the Board of Directors to increase the share capital by issuing ordinary shares and/or transferable securities giving access to the Company's share capital, without preferential subscription rights, reserved for members of an employee share ownership plan, for a maximum amount of €21,000, which is submitted for your approval.

This capital increase is submitted to you for approval pursuant to the provisions of Article L.225-129-6 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code (*Code de travail*).

On the basis of the Board of Directors' report, the shareholders are requested to delegate to the Board of Directors, for a 26-month period, the authority to decide to increase the share capital and to cancel your preferential subscription rights in respect of the shares to be issued. Where appropriate, the Board of Directors will set the final terms and conditions of the issue.

The Board of Directors is responsible for preparing a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the financial information taken from the financial statements, regarding the proposal to cancel your preferential subscription rights and on the other information relating to the share issue provided in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report relating to the transaction and the terms and conditions for setting the issue price of the securities to be issued.

Subject to a subsequent examination of the terms and conditions of the proposed share capital increase, we have no matters to report as regards the methods used to set the issue price of the securities to be issued given in the Board of Directors' report.

We do not express an opinion on the final terms and conditions of the issue because they have not been set, or consequently, on the proposal to cancel your preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses this delegation of authority.

## 4. CAPITAL REDUCTION BY CANCELLATION OF SHARES PURCHASED BY THE COMPANY (22ND RESOLUTION)

In accordance with Article L.225-209 of the French Commercial Code, applicable in the event of a capital reduction by cancellation of purchased shares, we hereby report to you on our assessment of the reasons for and conditions of the planned capital reduction.

The Board of Directors proposes that the shareholders delegate to it the authority, for a 26-month period, to cancel, for up to a maximum of 10% of the share capital per 24-month period, the shares purchased pursuant to an authorization for the Company to purchase its own shares in accordance with the provisions of the aforementioned Article.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the reasons for and the terms and conditions of the planned capital reduction, which is not considered to affect shareholder equality, comply with the applicable legal provisions.

We have no matters to report on the reasons for and the terms and conditions of the proposed capital reduction.

**The Statutory Auditors**

| | |
|---|---|
| Neuilly-sur-Seine,<br>April 26, 2021 | La Roche-sur-Yon,<br>April 26, 2021 |
| PricewaterhouseCoopers Audit | ACCIOR - A.R.C. |
| Philippe Vincent | Sébastien Caillaud |

# Proposed resolutions

**Combined general meeting on June 11, 2021**

## Resolutions for the ordinary general meeting

### FIRST RESOLUTION

*(Approval of the parent company financial statements for the year ended December 31, 2020)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after hearing the Board of Directors' management report and the statutory auditors' general report on the parent company financial statements, approves the parent company financial statements for the year ended December 31, 2020, as presented to shareholders, with a loss of -€24,472,769.05.

The general meeting approves the spending covered by Article 39-4 of the French general tax code (Code Général des Impôts), reintegrated into taxable income for the year for a total of €64,676.

### SECOND RESOLUTION

*(Approval of the consolidated financial statements for the year ended December 31, 2020)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after hearing the Board of Directors' management report and the statutory auditors' general report on the consolidated financial statements, approves the consolidated financial statements for the year ended December 31, 2020, as presented to shareholders, with a net loss of -€81,893,000 (Group share: -€80,877,000).

### THIRD RESOLUTION

*(Approval of the agreements covered by Articles L.225-38 et seq of the French commercial code entered into with the company GBI Holding)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after hearing the statutory auditors' special report on the agreements covered by Article L.225-38 *et seq* of the French commercial code, approves, without any reservations whatsoever, the agreements entered into with GBI Holding concerning the debt write-offs for:

- €9,047,500 on April 16, 2020
- €5,000,000 on August 31, 2020
- €26,500,000 on December 1, 2020

and the commitment to cover the potential losses for FY 2021.

This resolution is submitted to be voted on, with the shareholders directly or indirectly concerned not taking part, while their shares are excluded from the calculation of the majority.

### FOURTH RESOLUTION

*(Approval of the agreement covered by Articles L.225-38 et seq of the French commercial code with BENETEAU FOUNDATION)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, after hearing the statutory auditors' special report on the agreements covered by Article L.225-38 *et seq* of the French commercial code, approves, without any reservations, the agreement entered into with the BENETEAU FOUNDATION concerning the creation of the endowment fund and the payment on January 25, 2021, as the sole founder, of the initial endowment of €15,000.

This resolution is submitted to be voted on, with the shareholders directly or indirectly concerned not taking part, while their shares are excluded from the calculation of the majority.

### FIFTH RESOLUTION

*(Review and approval of the compensation policy for corporate officers)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code describing the elements from the compensation policy for corporate officers, approves, in accordance with Article L. 22-10-8 II of the French commercial code, the compensation policy for the corporate officers, as presented in the 2019-2020 Annual Report.

## SIXTH RESOLUTION

*(Review and approval of the information indicated in Article L. 22-10-9 I of the French commercial code)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 I of the French commercial code, the information indicated in Article L. 22-10-9 I of the French commercial code, as presented in the 2019-2020 Annual Report.

## SEVENTH RESOLUTION

*(Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year, for its initial 12-month period, to Mr Jérôme de Metz, Chairman and Chief Executive Officer)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 II of the French commercial code, the information indicated in Article L. 22-10-9 I of said code, as well as the fixed, variable and exceptional items comprising the overall compensation package and benefits of any kind paid during the year ended December 31, 2020 or awarded in connection with this same financial year, for its initial 12-month period (September 1, 2019 to August 31, 2020), to Mr Jérôme de Metz, for his position as Chairman and Chief Executive Officer, as presented in the 2019-2020 Annual Report.

## EIGHTH RESOLUTION

*(Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year, for its additional four-month period, to Mr Jérôme de Metz, Chairman and Chief Executive Officer)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 II of the French commercial code, the information indicated in Article L. 22-10-9 I of said code, as well as the fixed, variable and exceptional items comprising the overall compensation package and benefits of any kind paid during the year ended December 31, 2020 or awarded in connection with this same financial year, for its additional four-month period (September 1, 2020 to December 31, 2020), to Mr Jérôme de Metz, for his position as Chairman and Chief Executive Officer, as presented in the 2019-2020 Annual Report.

## NINTH RESOLUTION

*(Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year, for its initial 12-month period, to Mr Gianguido Girotti, Deputy Chief Executive Officer)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 II of the French commercial code, the information indicated in Article L. 22-10-9 I of said code, as well as the fixed, variable and exceptional items comprising the overall compensation package and benefits of any kind paid during the year ended December 31, 2020 or awarded in connection with this same financial year, for its initial 12-month period (September 1, 2019 to August 31, 2020), to Mr Gianguido Girotti, for his position as Deputy Chief Executive Officer, as presented in the 2019-2020 Annual Report.

## TENTH RESOLUTION

*(Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year, for its additional four-month period, to Mr Gianguido Girotti, Deputy Chief Executive Officer)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 II of the French commercial code, the information indicated in Article L. 22-10-9 I of said code, as well as the fixed, variable and exceptional items comprising the overall compensation package and benefits of any kind paid during the year ended December 31, 2020 or awarded in connection with this same financial year, for its additional four-month period (September 1, 2020 to December 31, 2020), to Mr Gianguido Girotti, for his position as Deputy Chief Executive Officer, as presented in the 2019-2020 Annual Report.

## ELEVENTH RESOLUTION

*(Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year, for its initial 12-month period, to Mr Jean-Paul Chapeleau, Deputy Chief Executive Officer)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 II of the French commercial code, the information indicated in Article L. 22-10-9 I of said code, as well as the fixed, variable and exceptional items comprising the overall compensation package and benefits of any kind paid during the year ended December 31, 2020 or awarded in connection with this same financial year, for its initial 12-month period (September 1, 2019 to August 31, 2020), to Mr Jean-Paul Chapeleau, for his position as Deputy Chief Executive Officer, as presented in the 2019-2020 Annual Report.

## TWELFTH RESOLUTION

*(Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year, for its additional four-month period, to Mr Jean-Paul Chapeleau, Deputy Chief Executive Officer)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 II of the French commercial code, the information indicated in Article L. 22-10-9 I of said code, as well as the fixed, variable and exceptional items comprising the overall compensation package and benefits of any kind paid during the year ended December 31, 2020 or awarded in connection with this same financial year, for its additional four-month period (September 1, 2020 to December 31, 2020), to Mr Jean-Paul Chapeleau, for his position as Deputy Chief Executive Officer, as presented in the 2019-2020 Annual Report.

## THIRTEENTH RESOLUTION

*(Approval of the items of compensation paid during the year ended December 31, 2020 or awarded for the same year to Mr Christophe Caudrelier, former Deputy Chief Executive Officer)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' corporate governance report drawn up in accordance with Article L. 225-37 of the French commercial code, approves, in accordance with Article L. 22-10-34 II of the French commercial code, the information indicated in Article L. 22-10-9 I of said code, as well as the fixed, variable and exceptional items comprising the overall compensation package and benefits of any kind paid during the year ended December 31, 2020 or awarded in connection with this same financial year to Mr Christophe Caudrelier, for his position as former Deputy Chief Executive Officer, as presented in the 2019-2020 Annual Report.

## FOURTEENTH RESOLUTION

*(Allocation of income)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, and as proposed by the Board of Directors, decides to allocate net income for the year ended December 31, 2020, totaling -€24,472,769.05, less €187,502.67 of previous retained earnings, as follows:

- Other reserves -€24,285,266.38

In this way, other reserves will be reduced from €109,481,852.56 to €85,196,586.18.

As a result, no dividend will be paid out for this financial year.

As required under French law, shareholders are reminded that the dividends paid out for the last three years were as follows:

| | 2016-2017 | 2017-2018 | 2018-2019 |
|---|---|---|---|
| Share par value | €0.10 | €0.10 | €0.10 |
| Number of shares | 82,789,840 | 82,789,840 | 82,789,840 |
| Net dividend | €0.25 | €0.26 | €0.23 |

## FIFTEENTH RESOLUTION

*(Renewal of Ms Annette Roux's term of office as a Director)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, decides to reappoint Ms Annette Roux as a Director for a three-year term of office to end following the ordinary general meeting convened to approve the financial statements for the year ending December 31, 2023.

## SIXTEENTH RESOLUTION

*(Renewal of Mr Yves Lyon-Caen's term of office as a Director)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, decides to reappoint Mr Yves Lyon-Caen as a Director for a three-year term of office to end following the ordinary general meeting convened to approve the financial statements for the year ending December 31, 2023.

## SEVENTEENTH RESOLUTION

*(Authorization for the Board of Directors, for an 18-month period, for the Company to acquire its own shares based on a maximum price of €25 per share, representing a total maximum price of €70 million)*

The general meeting, ruling under the quorum and majority conditions required for ordinary general meetings, having reviewed the Board of Directors' report, grants the Board of Directors an authorization, in accordance with Articles L. 22-10-62 *et seq* of the French commercial code and European Regulation 596/2014 of April 16, 2014, for the Company to acquire its own shares, to cover the following needs as required:

- Market-making based on managing the market or liquidity for shares through an investment service provider under a liquidity agreement that meets the acceptability criteria set by the AMF, establishing liquidity agreements on shares as an accepted market practice and in line with the AMAFI compliance charter recognized by the AMF,
- Awarding and/or selling shares to Company or Group staff and/or corporate officers, in the form of stock options and/or bonus shares and/or company savings schemes,
- Potentially cancelling the shares acquired, subject to the corresponding resolution being adopted,
- More generally, performing all operations authorized at present or in the future by the regulations in force, particularly in connection with market practices that may be accepted by the AMF.

The acquisition, sale or transfer operations described above will be able to be carried out by any means in line with the legislation and regulations in force, including trading.

These transactions may be carried out at any time, including during a public offer or pre-offer period for the company's shares, in accordance with Article 231-40 of the AMF's General Regulations, or during a pre-offer, public offer, public exchange offer or combined public takeover and exchange offer, initiated by the Company under the legal and regulatory conditions in force and notably in compliance with Article 231-41 of the AMF's General Regulations.

The general meeting sets the maximum number of shares that may be acquired under this resolution at 5% of the share capital, adjusted for transactions affecting the capital carried out after this general meeting, while noting that in connection with the use of this authorization, the number of treasury shares will need to be taken into consideration to ensure the company's continued compliance with the maximum limit for treasury stock to represent 5% of the share capital.

The general meeting decides that the total amount allocated to such acquisitions may not exceed €70 million, and that the maximum unit purchase price for shares may not exceed €25.00 per share, while noting that the Company will not be able to purchase shares at a price higher than the higher of the following two values: the last listed price for a transaction not involving the Company or the highest current independent buy offer on the trading platform on which the purchase has been made.

In the event of a capital increase incorporating premiums, reserves, profits or other elements based on bonus share awards into the capital while this authorization is valid, as well as in the event of a stock split or consolidation, the general meeting delegates the authority for the Board of Directors to adjust the maximum unit price indicated above, if applicable, in order to take into account the impact of such transactions on the value of the share.

The general meeting grants full powers to the Board of Directors, with an option to subdelegate under the legal conditions in force, to:

- Decide to implement this authorization,
- Set the terms and conditions for safeguarding, if applicable, the rights of holders of transferrable securities entitling them to access the capital, stock options or warrants, or rights to be awarded performance shares in accordance with the legal, regulatory or contractual provisions in force,

- Place any stock market orders, enter into any agreements, particularly with a view to keeping share purchase and sale registers, in accordance with the regulations in force,
- Carry out all filings and complete all other formalities and, more generally, do whatever is necessary.

The Board of Directors will report to shareholders at their ordinary annual general meeting on any transactions carried out under this resolution.

This authorization is granted for 18 months from the date of this meeting and replaces the previous authorization.

# Resolutions for the extraordinary general meeting

## EIGHTEENTH RESOLUTION

*(Authorization for the Board of Directors, for a 38-month period, to award bonus shares to be issued, with shareholders' preferential subscription rights waived, or existing shares to staff and/or executive officers of the Company and related entities for up to 1.5% of the capital, of which a maximum of 40% may be awarded to the listed company's executive officers)*

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, in accordance with Articles L. 225-197-1 *et seq*, L. 22-10-59 and L. 22-10-60 of the French commercial code:

- Authorizes the Board of Directors to award bonus company shares, existing (held in a portfolio or to be acquired) and/or to be issued (with preferential subscription rights waived for shareholders), on one or more occasions, to some or all of the executives, corporate officers or staff of BENETEAU S.A. and other Group entities, up to a maximum of 1.5% of the capital,
- Decides that the number of shares awarded to the listed company's executive officers may not exceed 40% of the total number of shares awarded and the vesting of shares for the executive officers will be dependent on certain performance conditions being met,
- Decides that shares will be definitively awarded to their beneficiaries either i) at the end of a minimum one-year vesting period, with beneficiaries required to retain these shares for a minimum of one year from the vesting date, or ii) at the end of a minimum two-year vesting period, without any minimum lock-in period in this latter case. It is understood that the Board of Directors may choose between these two options and use them alternatively or concurrently, and may, in the first case, extend the vesting and/or lock-in period, and in the second case, extend the vesting period and/or define a lock-in period,
- Decides that the definitive awarding of shares to beneficiaries who are executive officers and members of staff will be dependent on performance conditions, set by the Board of Directors, concerning changes in the share price and the achievement of operational objectives,
- Sets the validity of this authorization for 38 months from the date of this general meeting,
- Acknowledges that if the award concerns shares that are to be issued, bonus share beneficiaries will waive their preferential subscription rights under this authorization.

The extraordinary general meeting grants full powers to the Board of Directors, in accordance with the laws and regulations in force, as well as the terms of this resolution, to apply this resolution, in particular:

- Setting the conditions, particularly concerning performance aspects, and, if applicable, the criteria for awarding shares, in addition to determining the list(s) of beneficiaries,
- Setting, subject to the minimum timeframes indicated above, the duration of vesting and lock-in periods for shares, and notably determining these periods for any shares awarded to executive officers, covered under Article L. 225-197-1, II section 4 of the French commercial code, either deciding that these shares will not be able to be sold by the beneficiaries before the end of their term of office, or determining the quantity of these shares that they will be required to retain on a registered basis until the end of their term of office,
- Deciding, if applicable, in the event of operations carried out on the share capital during the vesting period for the shares awarded, to adjust the number of shares awarded with a view to safeguarding the rights of beneficiaries and, in such cases, determining the conditions for such adjustments,
- If awards concern shares that are to be issued, carrying out the capital increases based on the incorporation of the company's reserves or issue premiums, as required, when the shares are definitively awarded to their beneficiaries, setting the dividend entitlement dates for the new shares, and amending the bylaws accordingly,

- Completing all formalities and more generally doing whatever is necessary.

This authorization replaces the authorization granted previously.

## NINETEENTH RESOLUTION

*(Delegation of authority for the Board of Directors, for a 26-month period, to issue shares or capital securities entitling holders to access other Company capital securities or entitling holders to debt securities in exchange for contributions in kind comprising capital securities or transferrable securities giving access to the capital, representing up to 10% of the share capital)*

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, in accordance with Articles L. 225-147, L. 225-147-1 and L. 22-10-53 of the French commercial code:

- Delegates to the Board of Directors the powers required to issue Company shares and/or capital securities entitling holders to access the capital for up to 10% of the Company's current capital in exchange for contributions in kind granted to the Company and comprising capital securities or transferrable securities giving access to the capital, when the terms of Article L. 22-10-54 of the French commercial code do not apply,
- Acknowledges that the Company's shareholders will not have preferential subscription rights for the shares issued under this delegation, which are intended exclusively as payment for contributions in kind, and acknowledges that under this delegation, shareholders expressly waive their preferential subscription rights for the Company shares that the transferrable securities issued based on this delegation would entitle them to;
- Grants full powers to the Board of Directors to implement this authorization, to approve the value of contributions, to allocate the costs of the capital increases against the amount of the premiums relating to these increases and to amend the bylaws accordingly.

This delegation of authority is granted for 26 months from the date of this meeting and replaces the authorization granted previously.

## TWENTIETH RESOLUTION

*(Delegation of authority for the Board of Directors, for a 26-month period, to issue shares and/or capital securities entitling holders to access other capital securities or debt securities and/or transferrable securities giving access to a share of the capital to be issued by the Company or, provided that the initial security is a share, to debt securities in exchange for securities tendered for any public exchange offer initiated by the Company)*

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, in accordance with Articles L. 225-129, L. 225-129-2, L. 228-92 and L. 22-10-54 of the French commercial code:

- Delegates to the Board of Directors its authority to decide, on one or more occasions, to issue shares, capital securities giving access to other capital securities or debt securities, as payment for securities tendered for any public exchange offer initiated in France or another country by the Company for the securities of another company admitted for trading on one of the regulated markets covered by said Article L. 22-10-54,
- Decides that the total nominal amount (excluding issue premium) of the capital increases that may be carried out in this way by issuing shares or transferrable securities giving access to the Company's capital or, provided that the initial security is a share, entitling holders to debt securities, may not exceed €827,898.40, while noting that:
  - In the event of a capital increase incorporating premiums, reserves, profits or other elements based on bonus share awards into the capital while this delegation of authority is valid, the abovementioned total nominal amount (excluding issue premium) will be adjusted by applying a multiplication coefficient equal to the ratio between the number of securities comprising the capital after the operation and this number from before the operation,
  - The nominal amount of shares to be issued to maintain the rights of holders of transferable securities giving access to the capital, stock warrants and/or stock options, or rights to be awarded bonus shares will be added to the abovementioned maximum limit;

  In addition, the total maximum nominal amount of issues of debt securities which capital securities entitle holders to be awarded may not exceed €827,898.40 or its equivalent value on this day in any other currency or unit of account determined with reference to several currencies;
- Acknowledges that the Company's shareholders will not have preferential subscription rights for the shares and/or transferable securities that may be issued under this delegation, with the latter intended exclusively as payment for securities tendered for a public exchange offer initiated by the Company,

- Acknowledges that the price of the shares and transferrable securities that may be issued under this delegation will be determined based on the legislation applicable for public exchange offers,
- Gives full powers to the Board of Directors, with an option to subdelegate under the legal conditions in force, to implement this authorization and allocate the costs for increases in the share capital against the amount of the corresponding premiums for such increases, and to amend the bylaws accordingly.

This delegation of authority is granted for 26 months from the date of this meeting and replaces the authorization granted previously.

## TWENTY-FIRST RESOLUTION

*(Delegation of authority for the Board of Directors, for a 26-month period, to issue shares, capital securities entitling holders to access other capital securities or debt securities, and/or capital securities entitling holders to access Company capital securities, with shareholders' preferential subscription rights waived, for members of the Group's company savings scheme(s) for a maximum of €21,000, based on a price determined in accordance with the French employment code (Code du Travail))*

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, and in accordance with Articles L. 225-129-2, L. 225-138, L. 225-138-1, L. 228-91 and L. 228-92 of the French commercial code and L. 3332-18 *et seq* of the French employment code, and also to ensure compliance with Article L. 225-129-6 of the French commercial code:

1. Delegates to the Board of Directors its authority (i) to increase, on one or more occasions, the share capital by issuing shares and/or capital securities entitling holders to access Company capital securities to be issued reserved for members of the Group's company savings schemes, and (ii) to award, as applicable, performance shares or capital securities entitling holders to access capital securities to be issued replacing all or part of the discount covered in section 3 below under the conditions and limits set by Article L. 3332-21 of the French employment code, while noting that the Board of Directors may replace, as necessary, all or part of this capital increase by selling, under the same conditions, securities already issued and held by the Company;
2. Decides that the number of shares that may result from all the shares issued under this delegation, including those resulting from shares or capital securities entitling holders to access capital securities to be issued that may be potentially awarded on a free basis replacing all or part of the discount under the conditions set by Article L.3332-18 *et seq* of the French employment code, must not exceed 210,000 shares. If applicable, this number will be extended to include the number of additional shares to be issued to maintain, in accordance with the law, the rights of holders of capital securities entitling them to access the Company's capital;
3. Decides that (i) the issue price for the new shares may be no higher than the share's average opening listed prices from the 20 days trading prior to the day of the Board of Directors' decision setting the subscription start date, or more than 30% or 40% lower than this average depending on whether the securities that have been subscribed for correspond to assets with a lock-in period of less than 10 years or greater than or equal to 10 years; while noting that the Board of Directors may, if applicable, reduce or waive the potential discount retained to notably take into account legal and tax systems that apply outside of France or choose to fully or partially replace this discount with the awarding of bonus shares and/or capital securities entitling holders to access the capital, and that (ii) the issue price for the capital securities entitling holders to access the capital will be determined under the conditions set by Article L. 3332-21 of the French employment code;
4. Decides to waive the shareholders' preferential subscription rights for members of the Group's savings scheme(s) concerning the shares or capital securities entitling holders to access Company capital securities to be issued that may be issued under this delegation, and to waive any entitlement to the shares and capital securities entitling holders to access capital securities to be issued that may be freely awarded under this resolution;
5. Delegates full powers to the Board of Directors notably with a view to:

- Deciding whether the shares need to be subscribed for directly by employees who are members of the Group's savings schemes or if they will need to be subscribed for through a company mutual fund (FCPE) or employee shareholding fund (SICAVAS);
- Determining the companies whose staff will be able to benefit from the subscription offer;
- Determining whether to allocate a timeframe for staff to pay up their securities;
- Setting the conditions for being a member of the Group's company savings scheme(s) and drawing up or amending the corresponding regulations;
- Setting the opening and closing dates for subscriptions and the issue price for securities;
- Within the limits set by Article L. 3332-18 *et seq* of the French employment code, awarding bonus shares or

- capital securities entitling holders to access capital securities to be issued and determining the type and amount of reserves, profits or premiums to be incorporated into the capital;
- Determining the number of new shares to be issued and the rules for reducing subscriptions in the event of oversubscriptions;
- Allocating the costs for increases in the share capital and issues of other securities entitling holders to access capital securities to be issued against the amount of the corresponding premiums for such increases and deducting the sums required to take the legal reserve up to one tenth of the new capital after each increase against this amount, and amending the bylaws accordingly.

This delegation of authority is granted for 26 months from the date of this meeting and replaces the authorization granted previously.

## TWENTY-SECOND RESOLUTION

*(Authorization for the Board of Directors, for a 26-month period, to cancel shares held by the Company after purchasing treasury stock)*

The general meeting, ruling under the quorum and majority conditions required for extraordinary general meetings, having reviewed the Board of Directors' report and the statutory auditors' special report, authorizes the Board of Directors, in accordance with Article L. 22-10-62 of the French commercial code, to cancel, on one or more occasions, all or part of the company's shares that the company holds currently or in the future in connection with the share buyback program, and to reduce the share capital by the total nominal amount of the shares cancelled in this way, for up to 10% of the capital per 24-month period, adjusted for any capital increase operations carried out after this general meeting affecting the capital.

The general meeting grants full powers to the Board of Directors to carry out the capital reduction(s), allocate the difference between the buyback price of the shares cancelled and their nominal value to any available equity items, amend the bylaws accordingly, reallocate the fraction of the legal reserve made available as a result of the capital reduction, and carry out all filings with the French financial markets authority (AMF), complete all other formalities and more generally do whatever is necessary.

This authorization is given for a 26-month period from this date and replaces the authorization granted previously.

## TWENTY-THIRD RESOLUTION

*(Powers for formalities)*

Full powers are granted to the bearer of a copy of or extract from these resolutions to complete all formalities and do whatever is necessary.

# Description of the treasury stock buyback program

## To be authorized by the combined general meeting on June 11, 2021

This description is intended to detail the objectives and conditions concerning the program for the company to buy back its own shares, subject to authorization by the combined general meeting on June 11, 2021.

It is available to the public on the company's website (www.beneteau-group.com), as well as on the AMF site. Copies are also available at no cost by writing to the registered office address indicated above.

## Number of securities and percentage of capital held by the company, breakdown for each objective

At December 31, 2020, the company held a total of 1,341,848 shares, representing 1.62% of the share capital, with the following breakdown for each objective:

- Liquidity agreement entered into with an investment service provider acting independently: 100,000 shares,
- Awards to staff or corporate officers as stock options: 0 shares,
- Free allocations to staff or corporate officers: 0 shares,
- Holding and subsequent issue for any operations authorized at present or in the future by the regulations in force: 1,241,848 shares.

## Buyback program objectives

The objectives of this program, in decreasing order of priority, are as follows:

- Market-making based on managing the market or liquidity for shares through an investment service provider under a liquidity agreement that meets the acceptability criteria set by the AMF, establishing liquidity agreements on shares as an accepted market practice and in line with the AMAFI compliance charter recognized by the AMF,
- Awarding and/or selling shares to Company or Group staff and/or corporate officers, in the form of stock options and/or bonus shares and/or company savings schemes,
- Potentially cancelling the shares acquired, subject to the corresponding resolution being adopted,
- More generally, performing all operations authorized at present or in the future by the regulations in force, particularly in connection with market practices that may be accepted by the AMF.

Shares allocated to objectives that are not achieved, where linked to a change of strategy during the buyback program, may be sold off under a sales mandate entered into with an investment service provider acting independently, or may be reallocated for other purposes as decided by the general meeting or for cancellation in line with the regulations applicable.

## Maximum percentage of the capital, maximum number and characteristics of securities that the company proposes to buy, maximum purchase price

This program will concern up to 5% of the share capital.

The securities are ordinary BENETEAU shares, all of the same category, listed on EURONEXT Paris Eurolist - Compartment A (ISIN: FR0000035164).

Based on the total number of shares comprising the share capital to date, i.e. 82,789,840 shares, the maximum number of shares that may be held by the company under this program would therefore be 4,139,492 shares.

In view of the 1,341,848 shares already held, the company is committed to acquiring no more than 2,797,644 shares.

The maximum purchase price is set at €25.00.

On this basis, the maximum theoretical investment would therefore be €70 million.

### Duration of the buyback program

This program will run for 18 months from the combined general meeting on June 11, 2021, i.e. through to December 11, 2022.

### Acquisition, sale or transfer operations carried out under the previous program up until the publication date of this description

Detailed in the summary disclosure table appended.

## SUMMARY DISCLOSURE TABLE

### Issuer declaration concerning treasury stock transactions from December 1, 2019 to December 31, 2020

Percentage of capital held directly and indirectly as treasury stock: 1.62%

Number of shares cancelled in the last 24 months: -

Number of shares held in portfolio: 1,341,848 shares

Portfolio book value: €12,254,360

Portfolio market value: €12,700,591 (valued at €9.465: share price from Dec 31, 2020)

| | **Gross flows (aggregate)** | | **Open positions on day program description published** | |
|---|---|---|---|---|
| | Purchases | Sales and transfers | Open positions: purchases | Open positions: sales |
| Number of securities | 806,686 | 167,067 sales and 169,477 transfers | Call options purchased – Forward purchases | Call options sold - Forward sales |
| Average maximum maturity | - | - | - | - |
| Average transaction price | €9.285 | €10.416 | | |
| Average exercise price | - | €0 | - | - |

The transactions carried out on shares under the liquidity agreement represented:

267,067 purchases and 167,067 sales.

# Statement by the person responsible for the 2019-2020 Annual Report

I certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the accounting standards applicable and accurately reflect the assets, liabilities, financial position and earnings of the company and all the consolidated companies, and that the management report accurately reflects the changes in the business, earnings and financial position of the company and all the consolidated companies, while presenting the main risks and uncertainties faced by them.

**Jérôme de Metz, Chairman of the Board of Directors**

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