2019 UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

Compagnie des Alpes
30 ans

CONTENT

Annual Financial Report items are clearly identified in the summary with the symbol o

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30 ans

2019 UNIVERSAL REGISTRATION DOCUMENT

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AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed with the AMF on 29 January 2020, in its capacity as the competent authority under regulation (EU) 2017/1129, without any prior approval pursuant to Article 9 of said regulation.

The Universal Registration Document may be used for the purpose of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a prospectus and, where applicable, a summary and all the amendments made to the Universal Registration Document. The whole thus formed is approved by the AMF in accordance with regulation (EU) 2017/1129.

Pursuant to Article 19 of regulation (EU) 2017/1129, this Universal Registration Document incorporates by reference the following information, to which readers are invited to refer:

- The consolidated financial statements and the corresponding Statutory Auditors' reports, found on pages 114 to 151 of the Registration Document for the 2017/2018 fiscal year, filed with AMF on 25 January 2019.
- The consolidated financial statements and the corresponding Statutory Auditors' reports, found on pages 102 to 136 of the Registration Document for the 2016/2017 fiscal year, filed with AMF on 29 January 2018.

Editorial

IN THE SPACE OF 30 YEARS, COMPAGNIE DES ALPES HAS BECOME A KEY PLAYER IN THE EUROPEAN LEISURE INDUSTRY. IN SKI AREAS AS WELL AS LEISURE PARKS, THE GROUP IS CONTINUING TO INVEST FOR THE FUTURE, USING ITS EXPERTISE TO GROW ITS BUSINESS, IMPROVE ITS PERFORMANCE, AND OFFER ITS CUSTOMERS AN UNFORGETTABLE EXPERIENCE.

With its proactive investment policy, Compagnie des Alpes is engaged in a growth strategy that creates value for shareholders and all of the Company's stakeholders. Compagnie des Alpes stands ready to seize any targeted acquisition opportunity to play a pivotal role in the consolidation of the industry. The 2018/2019 fiscal year was marked by further business growth and record earnings. Visitor numbers continued to rise in our ski areas and leisure parks. We thus exceeded the EBITDA objectives we had set ourselves in both of our business lines.

CONTRIBUTING TO THE ATTRACTIVENESS OF OUR RESORTS

We are constantly enhancing the quality of our offering to our ski resort customers by modernising our ski lifts, developing our ski areas, and improving the snow cover of our ski runs. In addition, we are developing new activities for the summer season, such as the Altitude Experience at Tignes – the world's highest cable-car terrace, which provides unrivaled access to the Vanoise National Park. We thus directly contribute to the attractiveness of the resorts in which we operate, while participating in the promotional efforts spearheaded by the French Alps ecosystem to attract international customers as well as new generations of skiers. Our holiday retailing activity enables us to boost visitor numbers. Moreover, on our own scale, we take part in the creation and renovation of accommodation. Through our real estate agencies, we also have an impact on the tourist bed occupancy rate. In 2018/2019, we exceeded 14 million skier days and recorded business growth in all of our ski areas.

ENHANCING THE OFFERING OF OUR LEISURE PARKS

To increase visitor numbers at our sites and improve customer satisfaction, we are developing new attractions, since novelty is a powerful magnet. We are also enhancing our shop offering and food services. We are renovating, transforming and refurbishing our sites in order to increase their accommodation capacity and improve visitor flows. Moreover, we are seeking to extend our sites' operating periods through longer opening hours and special events during periods such as Halloween and Christmas. As demonstrated this year by the opening of our second hotel in Parc Astérix, we are also investing in new accommodation offers that enable us to attract customers who come from further away and stay longer. The creation of a new water park next to our Bellewaerde site has been a great success. Furthermore, the acquisition of Familypark – the No. 1 leisure

2018/2019 KEY FIGURES

5,129	23.6	€854M
EMPLOYEES	MILLION VISITS (SKI AREAS AND LEISURE PARKS)	REVENUE

After familypark in 2019, we are ready **for new acquisitions of high-quality assets**

park in Austria – has accelerated our growth and boosted our visitor numbers to 9.6 million for the 2018/2019 fiscal year.

BUILDING OUR DIGITAL POLICY AND CSR APPROACH

The systematic collection of our customers' feedback, and the online sale of ski holidays and passes as well as of tickets for our leisure parks enables us to increase our revenue while giving us end-to-end control of our relationship with our customers. The improvement of our digital facilities is a priority. Through the collection and systematic integration of all our data, we seek to improve our knowledge of our customers in order to better meet their expectations, adapt our offering to market changes, and optimise our CRM approach.

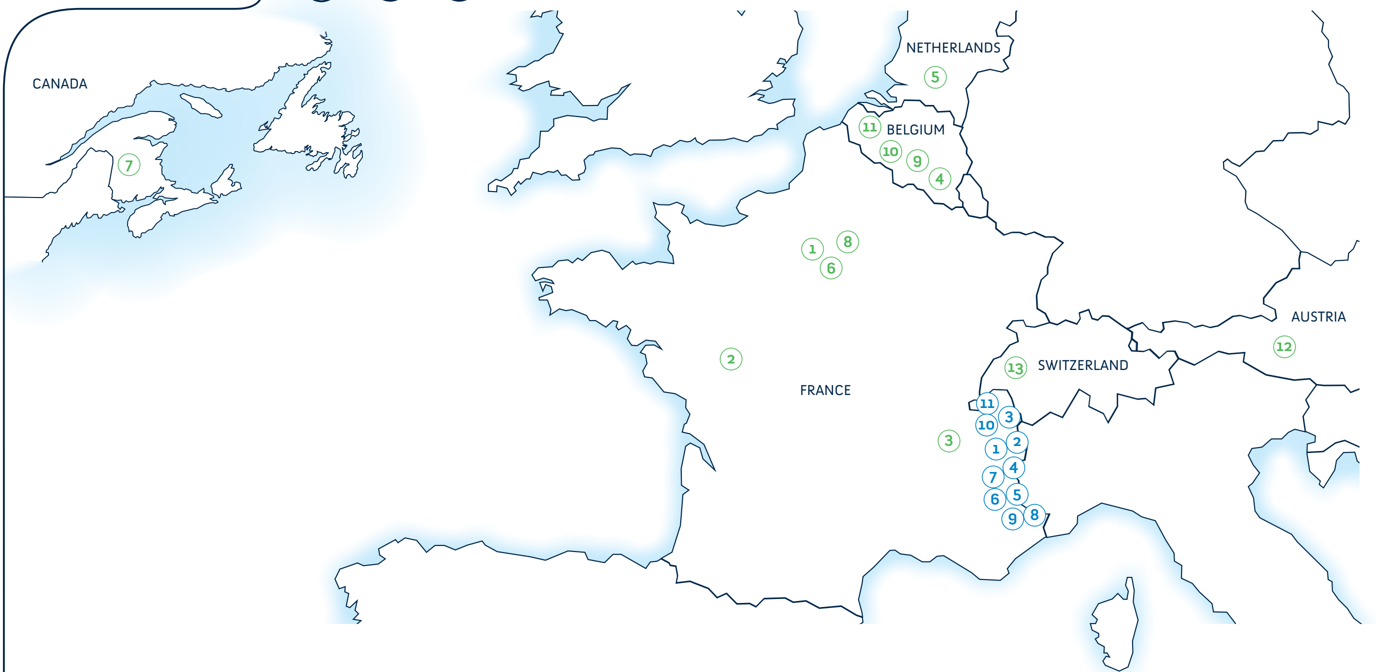
At the same time, we are stepping up our CSR initiatives by focusing our actions on five major challenges which are: integration through employment and the development of diversity within the Group; the reduction of our energy footprint; the sustainable management of resources; the preservation of biodiversity and the enhancement of natural spaces; and, lastly, the contribution to the development and attractiveness of the regions where we work, in collaboration with our stakeholders.

Dominique MARCEL, *Chairman and Chief Executive Officer*

€232M	€62M	€209M
EBITDA	NET INCOME	NET CAPITAL EXPENDITURE

A major player in the European **leisure industry**

Compagnie des Alpes operates world-renowned ski areas and leisure sites under an integrated policy of operational excellence and high-quality service. It exports its expertise within the framework of support and consulting contracts in various regions of the world.



11 SKI AREAS
in the French Alps

1 la Plagne Paradiski
2 LES ARCS Paradiski
3 PEISEY VALLANDRY Paradiski
4 TIGNES
5 Val d'Isère
6 friendlyMenuires
7 MÉRIBEL
8 Serre Chevalier Vallée
9 les 2 alpes
10 flaine
11 Samoëns Morillon SIXT FER À CHEVAL

3 minority interests

AVORIAZ 1800
La Rosière
VALMOREL

Leading shareholder

CHAMONIX-MONT-BLANC
megève

13 LEISURE PARKS
including 12 in Europe

1 Parc Astérix
2 Futuroscope
3 WALIBI RHÔNE-ALPES
4 WALIBI BELGIUM
5 WALIBI HOLLAND
6 Grévin PARIS
7 Grévin MONTRÉAL
8 France Miniature
9 AQUALIBI
10 Bellewaerde
11 Aquapark
12 family PARK
13 Chaplin's WORLD

1 minority interest

Jardin d'Acclimatation

2018/2019 HIGHLIGHTS

- Acquisition of Familypark, Austria's No.1 leisure park in April 2019.
- Opening of the hotel La Cité Suspendue at Parc Astérix.
- Opening of Aquapark, second gate of the Bellewaerde park.
- Renewal of the PSC* for Peisey-Vallandry in the heart of Paradiski, for 30 years.
- Launch of the Travelski website in Belgium, the Netherlands and the UK.
- New consulting contracts abroad.

SUPPORT AND CONSULTING CONTRACTS

In various regions of the world

CHINA
Beidahu
SilkRoad Resort
Taicang/Shanghaï
Tian Shan
Thaiwoo
Wanlong Paradise Resort
Yanqing (site olympique)

FRANCE
Jardin d'Acclimatation
N'PY group resorts (Pyrénées)

GEORGIA
Gudauri resort

JAPAN
Hokkaido and Hakuba resorts
MacEarth group
Tokyu group resorts

KAZAKHSTAN
Kaskelen

UZBEKISTAN
Chimgan and Beldersay development

MOROCCO
Sindibad/Casablanca

RUSSIA
Altaï
Krasnaya Polyana resorts
Northern Caucasus Resorts
Rosa Khutor - Sotchi
VDNH Moscou

TURKEY
National ski development plan

* *Public Service Concession.*

2018/2019 KEY FIGURES

NO.1 WORLDWIDE IN SKI AREAS

World-renowned Alpine ski areas mostly found at altitudes of over 1,800 meters, with over 1 million skier-days.

€444 M Annual revenue +3.4%

14.0 MILLION Skier-days +0.6%

NO.4 IN EUROPE FOR LEISURE PARKS

Sites operated under strong brand names and through powerful partnerships.

€381 M Revenue **+12.0%** i.e. +7.0% on a comparable scope

9.6 MILLION visits **+8.8%** i.e. +2.5% on a comparable scope

THE GROUP'S REFERENCE MARKETS

GLOBAL MARKET

- **400 million** skier-days (1)
- **501 million** visits for the top 10 leisure parks groups (2)

EUROPEAN MARKET

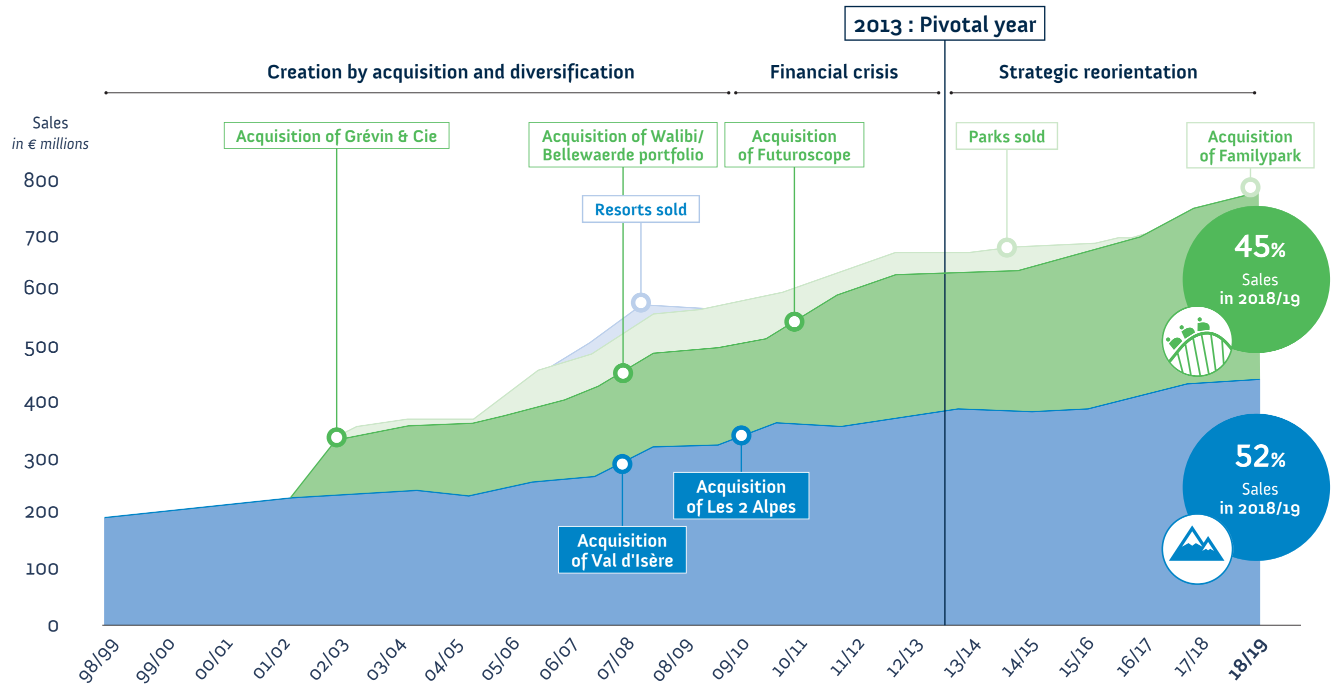
- **220 million** skier-days (1)
- **65 million** visits for the top 20 leisure parks (2)

(1) *Laurent Vanat, "2019 International Report on Snow & Mountain Tourism".*
(2) *TEA/AECOM 2018 Report.*

A proven strategy

A DIVERSIFIED LEADER OF THE TOURIST AND LEISURE INDUSTRY

Compagnie des Alpes has built a solid and profitable economic model based on the complementary of its two business lines in terms of seasonality and location, and on the synergies between its various activities. Founded in 1989, the Group has developed through external growth, initially in ski areas, and then in the field of leisure parks starting in 2002. Since 2013, Compagnie des Alpes has been implementing a strategy aimed at boosting its business in its ski areas, while also operating a portfolio of leisure parks selected for their ability to meet the Group's Very High Customer Satisfaction criteria, and developing activities in France and internationally.



ADDRESSING INDUSTRY CHALLENGES

Beyond the ongoing strong growth in the tourist industry, the business of Compagnie des Alpes is buoyed by specific socio-environmental and societal trends that the Group fully integrates into its strategy.

- **Climate and weather conditions:** Located at high altitudes, the Group's ski areas enjoy favourable snow conditions, reinforced by snow-making programmes. Moreover, the seasonal complementary of the Group's two business lines reduces its sensitivity to weather conditions. In addition, the development of new offers bolsters summer activities in the mountains and autumn/winter activities in leisure parks.
- **Changing consumer habits:** In view of the changes in skier practices, Compagnie des Alpes is rolling out initiatives aimed at customers from abroad and from a new generation. Moreover, the growing demand for short stays constitutes a real opportunity for leisure parks, which are visited in one or several days. In addition, in order to maintain and increase the attractiveness of its sites, the Group is continuing to implement a policy aimed at the Very High Satisfaction of its customers.
- **Companies are increasingly expected to take action in response to CSR issues:** For Compagnie des Alpes, the Company must contribute to the creation of shared value combining economy and sustainability, while addressing the global and local challenges in its areas of operation. The Group has strengthened its CSR initiatives and broadened their scope by giving priority to 5 major issues, with a focus on people, nature and the economy of the regions. (see pages 14-15 of this section).

GROWTH AND PERFORMANCE DRIVERS

SKI AREAS

In a mature European market, the strategy of Compagnie des Alpes consists in boosting volume growth in its resorts and improving its entire value chain, while maintaining a high performance level.

OBJECTIVES

- Constantly improving the ski offering
- Enhancing the customer experience
- Securing the long-term viability of operations
- Boosting distribution and accommodation

2018/2019

4th consecutive year of growth in the number of skier-days.

LEISURE PARKS

In a dynamic market, the objectives are to step up growth – through new attractions and increased hosting capacities – and improve operating performance.

OBJECTIVES

- Offering unique, immersive experiences
- Extending catchment areas and operating periods
- Increasing our customer knowledge for better marketing
- Maximising per-visitor revenue

2018/2019

Ongoing strong growth in revenue, with aggregate growth of nearly 50% since 2012/2013 on a comparable scope.

JOINT INITIATIVES

Compagnie des Alpes rolls out a certain number of initiatives that combine the objectives of its two main activities, with a shared vision and framework.

- Customers' Very High Satisfaction, which underpins the strategy and drives operational performance
- A controlled, proactive investment policy
- Intensification of the digital marketing strategy and control of distribution
- Strengthening of the CSR approach
- Ongoing external growth
- International development, particularly by capitalising on consulting and support services which make it possible to break into new ecosystems

DIGITAL MARKETING AND CONTROL OF DISTRIBUTION

Compagnie des Alpes is stepping up its digital strategy to be able to seize business development opportunities through better knowledge of its customers and their habits, as well as the ability to anticipate their requirements. This concerns distribution activities with Travelfactory – to support the Company's growth abroad and among a younger clientele – as well as the upscaling of digital tools for each of the sites (shared datalake, marketing tools, automation or overhaul of sales channels for the parks).

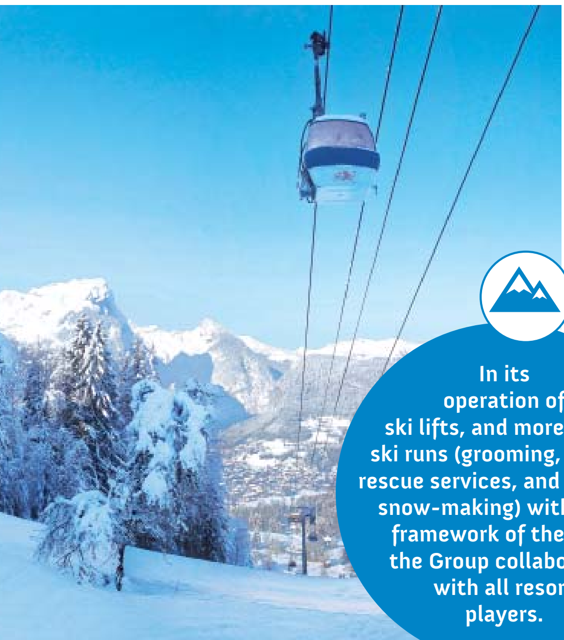
Businesses firmly rooted in their **ecosystems**

CLOSER RELATIONSHIP WITH THE SKI AREAS' ECOSYSTEM

SPECIFIC PSC* FRAMEWORK

The management of operations is entrusted to Compagnie des Alpes' subsidiaries through a Public Service Concession (PSC) granted by the local authorities and running for several decades. A ski area may be operated under several PSCs.

Under the contracts signed, Group companies must make the required investments for the proper functioning of the ski areas. In exchange, they collect the proceeds from the sale of transport tickets, based on an approved price framework.



In its operation of ski lifts, and more often ski runs (grooming, safety/ rescue services, and artificial snow-making) within the framework of the PSC, the Group collaborates with all resort players.

REAL ESTATE ASSETS OF THE RESORTS

The Group works on accommodation, adopting a facilitator and occasionally an investor role with a view to increasing the amount and quality of tourist accommodation, and its occupancy rate. Furthermore, to boost the marketing of accommodation in the resorts, the Group has a network of real estate agencies.

SPECIFIC STAKEHOLDERS

The Group's companies work in close collaboration with specific stakeholders, such as local authorities, tourist offices, accommodation providers, ski schools, public transport services, and property owners.

The activities and facilities are mainly based in public areas and in natural areas. Projects are subject to procedures and authorisations from government bodies (DREAL, DDT, STRMTG, etc.) or local authorities, as well as the opinions of local associations.

The Group's companies play an active role within the inter-professional chamber "Domaines Skiables de France".

POSITION IN THE VALUE CHAIN

The sale of ski passes is either done directly, or through intermediaries such as major accommodation providers, tourism professionals or tour operators.

Revenue

Sales of ski passes account for 98% of this division's revenue.

The activity is seasonal: most of the revenue is earned during 4 or 5 winter months.

The customer base includes around 40% foreign customers (from the UK, Belgium and the Netherlands).

Operational profitability

Its increase is attributable to optimised processes and the control of purchases, expenses and distribution costs.

Investments

Capital expenditure dedicated to ski lifts, artificial snow-making and ski-run grooming help to boost the attractiveness of the resorts, broaden the ski offering, and enhance the customer experience. They are instrumental for the renewal of PSC contracts.

* *Public Service Concession.*

BROADENING THE OUTREACH OF LEISURE PARKS

ACTIVITIES

Mostly located in urban or peri-urban areas, the sites are operated within enclosed grounds with a variety of offerings and activities: attractions, shows, green areas, aquatic areas, restaurants, boutiques, and hotels. These activities are entirely managed by Group companies, either under its own brand names or under license.

STAKEHOLDERS

The stakeholders mainly consist of the region's tourism professionals, the license holders, the state or local authorities, and the local population.

The Group's companies play an active role within the SNELAC inter-professional chamber.

THE HOTEL OFFERING

Compagnie des Alpes develops a hotel offering for sites whose catchment areas can be broadened (Parc Astérix, Futuroscope, and Walibi Holland). These offerings are specially tailored for short stays.

POSITION IN THE VALUE CHAIN

The activities target the general public, with whom Group companies have direct or intermediated contact.

Some of the tickets are sold by intermediaries – works councils or tourism professionals – thereby diversifying the customer base.

The leisure parks attract customers from the surrounding area, as well as customers from far away thanks to the accommodation offering

Revenue

The Group's revenue mainly stems from sales of admission tickets (around 60%), while the rest stems from park activities (food services, shops, accommodation, other services, etc.).

The period of operation varies according to the sites. Certain indoor sites operate all year round, while outdoor sites whose traditional opening periods are spring and summer increasingly extend their operating periods into shoulder seasons (Halloween in the autumn and, since 2019, the Christmas period for certain parks).

Operational profitability

The improvement of operational profitability rests on the optimisation of processes, the reduction of costs and purchases, and the control of visitor acquisition costs.

Investments

The development of the sites and their facilities increases their attractiveness and their capacity. Accommodation extends the catchment area and increases visiting time.

EXPORTING OUR EXPERTISE

SUPPORT AND CONSULTING CONTRACTS, SHOWCASING OUR EXPERTISE AND A GATEWAY INTO NEW MARKETS

The Group's operational excellence, as well as its capacity to innovate and harness the ecosystems where it operates, have enabled it to position itself as an expert in the design, development and operation of ski resorts and leisure parks. As investment partners wanting to boost the attractiveness of the territories, Compagnie des Alpes operates in several regions of the world. It has already accumulated solid references in Russia, Southern Europe, the Maghreb, and China – a strategic market for the ski and leisure industries – and Japan.

Compagnie des Alpes has recognised expertise: it develops its expertise internationally in its two activities.

Shared know-how acting as a **value-creation** lever

2018/2019 KEY FIGURES

Our resources

INVESTING

Human resources
- €185 million payroll

Financial
- Net capital expenditure: €209.4 million, *i.e.* 24.5% of revenue
- Low indebtedness: Net debt/EBITDA ratio of 2.33
- High shareholders' equity: €928 million

DISTRIBUTING AND CAPITALISING ON FLOWS

Intangible assets
- "Destination" brands with a Europe-wide or even worldwide reputation
- Well-known retail brands in France

Real estate
- Ski Areas: real estate agencies: 25% market share in Group resorts, (*i.e.* 13,500 beds under management)
- Leisure Parks: 3 sites with a hotel offering: Walibi Holland, Futuroscope, Parc Astérix

WELCOMING

Human resources
- 3,000 non-permanent (seasonal) FTEs per year

Real estate
- 11 ski areas, 9 outdoor parks and 4 indoor sites

Natural resources
- Peri-urban leisure sites and Alpine sites with exceptional landscapes and environmental quality

OPERATING AND SECURING

Human resources
- Recognised know-how and operational excellence
- Total headcount = 5,129 FTEs: 11% managers, of which 39% are women

Natural resources
- Weather and climatic conditions

Intangible assets
- 4 Green Globe certified sites, 1 ISO 50001 certified site

COOPERATING AND INTERACTING

Financial resources
- Several hundred million euros in purchases

Societal
- Numerous local stakeholders

Our know-how

Compagnie des Alpes continues to develop its two main activities, ski areas and leisure parks, by relying on shared know-how in terms of investment, distribution, harnessing of visitor flows, welcoming of visitors at its sites, safe operation of leisure equipment, and integration into the ecosystem of each of the areas where the Group operates.

Our value-creation levers

Our impact

- Increasing investments that boost attractiveness and capacity
- Developing employee skills
- Optimising costs and performance and extending the sites' operating periods
- Making the most of our know-how outside the Group
- Managing the portfolio in an integrated way

Human resources
- **19.1 hours** of training per employee

Financial
- Investments for growth and performance
- EBITDA[(1)]: €232.3 million => **+6,4%**
- Operating ROCE[(2)]: **8.2%**

Intangible assets
- Reputation, with new consulting contracts in France and abroad.

Real estate
- Rationalisation and modernisation of the Ski Areas
- Increased attractiveness and capacities of the Leisure Parks and their hotel offering

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- Winning new customers
- Boosting distribution and simplifying the purchasing process
- Increasing per-visitor spending and visiting time
- Improving customer knowledge and customer loyalty and generating repeat visits
- Optimising occupancy rates

Financial
- **14.0 million** skier-days and **9.6 million** visits to leisure parks
- LD: business growth of **+50% in 6 years**
- SA: **2.5%** average annual revenue growth per skier-day over the period from 2012/2013 to 2018/2019

Intangible assets
- Upscaling of digital retailing
- Creation of a DataLake

- Implementing our Very High Satisfaction strategy
- Facilitating visits and enhancing the customer experience (products, connected applications, unique and immersive experiences)
- Improving accommodation quality and capacities
- Integrating new employees

Human resources
- High return rate among seasonal workers from one year to the next: **87%** for Ski Areas and **49%** for Leisure Parks

Intangible assets
- Increase in customer satisfaction (+30 basis for Leisure Parks excluding Futuroscope in 2019)

Real estate
- **5,700** resort beds created or renovated since 2013, and **over 300 rooms** created or renovated in Parc Astérix since 2017

- Maintaining operational excellence and improving the quality of the services
- Making safety part of our DNA
- Developing employee commitment and motivation
- Consuming less and better to reduce the Group's environmental footprint

Human resources
- Employee satisfaction survey: **36%** response rate
- Absenteeism rate following occupational accidents: **0.6%**

Natural resources
- 1 observatory dedicated to the environment and biodiversity in each Ski Area
- **256 GWh** of energy consume, of which **55%** renewable
- **4.4 million m³** of water used, including **11%** municipal water
- Direct greenhouse gas emissions: **32.2 T** CO_2 eq:
  - SA: **2.5 kg** CO_2 eq per skier-day = **9 km** by car
  - LD: **1.70 kg** CO_2 eq per visitor = **13 km** by car

- Working in close cooperation with local stakeholders
- Boosting and enhancing the ecosystem, and sharing value
- Applying and promoting environment-friendly and ethical practices

Human resources
- Employee profit-sharing (year N-1): Average of **€3,001** per employee
- Professional integration: **255 work/study** contracts granted during the year
- **607** new certifications obtained by employees

Financial
- Dividends paid to CDA shareholders: **€17.1 million**
- Rise in investments in both activities
- Income tax: **€32.2 million** for the Group

Societal
- Significant contribution to the regions' economy
- Active participation in the governance of the resorts
- Involvement in professional bodies (DSF, SNELAC, etc.)

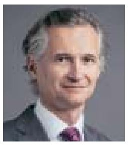
(1) Earnings Before Interest, Taxes, Depreciation and Amortisation.

(2) Return On Capital Employed.

Effective governance

THE BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors is made up of 12 members, including 5 independent Directors, a Director representing employees and a non-voting member. With a wide range of skills, experiences and professional backgrounds, the Board members provide expertise in the fields of finance, strategy, regional planning, the mountain and tourism industry, as well as digital know-how.



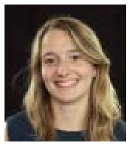
Antoine GOSSET-GRAINVILLE,
Independent Director
Chairman

Giorgio FRASCA,
Independent Director
Chairman

Dominique MARCEL,
Chairman and Chief Executive Officer
Chairman

Virginie FERNANDES,
Permanent representative of Caisse des Dépôts et Consignations, Director, Vice-Chairman of the Board of Directors

Maria PAUBLANT,
Permanent representative of Banque Populaire Auvergne Rhône-Alpes, Director



Bénédicte DAVY,
Permanent representative of Caisse d'Épargne Rhône-Alpes, Independent Director

Carole MONTILLET,
Independent Director

13
MEETINGS

50%
GENDER PARITY

82%
ATTENDANCE RATE

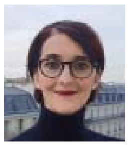
Emmanuelle JIANOUX,
Permanent representative of Crédit Agricole des Savoie, Director

Rachel PICARD,
Independent Director

Serge BERGAMELLI,
Representative of Caisse des Dépôts et Consignations, Director

Francis SZPINER,
Director

Jacques MAILLOT,
Non-voting member



Sophie SASINKA,
Director representing employees

Jean-François BLAS,
Permanent representative of Sofival, Director

- *Strategy Committee*
- *Appointments and Remuneration Committee*
- *Audit and Finance Committee*

The Board of Directors is assisted by three specialised Committees:

The Strategy Committee | The Appointments and Remuneration Committee | The Audit and Finance Committee

CORPORATE GOVERNANCE

The composition of the Board of Directors and its Committees follows several principles set out in the Compagnie des Alpes Corporate Governance Charter. Given the presence of a reference shareholder (Caisse des Dépôts et Consignations), the Charter is intended to promote the democratic, collective representation of all shareholders and take into account corporate interests, notably through the appointment of independent Directors.

THE EXECUTIVE COMMITTEE

The Chairman and Chief Executive Officer is backed by an acting Chief Executive Officer and an Executive Committee. This Committee brings together the heads of the operational departments covering the Group's two main activities lines, and the departments tasked with steering the sites' operating performance and implementing the Group's policies.

Loïc BONHOURE	**Philippe JUTARD**	**Delphine PONS**	**François FASSIER**	**Dominique MARCEL**	**Sandra PICARD**	**Denis HERMESSE**	**David PONSON**
Acting Chief Executive Officer & Head of Strategy, Development and Mergers & Acquisitions	*Head of Legal Affairs, Audit and Internal Control*	*Head of Distribution, New Business Lines and Innovation*	*Head of the Leisure Parks Division*	*Chairman and Chief Executive Officer*	*Communication Director, Brand and CSR*	*Chief Financial Officer, Head of IT, Risks and Insurance*	*Head of the Ski Areas Division*

RESPONSIBILITIES AND RELATIONS WITH STAKEHOLDERS

Within the limits of the strategic framework defined by the Group and overseen by the Executive Committee, the subsidiaries have considerable autonomy in the management and achievement of their performance objectives.

- Relations with conventional stakeholders – suppliers, partners, customers and employees – are managed both locally and globally by the Group's functions.
- Relations with financial stakeholders (shareholders, investors, financiers, bankers, rating agencies, etc.) are centralised at Group level.

The 5 major CSR issues

ILLUSTRATION WITH A FEW PERFORMANCE INDICATORS

CONTRIBUTING to the long-term development and appeal of the regions with our stakeholders

Support for warm beds *(since 2014)*
5,700 beds renovated or created (50-50 basis) over a period of 5 years

Sharing of customer knowledge *(since 2019)*
52,000 surveys shared with other resort players to improve the customer experience

Being seen as a trustworthy player
40% of Skier-Days recorded in ski areas bearing the Green Globe label
ESG rating: "AA" by MSCI, and 52nd out of 230 in the GAIA index

PARTICIPATING in the preservation of biodiversity and the enhancement of natural spaces

Enhancing natural areas with partners
Example 1: Altitudes Experiences in Tignes (with the Parc National de la Vanoise)
Example 2: Partnership between Parc Astérix and the Conservatoire des Espaces Naturels de Picardie

1 Fauna and Flora observatory in each Ski Area *(since 2007)*
25,000 data from 978 audits to mitigate the impact of developments and operations

Voluntary restoration of biodiversity *(since 2017)*
1 "Nature 2050" project per year in the SA
Example 1: 3,000 pines planted in Serre-Chevalier
Example 2: restoration of a peat bog at Les Ménuires

For several years now, Corporate Social Responsibility initiatives have been carried out at various Group levels and sites. In 2019, a dedicated department was created and a new roadmap was defined with two objectives: mainstreaming and amplifying actions in the chosen priority areas and increasing employee accountability and mobilisation. The approach used by Compagnie des Alpes is the fruit of a joint effort by several of the Group's internal governance bodies and the business Committees that bring together the heads of the subsidiaries and managers around specific themes (e.g. Human Resources, Operations, Construction).

PROMOTING job integration and developing diversity within the Group

- **Professional certifications** — 607 employees certified during the 2019 fiscal year (*vs* 458 in 2018)
- **Work-study contracts** — 5% of FTEs, i.e. 255 work/study contracts granted (*vs* 4.5% in 2018)
- **Partnerships with schools and associations** — 1st year of partnership with INSEEC U (Bachelor's Degree in Real Estate), 3rd year of partnership with Sport dans la Ville

REDUCING our energy footprint and our direct carbon footprint

- **"Green" electricity supply contract** (*since 2011*) — 55% renewable energy; 86% of electricity from guaranteed renewable sources (*vs* 82% in 2018)
- **On-site production of renewable energy** (*since 2011*) — 3 sites covered
- **ISO 50001 – Energy Management certification** (*since 2018*) — 2 certified leisure parks, accounting for 46% of visits (Futuroscope and Parc Astérix)

MANAGING resources in a sustainable way

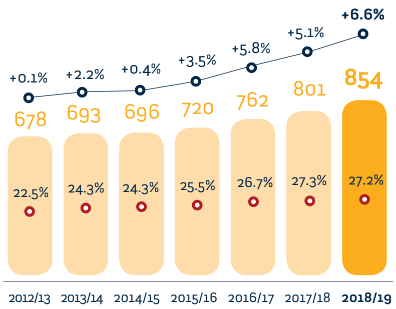
- **Waste management** — 140 tonnes of biowaste turned into energy through methanisation
- **Circular economy** (*since 2011*) — 1,000 tonnes of steel re-used over the past 5 ski lift modifications by Ingelo (a subsidiary of Compagnie des Alpes); 2 grooming machines reconditioned per year, on average
- **Improving our knowledge of water resources** (*since 2018*) — 5 ski area sites mapping local resources

Performance indicators and objectives

Compagnie des Alpes achieved a record performance over the 2018/2019 fiscal year.
The margin targets of its core business lines were again achieved this year. Net income reached a record high and the return on capital employed was maintained above 8% despite unprecedented investment levels.

REVENUE AND EBITDA MARGIN

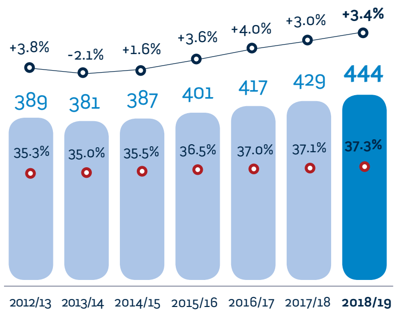
GROUP (1,2)



- Sales (€ millions).
- Change in Sales.
- BU EBITDA margin (% of revenue).

SKI AREAS(2)

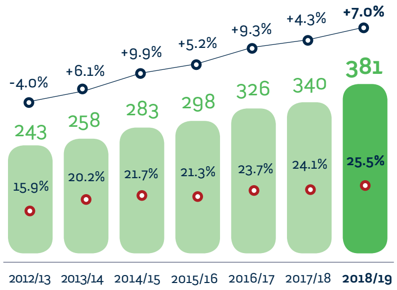
52% of Group Sales



- Sales (€ millions).
- Change in Sales.
- Change in Sales on a comparable scope.

LEISURE PARKS(2,3)

45% of Group Sales



- Sales (€ millions).
- Change in Sales (on a comparable scope in 2018/2019(3)).
- Change in Sales on a comparable scope.

2019/2020 TARGETS

EBITDA MARGIN RATIO (4)

SKI AREAS *

BETWEEN 36% AND 37%

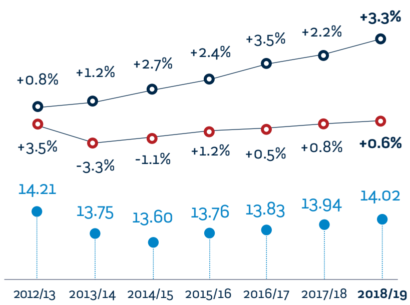
LEISURE PARKS **

BETWEEN 27% AND 28%

* Before IFRS 16.

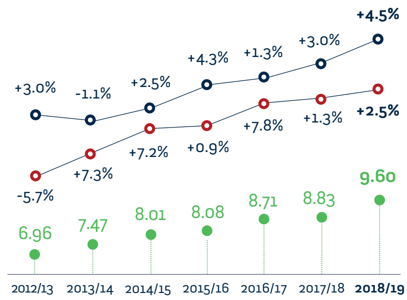
** Excluding Futuroscope and before IFRS 16.

Number of skier-days and revenue per skier-day



- Number of skier-days (in millions).
- Change in number of skier-days.
- Change in revenue per skier-day.

Number of visits and revenue per visit



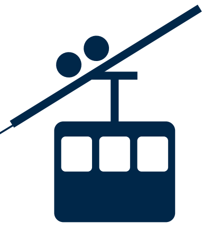
- Number of visits (in millions).
- Change in number of visits on a comparable scope(3).
- Change in revenue per visit on a comparable scope(3).

(1) Group revenue: includes the Holdings and supports BU.

(2) The 2013-2017 data for each business line have been restated to take account of the Group's reclassifications between Business Units since its 2017/2018 report and the disposal of operations in Prague and Seoul.

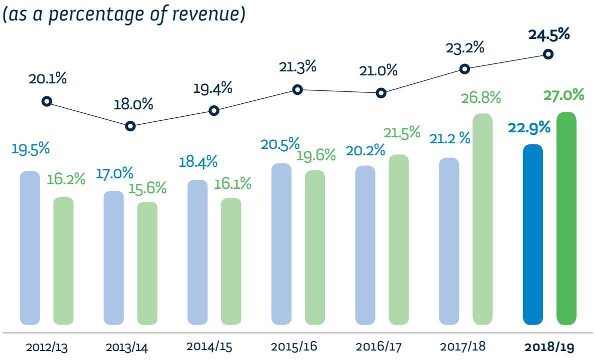
(3) Comparable scope: excluding Familypark acquired in 2018/2019.

(4) EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation; EBITDA margin = EBITDA/revenue



NET INVESTMENT [(1)] EFFORT

(as a percentage of revenue)

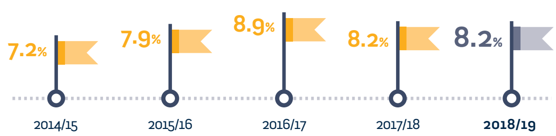


Total net investment effort[(2)] (as a % of Group revenue)
of which net investment effort by activity: Ski Areas Leisure Destinations

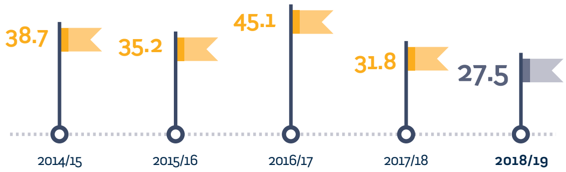
The change in the Group's net capital expenditure reflects its measured project deployment policy.

OPERATING ROCE [(3)] FOR THE GROUP

Operating ROCE remained stable in 2018/2019, despite the fact that certain significant investments made during the fiscal year only generated cash flows for part of the year.



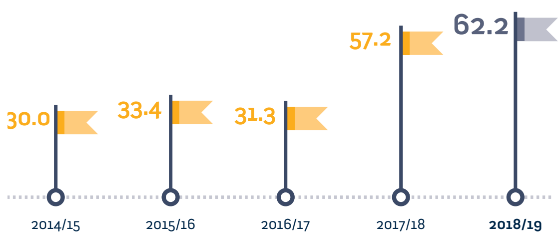
FREE CASH FLOW FROM OPERATIONS [(4)] *(in € millions)*



Due to the increase in investments, free cash flow from operations dropped slightly in 2018/19.

NET INCOME GROUP SHARE *(in € millions)*

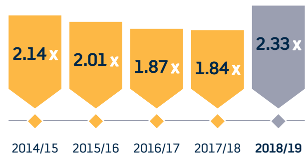
The year's good operating and financial performance was reflected in the record net income achieved in 2018/19.



(1) Net capital expenditure (acquisitions of tangible and intangible assets, net of changes in accounts payable for fixed assets and proceeds from the sale of fixed assets) / Revenue.
(2) Total Group investment effort = Net capital expenditure Ski Areas + Leisure Parks + Holdings and Supports / Total Group revenue.
(3) After tax net operating income Ski Areas + Leisure Parks / Consolidated net assets excluding goodwill.
(4) Operating cash flow - Net capital expenditure before financial expenses and taxes.
(5) Gross borrowings net of available cash and cash equivalents.

NET DEBT [(5)] / EBITDA RATIO

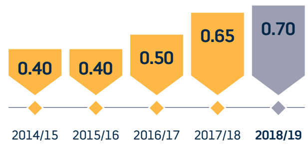
The Net Debt/EBITDA ratio increased in a measured way in 2018/19, remaining at a level well below the covenants



DIVIDENDS

(in € per share)

The proposed dividend in respect of the 2018/19 fiscal year corresponds to a distribution rate of around 27.5% of Net Income (Group share).



2018/2019 dividend: proposed dividend for the fiscal year.

2019/2022 TARGET

OPERATING ROCE [(3)]

Increase recorded over the 2018-2022 period, but in a non-linear way.


MÉRIBEL

1

INTRODUCTION TO COMPAGNIE DES ALPES AND ITS ACTIVITIES

1.1 Activities, markets and competition

With over 23.5 million visits to its 24 [(1)] sites in 2018/2019, Compagnie des Alpes is a major player in the European Leisure sector. It is the world leader in ski area management [(2)], operating 11 of the largest ski areas in France. It is also a major European player in leisure parks with 13 sites: 5 in France, 4 in Belgium, 1 in the Netherlands, 1 in Switzerland, 1 in Austria and 1 in Canada.

1.1.1 SKI AREAS (52% OF 2018/2019 GROUP CONSOLIDATED REVENUE)

The Group's ski lift companies equip, maintain and operate ski areas.

Their main task is to develop and manage natural areas in order to be able to offer their customers alpine skiing activities and high-altitude recreational activities in a way that respects the environment and offers optimal safety.

The resorts where Compagnie des Alpes operates are all located in France, where the business model is based on very-long-term concession agreements. The characteristics and durations of these agreements are described in Chapter 5 (Note 1.14.to the Consolidated Financial Statements).

Compagnie des Alpes is thus one of the key contributors to the local economy, alongside accommodation providers, local authorities and French ski schools.

Their revenues are drawn from entrance fees for ski lifts. Expenses are related to the financing of facilities, personnel costs, taxes and local fees, and normal operating costs (maintenance, energy, insurance, etc.).

In addition to its portfolio of 11 ski areas, Compagnie des Alpes holds minority interests in 4 French companies that operate the ski areas in Chamonix (37.5%), Avoriaz (20%), Valmorel (20%), and La Rosière (20%).

As a secondary activity, the Group sells land to real-estate developers. At present, this activity has not exceeded 5% of total Ski areas revenue and has been limited to two ski areas – Les Arcs and Flaine.

This business is conducted under the development concessions that are also described in the above-mentioned Note 1.14.As the land is held for sale, its net book value is recorded under inventories on the balance sheet (Chapter 5).

1.1.1.1 The global ski market [(3)]

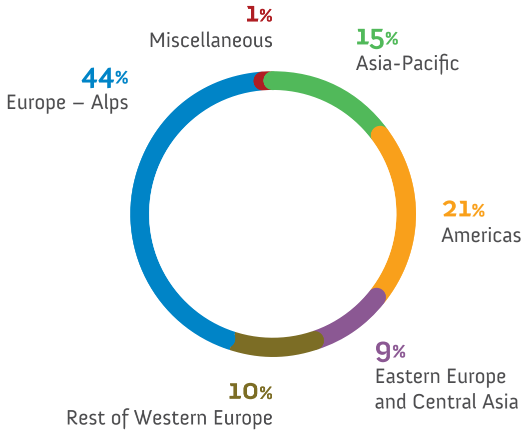
The global ski market is made up of close to 2,000 resorts in around 67 countries.

It records a total of 400 million skier-days (including indoor ski slopes) and offers professional accommodation for 6 million, primarily concentrated in developed countries.

In the 2018/2019 season [(4)], the three countries that registered the highest number of skier-days were the United States (59.0 million), Austria (54.1 million) and France (53.4 million).

Although skiing is a widespread activity, there are very few "large" resorts (a resort is considered "large" when it exceeds one million skier-days per season) and 83% of these are located in the Alpes.

DISTRIBUTION OF THE GLOBAL SKI MARKET BY GEOGRAPHIC AREA (IN NUMBER OF SKIER-DAYS)



1.1.1.2 Market and competition in Europe [(3)]

Very few skiers take long-haul flights to go skiing on the other side of the world. Consequently, the real market for Compagnie des Alpes is Europe.

The European ski market is estimated at 45 million people, representing 220 million skier-days.

Based on average receipts of €30 per skier-day, this represents a market of €6.5 billion.

There are numerous market players in Europe, most of which operate on just one site. Compagnie des Alpes, along with Swedish group Skistar, which is listed on the Stockholm stock market, is one of the only groups to operate several sites.

There are four major skiing countries in Europe: France, Austria, Switzerland and Italy. Only France and Austria have more than ten resorts welcoming more than one million skiers per season.

It is worth noting that the percentage of concession area used is 21% in France, 62% in Austria and 70% in Italy [(5)]. According to a study conducted by Domaines Skiables de France, a French ski pass costs less than an Austrian ski pass (11%) or a Swiss one (17%).

(1) On 1 April 2019, Compagnie des Alpes acquired 100% of the shares in Familypark, the leading Austrian leisure park.
(2) No company or group comparable to Compagnie des Alpes that operates ski lifts has a higher number of skier-days than the Group.
(3) Source: Laurent Vanat, "2019 International Report on Snow & Mountain Tourism".
(4) Source: Domaines Skiables de France – 2019 Indicators and Analysis.
(5) Source: Laurent Vanat for DSF.

France's leading position in Europe is largely due to the size of its domestic market, which represents around 70% of business. Meanwhile, the majority of visitors to Swiss ski resorts (45%) and Austrian ones (65%) are foreign.

The Compagnie des Alpes Group is the leading European operator of ski resorts, as well as the global market leader.

Country	Size of ski area (km²)	Number of lifts	Number of resorts	Number of large resorts*
France	1,180	3,346	325	13
Austria	1,050	3,028	254	16
Switzerland	950	1,446	186	5
Italy	1,350	2,127	349	7

* *Resorts recording over one million skier-days.*

1.1.1.3 The French ski market

The French ski market is primarily a network of 250 internationally renowned ski areas spread between 6 mountain ranges varying greatly in terms of size and offering: Alps, Massif Central, Pyrenees, Vosges, Jura and Corsica.

However, there are also 325 resorts with at least one ski lift, 238 of which belong to Domaines Skiables de France (DSF), the professional body for ski area operators.

During the 2018/2019 season, 53.4 million skier-days were sold, with Domaines Skiables de France estimating an average receipt per skier-day of €27.2. The French ski market thus amounts to €1,452 million.

The vast majority of customers are French (72%). British customers represent 10%, followed by Belgians at 5%, and the Dutch at 3% [1].

At 30 September 2019, Compagnie des Alpes' revenue from its Ski areas amounted to €443.8 million, with a total of 14.0 million skier-days. The market share of Compagnie des Alpes and its consolidated companies thus amounted to more than 30% in terms of value and over 26% in terms of volume.

The two largest operators after Compagnie des Alpes, Sofival (Avoriaz, Valmorel and La Rosière) and S3V (Courchevel, La Tania and Méribel Mottaret), each hold a market share of around 5% [2].

Competitive advantages of Compagnie des Alpes

Compagnie des Alpes' competitive advantages relate mainly to the Group's resort locations: it has chosen to operate exclusively in resorts with vast, high-altitude ski areas that are well known in Europe, and which have considerable professional accommodation capacity.

1.1.1.4 Main ski areas operated by Compagnie des Alpes

Paradiski: La Plagne, Les Arcs and Peisey-Vallandry

Paradiski - With its 425 kilometres of slopes on close to 15,000 hectares. Paradiski is one of the world's largest ski areas. The Vanoise Express, which is the highest-capacity cable car in the world, links the three renowned resorts that make up this ski area: La Plagne, Les Arcs and Peisey-Vallandry.

La Plagne

La Plagne, created in 1960, is the world's biggest ski resort, with 79% of the ski area above 2,000 metres, 10 villages, a facility-equipped glacier at 3,250 metres, and a downhill descent of more than 2,000 metres. It has seen the birth of champions such as Kévin Rolland and Julien Lizeroux and is host to prestigious alpine events.

Les Arcs

Covering an altitude of between 1,200 and 3,226 metres, Les Arcs offers an exceptional ski area. Les Arcs is the most avant-garde of all alpine resorts – world famous for the resort town's architecture, a pioneer of new snow sports, and the birthplace of snowboarding in Europe. The resort, which is made up of four villages, offers a variety of slope profiles catering to all levels of skiing, a panoramic view of Mont-Blanc, and plenty of sunshine.

Peisey-Vallandry

The geographical centre of Paradiski, Peisey-Vallandry offers authenticity and cheerful hospitality on a human scale. This resort, which welcomed its first skiers in 1948, comprises five Savoyard villages. The varied slopes of Peisey-Vallandry are located on the sunny wooded face of Les Arcs. The resort also boasts a vast Nordic skiing area for cross-country skiing, snowshoeing, or sledding.

Compagnie des Alpes operates the La Plagne ski resorts through its subsidiary SAP and the Les Arcs and Peisey-Vallandry stations *via* its subsidiary ADS. In 2018/2019, these two companies generated revenue of €147.8 million with close to 4.8 million skier-days.

Tignes-Val-d'Isère connected ski area

The connected ski area of Tignes-Val-d'Isère comprises the French resorts of Val-d'Isère and Tignes in Savoie.

It extends from the Pisaillas glacier above the Col de l'Iseran in Val-d'Isère to the Grande Motte glacier above Val Claret in Tignes.

Tignes

Tignes offers a unique way of experiencing the mountains. The seasons here are the longest in Europe (from the beginning of October to mid-May) owing to the resort's high altitude (1,550 metres to 3,450 metres) and extend from June to August thanks to the Grande Motte glacier. More than 80% of Tignes' vacationers are skiers. The clientele is young, international, and sporty.

Val-d'Isère

Set at an altitude of 1,850 metres in the heart of the Tignes-Val-d'Isère connected ski area, the village of Val- d'Isère, which became a ski resort in 1938, is an international ski resort that blends innovation and authenticity. This constantly evolving resort attracts the most cosmopolitan of customers. Its unique selling point is to offer skiing options for all pockets and all technical levels, as well as a comprehensive range of high-quality services.

Compagnie des Alpes subsidiaries STGM and STVI manage the Tignes and Val-d'Isère ski areas, respectively. In 2018/2019, they generated revenue of €97.1 million with nearly 3.0 million skier-days.

(1) *Source: Domaines Skiables de France – 2019 Indicators and Analysis, October 2019.*
(2) *Source: Montagne Leaders, No. 263 – September and October 2017.*

Les Trois Vallées: Les Ménuires and Méribel

Compagnie des Alpes operates two of the eight ski resorts in Trois Vallées, the largest ski area in the world with 600 kilometres of slopes fully linked by ski lifts. It is located in the Tarentaise Valley and comprises three valleys: Bozel, Allues and Belleville.

Les Ménuires

The "Station des Grands Espaces" opened in 1964. It soon became a hallmark of the development of the ski industry in France and is now ranked among the best ski areas in Europe.

Its snow-making coverage extends to nearly half of the ski runs, guaranteeing quality snow up to the end of April.

Méribel

Nestled in the heart of the 3 Vallées, only 2 hours away from Lyon, Geneva, and Italy, Méribel has been the personification of charm since it opened its first facilities in 1938. It is a genuine alpine village with its chalets of wood and stone. Snow-making machines cover more than half of the ski area of which 85% is above the 1,800 metres altitude mark, guaranteeing optimum snow conditions throughout the season.

Compagnie des Alpes operates the Ménuires and Méribel resorts through its subsidiaries Sevabel and Méribel Alpina. They generated revenue of €80.0 million in 2018/2019 from more than 2.4 million skier-days.

Grand Massif: Flaine, Samoëns, Morillon and Sixt

Compagnie des Alpes operates four of the five resorts comprising the Grand Massif in Haute-Savoie. With the exception of Flaine, the average altitude of their sites is lower than that of the Group's other areas.

Flaine

At an altitude of 1,600 metres to 2,500 metres, Flaine offers a breathtaking view of Mont-Blanc. The resort, which opened in 1969, has several buildings listed in the French Historical Monument List (Inventaire des Monuments historiques de France), with its typical monumental open-air structures.

Samoëns, Morillon and Sixt

At the heart of the Giffre valley, these three resorts offer an authentic mountain village experience. A network of powerful gondola lifts links them to the high-altitude ski area.

With slopes suitable for all levels and stunning natural sites, the valley has a great deal to offer. The jewel of the Grand Massif: a 14-kilometre blue run that skirts the Natural Reserve and links Flaine to Sixt.

GMDS – a subsidiary of Compagnie des Alpes – operates the Flaine, Samoëns, Morillon and Sixt ski areas. These areas generated revenue of €41.9 million in the 2018/2019 fiscal year. There were nearly 1.4 million skier-days.

Serre Chevalier Vallée

Situated in the southern Alps in the Écrins National Park, Serre Chevalier Vallée is a ski resort made up of authentic villages, as well as Briançon, a town that is a UNESCO World Heritage site for its Vauban fortifications.

The ski area is one of the largest in Europe. Eighty percent of its surface area is above the 2,000-metre altitude mark and its north-facing slopes offer excellent natural snow conditions from mid-December to the end of April.

Additionally, Serre Chevalier has one of the largest artificial snow-making networks in Europe to ensure optimum skiing conditions all through the winter.

Big-league skiing at high altitudes, unhurried skiing in larch forests, fun skiing in designated fun areas, and family skiing in protected zones: Serre Chevalier has something for every kind of skier.

The company SCV Domaine Skiable, a subsidiary of the Group, operates the Serre Chevalier Vallée ski area. It generated revenue of €37.0 million in 2018/2019, with 1.2 million skier days.

Les Deux Alpes

Situated at the border between the northern and southern Alps, in the heart of the Massif de l'Oisans, the Deux Alpes resort enjoys international fame, mainly due to its ski area: 225 kilometres of marked ski runs and trails, starting at 1,300 metres and reaching 3,600 metres in altitude, the summit of the biggest skiable glacier in Europe with a 360° panoramic view of the Alps.

The ski area has several distinctive characteristics: the "natural snow" guarantee thanks to the glacier, ski-in- ski-out access from one's residence, an internationally renowned snowpark at 2,600 metres, and the opportunity to race down a run with a difference in elevation of 2,300 metres, without having to take a ski lift. In summer, 200 hectares of glacier are equipped for snow sports.

The Deux Alpes ski area is managed by DAL, a subsidiary of Compagnie des Alpes. It generated revenue of €40.0 million in 2018/2019 with 1.2 million skier-days.

1.1.2 LEISURE PARKS (45% OF GROUP CONSOLIDATED REVENUE IN 2018/2019)

Compagnie des Alpes Group companies develop and operate Leisure parks in three main areas:

- theme parks;
- edutainment sites;
- animal parks.

Compagnie des Alpes offers attractions based on strong brands (Astérix, Grévin Paris, Futuroscope, Walibi, etc.) and provides its customers with leisure experiences, unique thrills, and cultural and educational excursions in a completely safe environment. As of 30 September 2019, the Compagnie des Alpes Group operates 13 [(1)] sites, representing nearly 9.6 million visits per year, with 5 parks in France, 4 in Belgium, 1 in the Netherlands, 1 in Switzerland, 1 in Austria and 1 in Canada. It also holds a 20% minority interest in the Jardin d'Acclimatation Park in Paris, alongside the LVMH group.

In addition to operating ski areas, which essentially takes place in the heart of winter, the leisure sites business is concentrated in the spring, summer, and to a lesser extent, the fall.

(1) On 1 April 2019, Compagnie des Alpes acquired 100% of the shares in Familypark, the leading Austrian leisure park.

Leisure park revenues are generated through entry-ticket sales (about 60% of revenue) and customer spending on park grounds, mainly restaurants and shops. Costs relate to personnel, facilities, purchases, marketing, and current operating expenses.

1.1.2.1 Market and competition in Europe and in France

The European Leisure parks market is estimated at over 160 million visitors [(1)]. With nearly 9.6 million visitors and revenue of €381 million in 2018/2019, Compagnie des Alpes is the fourth largest industry player in Europe.

Group	Number of parks	Visitor numbers *(millions of visitors)*	Annual revenue
Merlin Entertainments Group (2018)	127	67.0	£1,653 million
Parques Reunidos (2018)	64	19.6	€579 million
Euro Disney – Theme parks (2018)	2	15.1	€1,472 million (2017)
Compagnie des Alpes	13	9.6	€381 million

The European leisure market is very diverse, with many family-owned or independent parks, and over one million visitors per season.

Park	2018 visitor numbers *(in millions)*	2017 visitor numbers *(in millions)*	Country
Europa Park	5.7	5.7	Germany
De Efteling	5.4	5.2	Netherlands
Tivoli Gardens	4.8	4.6	Denmark
Port Aventura	3.6	3.6	Spain
Liseberg	3.1	3.1	Sweden
Gardaland	2.9	2.6	Italy

Source: TEA/AECOM 2018 Global Attractions Attendance Report.

In France, leisure, amusement and cultural facilities have been growing constantly over the past 30 years. This sector is actively contributing to France's cultural and tourism offering [(2)].

The segments in which Compagnie des Alpes is present (theme parks, animal parks, water parks, and amusement parks) account for some 355 establishments in France, with just under 65 million visits and revenue totalling €2,400 million.

There is a relatively high level of concentration, as the five leading operators (Disneyland Paris, Astérix, Futuroscope, Puy du Fou, and Marineland) account for more than one-third of the visitor numbers.

With over 9.6 million visitors and revenue totalling €381 million in 2018/2019, Compagnie des Alpes holds a market share of nearly 15% in terms of volume, and almost 16% in terms of value.

1.1.2.2 Leisure parks

Parc Astérix

Located 30 kilometres to the north of Paris, Parc Astérix is one of the three largest parks in France, offering a savvy blend of humour, friendliness, shared experience and authenticity. The park has its own original and well-established identity, which visitors can experience in the six worlds that make up the park: Egypt, Welcome to Gaul, The Roman Empire, Ancient Greece, The Vikings, and Travel Through Time.

Everything is carefully staged to depict the Gallic spirit portrayed by Albert Uderzo and René Goscinny, the creators of Astérix.

It expands its offering each year with a whole host of live shows, astonishing events, rides and attractions for one and all. The park offers visitors 7 shows and 40 attractions (8 for thrill seekers, 19 for families, and 13 for children).

This year, Parc Astérix celebrated its 30th anniversary. On that occasion, it inaugurated a new attraction called "Attention menhir!". It is a 4D film which combines dynamic seats and special effects projected in a 300-seat cinema.

The world of Parc Astérix extends to the accommodation area, which includes the three-star Trois Hiboux hotel expanded and renovated in 2017, and the Cité Suspendue hotel inaugurated this year. Each of the hotels has a capacity of 150 rooms. The Cité Suspendue hotel is based on the theme of a forgotten city in the forest, left by an ancient civilisation. To preserve the fauna and flora, all of the buildings have been built on stilts.

In the 2018/2019 fiscal year, Parc Astérix generated revenue of €123.6 million and welcomed more than 2.32 million visitors.

Futuroscope

Futuroscope, France's first major amusement park, which opened its doors in 1987 and is located on 60 hectares of wooded land, plays on its difference to drive its expansion. It makes a two-fold promise: enjoy the thrills, sensations and amusement that it has to offer, and learn at the same time.

Its strength lies in the large number of diverse attractions in the technology universe for all audiences. It owes its success and its unique position on the leisure market to an invention of a totally new form of amusement based on a combination of opposites: amusement and discovery, physical feelings and emotions, art and technology.

This year, Futuroscope inaugurated a new children's area called "Futuropolis". With its 21 games and attractions spread over 3 hectares, this mini-city caters to the needs of children in a fun and educational way that addresses their future career aspirations.

Futuroscope is open for almost the entire year. The main period of closure is in January. It generated revenue of €103.3 million in 2018/2019, with 1.89 million visitors.

(1) *Source: IAAPA Global Theme and Amusement Park Outlook – 2015/2019.*
(2) *Source: SNELAC – 2017 Activity Report.*

Grévin Paris

Located in the 9th arrondissement of Paris, the site's primary beauty lies in the museum and its historical decor. It houses a theatre built in 1900 and decorated by Antoine Bourdelle and Jules Chéret, which is listed in the French Supplementary Historical Monument List (*Inventaire Supplémentaire des Monuments Historiques*). Grévin is a world in which reality gets mistaken for fantasy, and fact for fiction. Through its characters and settings, Grévin creates the illusion of an interactive meeting. French and foreign celebrities, contemporary or historical, are represented.

The Académie Grévin meets twice a year, under the authority of its President, to select the celebrities who have been elected to enter the Grévin.

This season, Grévin Paris was almost completely renovated in order to improve the visitor experience and make it more immersive and more digital. New statues of French celebrities were inaugurated, such as those of magician Eric Antoine and his Magic Box, actor Pierre Richard, astronaut Thomas Pesquet, bi-athlete Martin Fourcade, ventriloquist Jeff Panacloc and his faithful puppet Jean-Marc, and Fort Boyart's Père Fourras.

Grévin's revenue amounted to €13.9 million in 2019/2018, with the museum welcoming 704,000 visitors.

The other French sites (France Miniature, Walibi Rhône- Alpes)

France Miniature

Ten minutes away from Versailles lies the biggest miniatures park in Europe, France Miniature, covering an area of 8 hectares including 1.5 hectares of water. The park guides visitors through the history and geography of France, in less than a day: France's rich heritage is represented in the 117 exact replicas of its best monuments, all of which are 1/30 scale models, and 150 landscapes are recreated.

This season, France Miniature inaugurated the Cirque des Zinzins. In a circus tent, visitors are invited to defy the laws of gravity in a net 4 to 7 metres high.

Walibi Rhône-Alpes

Established in a magnificent natural setting in Avenières since 1979, Walibi Rhône-Alpes offers over 30 attractions and shows as well as the biggest waterpark in that region (13,000 sq.m). Walibi is a place to explore and enjoy with family or friends. The park covers an area of 35 hectares and the attractions are laid out around a 7,500 sq.m, lake at the centre of the site.

The site continued its overhaul and celebrated its 40th anniversary this season. It thus continued to refine the theme of the Festival City area with a new food court and two new attractions, including Mystic, a new roller coaster that is 575 meters long and features a vertical climb of 31 meters, and Les P'tits Chaudrons, a more family-friendly attraction.

The other French sites generated revenue of €19.6 million in 2018/2019, with visitor numbers reaching over 716,000.

The Dutch park: Walibi Holland

Walibi Holland, opened in 1994, is one of the biggest parks in the Netherlands. It is divided into eight themed areas. The park is also famous for its festivals, including "Summer Nights" and "Halloween Fright Nights", whose success transcends Dutch borders.

This season, the site inaugurated a new hybrid coaster (wood and metal) called "Untamed", as part of the overall renovation of the Sherwood Forest theme area.

Since 2013, visitors have been able to extend their time at Walibi Village by spending the night in one of the bungalows designed for families.

Walibi Holland generated revenue of €32.6 million in the 2018/2019 fiscal year and welcomed 853,000 visitors.

The Belgian Parks: Walibi Belgium, Aqualibi, Aquapark and Bellewaerde

Walibi Belgium

Created in 1975, Walibi Belgium was the first Walibi amusement park. This family park offers musical shows and more than 40 attractions, half of which designed for young children, in themed settings. Walibi Belgium is internationally renowned for its biggest attractions such as Werewolf, Vampire, Dalton Terror and Radja River. And not to forget the park's legendary attraction, the "Psyké Underground", the world's only covered launch coaster, which propels its passengers 45 metres into the air at 85 km/h.

This season, the site continued the transformation initiated last year. Two new areas were thus opened: Karma World, which focuses on Indian culture, with a new interactive indoor attraction called "Popcorn Revenge", and Fun World, with a family-friendly roller coaster.

Aqualibi

Aqualibi is an aquapark next to Walibi Belgium, which opened in 1987. Spanning 6,000 sq.m, the park has eight slides, including the 140 metre-long "Rapido", and the "Xtreme" with its 50 km/h descent. A 300 sq.m space was recently created especially for children.

Bellewaerde

This family park in Ypres is a landmark in Belgium, where 40% of visitors come from the north of France. Established in 1954, Bellewaerde is a unique combination of an amusement park and an animal park, in a lush natural setting.

Bellewaerde is also officially recognised as a zoological organisation by the Belgian Federal Public Service for Health.

Aquapark

Next to the Bellewaerde site, a new indoor aquatic park of 3,000 sq.m was inaugurated this season. It features water attractions built in an oasis of greenery. Children of all ages can set out and discover two interactive expedition ships, a play area with a large tilting bucket and many other surprises such as the Lazy River.

In 2018/2019, the three Belgian parks generated revenue of €63.6 million with 2.24 million visitors.

Familypark in Austria

On 1 April 2019, Compagnie des Alpes acquired Austria's No. 1 leisure park – Familypark – located in the tourist region surrounding Lake Neusiedl, less than an hour away from the centre of Vienna.

During the 2018 financial year, Familypark generated revenue of €19.1 million with EBITDA of €6.8 million. It welcomed 716,000 visitors, of which around 30% were from Hungary and Slovakia. It is a high-quality regional park, with infrastructure and facilities that are matching the standards set by Compagnie des Alpes. Over the last few financial years, it has benefited from a level of investment that enables it to offer a product with all the intrinsic qualities of the group's portfolio of sites.

As Familypark has been consolidated since 1 April 2019, no data is available for 2018/2019.

The other Grévin museums (Grévin Montreal and Chaplin's World by Grévin)

Grévin Montréal

Topping the local cultural offering with its recreation of Grévin, the Montreal project keeps the fundamentals while adding a definite Quebecoise angle.

While the trademark and spirit remain French, the approach is different with regard to the multisensory experience, the stage design and the personalities chosen.

Chaplin's World by Grévin

Located between lake and mountain, Chaplin's World is an entertaining museum designed by Grévin to immerse visitors in the personal and Hollywood life of Charlie Chaplin, enabling them to discover both the man and the artist.

Located in Corsier-sur-Vevey (Switzerland), in the Manoir de Ban – where Charlie Chaplin lived with his family for the last 25 years of his life - the 3,000 sq.m museum was inaugurated in April 2016.

In 2018/2019, Grévin Montreal and Chaplin's World by Grévin generated revenue of €6.7 million and attracted over 322,000 visitors.

1.1.3 HOLDING AND SUPPORT ACTIVITIES (NEARLY 3.0% OF THE GROUP'S 2018/2019 CONSOLIDATED REVENUE)

This division now includes the consulting business of CDA Management and CDA Beijing, the online holiday retailing operations, CDA's legacy real estate agencies (previously consolidated under the Ski areas BU), and the operations of Travelfactory, acquired in January 2018.

1.1.3.1 Distribution activities

This BU includes the Travelfactory group since 1 January 2018, along with four other Group companies with similar business activities, including SC2A, Pierre & Neige and SCIVABEL.

For holiday retailing, the revenue corresponds to the margin or commission on the packages sold, except for the revenue provided by purchases of accommodation or ski passes, which is accounted for on the basis of the activity.

Travelfactory recorded overall business growth in 2018/2019, with launches of the Travelski site in Belgium, the Netherlands and the UK.

1.1.3.2 Consulting activities

Based on its first-hand experience as a leading ski resort and leisure park operator, Compagnie des Alpes has developed a consulting business. This subsidiary mainly offers its expertise to international clients and covers the following areas:

- development of site concept and market positioning;
- master planning;
- construction support;
- preparing for launch;
- operational support.

This consulting business is operated by CDA Management and its subsidiary CDA Bejing, which is in charge of contracts in China.

In 2018/2019, consulting revenue dropped in comparison with the previous fiscal year due to the expiration of the assistance contract with Jardin d'Acclimatation, following its re-opening. This drop was not offset by other contracts, including those with Jardin d'Acclimatation, and contracts in China, notably in Taicang and Beidahu, and in Japan and Uzbekistan.

For 2018/2019, the revenue of the Holdings and supports Division amounted to €29.5 million.

1.2 Strategy and outlook

During the 2018-2019 fiscal year, Compagnie des Alpes again achieved its strategic objectives, which are based on three pillars: the attractiveness of its sites, its customers' Very High Satisfaction and the profitability of its activities.

The Group's strategy is a long-term one, based on the following drivers:

- In Ski Areas: boosting growth in terms of volumes, which means increasing customer loyalty and renewing the customer base by taking action across the value chain;
- In Leisure Parks: accelerating growth through new products, increasing accommodation capacity and extending catchment areas.

In both business lines, this plan means continuing the pro-active investment policy, intensifying the digital marketing strategy, reinforcing the approach to CSR and, of course, seeking external growth opportunities.

The results have been positive.

The revenue of the Leisure Parks Division has grown by almost 50% since 2012/2013 and its profitability has more than tripled over the same period. For its part, the Ski Areas Division saw its sales grow once again by more than 3% during the fiscal year, in the context of a slight downturn in the French mountains. This growth can be explained by a positive price effect but, above all, by a fourth consecutive year of growth in skier-days.

This year was also marked by the purchase of FamilyPark, the leading Austrian leisure park located close to Vienna and the Hungarian and Slovakian markets, and whose assets match those promoted by the Group.

Compagnie des Alpes (CDA) is now a diversified European leisure leader, and thus less sensitive to changes in the economic cycle. The complementary nature of its two legacy business lines is one of the pillars of its solidity. Accordingly, it intends to seize the opportunity offered by the development of its leisure and ski markets in Europe and in new territories.

Concerning Ski Areas, Compagnie des Alpes sites are firmly positioned to offer a level of excellence that is world-class. Moreover, in order to meet the rising expectations of customers (40% of whom come from abroad), the challenges of renewing its customer base and the stiff competition from other European ski areas, as well as facing the threats accompanying global warming, the Group is focusing on improving its ski offering and enhancing the customer experience, at the same time as seeking to implement methods and products that are sustainable over the long term. The aim is to continue to strengthen the attractiveness of resorts by improving customer satisfaction across all aspects of their stay, in order to prompt repeat visits. Triggering this renewed momentum in growth (in volumes) necessitates a range of offers adapted to the different types of customers targeted by the Group: families, first-timers, young people and foreign visitors, and supporting them throughout their stay. In this context, Compagnie des Alpes performs the roles of developer, initiator, integrator and service facilitator in its resorts.

Efforts are primarily focused on investments. While the Group resolutely continues to renew and optimise the ski lifts that structure the resorts, as well as to develop the ski runs for which it is responsible, in agreement with its delegating authorities, with a view to improving customer satisfaction (fluidity, speed, comfort), the more than €100 million invested annually in the ski areas (€580 million invested since 2012/2013) have, for some years now, incorporated the initial responses to the new issues and challenges which the sector will have to face. Thus, the redevelopment of the Tignes glacier, with a funicular railway that has become an entrance to the Vanoise National Park, the development of the Aiguille Rouge footbridge at Les Arcs, and opening soon, below it, a breath-taking zipline experience (the KL), etc... these new developments are both a way of facilitating access to nature and of exploring potential summer activities, and types of activities, that the Group would be in a position to develop. It should be noted that the Altitude Experience in Tignes has made it possible to maintain the summer revenue of the Ski Areas, despite the early closures of the glaciers.

With regard to the more "classic" developments of the areas, new approaches have been included in recent years and optimisation does not just aim at fluidity and customer comfort, but also at energy consumption and the reasonable use of resources: optimising the number of ski lifts and recycling raw materials, reducing the number of pylons, lowering consumption by grooming machines and snow-making machines, species inventory, conservation of wetlands, implementation of solutions based on nature in partnership with Nature 2050, replanting of vegetation, etc. 40% of skier-days at CDA sites carry the Green Globe label. In 2021, Serre Chevalier will produce 30% of its own electricity through the use of three types of renewable energy (solar, wind power and hydraulic). The majority of the developments will use the station's own equipment and will be developed in collaboration with local craftsmen. Compagnie des Alpes pays great attention to this laboratory, which has strong potential in terms of reproduction and export. 1,000 tonnes of steel were reused for the last five modifications of the ski lifts by Ingélo - this was notably the case for the Legends and Cherferie chairlifts at Méribel... a redevelopment model that is also being used as part of the work to host the World Downhill Ski Championships in 2023!

At the same time, the Group is working on accommodation, adopting the role of facilitator and, occasionally, investor, with a view to increasing the amount and quality of tourist accommodation, and its occupancy rate.

Since its creation in 2013, and the creation of Foncière Rénovation Montagne, CDA has been active in the renovation, financing and/or holding of real estate assets for new hotels and tourist residences, as well as investments to retain and refurbish accommodation that is available for rent. This was the case recently for two tourist residences in La Plagne and les Ménuires, the management of which was awarded to its local real estate agency in the first case and to its subsidiary, Travelfactory, in the second. The Group renovated or created equal numbers of beds, with a total of 5,700 over five years in its scope.

The aim of this specific effort is to create a virtuous economic cycle in the resorts by boosting the number of skier-days. Although it has been viewed as a defensive position in the short term, the Group's involvement in restructuring the offering is now encouraging renovation, upscaling and the strategic emergence of new players, and is expanding the winning combination of site "visibility/appeal", by raising the quality of commercialisation and warming beds (including CtoC).

To round out its mountain holidays and accommodation distribution offering (started with the creation of Alpes Ski Résa in 2013), reach younger customers, and capture more international customers, in January 2018 the Group acquired the online tour operator Travelfactory. Started in 2000, Travelfactory has an integrated offer of mountain holidays based on the brands Travelski (online tour operator specialising in ski holidays) and SimplytoSki (website proposing hire of ski equipment and related services), as well as Golden Voyages and Ski-line, two specialist BtoB tour operators selling student ski holidays to French and Belgian customers respectively. Its portfolio is completed by the online tour operator Locatour, which provides holidays of all types throughout the year to Southern Europe and, in particular, a large number of camping holidays. Travelfactory's revenue exceeded €89 million in fiscal year 2018-2019.

The Group is accordingly the French leader in the marketing of ski holidays, integrating a small and agile structure, a laboratory for exploratory initiatives to meet certain identified challenges, such as renewing the customer base of young skiers (Golden Voyages is about to launch its "youth" brand) and new ways of marketing outdoor accommodation (Sunissim) which could be packaged with admission tickets to leisure parks, where appropriate.

Furthermore, this integration has accelerated the **increased density and alignment of its network of mountain real estate agencie**s. Thus, the Group manages more than 13,500 beds (i.e. a 25% market share of professional warm beds) through 10 real estate agencies (28 service offices). Moreover, these agencies posted an over-performance in the number of overnight stays since their occupancy rate is on average 3% above that of competing agencies.

The Group's excellent results in Leisure Parks for the sixth consecutive year highlight the growth and value-creation potential of the sites in the portfolio.

This momentum is the result of actively choosing attractiveness-boosting investments - which now represent over 50% of investments – and, in particular, made possible the roll-out of sought-after new attractions in all of the Group's parks in recent financial years. This year was dedicated to the continuing efforts made to intensify the visitor experience, in particular at Parc Astérix, which celebrated its 30th anniversary. Attention Menhir!, the new experience offered in the 4D cinema, is part of these efforts, while the extended opening hours enabled the park to welcome increasing visitor numbers, including for short stays, since the park now has two hotels (Les Trois Hiboux and La Cité Suspendue) representing a total of 300 rooms. The park once again posted record attendance, with over 2.325 million visitors. In addition, Grévin, whose storylines and visitor pathway were completely redesigned, reopened on 15 February 2019 after closing for a month to be redeveloped. Walibi Belgium and Rhône Alpes have continued their transformation. The former is due to have renovated nearly 75% of its offering by 2023, while the latter is set to consolidate its position as a major regional park. Following the warm welcome given to PopCorn Revenge at Walibi Belgium and Mystic at Walibi Rhône Alpes, Walibi Holland's new hybrid coaster, Untamed, has received recognition from its peers, being awarded the 1st prize in its category. These new attractions are popular among our visitors, who rate them above 9/10.

Another major highlight this year was the opening of an aquapark adjacent to Bellewaerde Park, which made it possible to attain the park's capacity-building objective. Work will continue in this respect.

In addition, **event organisation around key period**s (Halloween, Christmas, summer), the extension of opening periods and the provision of new services (guided tours, backstage tours, end-of-day pick-up in stores, treasure hunts, etc.), as well as improvements in the quantity and quality of restaurant and boutique outlets have largely contributed to the combined growth in satisfaction and in-park spending.

For the upcoming year, the Group intends to pursue its ambitious policy of investment in its parks in order to increase site capacity and support growth in visitor numbers, while simultaneously fuelling the immediacy of visits. In addition to the finalisation of the plans announced for the Walibi Belgium and Rhône Alpes parks, which will increase the number of storylines and catering facilities at these parks, new, transformative features will be added to Futuroscope, with a major attraction that sends the public on an interstellar mission, and Bellewaerde Park, with a family roller coaster.

In order to extend the catchment area of the portfolio's national parks, the Group is expanding the accommodation capacity adjacent to the Asterix site. The major project to increase this park's hotel capacity from 100 to 450 rooms (two additional hotels) and to densify the park's offering is two-thirds complete, and the Quais de Lutèce, the third and last hotel, will open in March 2020. The completion of this project will enable Parc Astérix to be accessible to visitors beyond a three-hour drive and make it a short-stay destination. In addition, the site has also extended its opening periods in summer and created a "Christmas" product that opened to the general public last December, thus further extending its operating period.

Lastly, the continued desire to understand and improve customer relations has l**ed the Group to support the intense development of its sites' digital initiatives to steer them towards an information integration and sharing approach:** with various methods depending on its business lines, to date the Group has collected and classified more than 3.8 million contacts which, through the creation of a single customer reference database and the implementation of precise and behavioural segmentation, enables it to contact its customers in a timely and effective manner and to propose the best services to them; on-line sales of both activities have grown significantly. With the establishment of practical and intuitive applications that make it easier to use the facilities (Yuge at Paradiski) or services in the Leisure Parks (restaurant app, Atonservix, etc.), the creation and management of communities of ambassadors and influencers in the Leisure Parks and, lastly, the roll-out of cutting edge and internalised technological tools (creation of a digital factory to optimise the leisure parks' platforms, testing of a multi-support access control system in the Ski Areas), actions are now coordinated and their results consolidated in a common datalake that contributes to keeping a single and special relationship with our customers in order to better know and serve them.

The Group is continuing to develop in Europe and new regions.

In its two business lines, the concrete successes of Compagnie des Alpes in advisory and contracting support services (Rosa Khutor, Arkhyz, and Elbrus in Russia, Veduchi in Chechnya, Kokhta and Mitarbi in Georgia, and Sindibad in Morocco) have enabled the Group to build a reputation and establish its credibility in these activities.

In line with the Group's desire to consolidate its European leadership position in its two historic business lines (Ski Areas & Leisure Parks), in April 2019, Compagnie des Alpes purchased FamilyPark, the leading leisure park in Austria. Located in the tourist region of Neusiedl Lake, less than one hour from the centre of Vienna, FamilyPark is easily accessible from Hungary and Slovakia. FamilyPark has a good reputation and high satisfaction ratings, reflecting both the quality of the asset and a positioning in line with Compagnie des Alpes' strategy. It is located in a significant catchment area (7 million people live less than two hours' hour drive away) in a region where there are no direct competitors. Moreover, the park has a real development potential given the 13 hectares of adjacent land reserves.

Furthermore, the Group's Development Department is continuing the active search for acquisition targets in Europe for its two business lines.

This Department has also focused efforts on identifying the right drivers to take advantage of the expected boom in Chinese customers, particularly at mountain resorts. The recent signing of a Memorandum of Understanding for an industrial partnership with Fosun should result in the design and operation of a new-generation snow dome in Shanghai. At the same time, the Group has started to look for acquisition targets in Japan, believing that this country will benefit from new Chinese skier customers.

Since its creation 30 years ago, Compagnie des Alpes has provided active leisure activities, which create social links that respect men and women and follow best professional practices. Its economic activity is firmly embedded in the history (past, and yet to be written) of the regions and natural areas where its sites and its activities are found. In view of this responsibility and the increasingly significant challenges which face its sector - primarily global warming - **in 2019, the Group set up a CSR Division**, the aim of which is to oversee the strategic CSR issues in the business lines, in order to consolidate the best practices already in use and to set itself ambitious progress targets. The Group has thus established an initial roadmap that prioritises its efforts according to five key issues based on people, nature and the economies of the regions. After undertaking initial work to assess and concretely measure its impacts, the Group will be able to make exemplary data-based and dated commitments falling within its strategic plan and its daily operating practices.

Buoyed by these results, Compagnie des Alpes has already achieved the published guidance objectives for FY 2019, *i.e.* business line EBITDA of between 36% and 37% to 37.3% for the Ski Areas Division, Leisure Parks EBITDA (excluding Futuroscope) of between 27% and 28% to 28.1%, and lastly, Operating ROCE of above 8%.

As the growth in the return on capital employed justifies the investments made, the Group intends to pursue this virtuous dynamic.

OUTLOOK

For the Ski Areas, since the business outlook concerns the entire season, the prospects offered by the calendar of school holidays (including the dates of European school holidays) are generally comparable to the previous year. With the very favourable weather conditions and the snowfalls at the beginning of the season, the resorts have been able to offer customers a quality product. Bookings, which were very high over Christmas, led to a very good start to the season. The Group remains confident as regards the overall business level.

It intends to pursue a sustained investment policy of slightly over €100 million over the 2019/2020 fiscal year in order to support PSC renewals and extensions, secure snow levels, and achieve the very high customer satisfaction objective. It aims to achieve an EBITDA margin on revenue of between 36% and 37% over the next fiscal year for this activity.

In the Leisure Destinations: After a year of consolidation last year, the Halloween season went as expected, despite rainy weather, at this way confirming visitors' attachment to events held at our sites on this occasion. Furthermore, the opening of Parc Astérix during the Christmas period was a great success. It highlights the Group's strategy consisting in developing the operation of sites during new commercial periods, similarly to Halloween.

In view of the consolidation of Familypark over 12 full months and the increase in the additional operating expenditures relating to its new accommodation capacities, the Group is retaining a 2019/2020 EBITDA margin target at the same level as that set the previous year, namely, a margin of between 27% and 28% (excluding Futuroscope and before applying IFRS 16). Furthermore, to support activity growth, Futuroscope and the Bellewaerde site will have new major attractions. At Parc Astérix, the construction work on the third hotel, Les Quais de Lutèce, is continuing with a view to an opening in the spring of 2020. Overall, the investment budget for Leisure Destinations should therefore reach a level slightly above €90 million, i.e. down about €10 million compared to that of 2018/2019.

For the Holding and Supports activity, the investment budget will be more than double that of the 2018/2019 fiscal year. The Group will intensify its digital strategy, both to support the international growth of Travelfactory and to facilitate the ramp-up of tools for the sites (datalake common to the business lines, "marketing automation" tools or overhauling the sales tunnels for the parks).

In all, in view of this increased investment in digital facilities, the amount of the Group's net investments in 2019/2020 should be quite close to that of 2018/2019.

Lastly, the target to be reached in 2022, an Operating ROCE greater than its 2016/2017 level, is maintained, it being recalled that this development will not be straight-line.

In conclusion, on the strength of a proven economic model, Compagnie des Alpes is now pursuing two objectives: consolidating its growth in Europe and accelerating its international development, by giving priority to industrial partnerships if necessary.

These strategies aim to turn Compagnie des Alpes into a great French leisure champion and a major player in international consolidation. This is why the Group wants to secure the support of powerful partners, particularly in leisure, the hotel trade and tourism marketing.

1.3 History

1989: Creation of Compagnie des Alpes by Caisse des Dépôts

1989-1990: Tignes (STGM – Société des Téléphériques de la Grande Motte) and **Peisey-Vallandry** (STAG – Société des Téléphériques de l'Aiguille Grive) consolidated under the acquisition policy.

1991-1994: La Plagne (SAP – Société d'Aménagement de La Plagne), **Les Arcs** (STAR – Société des Téléphériques de l'Aiguille rouge) and **Chamonix – Les Grands Montets** (Satal – Société d'Aménagement du Téléphérique Argentiére-Lognan) consolidated.

1994: Compagnie des Alpes floated on the second marché of the Paris Stock Exchange

1995: Les Ménuires (Sevabel – Société d'Exploitation de la Vallée des Belleville) consolidated.

1996: Minority stake taken in **Courmayeur** (CMBF Courmayeur Mont-Blanc Funivie) and **Val d'Aoste** (Italy).

1997: Flaine, Samöens, Morillon and Sixt (Grand Massif) consolidated.

2000: Méribel Alpina and **Téléverbier** (Switzerland) consolidated.

2001: Minority stake taken in **Saas-Fee** (SFB – Saas-Fee Bergbahnen, Switzerland).

2002: Diversification

Compagnie des Alpes diversified its activity by launching a friendly takeover bid for Grévinet Compagnie (a group of ten parks: Musée Grévin, Parc Astérix, France Miniature, Grand Aquarium de Saint-Malo, Parc des Mini Châteaux, Aquarium du Val de Loire, Bagatelle, Avonturenpark Hellendoorn and Dolfinarium in the Netherlands, and Fort Fun in Germany).

2003: Aquaparc in Bouveret (Switzerland) consolidated.

2004: Panorama Park (Germany) and **Pleasurewood Hills** (England) consolidated.

2004: Privatisation

Caisse des Dépôts et Consignations (CDC) holds only 40% of CDA capital (compared to 53% prior).

CDC sells a 13% stake to three banking groups with a strategic interest in the Alps region.

2004-2005: Serre Chevalier (SC 1350 – Serre Chevalier Ski Développement) and **Aletsch Riederalp** (Switzerland) consolidated.

2005: Planète Sauvage (Loire-Atlantique) and **Mer de Sable** (Oise) consolidated.

2005-2006:

Through a proactive acquisition policy, Compagnie des Alpes was able to balance out its businesses in that year and became a front-line player in leisure parks in Europe.

2006: Walibi Holland, Walibi Belgium, Aqualibi, Walibi Sud-Ouest, Walibi Rhône-Alpes, and **Bellewaerde** consolidated, and **Bioscope** opened.

2007-2008:

The stake in Sofival in 2008 was the latest major capital-intensive development for Compagnie des Alpes. It coincided with the Group's acquisition of **Val-d'Isère** (STVI – Société de Téléphérique de Val-d'Isère).

2007-2008: Minority stake taken concomitantly in **Avoriaz**, **Valmorel** and **La Rosière**.

2009: The **2 Alpes** ski area (Deux Alpes Loisirs – DAL) joined Compagnie des Alpes.

2009-2010: Rationalisation and Strategy refocusing

Reorganisation undertaken to enable more industrialised and integrated operations across all sites, in line with the Company's development ambitions. The stakes in operating companies in Switzerland and Italy were sold. The Group currently has minority stakes in four French companies; Chamonix (37.5%), Avoriaz (20%), Valmorel (20%) and La Rosière (20%).

2010: Financial restructuring

Medium- and long-term bank debt refinancing, capital increase of €100 million and €200 million bond issue.

2011: Futuroscope joined the Group, while control was relinquished over a group of seven non-strategic leisure parks: Bagatelle, Aquarium de Saint Malo, Parc des Mini Châteaux, Aquarium du Val de Loire, Aquaparc du Bouveret in Switzerland, Avonturenpark Hellendoorn in the Netherlands, and Pleasurewood Hills in the UK. The Group held a 27% stake in the acquiring company, Looping Holding (HIG group), up until April 2014.

2011: CDA Management's initial developments

The first contract for general contracting support and operations signed in its two business segments; one in Russia for the Rosa Khutor resort for the 2014 Winter Olympics in Sochi, and the other in Casablanca, Morocco in the Leisure parks business.

2012: Bioscope closed.

2013: Launch of Foncière Rénovation Montagne

With the support of Compagnie des Alpes' historical shareholders, for the purpose of renovating 500 accommodation units (≈ 2,500 beds) over a three-year period, and marketing them with skiers.

2013:

- the very first international Grévin museum opened in Montreal, Canada;
- International Development and New Business Department created;
- launch of Alpes Ski Résa, a website for the sale of ski holidays.

End-2013: New concept and strategic fine-tuning

Our customers' Very High Satisfaction became the guiding thread of our Leisure parks strategy. Resuits guidance announced to the market for the first time.

2014:

- Grévin Prague opened in the Czech Republic;
- Sochi Olympic Games;
- Leisure parks Department organisation overhauled.

2013-2014: Ramp-up of CDA Management

In Russia, Compagnie des Alpes produced the master plans for three ski resorts and one leisure park in Moscow. In China, the Group is providing support to the Chinese authorities for the first season at Thaiwoo. In Japan, the strategic partnership with the MacEarth group is ongoing.

2014-2015:

- **Grévin** Seoul opened in South Korea;
- **Sindibad** opened in Casablanca, Morocco;
- sale of 4 leisure parks; Dolfinarium, Walibi Sud-Ouest, Planète Sauvage and Mer de Sable.

2015: 1st contract in China: "Thaiwoo".

2015-2016:

- new concession contract for Jardin d'Acclimatation awarded to the LVMH/Compagnie des Alpes consortium;
- opening of Chaplin's World By Grévin;
- opening of a subsidiary in China and ongoing international development through operational support contracts.

2016-2017:

- sale of the Fort Fun site in Germany;
- continuation of the operational support contract for the Thaiwoo resort, assistance with the design and construction of the Yanqing resort which will host the major events of the 2022 Winter Olympics, and master-planning contracts in Altai and in the Urumqi region;
- refinancing of the 2017 bond (€200 million) and amendment of the RCF syndicated loan (€250 million).

2017-2018: Acquisition of Travelfactory

- sale of the Grévin sites in Seoul and Prague;
- acquisition of 73% of Travelfactory. Compagnie des Alpes becomes the No. 1 retailer of ski holidays in France.

2018-2019: Acquisition of Familypark

- acquisition of 100% of the shares in Familypark, the leading Austrian leisure park;
- diversification and optimisation of the Group's sources of financing with the issuing of a new USPP of €65 million, and the setting up of a NEU CP programme capped at €240 million.


ENVOÛTEMENT
PASS

2

RISK FACTORS

In accordance with regulation (EU) 2017/1 129 of 14 June 2017, revising the Prospectus Directive and published in the Official Journal of the European Union on 30 June 2017, Compagnie des Alpes has complied with the new regulatory requirements in terms of the clarity and the simplification of the presentation of risk-related information.

Compagnie des Alpes is presenting a risk classification based on the Group's new risk mapping, highlighting the 12 priority risks identified through our top-down risk assessment approach. To identify and evaluate risks, Compagnie des Alpes relies largely on the work of its Group Risk Committee, which meets several times a year in the presence of all members of the Executive Committee.

The Group has reviewed the risks that might have a significant negative impact on its business, its financial position or results, and has concluded that there are no specific or material risks other than those presented below.

This chapter defines the risk management procedures, along with the processes and internal organisation put in place in this regard. It also details the main risks to which Compagnie des Alpes may be exposed, classed into five categories: strategic risks, operational risks related to its activities, human risks, regulatory and compliance risks, and financial risks.

2.1 Risk management procedures

CDA Group's risk management is handled by the Risk, Insurance and Crisis Management Department.

It aims to identify, analyse, assess, monitor and control the main risks to which the Group and its subsidiaries are exposed, thus helping to:

- protect the value, assets and reputation of the Group;
- secure decision-making and processes to help ensure targets are met;
- ensure that the Company's preventive actions are consistent with its values;
- mobilise Group employees around a common vision of risks.

These procedures are based on:

- an organisational framework defining roles and responsibilities;
- a risk management process comprising the steps of risk identification, risk analysis and risk management;
- management of the procedures.

Driven by Executive Management and implemented by the Risk, Insurance and Crisis Management Department, these procedures are applied to the holding company and all entities.

As is the case with any control procedure, while providing a structured, cross-cutting vision of the risks, the risk management procedures cannot provide an absolute guarantee that the Company's targets will be met.

Organisation

The Executive Management of the CDA Group decides on:

- the objectives and values of the Group;
- the risk management policy;
- the organisation and responsibilities in the area of risk monitoring;
- the risks to be addressed as a matter of priority and the acceptable risk level.

The corporate officers of the entities are the final risk owners of the risks and are responsible for implementing action plans for all risks under their responsibility.

As defined during the risk mapping process, the risk owner is responsible for the action plan and for monitoring the reduction of an identified risk that may linked to the Company's various activities.

The Group's experts provide support to the definition and implementation of the action plans. They are consulted and coordinated by the Risk, Insurance and Crisis Management Department. This enables them to share their methods and take charge of cross-functional assignments.

Steering of risk management procedures

A Group Risk Committee, chaired by the Chairman and Chief Executive Officer:

- meets quarterly;
- includes all members of the Executive Committee, the Human Resources Director and the Audit and Internal Control Director;
- is prepared and led by the Director of Risk, Insurance and Crisis Management.

It is responsible for the steering of the risk management procedures. It examines the progress of the action plans relating to the key risks identified and the incidents that occurred over the previous period. It then decides on the approaches to be adopted and, if necessary, acts as an arbitrator. Lastly, it takes decisions on certain risks that are not considered a priority, either as a result of the economic or social environment, changes in indicators or weak signals that require particular attention.

Specialist Committees complete this system and allow operational risks (risks linked to IT systems) or specific issues (risks linked to intangible assets) to be monitored more closely, as required.

Procedures and Steering of risk management

The CDA Group carried out detailed risk mapping for its entities and the holding company over several years, based on an assessment of potential impacts, the likelihood of a risk arising and the degree of control present. Risk mapping initially relies on the gathering of information from operating subsidiaries in order to assess their risk potential.

Since 2016, the Group Risk Committee has reviewed and defined the 8 new priority risks of the Group and its subsidiaries.

In parallel with these bottom-up risk mapping measures, in 2018/2019 the Group initiated a top-down risk assessment procedure, to round off the existing approach.

This methodology, which is essentially based on interviews with the Company's main executives, aims to analyse the situations and scenarios that may have a medium/long-term impact on the Company's value and strategy.

This dual approach (bottom-up and top-down) thus increases the efficiency of the Company's risk management process and short/medium/long-term visibility on its objectives.

Through an analysis conducted by the Risk, Insurance and Crisis Management Department, each risk defined in the interviews is assessed in terms of financial, human and intangible impact, as well as the likelihood of its materialisation, and the potential improvement margin with respect to its management. The risks are classed into five categories: strategic, operational, human, regulatory and financial.

Through several risk-ranking workshops with the Executive Committee, a risk priority matrix has been defined, laying down a list of 12 priority risks and thus validating the new risk map (set out below), showing the probability of occurrence of the risks, their impact, and their priority level (1 or 2).

The Group's key risks are classed into 4 categories:

- strategic risks,
- operational risks related to its activities,
- human risks,
- regulatory and compliance risks.

Risk category	Group risk	Probability	Impact	Priority
Strategic risk	Change in leisure consumption habits	Possible	Critical	Priority 1
Strategic risk	The current real estate market	Possible	Critical	Priority 1
Strategic risk	Impacts of climate change	Possible	Critical	Priority 1
Strategic risk	Change in the competitive environment	Possible	Significant	Priority 1
Operational risks	Cyber attack – cyber risk	Possible	Highly critical	Priority 1
Operational risks	It system failure	Possible	Significant	Priority 1
Human risk	Human resource shortage	Frequent	Significant	Priority 1
Operational risks	Security – safety of the sites	Possible	Highly critical	Priority 2
Operational risks	Bodily injury to customers	Rare	Highly critical	Priority 2
Human risk	Personnel safety	Rare	Highly critical	Priority 2
Regulatory and compliance risk	Non-compliance with regulations	Rare	Highly critical	Priority 2
Regulatory and compliance risk	Loss of major public service concession	Rare	Highly critical	Priority 2

For each of these key risks, ranked in order of priority and impact, risk management measures have been defined:

- with a view to prevention, to attempt to reduce the likelihood of the risk arising;
- with a view to protection, to limit the impact on the Group;
- with a view to transferring the risk of financial loss to insurance companies, for insurable risks.

To monitor these priority risks over several years, several indicators have been defined for each of them.

2.2 Strategic risks

2.2.1 RISKS LINKED TO CHANGING LEISURE CONSUMPTION HABITS

The development of winter sports resorts over the past 50-plus years has enabled an ever broader clientèle to discover the pleasures of the mountain and skiing.

The Group is engaged in promoting and distributing new offers to customers.

Compagnie des Alpes supports numerous initiatives to promote mountain tourism in the summer. Moreover, the Group has embarked on the digitalisation of its marketing, in particular through its subsidiary Travelfactory, providing better control of distribution channels. Furthermore, Compagnie des Alpes offers a variety of non-ski activities, thus broadening the range of leisure activities offered to customers.

In addition, Compagnie des Alpes is continuing to improve its ski lifts, offering greater comfort for greater customer satisfaction.

2.2.2 RISKS LINKED TO THE REAL ESTATE MARKET

Many French winter sports resorts are seeing a part of their rental property downgraded, and some professional accommodations transferred to general use, which can affect occupancy and thus Group revenue figures. Compagnie des Alpes intends to find solutions to solve this problem. As a consequence, it partnered with a group of institutional investors to set up a mechanism for acquiring and marketing of these so-called "cold beds". This project, initiated by "Foncière Rénovation Montagne", allows the acquisition, renovation, upgrade and marketing of accommodation units. It has been deployed in 5 resorts located in a ski area managed by the Group.

Compagnie des Alpes is thus contributing to re-marketing of accommodation units previously occupied very few days a year, with a total renovation investment of €11 million.

Whenever possible, the Group favours real estate operations with long-term leases and high-performance managers offering highly attractive products, thus spurring development projects with a positive impact on the ski Areas it operates.

Transactions on the real estate market are only carried out if there is a direct link to the operation of the sites on which the Group conducts its principal business activities.

Consequently, Compagnie des Alpes is exposed to the risk of a possible downturn in the real estate market. However, since most of the land rights in which it had invested have been sold, its exposure so far remains limited.

Furthermore, Compagnie des Alpes is developing a network of real estate agencies with 13 companies and 28 offices managing a total of 11,000 beds.

2.2.3 RISKS LINKED TO THE IMPACTS OF CLIMATE CHANGE

Ongoing shortage of snow throughout a season cannot be totally ruled out and constitutes the risk which ski area operators are most aware of.

All climate models forecast a gradual increase in average air temperatures worldwide in the 21st century. Concerning future snow levels, there could be good winters, along with normal winters and low-snowfall winters.

However, Compagnie des Alpes has acknowledged this risk through its choice of sites, which are located at high altitudes to enjoy favourable long-term snow conditions. Moreover, our snow-making and snow-quality programmes strengthen this strategy and increase the resilience of our economic model.

The Group's resorts actively participate in efforts to limit greenhouse gas emissions. Measures are taken to reduce the pollutant emissions of grooming machines (of which the latest models reduce fuel consumption), as well as optimise cable ski lifts and collective transport to the resorts, etc.

The latest grooming techniques also help to maximise the duration of the snow cover on the slopes while reducing the number of grooming operations required.

Visitor numbers at open-air Leisure parks can be affected by rainfall and severe heat waves. The Group reduces this risk through an adapted business policy (pre-sales for specified dates, for example) and by increasing the number of covered attractions. While the possibility of intense continuous rainfall having a lasting effect on main park visitor numbers during the summer peak cannot be ruled out, such conditions remain rare. To improve visitor comfort, the Group has stepped up the installation of mist sprayers and sun shelters.

The Group's diverse range of activity, both in terms of its business lines, geographic locations, and multi-seasonal operations reduces the impact of this weather-related risk.

2.2.4 RISKS LINKED TO THE COMPETITIVE ENVIRONMENT

Given the stiff competition in leisure activities, the Group must constantly improve its offering and enhance the customer experience, while investing in new attractions and in the renovation of ski lifts to ensure both comfort and safety. The Group has also undertaken to optimise its resources, particularly through yield management.

Our new digital strategy, which involves extensive knowledge of our customers, is instrumental in improving our customers' satisfaction and securing their loyalty.

This drive to provide Very High Satisfaction to our customers – which has been one of our core concerns for a number of years – enables us to constantly improve our competitiveness and thus raise the positioning of the Group's sites in relation to competitors.

Moreover, Compagnie des Alpes tracks the positioning of its competitors in each of its strategic activities and geographical areas.

2.3 Operational risks

2.3.1 RISKS OF CYBER ATTACKS

In view of the growth of digital activities within companies, where each facet of a company's operations depends on the security of its IT systems, the Group – like any other business – must be prepared to deal with any cyber attacks, cyber threats or cyber spying incidents.

For a number of years now, the Group has taken measures to control its systems and protect them from risks such as data loss, the stoppage of certain operations, and damage to its reputation. In order to maintain the required performance levels and business continuity, a large number of projects have been implemented. They include:

- the mapping of the sites;
- making the Group's sales websites more secure;
- Group-wide standards for suppliers,
- the tracking of spam and alerts;
- raising the awareness of all users;
- protecting the Group's e-mail system;
- the upgrade of all equipment that had become obsolete, and therefore sensitive.

2.3.2 RISKS OF IT SYSTEM FAILURE

The Group is dependent on IT systems, particularly for its financial activities, administration, ticketing and internal sales. The Group also uses e-commerce sites and sells electronic tickets and ski passes. It therefore closely monitors the integrity of its commercial and internal websites.

For this reason, the Group has put in place an IT risk management policy which is coordinated by the IT Systems Department and its Head of Information System Security, with the support of the Risk, Insurance and Crisis Management Department.

Since marketing is becoming increasingly digital, the security of the IT systems used is primordial. To cope with any stoppage of a key system and optimise its resilience, the Group has put in place a range of protective measures, processes and regular analyses. They include the following:

- data and network redundancy;
- tracking of incidents;
- backup and restoration of all application environments;
- business recovery plans;
- preventive maintenance plan.

2.3.3 RISKS OF BODILY INJURY

Visitor safety is a major concern for all managers and employees of the Group.

The Group ensures that:

- the equipment used is designed, manufactured, installed, operated and maintained in strict application of current standards, so that under normal conditions, or conditions reasonably predictable by a professional, normal safety conditions are respected and no person's safety is put in jeopardy;
- products (consumables and other products) comply with current regulations and standards;
- all regulatory checks have been carried out and each facility is verified regularly before and during the sites' operating season.

The Group pays particular attention to the compliance and safety levels of themed items sold in Leisure parks stores. The toys in particular are subjected to a stringent control procedure to guarantee optimal safety during use. Audits are conducted on the quality assurance procedures at the main toy-maker and crockery factories (control of raw materials, manufacturing process, compliance with EC regulations, etc.).

The Group relies on a network of partners in the areas of quality and safety who are responsible for monitoring and improving control processes. At the Group's sites and at its headquarters, emergency plans have been devised in case of a serious accident in order to limit the consequences as much as possible. A crisis management system is also in place.

With its insurance broker's prevention engineers, the Group regularly conducts civil liability prevention visits covering all its business-specific risks, thus continuously improving the management of risks of bodily injury.

At Leisure parks, numerous checks are conducted by the technical teams to ensure a totally safe visitor experience:

- checks and certification by an independent body before the start of the season, and subsequently for the preparation of winter maintenance: in each country, a government-approved body verifies all of the attractions, recreational areas and water slides twice a year. The control body produces a report and delivers a certification for each of the attractions. The check includes the proper operation of the attraction in its environment, and related external risks (*e.g.* height criteria, embarking areas, internal procedures, etc.);
- regular internal checks before opening to the public: daily, weekly, monthly, quarterly and annual internal checks are conducted. They cover all the points to be verified and are supervised by a superior before the facility is commissioned;

- control plan: The Leisure parks Technical Department also draws up a multi-year control plan aimed at ensuring the longevity of the facilities and focusing on specific points (*e.g.* acceleration measurements, consistency with the latest European standards, analysis of weak signals);
- audit: The Operations Department - Leisure Park Destinations carries out inter-site peer reviews. This ensures that best practices are capitalised on and disseminated.

For Ski Areas, various regulatory and internal checks are carried out by the technical and operational teams to ensure the safety of the Ski Areas managed by Compagnie des Alpes:

- check conducted by an independent body before the start of the season, and subsequently for the preparation of winter maintenance: for example, the Service Technique des Remontées Mécaniques et des Transports Guidés (STRMTG), a certified inspection body coming under the French ministry in charge of the ecological and solidarity-based transition (MTES), verifies all of the ski lifts once a year;
- regular internal checks before the start of the winter season and opening of the facilities to the public: daily, weekly, monthly, quarterly and annual internal checks, as well as the Major Inspections scheduled over several years, are carried out by the technical and operational teams. They cover all the points to be verified and are supervised by a superior;
- maintenance: The technical teams of each Ski Area also draw up a preventive maintenance plan, taking into consideration the feedback from the various resorts, with the aim of ensuring the proper operation of the facilities;
- safety: the sites comply with the directives of Decree 2016-29 of 19 January 2016 relating to the safety of ski lifts and conveyor systems in mountain areas, through a safety management system involving a specific organisational unit tasked with laying down the maintenance measures and operating rules required to ensure operational safety, as well as permanent measures to ensure they are complied with.

2.3.4 SECURITY RISKS

Since the terrorist attacks of 2016 and 2017, the Group's management has strengthened the monitoring of terrorist-related risks.

While it is difficult to assess the impact of this risk on the Group's financial position, in particular because of the geographic spread of its activities, the safety of visitors and staff generally remains a major concern for the Group. Measures aimed at protecting visitors and employees have been implemented and are reviewed by the teams on a regular basis.

The Group's sites have put in place measures aimed at protecting visitors and staff. They involve a high level of protection and prevention, more stringent access control, video surveillance, as well as bag checks through security scanning stations. Several of our sites (including Futuroscope and Parc Astérix) have obtained the "Securi-site" label granted by the French prefectures to hotels and tourist sites willing to work hand in hand with the prefecture to ensure the safety of tourists.

2.4 Human risks

2.4.1 RISKS OF HUMAN RESOURCE SHORTAGE

Human capital is a key element for the competitiveness and performance of a business.

Due to the seasonality of our activities, non-permanent staff (seasonal for both business segments), accounted for 58% of the Group's FTE headcount over the past fiscal year.

The seasonal worker return rate is thus a crucial factor for the smooth functioning of our activities, which are concentrated over a specific period of the year – whether in Ski areas or Leisure parks – and in geographically specific sites.

In Ski Areas, 87% of seasonal workers are rehired from one season to the next, thanks to the strong involvement of the local population. In Leisure parks, 49% of the seasonal workforce is renewed on a regular basis, with a younger, and thus more volatile population.

For permanent employees, who account for 42% of the headcount, we strive to promote their satisfaction and secure their loyalty through professional training and certification programmes.

Moreover, the integration of new employees is a priority for us to achieve even better career security (primarily through training) and well-being at work.

To overcome any staff shortage and attract more talent, the Group's human resource management focuses on several key areas, including the following:

- relocation and accommodation assistance;
- systematic succession planning;
- a "Heart of CDA" campaign focusing on the employer brand;
- the promotion of employee integration through personalised training;
- the development of professional training and certifications and the promotion of work-study contracts.

2.4.2 RISKS RELATING TO EMPLOYEE SAFETY

Employee health and safety at work is the cornerstone of the Compagnie des Alpes labour policy.

Each year, we make every effort to improve and to guarantee health and safety at work for our employees. This key issue is decentralised. Each site decides on the most appropriate initiatives for its particular activity.

Thus, over the year, a total of 31,508 hours of safety at work training was provided.

In compliance with the law of 31 December 1991 and the decree of 5 November 2001, professional risk evaluation documents (personnel health and safety) are compiled and updated regularly on French sites. They include risk identification by business segment and job position as well as action plans. Each company is in charge of creating the single document for risk evaluation, and of updating it. This applies to all sectors, all reporting levels, and all employees, regardless of their status.

Due to the nature of its activities, the Group is exposed to the risk of employees being involved in an accident on the Group's sites, especially when using, operating or carrying out maintenance on ski lifts or attractions and facilities in amusement parks.

For the CDA Group, the security and integrity of its employees are priorities (see also section 4.2.3.3). Before the start of each season, forums are organised to welcome new employees and distribute as necessary booklets or welcome guides that set out these priorities. It is also a good opportunity to tell employees about the low season activities and corporate strategy and explain what they can do to increase the "Very High Satisfaction" of customers.

Training is dispensed on customer hospitality and safety and also operational procedures, preventive measures (movement and postures, working at heights, using chemical products, etc.), and procedures to follow in the event of an incident.

2.5 Regulatory and compliance risks

2.5.1 RISK OF NON-COMPLIANCE

The risk of non-compliance is monitored by the Group's Legal Department. Compagnie des Alpes implements a set of procedures to comply with applicable regulations in respect of labour, competition and financial markets law.

The Group's sales and marketing teams have been made aware of the importance of increased vigilance with regard to the compliance of contracts and pricing policies, and promoting a stronger compliance culture within the Group and its main suppliers.

2.5.2 RISK OF MAJOR LOSS OF A PUBLIC SERVICE CONCESSION

Compagnie des Alpes operates its Ski Areas, ski slopes and ski lifts under public service concessions (PSCs) granted by regional authorities.

The economic model of Compagnie des Alpes' Ski Area activities is thus based on integration in the mountain ecosystems, involving cooperation with all stakeholders in order to develop and further improve the current offering and the quality of the activities available.

The renewal of each of the PSCs involves the identification of capital expenditure requirements and the analysis of their relevance, as well as the definition of the regulatory, local and environmental frameworks, in close collaboration with the sites and Group departments concerned. An approval Committee validates the response dossiers before sending them to the authorities. The goal is also to secure operations over the long term by participating in the development of the real estate offering and optimising the sale of ski passes.

The reputation of professionalism and cutting-edge skills earned by the employees of Compagnie des Alpes reduces the risk of non-renewal of a PSC and contributes to the value chain.

2.6 Crisis management procedures

Should a crisis arise, the Group has a crisis management system that allows it to quickly mobilise individuals with appropriate expertise to minimise the impact of the crisis and ensure it is resolved in the most effective way. The crisis management system takes into account the Group's development, in particular its international scope and new areas of business.

The Chairman and Chief Executive Officer has placed this system under the responsibility of the Risk, Insurance and Crisis Management Department, which ensures it is implemented, applied and monitored, in coordination with the Group Communications Department, which is responsible for crisis communication.

Operational crisis management and communication management guides are distributed to Group entities. These guides include common definitions, a warning procedure, and designated individuals in the subsidiaries for setting up a crisis unit.

Designated individuals on call 24/7 have been trained to be able to take action in the event of a major crisis, in accordance with clearly defined rules.

Specific training has been provided to the Executive Committee, subsidiary managers and crisis officers.

This system enables the Group to be responsive and take quick decisions, both internally and in relation to stakeholders. It allows rapid and effective support to be provided to subsidiaries experiencing a serious incident and to mitigate the consequences, whether in terms of damage to the Group's image or impact on its activity, at Group or subsidiary level.

2.7 Insurance – risk cover

The Group has entered into liability insurance programmes, civil liability programmes for de facto and *de jure* managers and property damage insurance, and cover for corresponding business interruption with leading insurance companies.

All Group companies that are more than 50%-owned by the Group, or for which the Group has responsibility for insurance, are covered by these insurance programmes.

These Group programmes were the subject of a call for tenders in 2017, resulting in a significant improvement in insurance cover and limits for liability as well as property damage.

In addition to these programmes, Group companies have taken out mandatory insurance policies, such as civil liability for vehicle fleets, as well as other specific policies covering areas such as construction and assistance.

2.7.1 CIVIL LIABILITY INSURANCE

Renewed on 1 October, the civil liability policy covers operating, post-delivery, and professional liability, and contains the exclusions generally applied on the insurance market. The principal sub-limits are for criminal negligence, accidental pollution, and general contracting civil liability.

The cover is supplemented with policies dedicated to Environmental Liability and Corporate Officers' Liability.

2.7.2 INSURANCE POLICY COVERING DAMAGE TO PROPERTY AND RELATED BUSINESS INTERRUPTION

Taken out on 1 October, the insurance policy covering property losses is an "all risks except" policy containing the exclusions generally applied on the insurance market, and principally covers risks of fire, natural disasters, breakdown of machinery, and related business interruption.

This programme is partly reinsured (for up to €2 million per year) by Loisirs Ré, a wholly-owned subsidiary of the Group.

In conjunction with the sites and insurers, the Group revises and improves its prevention policy on the basis of prevention manuals enhanced every year through feedback and regular visits by insurance brokers who make recommendations which are monitored half-yearly.

2.8 Internal control procedures

To constantly improve its internal control and risk management system, Compagnie des Alpes looks to the internal control and risk management procedures reference framework published by the AMF in June 2010. For this report, CDA has used the implementation guide intended for small and mid-cap companies, published in July 2010.

The AMF's reference framework stresses that internal control and risk management procedures should be used in a complementary way to control the Company's activities.

2.8.1 INTERNAL CONTROL PROCEDURES

Internal control is a set of procedures implemented by the Group's Executive Management, senior executives, and employees. It is designed to provide reasonable assurance that the following objectives are being met:

- compliance with the current laws and regulations;
- the application of the Executive Management's instructions and guidance;
- the completion and optimisation of operations, in particular those helping to protect the Group's assets;
- the reliability of financial information.

Internal control is one element of the Group's overall management system, as it helps to ensure that:

- the Company's activities are controlled, its operations are effective and its resources are used efficiently;
- operational risks linked to the various operational processes, in particular risks of error or fraud, are managed.

As is the case with any control system, the system the Group employs cannot provide an absolute guarantee that the risks identified have been eliminated entirely or are completely under control. It is intended to reduce the likelihood of these risks arising through the implementation of appropriate action and prevention plans.

The Executive Management of the CDA Group is responsible for implementing and monitoring the effectiveness of the internal control procedures employed by the Legal Affairs, Audit and Internal Control Department, on the Executive Management's initiative, for the holding company and all controlled entities. This system is tailored to the nature and scope of each of the activities and is integrated into existing processes in order to empower actors as closely as possible to the processes. It primarily consists in providing the required tools and an information-sharing platform, so that each employee is fully aware of their role in the system.

An Internal Control Charter specifies the key operating principles (roles and responsibilities, governance, methodology). It is available in the Group's reference documents.

The internal control system consists of five elements:

- an organisation – *i.e.* clearly defined responsibilities, adequate IT resources and skills based on rules and procedures;
- the publication of relevant information;
- a risk analysis system;
- proportionate control measures;
- a continuous monitoring system.

Group organisation

The Executive Management of the CDA Group decides on:

- organisation, responsibilities and the delegation of powers and/or signing authorities;
- the objectives, policies and values of the Group.

Group management, which is the responsibility of the Chairman and Chief Executive Officer [(1)], is based on a matrix organisation split between large functional and operational departments, each led by a member of the Executive Committee (Comex). There are 7 such departments:

- four operational departments manage the implementation of Group strategy and are responsible for the achievement of commercial and financial targets, management, and human resources and risk management at all operating entities under their responsibility:
  - the Ski areas Department,
  - the Leisure parks Department,
  - the Strategy, Development and Mergers & Acquisitions Department, mainly responsible for development in France and internationally,
  - the Distribution, New Business Lines and Innovation Department, mainly responsible for the development strategy concerning products and new business lines;
- the Communications, Brand and Corporate Social Responsibility (CSR) Department, in charge of financial and institutional communications, as well as brand-related and CSR issues;
- the Finance, Risk, IT, and Procurement Departments, which have responsibility for the Group's financial policy, in particular the production of accounting and financial information, procurement policy, the IT master plan and risk and insurance policy;
- the Legal Affairs, Audit and Internal Control Department.

Main Group charters

Charters are given to all employees, setting out the Group's values:

- the Corporate Governance Charter defines the areas in which Executive Management decisions are subject to prior approval by the Board of Directors, as well as the conditions for the granting of said approval. The Charter also states the missions and prerogatives of the different Committees of the Board of Directors, particularly the Audit and Finance Committee. The Charter is available on the Group website: www.compagniedesalpes.com;
- the Ethics Charter states the values and principles of the Compagnie des Alpes Group. It serves as a guide for professional behaviour, reviews the basics of investment ethics, explains the risks of conflicts of interest, and defines appropriate behaviour. It is adjusted in line with regulatory developments;
- pursuant to Law No. 2016-1691 of 9 December 2016, known as the Sapin II Law, the Group has a plan for the prevention of corruption and trading in influence, including an anti-corruption code of conduct and a whistleblowing procedure;
- a procedure for the prevention of fraud, money-laundering and the financing of terrorism;
- a charter for the use of IT resources. Like the Ethics Charter, it is being gradually applied to all Group employees.

Information and communication

Each functional or operational department defines the charters, rules and procedures that fall within its area of responsibility.

These documents make up the Group Reference Documents, which are made available to all Group employees who are required to apply them. In 2019, a new document management tool, administered by the Audit and Internal Control Department, will improve employee accessibility through the Group's Intranet.

The entities of the Group are responsible for translating Group rules and procedures, into rules, procedures and operating methods adapted to their organisation, and also for communicating these to all employees concerned.

Definition of control measures

Since 2013, the CDA Group has embarked on a more detailed formalisation phase of its internal control system, which is gradually being deployed on all of the Group's processes listed in the process mapping, with a priority given to processes impacting the main income statement lines (sales, purchases, etc.), the production of accounting and financial information, as well as the Group's priority risks.

For each of the processes concerned, the method applied involves drawing up all or some of the following documents:

- flow diagram: schematic description of the steps involved in the process. This flow diagram is a standard document at Group level;
- internal control benchmark: this guide translates the general internal control targets and describes the controls to be implemented to ensure better control of each of the risks identified, at the level of each step of the process;
- self-assessment questionnaire: this makes it possible to assess the extent to which operating procedures and methods comply with the internal control standard recommended by the Group.

All these documents are prepared in collaboration with operational staff, risk experts and the operational departments concerned. Every year, the system is strengthened with the introduction of new processes that are prioritised with the help of Executive Management and the support of the Risk, Insurance and Crisis Management Department.

(1) Until 15 October 2018, the Chairman and Chief Executive Officer was assisted by a Deputy CEO.

In particular, the system has been enriched with technical standards that are used during cross-referencing between the operational teams of the sites, in order to share best practices and expertise.

Since 2013, the gradual addition of new processes to the internal control procedures has strengthened the visibility given to departments as regards risk control for key processes at each Compagnie des Alpes site.

A fraud prevention system has been implemented to complete the internal control system. This comprises:

- steps to raise awareness amongst employees of financial fraud techniques and how they should act if they encounter attempted fraud: identity theft, protection of sensitive information, etc.;
- a system for communicating cases of fraud or attempted fraud by financial managers and operational staff of Group entities. Each notification is analysed and a prevention notice is distributed where necessary.

Continuous control and management

For all processes with an internal control guide, the Legal Affairs, Audit and Internal Control Department:

- manages the launch of self-assessment campaigns, by sending the questionnaire to the persons responsible for the processes;
- analyses the responses and draws up a summary for the whole Group;
- proposes action plans and shares best practices.

The entities draw up and initiate compliance action plans, which must allow risks to be reduced to an acceptable level for the subsidiary. These entities incorporate relevant controls into their rules and operating procedures and methods.

The establishment of action plans is the responsibility of the entity's management and depends on the entity's financial and human resources and priorities. Process maturity is reviewed, particularly during internal audit missions, new review campaigns or *ad hoc* missions conducted at entities.

2.8.2 PROCEDURES RELATIVE TO THE PRODUCTION OF ACCOUNTING AND FINANCIAL INFORMATION

Organisation and procedures

Accounting and financial information relating to the CDA, a listed company, is drawn up by the Holdings Consolidation and Accounting Department.

This department is responsible for the preparation and production of the parent-company financial statements of holdings and the Group's consolidated financial statements. It therefore prepares the financial section of the half-year report and the Universal Registration Document relating to the financial statements as at 30 September, with due consideration for the regulatory requirements applicable to listed companies.

Within this context the Holdings Consolidation and Accounting Department defines the Group's accounting standards and ensures that they are distributed and applied in accordance with the following principles:

- the Financial Directors of the entities are responsible for preparing and producing the parent-company financial statements for their entity. The parent-company financial statements are prepared on the basis of the accounting principles in force in the country, and are restated at the consolidated level, if necessary, to respect the accounting principles laid down by the Group, which makes it possible to guarantee the consistency of the accounting principles used for the consolidated financial statements;
- the formats and tools for submitting information to be consolidated are identical for all consolidated entities.

The CDA prepares the consolidated financial statements in accordance with IFRS.

An annual schedule for the consolidated financial statements is sent to Financial Directors and Directors of all consolidated entities. Instructions on the closing of accounts are sent to them before each account closing date.

The consolidation of the financial statements is based on a tailored information submission system that allows the information to be processed reliably, consistently and in full within the set period.

Chief Executive Officers and Financial Directors of entities undertake to ensure the quality and completeness of the financial information sent to the Group, including off-balance sheet items, by signing a representation letter.

In addition to this highly regulated procedure for producing and communicating the half-year and annual financial statements, management of the financial strategy is also supported by carrying out three projections during the year (including one interim) and by drawing up the budget and medium-term strategic plan. The Holdings Consolidation and Accounting Department, which guarantees the reliability of data at Group level, is responsible for producing this data.

Now part of the Holdings Consolidation and Accounting Department, Management Control is responsible for coordinating the budgetary process and the five-year medium-term plan and for analysing the performance of the Group and its entities, in close collaboration with the Operations Directors and Site Managers. Guidelines are sent to the management of each entity to ensure that the budget and medium-term plan are structured on the basis of consistent starting points that are common to the whole Group.

The medium-term plans, budgets and outcomes are subject to specific, in-depth analyses: comparison of data for the year with prior-year data and the budget. These analyses are discussed with the entity's management, Operations Directors and the Executive Management.

The budget serves as the reference for monthly reporting. Monthly reviews are conducted based on this reporting, and incorporate activity analyses, which are performed, in particular, with the help of specific business indicators, and include comparisons between prior-year figures and the budget for the current year.

Activity indicators, such as sales figures, visitor numbers for Leisure parksand the number of skier-days for Ski areas, are monitored and analysed on a weekly basis. The investment process, which aims to ensure that the flow of investments is consistent with the Company's strategy, is also managed by the Management Control Department.

The Finance and Cash Department, another component of the Finance Department, guarantees the security, transparency and efficiency of cash and financing operations. It is responsible for:

- applying the funding policy and in particular managing liquidity and counterparty risk;
- managing financial expenses;

- hedging the interest rate risk through the use of derivatives;
- managing the Group's cash position by centralising the management of entities' cash surpluses and cash requirements within a cash pool for entities that have agreed to the principle of centralised management;
- monitoring relationships with banks.

The IT Department is responsible for implementing an IT system that meets the requirements laid down in the areas of reliability, availability, information traceability, data consistency and security. It develops and maintains business applications common to several entities and ensures that the interfaces for feeding information into the various applications work properly. It is in charge of the system and data security policy and is involved in defining security and back-up plans.

Each of the departments is involved, as part of its duties, in the internal control system, as it is required to draw up and distribute rules and procedures relating to its area of responsibility to Group entities.

Process oversight

Accounting and financial information is subjected to a validation process involving the Executive Management, Statutory Auditors, and the Board of Directors through its Audit and Finance Committee.

The Audit and Finance Committee examines half-year and annual financial statements prepared by the Company as well as the management report on the consolidated financial statements, in the presence of the Statutory Auditors, who in turn present their own report on the closing of the accounts, the principal accounting options and events with a significant effect on the financial situation, adding comments if they choose.

The Audit and Finance Committee examines changes in accounting principles.

The Audit and Finance Committee examines all financial statements including the entire annual report and all Notes to the Company's consolidated and parent-company financial statements.

The Board of Directors examines each set of financial statements at each closing of accounts.

Financial communication

Compagnie des Alpes publishes its financial information in accordance with AMF recommendations. Quarterly, half-yearly and annual financial information is communicated to financial analysts, investors and the key media by means of press releases, as well as being made available on the Company's website.

2.8.3 CHANGES TO INTERNAL CONTROL PROCEDURES IN 2018/2019

Changes to internal control procedures

The formalisation of the internal control procedures continued in 2018/2019, in particular concerning the regulatory changes affecting our activities. Work is being finalised to make internal control documentation and guidelines available to Group employees on our intranet site and to facilitate their dissemination.

2.8.4 OVERSIGHT

Internal Audit

The Internal Audit function is part of the Legal Affairs, Audit and Internal Control Department.

Every year, the audit plan is approved by the Executive Committee and validated by the Audit and Finance Committee. It is drawn up on a multi-year basis to ensure adequate coverage of the subsidiaries, key processes and new projects. In addition, missions not provided for in the audit plan may be carried out at the request of the Chairman and Chief Executive Officer or the Audit and Finance Committee. An annual activity report is presented to the Executive Committee and the Audit and Finance Committee.

Internal Audit is tasked with ensuring that internal rules and procedures are respected, checking their efficiency, identifying weaknesses and detecting fraud. Internal audit work is carried out in accordance with the Compagnie des Alpes Group's Internal Audit Charter. This charter describes the purposes and objectives of Internal Audit, the procedures for carrying out inspections, and the obligations of auditors and those being audited.

Internal Audit regularly calls on internal or external expertise when the issue at hand is of a highly technical nature.

The Audit Department conducts an annual review of the recommendations made to the various entities. These conclusions are then presented to the Executive Committee, and to the Audit and Finance Committee.

The Internal Audit Department also coordinates the internal audit work conducted by Caisse des Dépôts' Internal Audit Department across the CDA scope, and ensures that the ensuing recommendations are followed. The audit plans are shared for greater efficiency.

The Board of Directors

The Board of Directors sets the Company's business policies and oversees management. It is assisted by three specialised Committees, whose roles are described in section 3.2.1.2 "Functioning of the Committees" of Chapter 3 "Report on corporate governance".


Berlix
ECOLE de LANGUES VIVANTES
LATIN
12 QUAIS DE SEINE · LUTECE
GRAND GARAGE
MODERNE
chars latins et gaulois
GOUDURIX

3

REPORT ON CORPORATE GOVERNANCE

This chapter includes the report on Corporate Governance which is the responsibility of the Board of Directors, in accordance with Article L. 225-37 paragraph 6 of the French Commercial Code.

The report on Corporate Governance was approved by the Board of Directors.

It contains in particular, the information about the composition of the administrative and management bodies, the rules governing the operation of these bodies and the compensation paid to their members.

The rules applicable to the composition and operation of the governance bodies are governed by legal provisions, the Company's by-laws and the Company's Corporate Governance Charter which serves as the internal regulations for the Board of Directors and its Committees. Moreover, the Board of Directors has decided to use the AFEP-MEDEF Code of Corporate Governance as a reference.

The reference table on page 204 of the 2019 Universal Registration Document sets out the sections that correspond to the report on Corporate Governance and do not appear in this chapter. They include information relating to regulated agreements, current delegations of authority for capital increases, information likely to influence decisions in the event of a takeover bid and special conditions governing the attendance of shareholders at Shareholders' Meetings.

3.1 Composition of administrative and management bodies

3.1.1 THE BOARD OF DIRECTORS AND COMMITTEES

Since March 2009, Compagnie des Alpes has been administered by a Board of Directors, which is supported by three specialised Committees: the Strategy Committee, the Audit and Finance Committee and the Appointments and Compensation Committee. The Board of Directors has chosen to assign the Executive Management to its Chairman. The Chairman and Chief Executive Officer was backed by a Deputy Chief Executive Officer from 28 January 2013 to 15 October 2018, when she left the Group. Moreover, he is assisted by an Executive Committee.

In line with the principle of a set number of members, laid down in the Corporate Governance Charter ("the Charter") and set out in section 3.1.1.2. "Principles of Board and Committee composition", the Board of Directors is made up of twelve members, including five independent Directors.

In accordance with the Company's by-laws and the AFEP-MEDEF Code of Corporate Governance, the Directors' term of office is four years. The renewal of their term of office is staggered to allow for regular renewal in the most equal proportions possible. As an exception, in order to ensure this staggered renewal, the Ordinary Shareholders' Meeting may appoint one or more Directors for a term of one, two, or three years.

3.1.1.1 Composition of the Board of Directors

Dominique MARCEL
Chief Executive Officer
Chairman

Virginie FERNANDES
Vice-Chairwoman

Giorgio FRASCA
Independent Director
Chairman
Member

Caisse des Dépôts et Consignations
Director
Permanent representative:
Virginie FERNANDES
Member

Antoine GOSSET-GRAINVILLE
Independent Director
Chairman
Member

Banque Populaire Auvergne Rhône-Alpes
Director
Permanent representative:
Maria PAUBLANT
Member

Carole MONTILLET
Independent Director

Caisse d'Épargne Rhône-Alpes
Independent Director
Permanent representative:
Bénédicte DAVY
Member

Rachel PICARD
Independent Director
Member

Crédit Agricole des Savoie
Director
Permanent representative:
Emmanuelle JIANOUX

Serge BERGAMELLI
Director
Member

Sofival
Director
Permanent representative:
Jean-François BLAS
Member

Francis SZPINER
Director

Jacques MAILLOT
Non-voting member

Sophie SASINKA
Director
representing employees

Strategy Committee
Appointments and Compensation Committee
Audit and Finance Committee
independant Director

At 15 January 2020, the composition of the Board of Directors is as follows:

Family name/ Company name	Position	Sex	Nationality	Date of birth/age	Number of directorships in listed companies **	Independent/ Not independent	Audit and Finance Committee	Appointments and Compensation Committee	Strategy Committee	First appointed	Term of office expiry	Length of service on the Board	Number of shares
Dominique Marcel (1)	Chairman and Chief Executive Officer	M	French	08/10/1955 64	2	No	-	-	Chairman	19/03/2009	AOSM * 2021	10 years	8,919
Caisse des Dépôts et Consignations (CDC), represented by Virginie Fernandes (2)	Director Vice-Chairwoman	F	French	30/09/1974 45	1	No	-	Member	Member	19/03/2009 (3)	AOSM * 2022	10 years	9,615,579
Banque Populaire Auvergne Rhône-Alpes, represented by Maria Paublant	Director	F	French	08/04/1969 50	1	No	-	-	Member	19/03/2009 (4)	AOSM* 2022	10 years	1,204,473
Caisse d'Épargne Rhône-Alpes, represented by Bénédicte Davy	Director	F	French	06/05/1986 33	1	Yes	Member	Member	-	18/10/2012	AOSM* 2023	8 years	723,486
Crédit Agricole des Savoie, represented by Emmanuelle Jianoux	Director	F	French	19/12/1964 55	1	No	-	-	-	19/03/2009 (5)	AOSM* 2022	10 years	1
Sofival, represented by Jean-François Blas	Director	M	French	08/10/1953 66	1	No	-	-	Member	09/03/2017	AOSM* 2021	2 years	2,110,806
Serge Bergamelli (1)	Director	M	French	22/01/1956 63	1	No	Member	-	-	26/10/2018	AOSM* 2023	1 year	1
Giorgio Frasca	Director	M	Italian	13/10/1941 78	1	Yes	Member	Chairman	Member	15/12/2009	AOSM* 2020	10 years	300
Antoine Gosset-Grainville	Director	M	French	17/03/1966 53	2	Yes	Chairman	-	Member	19/01/2011	AOSM* 2020	9 years	300
Carole Montillet	Director	F	French	07/04/1973 46	1	Yes	-	-	-	09/03/2017	AOSM* 2021	2 years	150
Rachel Picard	Director	F	French	11/12/1966 63	2	Yes	-	-	Member	15/12/2009	AOSM* 2023	10 years	716
Francis Szpiner (1)	Director	M	French	22/03/1954 65	1	No	-	-	-	19/03/2009 (6)	AOSM* 2020	10 years	512
Sophie Sasinka (7)	Director representing employees	F	French	03/08/1974 45	1	N/A (8)	-	-	-	06/08/2018	AOSM* 2022	1 year	N/A
Jacques Maillot	Non-voting member	M	French	17/11/1941 78	N/A	N/A		-	-	14/03/2013 (8)	BD* 2021	6 years	837

* *AOSM = Annual Ordinary Shareholders' Meeting/BD = Board of Directors"*

** *Including directorship in the Company*

*** *Full year*

(1) *Director proposed by CDC.*

(2) *Reference Shareholder.*

(3) *CDC was first appointed to the Board of Directors in 1989, then to the Supervisory Board on 20/02/2000 and then to the Board of Directors on 19/03/2009.*

(4) *BPAURA was first appointed to the Supervisory Board on 20/02/2000 and then to the Board of Directors on 19/03/2009.*

(5) *CADS was first appointed to the Board of Directors on 24/10/1994, then to the Supervisory Board on 25/02/2000 and then to the Board of Directors on 19/03/2009. Emmanuelle Jianoux replaced Jean-Yves Barnavon on 1 February 2019.*

(6) *Francis Szpiner was first appointed to the Supervisory Board on 17/06/2006 and then as Director on 19/03/2009.*

(7) *Director representing employees who first attended a meeting of the Board of Directors on 26/10/2018.*

(8) *In accordance with the AFEP-MEDEF Code of Corporate Governance, Directors representing employees are not counted as independent Directors.*

(9) *Jacques Maillot was first appointed as a member of the Board of Directors on 21/11/1997, then of the Supervisory Board on 25/02/2000 and then as Director on 19 March 2009. Jacques Maillot was appointed as non-voting member by the Board of Directors on 14 March 2013.*

The table below shows the changes in the composition of the Board of Directors during the fiscal year.

	Family name/Company name	Date of actual departure	Date of end of term
Directors whose mandate was renewed during the fiscal year (AOSM [1] of 7 March 2019)	Caisse d'Épargne Rhône-Alpes	N/A	2023 AOSM
	Rachel Picard	N/A	2023 AOSM
	Serge Bergamelli	N/A	2023 AOSM
Director whose Permanent Representative was replaced during the fiscal year	Crédit Agricole des Savoie [2]	31/01/2019	2022 AOSM

(1) *Annual Ordinary Shareholders' Meeting.*

(2) *Emmanuelle Jianoux replaced Jean-Yves Barnavon as Permanent Representative of Crédit Agricole des Savoie on the Board of Directors of Compagnie des Alpes as from 1 February 2019.*

Through these new appointments, the policy of diversity within the Board of Directors was upheld.

3.1.1.2 Principles of Board and Committee composition

The composition of the Board of Directors and its three Committees follows several principles set out in the Charter.

The Charter, in effect since the privatisation of the Company in 2004 and amended several times from year to year to integrate new governance provisions, is available in its entirety on the Compagnie des Alpes website at the following address: www.compagniedesalpes.com, under the heading "Governance". It serves as the internal regulations of the Board of Directors.

Given the presence of a Reference Shareholder (Caisse des Dépôts et Consignations), the Charter is intended to promote a democratic and collective representation of shareholders and take into account corporate interests, mainly through the appointment of independent Directors. In accordance with the by-laws and on the recommendation of the Appointments and Compensation Committee, Virginie Fernandes was appointed Vice-Chairman of the Board of Directors at the Board meeting of 9 March 2017. Her term will run for the duration of her office as Permanent Representative of Caisse des Dépôts et Consignations, which is a Company Director and the Reference Shareholder.

In October 2018, within the scope of its periodic review, the Board of Directors updated the Charter to bring it into line with market practices and the AFEP-MEDEF Code of Corporate Governance, revised in June 2018. In January 2020, the Board of Directors amended the Charter to bring it into line with the provisions of Law No. 2019-486 of 22 May 2019 (French law for the growth and transformation of businesses, known as the "Pacte" law).

Principles of Board composition

In total, the Charter contains six principles governing the composition of the Board of Directors. These principles are summarised below.

As a guiding principle, the Board endeavours to ensure that its composition and that of the Committees is well balanced, in particular in terms of the range of skills present and the number of men and women and different nationalities represented.

- Principle No. 1: Based on the recommendations of the Appointments and Compensation Committee, the Board of Directors submits to the Ordinary Shareholders' Meeting a list of candidates chosen in accordance with the principles of the Charter, in view of their competence and their potential contribution to the Board's work and to the creation of long-term value, while taking into consideration social and environmental responsibility issues.
- Principle No. 2: Directors are elected by all of the shareholders and must act in all circumstances in CDA's corporate interest, serving the long-term value creation strategy that is part of a constant desire to respect stakeholders such as employees, shareholders, customers, partners and, of course, public authorities, and make every effort to ensure that CDA's activities are conducted legally, responsibly, transparently and ethically.

  The Board of Directors may consist of no more than eight members and must conform with the composition of the shareholding structure and the size and nature of CDA's activities. Preference is given to representation of long-term shareholders (stakes held in pure registered or administered form).

  Caisse des Dépôts et Consignations – the Reference Shareholder with a stake greater than or equal to one third – thus has four Directors (including the Chairman and Chief Executive Officer), namely:

  - Dominique Marcel, Chairman-Chief Executive Officer;
  - CDC, represented by Virginie Fernandes;
  - Serge Bergamelli;
  - Francis Szpiner.

  Other shareholders that hold their stakes in pure registered or administered form and wish to be represented on the Board of Directors must submit their request to the Chairman and Chief Executive Officer.

  All requests are examined by the Appointments and Compensation Committee, which makes recommendations to the Board of Directors in the light of the six principles set out in the Charter.
- Principle No. 3: The number of Board members is set at twelve (set number of members), including at least four independent Directors.
- Principle No. 4: Should the application of the above principles prevent the appointment of eight members in respect of principle No. 2, the vacant positions shall be filled by other independent Directors.
- Principle No. 5: Should CDA's shareholders decide, at a Shareholders' Meeting, to increase the number of Directors by way of derogation from the principle of having a set number of members (Principle No. 3), the Charter shall be amended as required so as to adapt the principles set out above.
- Principle No. 6: The Chairman of the Board of Directors is chosen from those members representing (or proposed by) the Reference Shareholder.

In accordance with Article L. 225-27-1 of the French Commercial Code, a Director representing employees was appointed after the amendment of the by-laws by the Annual Shareholders' Meeting held on 8 March 2018. The Board of Directors duly noted his appointment on 26 October 2018. In accordance with the same Article, as amended by Law No. 2019-486 of 22 May 2019 (the so-called "Pacte" law), a second Director representing employees shall be appointed by 5 September 2020 at the latest. Directors representing employees are entitled to vote at Board meetings.

Principles of Committee composition

- The **Strategy Committee** has seven members, including (i) the Chairman and Chief Executive Officer, who chairs said Committee *ex officio*, (ii) one Director representing or designated by the Reference Shareholder and (iii) three independent Directors.
- The **Audit and Finance Committee** has four non-executive members, who must all offer specific financial and accounting skills, including (i) one Director representing or designated by the Reference Shareholder and (ii) three independent Directors. The Committee is chaired by an independent Director.
- The **Appointments and Compensation Committee** has three non-executive members, including (i) a Director representing or designated by the Reference Shareholder, and (ii) two independent Directors. It is chaired by an independent Director.

The composition of the Committees, as well as their missions and their activities during the 2018/2019 fiscal year are detailed in section 3.2.1.2. "Functioning of the Committees".

Change in the composition of the Committees

Committee	Departure(s)	Replacement appointment(s)
Strategy Committee	Jean-Yves Barnavon (permanent representative of Crédit Agricole des Savoie until 31 January 2019)	Maria Paublant (permanent representative of Banque Populaire Auvergne Rhône-Alpes as from 7 March 2019)
Audit and Finance Committee	N/A	N/A
Appointments and Compensation Committee	N/A	N/A

Independence of Directors

In accordance with the AFEP-MEDEF Code of Corporate Governance, to which the Company refers, and the principles and best practices of corporate governance set out in the Charter, the Board of Directors and each of the Committees comprise independent Directors. To be eligible for the status of independent Director, a person (whether a Director on their own behalf or a representative of a legal entity) must be competent and independent.

A. Competence: an independent Director must have the relevant experience and skills necessary to perform their duties on the Board of Directors and on any Committees on which they might sit.

In particular, independent Directors must be "active, present and involved" (see section 3.4 "Compliance with corporate governance recommendations" of this chapter).

B. Independence: an independent Director must possess a certain number of qualities of independence vis-à-vis the shareholders of Compagnie des Alpes and the Compagnie des Alpes Group. independent Directors shall strive in all circumstances to maintain their independence in making judgments and decisions as well as in action. They must not be swayed by any factor lying outside the corporate interests that they are expected to protect.

C. The review of candidacies for independent Director must ensure that candidates, in their professional activity, do not and will not be tempted to maintain any relations with Compagnie des Alpes, the CDA Group or its shareholders that could compromise the liberty of their judgement.

In accordance with the AFEP-MEDEF Code of Corporate Governance, to evaluate these criteria, the objective characteristics below may be taken into account but should not constitute automatic cause for exclusion, either individually or collectively:

(a) may not be an employee or corporate officer (other than Director) of Compagnie des Alpes, may not be an employee of one of its subsidiaries, may not be an employee and/or Director of a Compagnie des Alpes shareholder with a stake greater than five percent (5%) in the latter's capital, nor have been so over the previous five years;

(b) may not have been a Director of Compagnie des Alpes in the last twelve years;

(c) may not be a corporate officer in a company in which Compagnie des Alpes has direct or indirect Board representation or in which an employee designated as such or a CDA corporate officer (at present or within the past five years) holds a Board seat;

(d) may not be a client, supplier, commercial or investment banker for the CDA Group or for which the CDA Group represents a considerable proportion of business;

(e) may not have a close family tie with a corporate officer from a CDA Group company;

(f) may not have been the Statutory Auditor of a CDA Group company in the previous five years.

D. The duration of five years referred to in (a) and (c) above does not disqualify independent Directors who performed, prior to their designation as such, duties as independent members of the former Supervisory Board of the Company or as independent members of a management body of a Group company or of a CDA shareholder with a stake of greater than five percent (5%) of CDA capital.

E. Eligibility for the position of independent Director is assessed regularly, and at least once a year, by the Board of Directors, following the guidelines of the Appointments and Compensation Committee. Accordingly, at least once a year before the Ordinary Shareholders' Meeting, the Board of Directors conducts a review of director independence by examining, on a case-by-case basis, the qualifications of each of its members in light of the above criteria, circumstances and the particular situation of the person in question. This review may be conducted as part of the annual evaluation of the Board and Committees or at any meeting of the Board of Directors.

Review of Directors' independence

In accordance with the Charter and the AFEP-MEDEF Code of Corporate Governance to which the Company refers, and on the recommendation of the Appointments and Compensation Committee, the Board conducted the annual review of director independence by examining, on a case-by-case basis, the qualification of each of its members in light of the criteria defined in the Charter, the circumstances and the particular situation of the person in question.

Following the review, the Board of Directors confirmed that the five independent Directors, i.e. one more than the minimum laid down in the Charter, still qualify for that status.

Expertise and diversity

When choosing Directors and Committee members, the Board of Directors and the Appointments and Compensation Committee (which assists the Board in this area) strive to achieve a balanced composition of corporate bodies. In line with the guiding principle of diversity, they notably aim to include a wide range of skills, experience and professional backgrounds, while being mindful of gender equality and the diversity of nationalities.

In addition to his vast experience in finance and strategy, Dominique Marcel has an in-depth knowledge of the tourism sector, having had responsibility for monitoring and managing all the Caisse des Dépôts group's activities in the tourism sector.

In accordance with the AFEP-MEDEF Code of Corporate Governance, the members of the Audit and Finance Committee (Antoine Gosset-Grainville, Bénédicte Davy, Serge Bergamelli and Giorgio Frasca) all offer specific proven financial and accounting skills.

Rachel Picard has expertise in the tourism and digital industries, as well as in the mountain sector. In view of her current position, Bénédicte Davy also has a vast experience in digital matters. Serge Bergamelli has extensive digital, new IT technologies and communications skills and strong on-the ground experience. Moreover, he was actively involved in the organisation of the Albertville Olympic Games and the 1998 Football World Cup.

Virginie Fernandes, Antoine Gosset-Grainville, Bénédicte Davy, Maria Paublant and Emmanuelle Jianoux have proven expertise in the fields of funding.

Antoine Gosset-Grainville is now exercising the functions of business lawyer, alongside Francis Szpiner.

Jean-François Blas and Carole Montillet both have in-depth knowledge of the mountain sector.

The Board also has one foreign Director (Giorgio Frasca who is an Italian national) and six female members, (excluding Sophie Sasinka, who is a Director representing employees), *i.e.* 50% women: Virginie Fernandes, Maria Paublant, Rachel Picard, Bénédicte Davy, Carole Montillet and Emmanuelle Jianoux.

Moreover, in accordance with Law No. 2018-771 of 5 September 2018 (relating to the freedom to choose one's professional future), Compagnie des Alpes strives to achieve gender equality within its Executive Committee and in positions of higher responsibility.

The Executive Management is committed to promoting increasing diversity and makes numerous efforts to achieve a good gender balance. Under its leadership, the Group's Human Resources Department thus launched and deployed an active policy to promote gender equality, the results of which are analysed and reviewed annually by the Board of Directors.

The results in terms of diversity within the Executive Committee and Operations Committee (10% of the higher-responsibility positions are within the Operations Committee) are presented in Chapter 4, in section 4.2.4.1.

Other rules and characteristics relating to the Board's composition and Directors

Age limit: at least two-thirds of the Board members must be less than seventy (70) years of age.

Ownership of Company shares: the Charter contains a provision on the minimum number of shares to be held by Directors by means of reinvestment of part of their Directors' fees.

With the exception of Board members who do not personally receive Directors' fees, and to demonstrate a commitment to the Company, each Director must personally hold at least 300 shares in Compagnie des Alpes. If necessary, Directors will reinvest at least half of the net amount of Directors' fees they have received for a fiscal year in Company shares until the aforementioned quota has been reached.

In the interests of transparency, Directors are also advised to put all of their shares in a registered or administered account, with a minimum of 300 shares.

3.1.1.3 Expertise of members of the Board of Directors and other information

Directors present on the date of publication of this report

Chairman and Chief Executive Officer

Chairman of the Strategy Committee

Born on 8 October 1955

A French national

Number of CDA shares held: 8,919

DOMINIQUE MARCEL

MAIN POSITION: CHAIRMAN AND CHIEF EXECUTIVE OFFICER, COMPAGNIE DES ALPES

BUSINESS ADDRESS: 50-52 BOULEVARD HAUSSMANN – 75009 PARIS

An Inspector General of Finance, Dominique Marcel holds a DEA in economics and is a graduate of Sciences Po. Upon graduating from the ENA in 1983, he was appointed as an administrateur civil (a high-ranking civil servant) at the Treasury Department and served as an advisor within various cabinets. In 1995, he became Deputy Director of Savings, Retirement Provisions and Financial Markets at the Treasury Department. In 1997, he was appointed Chief of Staff for the Minister of Employment and Solidarity, then Deputy Chief of Staff of the Prime Minister in 2000. He joined the Caisse des Dépôts group in November 2003 as Director of Finance and Strategy. While performing this role he took up directorship posts at companies including ACCOR, DEXIA and CNP Assurance. Having served as Chairman of the Compagnie des Alpes Supervisory Board and Strategy Committee from 2005, in October 2008 he assumed the role of Chairman of the Management Board, before taking over as Chairman and Chief Executive Officer in March 2009. In October 2014, the Chief Executive Officer of Caisse des Dépôts et Consignations also entrusted Dominique Marcel with responsibility for monitoring and managing all the Group's activities in the tourism sector.

Renewed by the Ordinary Shareholders' Meeting of 9 March 2017 (first appointed on 19 March 2009) – Term of office expiry: 2021

Other mandates and duties within the Compagnie des Alpes Group:

- Chairman of Compagnie des Alpes-Domaines Skiables (CDA-DS);
- Chairman of the Board of Directors of Grévin et Compagnie;
- Chairman of the Supervisory Board of Société du Parc du Futuroscope;
- CDA's permanent representative on the Board of Directors of Compagnie du Mont-Blanc from 24 October 2018;
- Director of Travelfactory.

Other mandates and duties outside the Compagnie des Alpes Group:

- Director of Société du Grand Théâtre des Champs-Élysées (CDC Group);
- Director of Eiffage*.

Mandates previously held that have expired during the last five years:

- Permanent representative of CDA on the Board of Directors of Compagnie du Mont-Blanc (CMB) until 15 September 2016;
- Chairman of the Board of Directors of CDC Infrastructure (CDC group) until 31 March 2015.

* *Listed company.*

Vice-Chairman of the Board of Directors

Permanent Representative of Caisse des Dépôts et Consignations (CDC) on the Board of Directors

Member of the Appointments and Compensation Committee and Strategy Committee

Born on 30 September 1974

A French national

Number of shares held by CDC: 9,615,579

CAISSE DES DÉPÔTS ET CONSIGNATIONS, REPRESENTED BY VIRGINIE FERNANDES

MAIN POSITION: DIRECTOR OF THE GROUP MANAGEMENT DEPARTMENT WITHIN THE FINANCE, STRATEGY AND SHAREHOLDINGS DIVISION OF CAISSE DES DÉPÔTS

BUSINESS ADDRESS: 56 RUE DE LILLE – 75006 PARIS

A graduate of the École supérieure de commerce in Rouen and a member of the Société française des analystes financiers (SFAF), Virginie Fernandes began her career in 1998 at Ernst &Young as a financial auditor. Starting in 2000, she worked as a financial analyst, first at Oddo Securities, then at Crédit Agricole Cheuvreux. She joined the Caisse des Dépôts group in 2010. After that, she went to work in the Finance Department of Fonds Stratégique d'Investissement, where she was in charge of strategic stock ownership. In 2012, she joined the Finance, Strategy and Shareholdings Division and successively held positions as Manager of strategic oversight of subsidiaries and, starting in 2013, Manager of the Real Estate, Housing and Tourism Division. Since 25 January 2017, Virginie Fernandes has served as Director of the Group Management Department.

CDC's mandate was renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 8 March 2018 for four years (CDC was first appointed to the Board of Directors on 19 March 2009) – Term of office expiry: 2022

Other mandates and duties outside the Compagnie des Alpes Group:

- Director of BPIfrance Investissement, BPIfrance Participations, Transdev and SFIL,
- Permanent Representative of CDC on the Supervisory Board of CDC Habitat.

Mandates previously held that have expired during the last five years:

- Permanent representative of CDC as Director of Icade* (until June 2019),
- Permanent representative of CDC as Director of CDC International Capital (until November 2018).

* *Listed company.*

Permanent Representative of Banque Populaire Auvergne Rhône-Alpes since 8 November 2017

Member of the Strategy Committee*

Born on 8 April 1969

A French national

Number of shares held by Banque Populaire Auvergne Rhône-Alpes: 1,204,473

BANQUE POPULAIRE AUVERGNE RHÔNE-ALPES, REPRESENTED BY MARIA PAUBLANT

MAIN POSITION: DIRECTOR OF CORPORATE AND INTERNATIONAL RELATIONS AND MEMBER OF THE MANAGEMENT COMMITTEE OF BANQUE POPULAIRE AUVERGNE RHÔNE-ALPES

BUSINESS ADDRESS: 4 BOULEVARD EUGÈNE DERUELLE, 69003 LYON

A 1991 ESSEC graduate, Maria Paublant began her career in London with Barclays before going to Warburg Dillon Read (UBS) in Paris. She spent a total of eight years in investment banking (Asset Securitisation, M&As, IPOs, Project Financing, etc.) in London and Paris.

In 1999, after a new mission at AXA as Senior Stock Manager, she moved to Boston and became a Business Developer at a U.S. start-up. After returning to France in 2004, she became Head of Corporate Relations at CACIB in Lyon and oversaw a portfolio of existing clients (LBOs, syndicated financing, wholesale banking, bond issues and USPP). In 2008, she joined CIC group as Manager of Specialised Finance before becoming Regional Director and a member of the Bank's Management Committee. She is responsible for the oversight and global management of the geographical region (Rhône) for business markets, professionals, the general public and private banking: 400 people and 144,000 customers.

In September 2017, she joined the BPAURA as Director of Corporate and International Relations and a member of the Bank's Management Committee.

Mandate of Banque Populaire Auvergne Rhône-Alpes renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 8 March 2018 (BPAURA was first appointed to the Board of Directors on 19 March 2009) – Term of office expiry: 2022

Other mandates and duties:

- None.

Mandates previously held that have expired during the last five years:

- None.

* *Maria Paublant was appointed member of the Strategy Committee by the Board of Directors at its meeting of 7 March 2019.*

Permanent Representative of Caisse d'Épargne Rhône-Alpes

Independent Director

Member of the Audit and Finance Committee and the Appointments and Compensation Committee

Born on 6 May 1986

A French national

Number of shares held by Caisse d'Épargne Rhône-Alpes: 723,486

CAISSE D'ÉPARGNE RHÔNE-ALPES, REPRESENTED BY BÉNÉDICTE DAVY

MAIN POSITION: COMMITMENTS DIRECTOR, CAISSE D'ÉPARGNE RHÔNE-ALPES

BUSINESS ADDRESS: 116 COURS LAFAYETTE – 69404 LYON

A graduate of Université Paris Dauphine and LSE, Bénédicte Davy has spent her entire career at the BPCE group. She began her career in 2009 as Team Manager at the Group General Inspectorate at BPCE. In 2014, she was appointed Chief of Staff to the Chairman of the Management Board of CERA and subsequently Director of Digital Banking at the end of 2016. Since November 2019, Bénédicte Davy has held the position of Commitments Director at CERA.

Mandate of Caisse d'Épargne Rhône-Alpes renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 7 March 2019 (first appointed on 18 October 2012) – Term of office expires: 2023

Other mandates and duties:

- None.

Mandates previously held that have expired during the last five years:

- None.

Permanent Representative of Crédit Agricole des Savoie* since 31 January 2019

Born on 19 December 1964

A French national

Number of shares held by Crédit Agricole des Savoie: 1

CRÉDIT AGRICOLE DES SAVOIE*, REPRESENTED BY EMMANUELLE JIANOUX

MAIN POSITION: CHIEF FINANCIAL OFFICER AND COLLECTION MANAGER, CRÉDIT AGRICOLE DES SAVOIE, MEMBER OF THE MANAGEMENT COMMITTEE

BUSINESS ADDRESS: PAE LES GLAISINS – 4 AVENUE DU PRÉ FÉLIN – 74940 ANNECY-LE-VIEUX

Emmanuelle Jianoux graduated from EM Lyon in 1990 (Grande École programme, finance major). She started her career at Banque Paribas as Corporate Account Officer, before becoming a financial journalist for Option Finance in 1992. In 1994, she joined the Archon/Goldman Sachs group, where she held the position of Chief of Staff to the Chairman. In 2002, she became Press Secretary for the AXA group. She returned to the world of banking in 2005 when she became Director of Marketing and Communications for Banque Laydernier (Crédit du Nord group). In 2011, she joined Crédit Agricole des Savoie as Manager of the Marketing and Communications Department, before becoming its Director in 2014.

She has been a member of the Management Committee since 2014, initially as Marketing and Customer Relations Manager and subsequently as Chief Financial Officer, since 2018.

Mandate of Crédit Agricole des Savoie* renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 8 March 2018 for 4 years (first appointed to the Board of Directors on 19 March 2009) – Term of office expiry: 2022

Other mandates and duties:

- Permanent Representative of CADS Capital within SETAM (SA).

Mandates previously held that have expired during the last five years:

- None.

* *On 1 February 2019, Emmanuelle Jianoux replaced Jean-Yves Barnavon as Permanent Representative of Crédit Agricole des Savoie.*

Permanent Representative of Sofival

Member of the Strategy Committee

Born on 8 October 1953

A French national

Number of CDA shares personally held: 9,200

Number of shares held by Sofival: 2,110,806

SOFIVAL, REPRESENTED BY JEAN-FRANÇOIS BLAS

MAIN POSITION: CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF SOFIVAL

BUSINESS ADDRESS: 29 BIS RUE D'ASTORG – 75008 PARIS

A graduate of HEC, Jean-François Blas began his career in the distribution of wines and spirits in the CASTEL group in Ivory Coast and continued it in France in the distribution of electronics. He joined the Société des Téléphériques de Val-d'Isère in 1988 as Chief Executive Officer, then took part in the creation of Sofival, the group's parent holding company, in 1991, for which he became Chief Executive Officer in 1995. Sofival took control of the ski areas of Avoriaz in 1997, Valmorel in 1999 and La Rosière in 2002. He was behind the group's initial diversification into financial activities, then in 2007, when STVI was sold to Compagnie des Alpes, he joined that company as Director of Ski Area Operations and a member of the Executive Committee. He left Compagnie des Alpes in May 2016 to assume the chairmanship of the Sofival group and became its Chairman and CEO in April 2017. Having been a member of the Board of Directors of Sofival since 1985, he is also a member of Sofival's Executive Committee and Investment Committee.

Appointment of Sofival by the Ordinary Shareholders' Meeting of 9 March 2017 to replace Mr Bernard Blas (first appointed on 9 March 2017) – Term of office expiry: 2021

Other mandates and duties:

- A French national Chairman and Chief Executive Officer of Sofival SA,
- Manager of Acaval SCI,
- Permanent Representative of Sofival within Cogeval Énergies SAS, DSR SAS, DSV SAS, Financière Valance SAS, Le Jardin Alpin SAS, SERMA SAS, Valastorg SAS, Valcapital SAS, Valdev Immo SAS, Valdev Invest SAS, Valmont SAS, Serpentine SAS, Valsnet SAS, FDH Chamonix SAS, Société Hôtelière Côte Rotie SAS, Val Environnement SAS, Val GTA SAS and Val RC SAS,
- Permanent Representative of Sofival on the Boards of Genival SNC, Immobilière Valance SCI, Valmo Invest 1 SNC,
- Director of Trialp SA and Digital Virgo SA,
- Member of the Supervisory Committee of Sandaya Holding SAS.

Mandates previously held that have expired during the last five years:

- None.

Director

Member of the Audit and Finance Committee

Born on 22 January 1956

A French national

Number of CDA shares held: 1

SERGE BERGAMELLI

MAIN POSITION: AUDITOR GENERAL, CAISSE DES DÉPÔTS ET CONSIGNATIONS

BUSINESS ADDRESS: 72 AVENUE PIERRE MENDES FRANCE – 75013 PARIS

Serge Bergamelli holds a DEA in contemporary history. He started his career as Deputy Director of school sports within the French Ministry of Education (1984-1986). He subsequently became a history teacher in a secondary school in Vincennes (1987-1988), before becoming Head of the international relations office of the Sports Department in the French Ministry of Education, Youth and Sports (1988-1992). He subsequently became head of the Sports Department's Federal Affairs Department within the same Ministry (1990-1991). Having held the position of Technical Advisor to the Ministry of Youth and Sports (1991-1992), and then Deputy Chief of Staff to the Secretary of State for Integration (1992-1993), he was appointed School Inspector and Regional Educational Inspector in 1993. Serge Bergamelli was Site Manager for the French Organising Committee for the 1998 Football World Cup (1995-1998). He then became a partner/Vice-President at Ernst & Young Conseil/Cap Gémini France (1998-2000). He subsequently joined the Caisse des Dépôts et Consignations group, where he served as Acting Director, and then Director of the Digital Development Department within the Department of Decentralised Funding (2000-2009). He then became Regional Director, Midi-Pyrénées, at CDC (2009-2011) before being appointed Director General of the Regional Centre for Distance Learning (CNED) (2011-2015). He was appointed administrateur civil (high-ranking civil servant) in 2011. Having served as Deputy-Manager of investments and local development (2015-2017) and then Deputy-Manager of the Investment Department of Banque des Territoires (CDC) (2017-2018), Serge Bergamelli has been Auditor General of CDC since November 2018.

Renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 7 March 2019 (first appointed on 26 October 2018) – Term of office expiry: 2023

Other mandates and duties:

- Chairman of the Supervisory Board of Compagnie Nationale du Rhône (CNR).

Mandates previously held that have expired during the last five years:

- None.

Independent Director

Member of the Audit and Finance Committee, Chairman of the Appointments and Compensation Committee and member of the Strategy Committee

Born on 13 October 1941

An Italian national

Number of CDA shares held: 300

GIORGIO FRASCA

MAIN POSITION: CONSULTANT

BUSINESS ADDRESS: 2 RUE DE GREUZE – 75116 PARIS

Giorgio Frasca holds a doctoral degree in law from the University of Rome and is a law professor and a lawyer. He has held senior positions at Lazard Frères Bank (Vice-Chairman of Lazard International from 2006 to 2009) and the Fiat group, where he served as Head of the Group in France from 1981 to 2006. Giorgio Frasca joined the Compagnie des Alpes' Board of Directors on 15 December 2009, as an independent Director.

Renewed by the Ordinary Shareholders' Meeting of 9 March 2017 (first appointed on 15 December 2009) – Term of office expiry: 2020

Other mandates and duties:

- None.

Mandates previously held that have expired during the last five years:

- None.

Independent Director

Chairman of the Audit and Finance Committee and member of the Strategy Committee

Born on 17 March 1966

A French national

Number of CDA shares held: 300

ANTOINE GOSSET-GRAINVILLE

MAIN POSITION: ASSOCIATE BUSINESS LAWYER AT BDGS ASSOCIÉS

BUSINESS ADDRESS: 51 RUE FRANCOIS 1ER – 75008 PARIS

A former student of École nationale d'administration (ENA) and graduate of the University of Paris IX Dauphine and the Institut d'études politiques de Paris, Antoine Gosset-Grainville began his career within the General Inspectorate of Finance (1993) Having held positions within the European Commission (1997-2002) and as a partner in the law firm Gide Loyrette Nouel from 2002-2007 and subsequently as Deputy Chief of Staff to the Prime Minister (2007), he joined Caisse des Dépôts in 2010 as Associate Managing Director in charge of strategy, financial management, shareholdings and international affairs, and served as acting Chief Executive Officer between 8 March and 18 July 2012. He also served as Chairman of the Board of Directors for the Strategic Investment Fund. In March 2013, he left Caisse des Dépôts to resume his work as a corporate lawyer at the law firm BDGS Associés, which he founded with three former partners from Gide.

Renewed by the Ordinary Shareholders' Meeting of 9 March 2017 (first appointed on 19 January 2011) – Term of office expiry: 2020

Other mandates and duties:

- Director and Vice-Chairman of FNAC-DARTY SA*.

Mandates previously held that have expired during the last five years:

- Director of Schneider Electric SA*.

* *Listed company.*

Independent Director

Born on 7 April 1973

A French national

Number of CDA shares held: 300

CAROLE MONTILLET

MAIN POSITION: MANAGER OF KARLITA (EURL)

BUSINESS ADDRESS: 258 IMPASSE DE LA MARMOTTE – 38250 SAINT-NIZIER-DU-MOUCHEROTTE

Carole Montillet holds a Baccalaureate and a State Certificate in Alpine Skiing from the Groupe École supérieure de commerce in Chambéry. Carole Montillet was a professional skier until 2006, when she retired and took part as a race car driver in the Rallye des Gazelles in 2006 and also in the Dakar Rally in 2007. She was elected Mayoress of Corrençon-en-Vercors in 2008. She was elected to the Regional Council on 13 December 2015 as the Sports Delegate.

Carole Montillet's track record as a professional skier is as follows:

- Skier, member of the French Ski Team (1990-2006),
- French Super-G Champion (1992-1998),
- French Downhill Champion in 1996,
- 4th in Super-G at the World Championships in Sestriere in Italy,
- Gold Medal (Women's downhill) in the Olympic Games at Salt Lake City in the United States in 200,
- French Super-G Champion at Val-d'Isère in 2002,
- 14th in Super-G and 7th in Downhill at the Saint-Moritz World Championships in 2003,
- 2nd in Super-G at the World Championships at Innsbruck in Austria in 2003,
- Super-G World Champion at Kvitfjell in Norway in 2003,
- World Downhill Champion at Lake Louise in 200,
- 4th in Super-G at Megève in 2003.

Carole Montillet is a Knight of the Legion of Honour (2002).

Appointed by the Ordinary Shareholders' Meeting of 9 March 2017 – Term of office expiry: 2021

Other mandates and duties:

- Manager of Karlita EUR,
- Deputy Chief Executive Officer of CT'Skis SAS,
- Regional Sports Advisor (Auvergne Rhône Alpes Region).

Mandates previously held that have expired during the last five years:

- None.

Independent Director

Member of the Strategy Committee

Born on 11 December 1966

A French national

Number of CDA shares held: 716

RACHEL PICARD

MAIN POSITION: CHIEF EXECUTIVE OFFICER OF VOYAGES SNCF

BUSINESS ADDRESS: 2 PLACE DE LA DÉFENSE – CNIT 1 – BP 440 – 92053 LA DÉFENSE CEDEX

A graduate of HEC, Rachel Picard has been serving as Chief Executive Officer of Voyages SNCF since October 2014, having previously spent two years as Head of the Gares et Connexions Division of SNCF. Prior to taking up this role she had been Chief Executive Officer of Voyages-sncf.com, after working as Associate Chief Executive Officer responsible for marketing, sales and operations between 2004 and 2006. Before this, she directed Tour Operating Europe at Frantour from 1993 to 2000 and then ran Les Editions Atlas Voyages from 2000 to 2002. She has held business positions in the ski sector with Valle Nevado (Chili) and in the Leisure parks sector (with Euro Disney Paris).

Renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 7 March 2019 (first appointed on 15 December 2009) – Term of office expiry: 2023

Other mandates and duties:

- Permanent Representative of SNCF Mobilities on the Board of Directors of THI Factory SA,
- Chairman of Oui.sncf SAS,
- Chairman and Director of E-Voyageurs group SAS,
- Chairman of Adoxa Finance SAS,
- Director of the Board of Eurostar International Ltd (UK),
- Director of Criteo*.

Mandates previously held that have expired during the last five years:

- Permanent Representative of SNCF Mobilities as member of the Supervisory Board of Orient Express SAS,
- Chairman of Voyages-SNCF.com (SAS) and SNCF C6 (SAS) until 30 June 2019.

* *Listed company.*

Director

Born on 22 March 1954

A French national

Number of CDA shares held: 512

FRANCIS SZPINER

MAIN POSITION: PARTNER IN THE LAW FIRM SZPINER TOBY AYELA SEMERDJIAN

BUSINESS ADDRESS: 43 RUE DE COURCELLES – 75008 PARIS

Francis Szpiner has been a licensed attorney with the Paris bar since 1975. A Professor at the École des hautes études internationales (since 2000), he has also been a Lecturer at the Institut d'études politiques de Paris since 2007.

Renewed by the Ordinary Shareholders' Meeting of 9 March 2017 (first appointment as a member of the Supervisory Board on 17 January 2006) – Term of office expiry: 2020

Other mandates and duties:

- None.

Mandates previously held that have expired during the last five years:

- None.

Director representing employees

Director representing employees

Born on 3 August 1974

A French national

The Director representing employees is not subject to any shareholding obligations.

SOPHIE SASINKA

MAIN POSITION: SENIOR LEGAL COUNSEL, BUSINESS LAW

BUSINESS ADDRESS: COMPAGNIE DES ALPES, 50-52 BOULEVARD HAUSSMANN – 75009 PARIS

Sophie Sasinka holds a Master 2 Professionnel (former DESS) in Industrial Property Law from Université Paris II Panthéon-Assas. She joined the Group in 2012, when she became Senior Legal Counsel for Business Law.

Director elected by the employees on 6 August 2018 – Term of office expiry: 2022

Other mandates and duties:

- None.

Mandates previously held that have expired during the last five years:

- Alternate member of the Works Council (now *Comité social et économique*) and Secretary of the Health and Safety Committee.

Non-voting member

Non-voting member

Born on 17 November 1941

A French national

Number of CDA shares held: 837

JACQUES MAILLOT

MAIN POSITION: CONSULTANT

BUSINESS ADDRESS: 33 RUE MAURICE RIPOCHE – 75014 PARIS

Jacques Maillot holds a degree in law and is the founding President of Nouvelles Frontières. As an Independent member of the Supervisory Board of Compagnie des Alpes and subsequently of its Board of Directors, he served as an independent Director at the Company until March 2013, in addition to his duties as Chairman of the Appointments and Compensation Committee and member of the Strategy Committee. With his considerable experience of the leisure industry and more than fifteen years of service on the Boards and Committees of Compagnie des Alpes, Jacques Maillot continues to support all these bodies, without voting rights, as a non-voting member.

Term as non-voting member renewed on 9 March 2017 (first appointment in 2013) – Term of office expiry: 2021

Other mandates and duties:

- Director of Voyageurs du monde*,
- President of the association Feu Vert pour le Développement.

Mandates previously held that have expired during the last five years:

- None.

* *Listed company.*

Member of the Board of Directors who resigned from his position as Permanent Representative during the 2018/2019 fiscal year

Permanent Representative of Crédit Agricole des Savoie and member of the Strategy Committee until 31 January 2019

Born on 5 April 1954

A French national

CREDIT AGRICOLE DES SAVOIE REPRESENTED BY JEAN-YVES BARNAVON UNTIL 31 JANUARY 2019

MAIN POSITION: CHIEF EXECUTIVE OFFICER OF CRÉDIT AGRICOLE DES SAVOIE (COOPERATIVE)

BUSINESS ADDRESS: AVENUE DE LA MOTTE SERVOLEX – 73034 CHAMBÉRY CEDEX

An agricultural engineer, graduate of the Institut d'administration des entreprises (IAE Nancy 1979), Jean-Yves Barnavon has spent his entire career within the Crédit Agricole group. Since 2006, Jean-Yves Barnavon has been Head of Crédit Agricole des Savoie. He has represented it on the Board of Directors of Compagnie des Alpes since 17 January 2006.

Mandate from Crédit Agricole des Savoie renewed by the Shareholders' Meeting of 8 March 2018 for four years

Term of office expiry: 2022

3.1.2 EXECUTIVE MANAGEMENT

Since 2009, the Chairman is responsible for the Executive Management of the Company. This choice as regards Executive Management allows for smoother and more integrated management and more streamlined management of operations. The Board of Directors believes that this method of governance is the most appropriate to address the challenges facing the Group.

The **Chairman and Chief Executive Officer** was backed by a **Deputy Chief Executive Officer** from 28 January 2013 to 15 October 2018, when she left office. Therefore, Dominique Marcel is, at the date of publication of this report, the only senior management corporate officer.

On 4 November 2019, the Chairman and Chief Executive Officer appointed Loïc Bonhoure as acting Chief Executive Officer. He is, more specifically, in charge of strategy, development and mergers & acquisitions.

To meet its strategic demands, the Group's management has been divided into business functions: operational departments, covering the Group's two main businesses, are responsible for interdisciplinary management, while other operational departments are responsible for managing the operating performance of the sites and the application of Group policies. All managers in charge of these departments belong to the Group's Executive Committee, which currently comprises seven members, two of whom are women.

The Executive Committee supports the Chairman and Chief Executive Officer with the implementation of the strategy defined by the Board of Directors and the operational management of the Group. It generally meets once a week.

Executive Management on the date of publication of this report

3.1.2.1 The Chairman and Chief Executive Officer

DOMINIQUE MARCEL

CHAIRMAN AND CHIEF EXECUTIVE OFFICER SINCE 19 MARCH 2009

(See the section 3.1.1.3 "Expertise of members of the Board of Directors and other information" above).

It should be recalled that the Chairman and Chief Executive Officer was backed by Deputy Chief Executive Officer, Agnès Pannier-Runacher, from 28 January 2013 to 15 October 2018, when she left the Group following her appointment as Secretary of State to the Minister of Economy and Finance.

3.1.2.2 Acting Chief Executive Officer

On 4 November 2019, Loïc Bonhoure was appointed as the Group's acting Chief Executive Officer. He is, more specifically, in charge of strategy, development and mergers & acquisitions. He does not hold a corporate office.

LOÏC BONHOURE

DEPUTY CEO IN CHARGE OF STRATEGY, DEVELOPMENT AND MERGERS & ACQUISITIONS

A former student of École normale supérieure de la rue d'Ulm, Loïc Bonhoure, aged 40, holds a teaching degree and is an engineer with Ponts, des Eaux et des Forêts. He started his career at the Ministry of Agriculture, notably as Budget Office Manager. He subsequently joined Caisse des Dépôts et Consignations where he held positions with increasing responsibilities in the fields of strategy, corporate finance and mergers & acquisitions. Having been that institution's Mergers & Acquisitions Manager since 2014, he oversaw the strategic operations that led to the in-depth restructuring of the portfolio of Caisse des Dépôts et Consignations.

Appointed on 4 November 2019 - Joined the Group on 4 November 2019

3.1.2.3 Executive Committee

DOMINIQUE MARCEL

CHAIRMAN AND CHIEF EXECUTIVE OFFICER SINCE 19 MARCH 2009

(See the section 3.1.1.3 “Expertise of members of the Board of Directors and other information” above).

LOÏC BONHOURE

GROUP ACTING CHIEF EXECUTIVE OFFICER SINCE 4 NOVEMBER 2019, IN CHARGE OF STRATEGY, DEVELOPMENT AND MERGERS & ACQUISITIONS

(See section 3.1.2.2).

FRANÇOIS FASSIER

HEAD OF THE LEISURE PARKS DIVISION

François Fassier is a graduate of École nationale supérieure d'arts et métiers in Paris and has been involved in the Leisure parks sector for almost 20 years. He has held roles including Technical Director of Parks and Disney Village at Disneyland Paris. He joined the Compagnie des Alpes Group in 2006 as Head of parks in Belgium, before becoming Head of parks in Northern France (including Parc Astérix) in 2007 and Industrial Department Director in 2010. He has been a member of the Executive Committee since 1 December 2010.

Appointed on 4 November 2013 – Joined the Group in October 2006

DENIS HERMESSE

GROUP CHIEF FINANCIAL OFFICER, HEAD OF FINANCE, IT, RISK AND PROCUREMENT

Denis Hermesse graduated from HEC Liège as a commercial engineer and has a solid track record in finance, human resources and IT systems, as well as a sound knowledge of the Leisure parks business. After a period as an auditor at PwC, he joined the Walibi group, where he held several positions from 1995 to 2006, the last of which was VP Finance Europe. From 2006 to 2015, he *was Chief Financial* Officer of the IRIS group before joining the Group on 2 September 2015.

Appointed on 2 September 2015 – Joined the Group on 2 September 2015

PHILIPPE JUTARD

LEGAL AFFAIRS, AUDIT AND INTERNAL CONTROL DIRECTOR

A graduate in Business Law and Tax Law, also holding a degree in International Management, Philippe Jutard worked for the Elf Aquitaine and JC Decaux groups for 15 years, gaining extensive experience in various business areas, including the negotiation of public and private contracts, mergers & acquisitions, corporate life and litigation, in France and internationally. He joined Compagnie des Alpes in September 2005 as Group Legal Director. He successively expanded his duties to ethics, the fight against money laundering and the governance body secretariat. In January 2019, he was appointed Director of legal affairs, audit and internal control.

Appointed in January 2019 – Joined the Group on 1 September 2005

SANDRA PICARD

COMMUNICATION, BRAND AND CORPORATE SOCIAL RESPONSIBILITY (CSR) DIRECTOR

Sandra Picard graduated from Kedge Business School and held various positions within Eurodisney SCA starting in 1996. Initially hired as Management Controller, she became Head of Investor Relations in 2000. She joined Compagnie des Alpes in June 2006 in the role of Public Relations and Internal Communications Manager for Leisure parks. In October 2009, she was appointed as Group Communications Director with responsibility for *corporate*, internal and financial communication. On 2 May 2019, Sandra Picard was appointed communication, brand and corporate social responsibility (CSR) Director.

Appointed on 1 January 2011 – Joined the Group in June 2006

DELPHINE PONS

DISTRIBUTION, NEW BUSINESS LINES AND INNOVATION DIRECTOR

Delphine Pons graduated from ESSEC and began her career at the Strategy Department of Deloitte Consulting/Braxton Associés as a consultant, before taking up a managerial role. She joined CDA in May 2005 as Head of Leisure parks strategic planning. From September 2005, she served as Head of Leisure parks strategic marketing and subsequently as Head of Group Sales & Marketing from September 2009. In this role she was responsible for driving the commercial and marketing policy for Group Ski areas and Leisure parks. Delphine was in charge of International development and new business lines between 2013 and 1 September 2016, when she was appointed Director of Group Development. On 2 May 2019, Delphine Pons was appointed distribution, new business lines and innovation director.

Appointed on 1 October 2013 – Joined the Group in May 2005

DAVID PONSON

DIRECTOR OF THE SKI AREAS DIVISION

David Ponson is a graduate of École nationale supérieure d'arts et métiers in Paris. He joined Compagnie des Alpes in 1996 as Technical Manager for Operation and Quality at STAG (Société des Téléphériques de l'Aiguille Grive – Peisey-Vallandry). In 1998 he took over as Head of the Ski Lift and Slope Operation Department. He joined SEVABEL (Les Ménuires) in March 2002, taking up the role of Chief Executive Officer and coordinator of 3 Vallées (Méribel – Les Ménuires). Between 1 January 2012, when he joined the Executive Committee, and 31 May 2016, he was Head of Ski areas operations for the Tignes/Val-d'Isère connected ski area, as well as 3 Vallées. On 1 June 2016, he was appointed Director of the ski areas division. David is also Chairman of the Savoie section of Domaines Skiables de France.

Appointed on 1 January 2012 – Joined the Group in 1996

3.1.3 ADDITIONAL INFORMATION RELATING TO DIRECTORS AND EXECUTIVE CORPORATE OFFICERS

3.1.3.1 Statement of non-conviction

To the knowledge of Compagnie des Alpes, during the last five years none of the corporate officers has been convicted of fraud, has been involved in bankruptcy, sequestration or liquidation, has been subject to incrimination or official public sanction delivered by statutory or regulatory authorities (including designated professional bodies) or has been barred by a court from acting in the capacity of member of any company's management or Supervisory Board, or from acting in any company's management.

3.1.3.2 Conflicts of interest

In accordance with the Charter, Directors and non-voting members undertake to avoid any potential conflict between their moral and material interests and those of the Company. They will inform the Board of any conflict of interest in which they may be involved. Should they be unable to avoid a conflict of interest, they will refrain from taking part in discussions and from any decision-making in relation to the matters concerned.

To the Company's knowledge, there are at present no potential conflicts of interest between the duties owed to the Company by the members that make up the management or administrative bodies, and their personal and/or other interests or treaty or agreement with shareholders, customers, suppliers, or others whose terms require the appointment of a member of the Executive Management or Board of Directors.

To the Company's knowledge, there are no restrictions accepted by the Company's corporate officers concerning the sale of their shareholdings in the Company.

3.1.3.3 Service contracts

To the Company's knowledge, no service contract has been agreed between the Company and any member of the Executive Management or Board of Directors, with the exception of the licensing agreement for the use of the corporate names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts", referred to in Chapter 5, in Note 8.1.2 of the notes to the consolidated financial statements.

3.1.3.4 Share transactions involving Compagnie des Alpes executives

During the 2018/2019 fiscal year, no share transactions involving executives were recorded or formed the subject of the declaration referred to in Article L. 621-18-2 of the French Monetary and Financial Code other than the disposal of 1,681,985 shares (*i.e.* 6.89% [1] of the Company's share capital, representing the same number of voting rights) by the Board member Crédit Agricole des Savoie on 27 November 2018, as part of an internal reclassification operation conducted by its group *via* its subsidiary Crédit Agricole des Savoie Développement, to the benefit of its subsidiary Crédit Agricole des Savoie Capital SASU.

For transactions carried out after the reporting date, see section 6.2.7 "Shareholdings and trading", in Chapter 6 "Share capital and shareholding".

3.1.3.5 Family ties

There are no family ties among the Board members and Executive Management.

(1) *Based on a capital comprising 24,413,2171 shares on the date of the transaction.*

3.2 Functioning of executive and management bodies

3.2.1 FUNCTIONING OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

3.2.1.1 Functioning of the Board of Directors

Missions of the Board of Directors

In accordance with legal requirements and the Company's by-laws, the Board of Directors sets the Company's business policies and sees to their implementation. Subject to the powers expressly assigned to Shareholders' Meetings and within the limit of the corporate purpose, the Board of Directors handles all matters affecting the proper functioning of the Company and, through its deliberations, resolves any issues relating to it.

The Board of Directors carries out any audits or checks that it deems necessary at any time.

Conditions for the preparation and organisation of the Board's work

The Chairman or, in the Chairman's absence the Vice-Chairwoman, convenes the Board and steers the debate.

The Chairman of the Board of Directors sets the agenda in consultation with the Executive Management. Except in emergencies, the agenda is sent to Board members at least five days before the meeting. A file detailing the agenda's topics, and prepared by the Executive Management, is sent to Board members several days before the meeting.

A draft of the minutes is submitted to Directors for comments. The final minutes are approved at the next meeting.

To ensure it can prepare its work as effectively as possible, the Board of Directors is assisted by the three specialised Committees, whose composition and functioning is detailed in section 3.2.1.2 "Functioning of the Committees". The tasks and method of functioning of the committees (the Strategy Committee, the Audit and Finance Committee and the Appointments and Compensation Committee) are specified in the Charter.

Except as set forth below, the appropriate Committee is consulted before any Board vote on issues falling within said Committee's competence. Voting may not take place until the Committee has submitted its recommendations or proposals.

In accordance with the Company's by-laws, Board decisions are adopted in principle by simple majority of the members present, with the Chairman having the casting vote.

However, if (i) one of the Committees has voted against a project under consideration, or (ii) the relevant Committee has been unable to meet or to vote, a qualified majority of eight-twelfths (8/12th) of the Directors present or represented shall be required to adopt the decision regarding said project.

Moreover, the Board of Directors comprises a non-voting member, appointed in accordance with the provisions of Article 9 of the by-laws and Article III.4 of the Charter. Jacques Maillot was appointed non-voting member at the end of the Combined Ordinary and Extraordinary Shareholders' Meeting of 14 March 2013.

The non-voting member is available to the Board, its Committees and its Chairman to provide advice, analysis and recommendations of any kind on any issues, specifically those of a technical, commercial, administrative or financial nature.

The non-voting member is not a corporate officer and only has an advisory and non-decision-making role at the meetings of the Board of Directors and its specialist Committees, to which he is invited to attend, in accordance with applicable regulation and, if required, the Charter. He may not interfere in the Company's management. Neither the Directors nor the Chief Executive Officer are bound by his opinion and remain free to assess how these should be acted on.

Activities of the Board of Directors during the 2018/2019 fiscal year

During the 2018/2019 fiscal year, the **Board of Directors** mainly dealt with the following matters:

- budget and 2019-2023 MTP;
- reports on the work of the various Committees;
- preparation of the annual financial statements for the fiscal year ended 30 September 2018;
- annual review of regulated agreements and commitments;
- governance (co-option Directors, review of the composition of the Board and Committees (in particular the appointment of Maria Paublant to the Strategy Committee) and evaluation of the functioning of the Board and Committees);
- amendment of the Corporate Governance Charter;
- compensation of executive corporate officers;
- implementation of the share buyback programme;
- grants of performance shares;
- report on gender equality;
- authorisation of Chairman and Chief Executive Officer in relation to sureties, endorsements and guarantees;
- preparation of the Combined Ordinary and Extraordinary Shareholders' Meeting of 7 March 2019;
- award of an exceptional bonus to employees, within the framework of the Act of 24 December 2018 introducing emergency economic and social measures;
- review of the half-year consolidated financial statements at 31 March 2019 and half-year financial report;
- French and International development projects, including the planned acquisition of the "Familypark" Leisure Park in Austria (M. Müller Gesellschaft m.b.H. now called Familypark Gesellschaft m.b.H.), and takeover of the Peisey-Vallandry public service concession by ADS;
- refinancing.

Moreover, in accordance with Law No. 2019-486 of 22 May 2019 (the so-called "Pacte" law), the Board of Directors conducted its annual review of standard agreements for the purpose of their evaluation, in the same way as it reviews regulated agreements and commitments. At its meeting of 23 January 2020, the Board of Directors confirmed that the conditions were met for ongoing agreements relating to routine operations concluded under normal conditions. It thus decided not to reclassify these standard agreements as regulated agreements.

Attendance rate of Directors at Board and Committee meetings during the 2018/2019 fiscal year

In the course of the 2018/2019 fiscal year, the Board of Directors of Compagnie des Alpes met six times.

The Strategy Committee met once, while the Audit and Finance Committee met four times, and the Appointments and Compensation Committee met twice.

The non-voting member and representatives of the Works Council and Statutory Auditors also attended Board meetings.

The members' average attendance rate at Board and Committee meetings was 82.42%.

The table below mentions the individual attendance rate (meetings of the Board of Directors and the Committees held during fiscal year 2018/2019) of Directors who served in that capacity during the fiscal year:

	Rate of attendance			
Name of Director	Board of Directors	Audit and Finance Committee	Strategy Committee	Appointments and Compensation Committee
Dominique Marcel	100%		100%	
CDC, represented by Virginie Fernandes	100%		100%	100%
CADS, represented by Emmanuelle Jianoux [(1)]	50%		100%	
BPAURA, represented by Maria Paublant [(1)]	66.6%			
CERA, represented by Bénédicte Davy	100%	100%		100%
Sofival, represented by Jean-François Blas	0%		0%	
Antoine Gosset-Grainville	100%	100%		
Giorgio Frasca	50%	75%	100%	100%
Carole Montillet	100%			
Serge Bergamelli	100%	75%		
Rachel Picard	66.6%		0%	
Francis Szpiner	50%			
Jacques Maillot (non-voting member)	100%			

(1) *See section 3.1.1.2 - Change in the composition of the Committees.*

Assessment of the Board of Directors and Committees

Under the terms of the Charter (Article II.2.6.), the Board recorded in its internal regulations a mechanism for the annual assessment of its operations and a formal assessment to be conducted every three years, as recommended by the AFEP-MEDEF Code of Corporate Governance.

The Board conducts an assessment of its capacity to meet shareholder expectations. This assessment has three objectives: (i) to take stock of the Board's operating procedures; (ii) to verify that important issues are sufficiently prepared and discussed; (iii) to measure the real contribution of each Director to the work of the Board and the Committees of which they are a member, based on individual skills and involvement in the deliberations.

The Board held discussions on its functioning during the 2018/2019 fiscal year. They revealed the satisfaction of the Directors with respect to the composition, organisation and functioning of the Board of Directors and Committees.

The formal three-year assessment of the Board, focusing on the composition and functioning of the Board and Committees, was conducted at the end of 2017, under the guidance of the Appointments and Compensation Committee. The assessment was carried out using a questionnaire. The conclusions of the assessment, presented to the Board of Directors, report the proper functioning of the Board and its Committees, the quality of the information presented, the freedom to speak and the accuracy of the responses given by the Executive Management to the questions asked. The points identified in the previous assessment (2014) as needing improvement got a better evaluation.

To meet the expectations of the Directors, the Executive Management decided to organise an annual meeting on site in order to improve the relationships between the members of the Board of Directors, and between them and the management, in particular the members of the Executive Committee. The annual meeting took place at the Parc Astérix site, on the occasion of the Board meeting of 17 October 2019.

3.2.1.2 Functioning of the Committees

The Committees were regularly referred to for matters pertaining to their areas of expertise and the Board followed their recommendations.

The information, documents and details required by Board and Committee members to carry out their work were provided with great transparency by Executive Management.

Strategy Committee

Composition

The Strategy Committee is composed of: Dominique Marcel (Chairman), Virginie Fernandes (permanent representative of Caisse des Dépôts et Consignations), Jean-François Blas (permanent representative of Sofival), Maria Paublant (permanent representative of Banque Populaire Auvergne Rhône-Alpes), Antoine Gosset-Grainville, Giorgio Frasca and Rachel Picard.

Main tasks

The Strategy Committee's tasks mainly include the assessment of the strategic goals, the creation of guidelines for the strategic goals and external development, the consolidated annual budgets, the capital expenditure programmes and the dividend policy. The Committee also oversees Company commitments for which prior Board deliberation is required.

Activities during the 2018/2019 fiscal year

During the fiscal year, the **Strategy Committee** met once.

The Strategy Committee dealt in particular with the following matters in advance of Board meetings:

- budget and 2019-2021 MTP;
- refinancing.

Audit and Finance Committee

Composition

The **Audit and Finance Committee** is composed of: Antoine Gosset-Grainville (Chairman), Serge Bergamelli, Bénédicte Davy (permanent representative of Caisse d'Epargne Rhône-Alpes) and Giorgio Frasca.

Main tasks

The tasks of the **Audit and Finance Committee** mainly involve reviewing the accounts, examining the performance of the internal audit system and risk management and identification procedures. It shall submit to the Board of Directors a recommendation on the Statutory Auditors, whose appointment and renewal will be proposed to the Shareholders' Meeting, examine their auditing measures and ensure compliance with the conditions of independence applicable to them. It also approves the provision of services other than the certification of financial statements by the Statutory Auditors.

Activities during the 2018/2019 fiscal year

The **Audit and Finance Committee** again held four meetings in 2018/2019, spreading its workload in accordance with the recommendations of the AMF task force's Audit Committee report published on 22 July 2010 on which the Committee relies.

The following matters were dealt with in particular:

- annual financial statements for the fiscal year ended 30 September 2018;
- fees paid to the Statutory Auditors and their networks;
- activity review and report concerning the Internal Audit Department and the Group's 2018 internal control and compliance procedures and annual plan;
- Audit and Finance Committee's annual programme for 2018/2019;
- examination of the Group's exposure to financial risks and significant off-balance sheet commitments;
- interest rate hedging policy;
- review of the Liquidity Charter;
- review of the CSR policy and non-financial implications;
- progress report on GDPR procedures;
- interim consolidated financial statements at 31 March 2018 and half-year financial report;
- compliance with Internal Audit guidelines;
- review of the internal control procedures and the CSR report;
- risk mapping.

Appointments and Compensation Committee

Composition

The **Appointments and Compensation Committee** is composed of: Giorgio Frasca (Chairman), Virginie Fernandes (permanent representative of Caisse des Dépôts et Consignations) and Caisse d'Epargne Rhône-Alpes represented by Bénédicte Davy (permanent representative of Caisse d'Epargne Rhône-Alpes).

Main tasks

The tasks of the **Appointments and Compensation Committee** mainly include the issuing of guidelines and proposals concerning (i) the appointment of Directors; (ii) the appointment, dismissal, and compensation of the Chairman and Chief Executive Officer and, as appropriate, the Deputy Chief Executive Officers; and (iii) the general policy for granting stock options and/or performance shares in the Group. The Appointments and Compensation Committee is also informed of the compensation policy of the Group's principal managers who are not corporate officers, and may offer its opinion on this subject. It is responsible, with the Chairman and Chief Executive Officer, for drafting proposals for the implementation of corporate governance principles and for preparing the assessment of Board work.

Activities during the 2018/2019 fiscal year

For its part, the **Appointments and Compensation Committee** focused on the update of the Company's Corporate Governance Charter, the Company's governance (review of the Directors' independence and composition of the Board and Committees), the compensation of executive corporate officers and members of the Executive Committee, and the performance share plans. Lastly, it reviewed the sections of the annual report relating to corporate governance and the implementation conditions of the performance plan.

3.2.2 PROCEDURES FOR THE EXERCISE AND LIMITATION OF EXECUTIVE MANAGEMENT POWERS

3.2.2.1 Procedures to exercise the Executive Management

As mentioned above, the Executive Management of the Company is the responsibility of the Chairman of the Board of Directors, who thus carries the title of Chairman and Chief Executive Officer. Subject to (i) powers that the law or by-laws attribute expressly to Shareholders' Meetings, (ii) powers reserved exceptionally for the Board of Directors and (iii) the provisions of the Charter, the Chairman and Chief Executive Officer is vested with extensive powers to act in any circumstances on behalf of the Company, within the limits of the purpose of the Company. The decisions of the Board of Directors that limit the powers of the Chairman and Chief Executive Officer cannot be enforced against third parties.

In accordance with Article 13.3 of the by-laws, the Board of Directors may, at the suggestion of the Chairman and Chief Executive Officer, appoint Deputy Chief Executive Officers (the "Deputy Chief Executive Officers"). If Deputy Chief Executive Officers are appointed, the provisions of the Charter concerning the Chairman and Chief Executive Officer shall apply to them.

3.2.2.2 Limitation of Executive Management powers

Certain decisions made by the Chairman and Chief Executive Officer concerning the Compagnie des Alpes Group cannot be adopted, and certain actions or commitments concerning the Group cannot be concluded by the Chairman and Chief Executive Officer, if they have not received prior approval or been given proxy by the Board of Directors.

These restrictions of power are described in Article II.2.3. of the Charter, which requires the Board's prior approval for decisions on one of the following matters:

- Compagnie des Alpes' development strategy, especially in geographic terms (locations, etc.);
- annual capital expenditure budgets for Compagnie des Alpes Group;
- any investment or disinvestment (i) as part of the Group's current and recurrent operations, for a total amount of more than €15 million excluding tax, or (ii) outside of the Group's current and recurrent operations or strategic areas (Ski areas/Leisure parks) or to be made in a country in which Compagnie des Alpes Group does not have any direct or indirect presence;
- the entering into, voluntary termination or signing of any rider, of the public service delegation contract(s), excluding annual asset inventory update riders whose total amount (including all additional investments committed or off-balance-sheet commitments made) is greater than €15 million excluding taxes;
- any plan to create a company or take any kind of controlling interest in any company or undertaking outside the Group if the purpose or business is not one of the Group's strategic areas, or creation of a company or acquisition of a stake in any company or undertaking outside the Group if the purpose or business is one of the Group's strategic areas and the deal exceeds €15 million;
- or the establishment a partnership with a company or undertaking outside the Compagnie des Alpes Group (joint venture) involving contributions of assets by either of the parties or any other exchanges of securities; or the granting of sureties not covered by Article L. 225-35, paragraph 4, of the French Commercial Code, in any form whatsoever (collateral, mortgages, pledges, security trusts, etc.) of an amount exceeding €15 million;
- any financing operation carried out *via* bilateral or syndicated credit lines of an amount exceeding €100 million (for the year, in one or more instalments), with a term of more than one year;
- any transaction in Company shares pursuant to Article L. 225-209 of the French Commercial Code exceeding 2% of the Company's share capital (for the year, in one or more instalments);
- the general policy for the establishment stock option and/or performance share plans and any decision to grant such options or shares exceeding 1% of the share capital (for the year, in one or more instalments).

In addition, in accordance with legal provisions and Article 13.4. of the Company's by-laws, the Board of Directors authorises the Chairman and Chief Executive Officer to offer sureties, endorsements and other guarantees, within the limit of €15 million.

3.3 Compensation of corporate officers

3.3.1 COMPENSATION AND BENEFITS OF ANY KIND PAID OR AWARDED TO EXECUTIVE CORPORATE OFFICERS

3.3.1.1 Principles and criteria for determining, distributing and allocating fixed, variable and exceptional items that comprise the total compensation and benefits of any kind attributable to the executive corporate officers

Pursuant to Article L. 225-37 of the French Commercial Code, the principles and criteria for determining, distributing and allocating the components of compensation of executive corporate officers are set out below. This report on the compensation principles was drawn up with the assistance of the Appointments and Compensation Committee and was approved by the Board of Directors on 9 December 2019.

Pursuant to the application of Article L. 225-37-2 of the French Commercial Code, the payment of the variable and exceptional compensation items for the 2018/2019 fiscal year is subject to the approval by the Annual Shareholders' Meeting of the compensation elements for the person in question under the conditions set out in Article L. 225-100 of the French Commercial Code.

The Board of Directors is responsible for determining the compensation of the executive corporate officers and bases its decisions on the advice and recommendations of the Appointments and Compensation Committee.

In the interests of transparency and balance, these bodies ensure that the compensation policy for executive officers takes into account all relevant principles of good governance, in particular those set out in the AFEP-MEDEF Code of Corporate Governance to which the Company refers.

Each compensation package thus strives to be measured, balanced and fair while enabling the Company to attract, retain and motivate high-performance executives who contribute to its success. The compensation paid is assessed in the context of a specific business line and reference market. It is consistent with the compensation paid to executives with similar responsibilities in listed companies of the same size, revenue and business sector.

Neither of the two executive corporate officers – Dominique Marcel, Chairman and Chief Executive Officer, and Agnès Pannier-Runacher, Deputy Chief Executive Officer until 15 October 2018 – has an employment contract.

In accordance with the AFEP-MEDEF Code of Corporate Governance, neither of the two officers benefit from the performance share plans implemented by the Group.

Moreover, they do not receive any compensation in respect of the Director's mandates they hold within various Group companies, nor any exceptional compensation.

3.3.1.2 Structure of the annual compensation paid to executive corporate officers

The compensation paid to Dominique Marcel, Chairman and Chief Executive Officer, and to Agnès Pannier-Runacher, Deputy Chief Executive Officer until 15 October 2018, comprises the following:

- a fixed part;

- variable compensation which is partly based on non-financial performance criteria;
- profit-sharing, as per the incentive agreement;
- benefits in kind, in the form of a company car;
- the cover provided by the Group insurance plan (complementary retirement scheme) composed of membership of a defined-benefit pension plan and membership of a defined-contribution pension plan;
- the cover provided by the complementary health and pension plan in force within the Company.

Moreover, Chairman and Chief Executive Officer Dominique Marcel may be granted a severance package in the event of his departure from his position (such a severance package no longer applies to Deputy CEO Agnès Pannier-Runacher, as she left the Company on 15 October 2018). Dominique Marcel also has private unemployment insurance cover.

(i) Fixed compensation

At the beginning of each fiscal year, or upon each new appointment or mandate renewal, on the proposal of the Appointments and Compensation Committee, the Board determines the fixed compensation of the executive corporate officers in respect of the fiscal year. The fixed compensation serves as a basis to determine the variable compensation.

Dominique Marcel, Chairman-Chief Executive Officer

The compensation of **Dominique Marcel** is paid in virtue of his Executive Management role through his corporate office, and not as Chairman of the Board, for which there is no compensation.

Except in exceptional circumstances, the amount of the fixed compensation is only reviewed at relatively long intervals, in accordance with the AFEP-MEDEF Code of Corporate Governance. The annual fixed compensation of the Chairman and Chief Executive Officer therefore did not change between 2010 and 2017.

The fixed compensation paid to **Dominique Marcel** was increased to €400,000 starting 9 March 2017, when the Chairman and Chief Executive Officer's mandate was renewed. Dominique Marcel agreed that his total compensation should be capped and therefore reduced to comply with the rules imposed on public sector companies, even though Compagnie des Alpes, a private company, is not subject to this regulation. **Dominique Marcel** thus received €400,000 in respect of the **2018/2019 fiscal year.**

The amount of Dominique Marcel's annual fixed compensation has remained unchanged since the Board of Director's decision of 9 March 2017.

Agnès Pannier-Runacher, Deputy Chief Executive Officer until 15 October 2018

The annual fixed compensation of **Agnès Pannier-Runacher** amounted to €260,000, as determined on 10 December 2015 (this was the first increase in fixed compensation for Executive Management since 2010).

It was raised to this amount by the Board of Directors in order to align this fixed part with the practices of the sector for equivalent functions and to take into account the functional evolution of the mandate within the Group, in the context of improved Group results.

Agnès Pannier-Runacher left the Company on 15 October 2018. Her fixed compensation in respect of the first fifteen days of the 2018/2019 year amounts to €10,362.

(ii) Variable compensation

The variable portion of the executive corporate officers' annual compensation consists of annual bonuses linked to the achievement of both qualitative and quantitative targets that are set for a fiscal year.

At the beginning of each fiscal year, on the proposal of the Appointments and Compensation Committee, the Board defines each of the targets set for the executive corporate officers for the fiscal year in question, based on quantitative and qualitative criteria (including non-financial aspects), in accordance with the AFEP-MEDEF Code of Corporate Governance.

Following the end of the fiscal year, the Appointments and Compensation Committee assesses the achievement of these targets and, on the basis of its appraisal, the Board then decides to grant the executive corporate officers all or part of the variable portion of the compensation expressed as a percentage of the annual fixed compensation.

The variable portion of the compensation allocated for a fiscal year is therefore liquidated and paid during the following year, after approval by the Annual General Meeting of Shareholders, in accordance with Article L. 225-37-2 of the French Commercial Code.

Dominique Marcel, Chairman-Chief Executive Officer

(a) **In respect of the 2018/2019 fiscal year**, the performance criteria for the assessment of the variable compensation payable by the Company to Dominique Marcel were set as follows by the Board of Directors on 24 January 2019:

- from 0 to 6.25% of his annual fixed compensation according to the following quantitative criteria:
  - from 0 to 3.125% based on Group EBITDA for the fiscal year,
  - from 0 to 2.125% based on Group net debt calculated at the end of the fiscal year. This is the net debt as published in the 2019 Universal Registration Document, which may be restated for changes in the scope of consolidation (disposals and acquisitions),
  - from 0 to 1% based on the free cash flow for the fiscal year;
- from 0 to 6.25% of his annual fixed compensation according to qualitative criteria related to (i) the achievement of specific targets linked to the deployment of the strategy in each of the business units, (ii) the preparation of partnerships with shareholders and industrial players to deliver this strategy and (iii) the "Corporate Social Responsibility" (CSR) roadmap.

The maximum amount of variable compensation payable to the Chairman and Chief Executive Officer was reduced to 12.5% of his annual fixed compensation from 9 March 2017 (compared to 50% previously), if the performance criteria are fully met.

Based on the work and proposals of the Appointments and Compensation Committee, the Board of Directors at its meeting of 9 December 2019 reviewed the level of achievement of the targets. After consulting the Appointments and Compensation Committee, it noted that, in respect of the targets, the performance criteria for the variable compensation of Dominique Marcel had been 97% met.

As a result, it decided that Dominique Marcel would receive, during the 2019/2020 fiscal year, in respect of the 2018/2019 fiscal year, 97% of his annual variable compensation, *i.e.* a gross amount of €48,468, which is less than 12.12% of his annual fixed compensation.

(b) **In respect of the 2019/2020 fiscal year,** the variable compensation payable to Dominique Marcel will be based on the following targets:

At its meeting of 9 December 2019, the Board of Directors decided that Dominique Marcel's variable compensation in respect of the 2019/2020 fiscal year could be as follows:

- from 0 to 6.25% (up to a maximum of €25 thousand) of his annual fixed compensation based on the following quantitative criteria:
  - from 0 to 3.125% based on Group EBITDA for the fiscal year,
  - from 0 to 2.125% based on Group net debt calculated at the end of the fiscal year,
  - from 0 to 1% based on the free cash flow for the fiscal year;
- from 0 to 6.25% (up to a maximum of €25 thousand) of his annual fixed compensation based on qualitative criteria related to (i) the achievement of specific targets linked to the deployment of the strategy in each of the business units (securing the loyalty of customers and attracting new ones, distribution, accommodation and attractiveness, the completion of structural projects and customers' Very High Satisfaction), (ii) participation in the consolidation of each of the business lines and (iii) the roll-out of the first initiatives of the "Corporate Social Responsibility" (CSR) roadmap.

Agnès Pannier-Runacher, Deputy Chief Executive Officer until 15 October 2018

The variable portion of the annual compensation of **Agnès Pannier-Runacher** could reach 50% of her annual fixed compensation up to the date of her departure from Compagnie des Alpes, *i.e.* on 15 October 2018.

(a) **In respect of the 2018/2019 fiscal year**, the performance criteria for the assessment of the variable compensation payable by the Company to Agnès Pannier-Runacher were set as follows by the Board of Directors on 24 January 2019:

- from 0 to 25% of her annual fixed compensation according to the following quantitative criteria:
  - from 0 to 12.5% based on Group EBITDA for the fiscal year,
  - from 0 to 8.5% based on Group net debt calculated at the end of the fiscal year. This is the net debt as published in the 2019 Universal Registration Document, which may be restated for changes in the scope of consolidation (disposals and acquisitions),
  - from 0 to 4% based on the free cash flow for the fiscal year;
- from 0 to 25% based on qualitative criteria related to (i) the achievement of specific targets linked to the deployment of the strategy in each of the business units, (ii) the preparation of partnerships with shareholders and industrial players to deliver this strategy and (iii) the "Corporate Social Responsibility" (CSR) roadmap.

At its meeting of 9 December 2019, on the advice of the Appointments and Compensation Committee, the Board of Directors noted that, in view of her departure from the Company on 15 October 2018, the performance criteria for the variable compensation of **Agnès Pannier-Runacher** had been 97% met for the period running from 1 to 15 October 2018.

Given her departure from the Company on 15 October 2018, the annual variable compensation payable to Agnès Pannier-Runacher in respect of the 2018/2019 fiscal year, calculated on a prorated basis, amounts to €5,022 (gross).

(b) Variable compensation **in respect of the 2019/2020 fiscal year** is not applicable to Agnès Pannier-Runacher due to her departure from the Company on 15 October 2018.

For information purposes, it should be noted that the compensation paid to the other members of the Executive Committee also comprises a fixed and a variable portion, the latter of which can vary between 0% and 40% of their annual fixed compensation depending on the achievement of qualitative targets specific to each beneficiary and quantitative Group performance targets common to all Committee members, with the exception of Operations Directors, whose quantitative performance targets are based on the performance of their Business Unit and of the Group.

(iii) Profit-sharing agreement

Dominique Marcel and Agnès Pannier-Runacher are covered by Compagnie des Alpes' incentive agreement. For more information on this agreement, see section 4.2.4.2 "Compensation and employee benefits" in Chapter 4 "Statement of non-financial performance". In respect of the 2018/2019 fiscal year, each of them received a gross amount of €19,803.

(iv) Benefits in kind

For the fulfilment of their duties, the Chairman and Chief Executive Officer (and the Deputy Chief Executive Officer up until 15 October 2018) are provided with a company car (for details, see Table 2 in section 3.3.1.4).

(v) No granting of stock options and performance shares

At their request, the executive corporate officers of Compagnie des Alpes are no longer beneficiaries of the plans implemented by Compagnie des Alpes since fiscal year 2009/2010.

(vi) Conditional severance package for Dominique Marcel, Chairman and Chief Executive Officer [1]

Dominique Marcel may be awarded a severance package linked to the end of his corporate term of office.

Dominique Marcel's severance package was determined by the Board of Directors on 19 March 2009 and approved for the first time by the Shareholders' Meeting of 18 March 2010. The continuation of this commitment was then submitted twice to the Shareholders' Meeting for approval when the term as Director of Dominique Marcel was renewed (Shareholders' Meetings held in 2013 and 2017).

Severance pay may therefore be awarded to Dominique Marcel by the Company under the following conditions [2]:

(a) compensation will be paid in the event of forced departure from the Company, regardless of the form of such departure and in particular following the revocation or non-renewal of his position as Chairman and Chief Executive Officer, except in case of serious misconduct or gross negligence (as defined by the French Labour Code).

No compensation will be paid to Dominique Marcel if he leaves the Company on his own initiative to perform new duties or changes position within the Group, or if he has the option to claim his pension rights at full rate, or in the case of serious misconduct or gross negligence;

(1) *The severance package of Deputy Chief Executive Officer Agnès Pannier-Runacher has become null and void due to her departure from the Company on 15 October 2018.*
(2) *Conditions for attribution and calculation comparable to those that had been decided for the duration of his previous mandate, but restated by the Board of Directors to take into account changes in the provisions of the AFEP-MEDEF Code in this regard.*

(b) the severance pay is subject to individual and Group performance criteria. These performance criteria shall be assessed on the date the tenure of corporate office is terminated:

- individual performance criteria: shall be met if, averaged over the previous three full fiscal years, the average bonus awarded by the Board of Directors to Dominique Marcel exceeds 30% of the maximum bonus,
- Group performance criteria: shall be met if, averaged over the previous three full fiscal years, and on the basis of the consolidated accounts, the EBITDA margin is at least 20% like for like.

The Board of Directors may revise these performance criteria whenever a mandate is renewed;

(c) the amount of this severance pay will be twice Dominique Marcel's "basic annual salary".

The "basic annual salary" shall be his last gross basic annual salary, including the gross amount of the bonus paid to him for the most recent full fiscal year, and excluding the amount of benefits in kind, reimbursements for professional expenses and any financial instruments and stock options granted during that period.

Severance pay shall only be due after the CDA Board of Directors has ascertained that the above criteria have been met. It shall be deemed to include any compensation for unfair dismissal.

(vii) Financial terms of the departure of Deputy Chief Executive Officer Agnès Pannier-Runacher on 15 October 2018

In accordance with the AFEP-MEDEF Code of Corporate Governance, the financial terms of the departure of Agnès Pannier-Runacher, the Deputy Chief Executive Officer until 15 October 2018, are set out in detail in this section and in section 3.3.1.4.

(viii) Private unemployment insurance for Dominique Marcel, Chairman and Chief Executive Officer

On 9 March 2017, in accordance with the provisions of Article L. 225-38 of the French Commercial Code, the Board of Directors approved the purchase by the Company of private unemployment insurance from the *Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise* (GSC) for Dominique Marcel in his capacity as Chairman and Chief Executive Officer. Note that Dominique Marcel does not have an employment contract with the Company.

This insurance pays a daily indemnity to corporate officers in the event of an involuntary termination of professional activity due to dismissal or non-renewal of term of office.

Accordingly, the corporate officer will receive, from the 31st day of the involuntary loss of professional activity and for its duration, daily unemployment benefits for a maximum period of 24 months (after the end of the first year of affiliation).

The total amount of compensation paid in the event of involuntary loss of professional activity may in no case exceed 70% of the annual net income of the previous fiscal year, excluding any dividends.

In respect of the 2018/2019 fiscal year, the unemployment insurance expense paid by the Company amounted to €13,000.

(ix) Regulated and collective complementary retirement scheme

Complementary retirement schemes supplement the basic and supplementary state pensions.

General principle

The Company's executive corporate officers (*i.e.* the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer up until 15 October 2018) are covered by a mixed complementary retirement scheme, comprising a defined-contribution pension plan and a defined-benefit pension plan, in accordance with the provisions of Article L. 911-1 of the French Social Security Code.

The defined-contributions pension plan (Article L. 242-1 of the French Social Security Code) benefits all of the staff of the headquarters entities, including executive corporate officers, with no condition of presence or seniority. The defined contributions (individual accounts) are equal to 7% of the annual compensation for each beneficiary (capped at five times the annual social security ceiling, or €202,620 on an annual basis in 2019). Contributions to the savings plan are split between the employer (4%) and beneficiary (3%), notwithstanding the beneficiary's status and age. The rights are acquired monthly and liquidated when the beneficiaries end their professional career.

The defined-benefit pension plan (Article L. 137-11 of the French Social Security Code), which is fully funded by Compagnie des Alpes, is open to corporate officers, senior executives and category-CIII executives (72 beneficiaries).

This second plan allows beneficiaries who end their professional career within the Group to benefit, when they take their pension, from a retirement pension equal to 1% of their basic annual salary (last basic annual salary comprising fixed and variable parts) per year of seniority, up to a maximum of 10% of this compensation, less the pension received under the defined contribution plan.

Upon retirement, the beneficiary may opt to receive a life annuity with a 60% survivor pension.

The pension plan contributions paid by the Company are not subject to employer social security contributions, nor to the CSG (general social contribution) or CRDS (social debt reimbursement contribution) levies. The Company must pay an employer social security contribution amounting to 32% of the pensions liquidated since 1 January 2013.

It should be noted that CDA closed its defined-benefit pension plan on 4 July 2019, following the recent legislative changes in this regard, stemming from the Order of 3 July 2019 implementing the so-called *Loi Pacte* of 22 May 2019. The conditional benefits granted under this plan are frozen as of 1 January 2020 and will remain subject to the conditions provided under the plan's current rules.

Estimated amount of the pension of Dominique Marcel, Chairman and Chief Executive Officer

The continuation of this commitment regarding Dominique Marcel was approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017, when his mandate as Chairman and Chief Executive Officer of the Company was renewed.

At its meeting of 9 March 2017, the Appointments and Compensation Committee noted that Dominique Marcel had already reached the maximum level of conditional benefits under the defined-benefit pension plan (Article 137-11 of the French Social Security Code). According to the terms of the pension regulations, the annual pension increases by 1% per year of seniority and is capped at 10% of the reference compensation. However, Dominique Marcel has more than ten years of seniority. Consequently, no increase in the conditional rights under the said pension plan will be granted to Dominique Marcel during the term of his office.

In this context, the Board of Directors has decided to recognise the "freezing" of pension rights under the abovementioned plan as of 9 March 2017, by using the compensation granted for the 2015/2016 fiscal year as a reference. Consequently, the Board of Directors did not deem it useful to define performance conditions. The closure and freezing of this plan have no impact on Dominique Marcel's rights, as decided by the Board.

On the closing date of the fiscal year, the amount of Dominique Marcel's annual pension rights under the defined-benefit complementary retirement scheme is estimated at €48,371.

Estimated amount of the pension of Agnès Pannier-Runacher, Deputy Chief Executive Officer until 15 October 2018

Due to her resignation from the Company on 15 October 2018, Agnès Pannier-Runacher is no longer eligible for the complementary defined-benefit pension plan.

However, she will keep the rights gained under the defined-contribution complementary pension scheme. They will be transferred to the Company in which Agnès Pannier-Runacher will end her career and the related amount will be paid to her along with her retirement pension.

(x) Complementary health and pension plan

Dominique Marcel is covered by the collective health and pension plan in force within the Company, in the same way and under the same conditions as other employees.

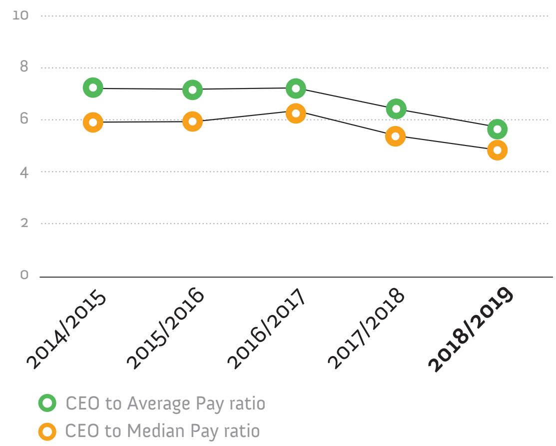
3.3.1.3 Ratio between the compensation of executive corporate officers and the average and median salary of Company employees

This presentation was prepared in accordance with Article L. 225-37-3 (par. 4 and 5), recently amended by Law No. 2019-486 of 22 May 2019 relative to the growth and transformation of businesses (known as the *Pacte* law) to comply with the new transparency requirements regarding the compensation of senior executives.

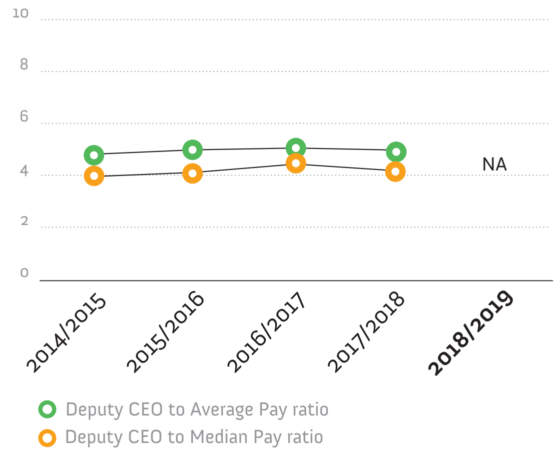
It shows the level of compensation paid to the Company's Chairman and Chief Executive Officer and its Deputy Chief Executive Officer, firstly in relation to the average salary of employees (excluding corporate officers), and secondly in relation to the median salary of employees (excluding corporate officers) of Compagnie des Alpes, as well as the changes in these two ratios over the past five years.

This presentation is liable to change with the possible release of subsequent details and official positions for the attention of issuers.

RATIO BETWEEN THE COMPENSATION OF DOMINIQUE MARCEL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, AND THE SALARY OF EMPLOYEES



RATIO BETWEEN THE COMPENSATION OF AGNÈS PANNIER-RUNACHER, DEPUTY CEO (*UNTIL 15 OCTOBER 2018*), AND THE SALARY OF EMPLOYEES



3.3.1.4 Summary statement of individual compensation paid to Executive Corporate Officers for the 2018/2019 fiscal year (AFEP-MEDEF Code of Corporate Governance/AMF position-recommendation No. 2009-16 and No. 2012-02)

The breakdown of the individual compensation of executive corporate officers for the 2018/2019 fiscal year is presented below:

Summary of compensation payable and stock options and shares granted to each executive corporate officer (gross compensation in euros)

(Table 1 of the AMF classification)

This first table summarises the total compensation payable to executive corporate officers for the fiscal year ended 30 September 2019 and the previous fiscal year.

Dominique Marcel, Chairman-Chief Executive Officer	2017/2018	2018/2019
Compensation due for the fiscal year (see details in Table 2)	476,134	485,467
Valuation of options granted for the fiscal year (see details in Table 4)	-	-
Valuation of performance shares granted for the fiscal year (see details in Table 6)	-	-
Valuation of other long-term compensation plans	-	-
TOTAL	**476,134**	**485,467**

Agnès Pannier-Runacher, Deputy Chief Executive Officer (1)	2017/2018	2018/2019
Compensation due for the fiscal year (see details in Table 2)	413,476	16,896
Valuation of options granted for the fiscal year (see details in Table 4)	-	-
Valuation of performance shares granted for the fiscal year (see details in Table 6)	-	-
Valuation of other long-term compensation plans	-	-
TOTAL	**413,476**	**16,896**

(1) Given that Agnès Pannier-Runacher left the Company on 15 October 2018, the reference period used for the calculation of the compensation for the 2018/2019 fiscal year, runs from 1 to 15 October 2018.

Summary of the compensation payable (gross and in euros) to each executive corporate officer (by the Company, the controlled companies within the meaning of Article L. 233-16 of the French Commercial Code and the controlling company(ies))

(Table 2 of the AMF classification)

This table shows the gross compensation due to each executive officer for the fiscal year ended 30 September 2019 and the previous fiscal year, as well as the compensation actually paid to them during those fiscal years.

	FY 2017/2018		FY 2018/2019	
Dominique Marcel, Chairman-Chief Executive Officer	Amounts owed	Amounts paid	Amounts owed	Amounts paid
• fixed compensation	400,000	400,000	400,000	400,000
• variable compensation	50,000	107,201	48,468	50,000
• gross profit share	19,803	19,538	30,245	19,803
• exceptional compensation	-	-	-	-
• compensation of the Board of Directors	-	-	-	-
• benefits in kind (company car)	6,331	6,331	6,755	6,755
TOTAL	**476,134**	**533,070**	**485,467**	**476,558**

	FY 2017/2018		FY 2018/2019 (prorated) (1)	
Agnès Pannier-Runacher, Deputy Chief Executive Officer (1)	Amounts owed	Amounts paid	Amounts owed	Amounts paid
• fixed compensation	260,000	260,000	10,362	10,362
• variable compensation	130,000	130,000	5,022	130,000
• gross profit share	19,803	19,538	1,205	19,803
• exceptional compensation	-	-	-	-
• compensation of the Board of Directors	-	-	-	-
• benefits in kind	3,673	3,673	306	306
TOTAL	**413,476**	**413,211**	**16,896**	**160,471**

(1) Given that Agnès Pannier-Runacher left the Company on 15 October 2018, the reference period used for the calculation of the compensation for the 2018/2019 fiscal year, runs from 1 to 15 October 2018.

Stock options granted during the fiscal year to each executive corporate officer by the Company or by Group companies
(Table 4 of the AMF classification)

N/A

Stock options exercised during the fiscal year by each executive corporate officer
(Table 5 of the AMF classification)

N/A

Bonus shares granted during the fiscal year to each executive corporate officer by the Company or by any Group company
(Table 6 of the AMF classification)

N/A

Bonus shares which vested during the fiscal year for each executive corporate officer
(Table 7 of the AMF classification)

N/A

Stock option grants
(Table 8 of the AMF classification)

N/A

Stock options granted to or exercised by the ten leading employees (excl. corporate officers)
(Table 9 of the AMF classification)

N/A

Bonus shares granted to corporate officers
(Table 10 of the AMF classification)

This table can be found in Chapter 5, Note 6.10 of the Consolidated Financial Statements.

Situation of executive corporate officers in the 2018/2019 fiscal year with regard to the AFEP-MEDEF Code of Corporate Governance
(Table 11 of the AMF classification)

Executive officer	Employment contract	Complementary retirement plan	Benefits in kind owed or likely to be owed as a result of a termination or change of position	Indemnities related to a non-compete clause
Dominique Marcel Chairman and Chief Executive Officer	No	Yes	Yes	No
Agnès Pannier-Runacher* Deputy Chief Executive Officer	No	Yes	Yes**	No

** Agnès Pannier-Runacher left the Company on 15 October 2018.*

*** The severance package of Agnès Pannier-Runacher became null and void following her departure from the Company on 15 October 2018. The financial terms of her departure are set out in item (vii) of section 3.3.1.2.*

3.3.1.5 Draft resolutions concerning the compensation policy applicable to Executive Corporate Officers

(i) Principles and criteria for determining, distributing and allocating the compensation of the Chairman and Chief Executive officer in respect of his corporate office for the 2019/2020 fiscal year, pursuant to Article L. 225-37-2 of the French Commercial Code (*ex-ante* vote) [(1)]

In accordance with Article L. 225-37-2 of the French Commercial Code, the following resolutions will be submitted to shareholders for approval at the next Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended 30 September 2019.

Tenth resolution – Approval of the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional elements of the total compensation and benefits of any kind to be granted to Dominique Marcel, Chairman and Chief Executive Officer, in respect of the 2019/2020 fiscal year.

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, and having examined the special report of the Board of Directors, the Shareholders' Meeting approves, pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional elements of the total compensation and benefits of any kind to be granted to Dominique Marcel, Chairman and Chief Executive Officer, for the 2019/2020 fiscal year, as detailed in the report on the Company's corporate governance required by Article L. 225-37 of the French Commercial Code and included in the 2019 Universal Registration Document ("Chapter 3. Corporate Governance" – "3.3. Compensation of corporate officers" – "3.3.1. Compensation and benefits of any kind awarded to executive corporate officers" and "3.3.1.5 Draft resolutions concerning the compensation policy" (i)).

(1) *Given that Agnès Pannier-Runacher left the Company on 15 October 2018, Dominique Marcel was the Company's only executive corporate officer at 30 September 2019, in respect of the 2019/2020 fiscal year.*

SUMMARY OF COMPENSATION PRINCIPLES AND CRITERIA

In accordance with Article L. 225-37-2 of the French Commercial Code, the Shareholders' Meeting will be asked to approve the principles and criteria for the compensation of the Chairman and Chief Executive Officer for the 2019/2020 fiscal year, as set out below and in sections 3.3.1.2 and 3.3.1.4 of this chapter.

Compensation elements	Details
Fixed compensation	Gross fixed compensation for 2019/2020 (change in fixed compensation to €400,000 on 9 March 2017, the date of renewal of his term). The amount of Dominique Marcel's annual fixed compensation has remained unchanged since the Board of Director's decision of 9 March 2017.
Variable compensation	12.5% of the basic annual salary. The targets for the variable portion of the compensation are liable to change, along with the assessment of their achievement: ● from 0 to 6.25% (up to a maximum of €25 thousand) of his annual fixed compensation based on the following quantitative criteria: • from 0 to 3.125% based on Group EBITDA for the fiscal year, • from 0 to 2.125% based on Group net debt calculated at the end of the fiscal year, • from 0 to 1% based on the free cash flow for the fiscal year; ● from 0 to 6.25% (up to a maximum of €25 thousand) of his annual fixed compensation based on qualitative criteria related to (i) the achievement of specific targets linked to the deployment of the strategy in each of the business units (securing the loyalty of customers and attracting new ones, distribution, accommodation and attractiveness, the completion of structural projects and customers' Very High Satisfaction), (ii) participation in the consolidation of each of the business lines and (ii) the roll-out of the first initiatives of the "Corporate Social Responsibility" (CSR) roadmap.
Multi-year variable compensation	Dominique Marcel does not receive any multi-year variable compensation.
Compensation linked to Director's duties and the role of Chairman of the Board of Directors	Dominique Marcel does not receive any compensation in respect of his corporate offices as Director and Chairman of the Board of Directors within the Group.
Exceptional compensation	Dominique Marcel does not receive any exceptional compensation.
Profit-sharing agreement	Dominique Marcel benefits from the incentive agreement in force within the Company.
Stock option or performance share grants	Dominique Marcel is not a beneficiary of the performance share plans.
Welcome or severance package	In certain cases Dominique Marcel will receive a severance package upon leaving the CDA Group. This will be equal to two years' compensation (last fixed + variable compensation), subject to the achievement of individual and Group performance criteria that have been verified by the Board of Directors. When Dominique Marcel's term was renewed, the renewal of this commitment was approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017.
Non-competition indemnity	Dominique Marcel is not subject to a non-competition clause.
Complementary retirement plan	Dominique Marcel is a member of the complementary retirement plan applicable to the Group's Executive corporate officers and senior executives, this comprises a defined-contribution plan and a defined-benefit plan that guarantees, upon retirement, a pension equal to 1% of his last annual compensation (fixed + variable) per year of seniority, up to a maximum of 10% of this last compensation. When Dominique Marcel's term was renewed, the renewal of this commitment was approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017.
Complementary health and pension plan	Dominique Marcel is covered by the collective health and pension plan in force within the Company, in the same way and under the same conditions as other employees.
Benefits of all kinds	Dominique Marcel has been allocated a company car.
Private unemployment	On 9 March 2017, the Board of Directors approved the purchase by the Company of private unemployment insurance from the Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) for Dominique Marcel in his capacity as Chairman and Chief Executive Officer. This insurance pays a daily indemnity to corporate officers in the event of an involuntary termination of professional activity due to dismissal or non-renewal of term of office. Accordingly, the corporate officer will receive, from the 31st day of the involuntary loss of professional activity and for its duration, daily unemployment benefits for a maximum period of 24 months (after the end of the first year of affiliation). The total amount of compensation paid in the event of involuntary loss of professional activity may in no case exceed 70% of the annual net income of the previous fiscal year, excluding any dividends.

(ii) Items of compensation due or awarded to executive corporate officers and requiring shareholder approval (*ex-post* vote)

Items of compensation due or awarded to the Chairman and Chief Executive Officer in respect of his corporate office for the 2018/2019 fiscal year

The payment of the variable and exceptional compensation shall be conditional upon approval, by the Ordinary Shareholders' Meeting, of the items of compensation payable to the Chairman and Chief Executive Officer under the conditions laid down in Article L. 225-100 of the French Commercial Code, as presented in the following resolution:

Draft resolution submitted for shareholder approval pursuant to Article L. 225-100 of the French Commercial Code (*ex-post* vote)

Eighth resolution – Approval of items of compensation due or awarded to Dominique Marcel, Chairman and Chief Executive Officer, in respect of the 2018/2019 fiscal year.

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the Shareholders' Meeting, having taken note of of the report of the Board of Directors, approves all the items of compensation and benefits of any kind paid or awarded for the 2018/2019 fiscal year to Dominique Marcel for his office as Chairman and Chief Executive Officer as presented in the Company's corporate governance report, pursuant to Article L. 225-37 of the French Commercial Code, and included in the 2019 Universal Registration Document (*"Chapter 3. Corporate governance" – "3.3 Compensation of corporate officers" – "3.3.1. Compensation and benefits of any kind awarded to executive corporate officer", and "3.3.1.5 Draft resolutions concerning the compensation policy"* (*ii*)).

SUMMARY OF THE ITEMS OF COMPENSATION AWARDED TO DOMINIQUE MARCEL FOR THE 2018/2019 FISCAL YEAR

Pursuant to Article L. 225-100 of the French Commercial Code, the Shareholders' Meeting will be asked to approve the following items of the compensation package due or awarded to Dominique Marcel, Chairman and Chief Executive Officer, in respect of the 2018/2019 fiscal year.

Compensation elements	Amounts due or awarded for FY 2018/2019	Comments
Fixed compensation	€400,000	Gross fixed compensation for 2018/2019.
Variable compensation	€48,468	Or 12.12% of basic annual fixed compensation. The targets for the variable portion of the compensation are set out below, along with information on the assessment of their achievement: ● from 0 to 6.25% according to the following quantitative criteria: • from 0 to 3.125% based on Group EBITDA for the fiscal year, • from 0 to 2.125% based on Group net debt calculated at the end of the fiscal year. This is the net debt as published in the 2019 Universal Registration Document, which may be restated for changes in the scope of consolidation (disposals and acquisitions), • from 0 to 1% based on the free cash flow for the fiscal year; ● from 0 to 6.25% based on qualitative criteria related to (i) the achievement of specific targets linked to the deployment of the strategy in each of the business units, (ii) the preparation of partnerships with shareholders and industrial players to deliver this strategy and (iii) the "Corporate Social Responsibility" (CSR) roadmap.
Multi-year variable compensation	N/A	Dominique Marcel does not receive any multi-year variable compensation.
Compensation linked to Director's duties and the role of Chairman of the Board of Directors	N/A	Dominique Marcel receives no compensation in respect of the offices he holds within the Group.
Exceptional compensation	N/A	Dominique Marcel does not receive any exceptional compensation.
Profit-sharing agreement	€30,245	Dominique Marcel benefits from the profit-sharing agreement in force within CDA.
Stock option or performance share grants	N/A	Dominique Marcel is not a beneficiary of the performance share plans.
Welcome or severance package	No payment	In certain cases Dominique Marcel will receive a severance package upon leaving the CDA Group. This will be equal to two years' compensation (last fixed + variable compensation), subject to the achievement of individual and Group performance criteria that have been verified by the Board of Directors of Directors. When Dominique Marcel's term was renewed, the renewal of this commitment was approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017.
Non-competition indemnity	N/A	Dominique Marcel is not subject to a non-competition clause.
Complementary retirement plan	At 30 September 2019, the Company's actuarial obligation amounted to €1,467,735. The total for the defined-benefit and defined-contribution plans amounts to €55,620	Dominique Marcel is a member of the complementary retirement plan applicable to the Group's Executive corporate officers and senior executives, this comprises a defined-contribution plan and a defined-benefit plan that guarantees, upon retirement, a pension equal to 1% of his last annual compensation (fixed + variable) per year of seniority, up to a maximum of 10% of this last compensation. When Dominique Marcel's term was renewed, the renewal of this commitment was approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017.
Complementary health and pension plan	-	Dominique Marcel is covered by the collective health and pension plan in operation at CDA, in the same way and under the same conditions as Company employees.
Benefits of all kinds	€6,755	Dominique Marcel has been allocated a company car.
Private unemployment	At 30 September 2019, the unemployment insurance expense paid by the Company amounted to €13,000 for the fiscal year	On 9 March 2017, the Board of Directors approved the purchase by the Company of private unemployment insurance from the Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) for Dominique Marcel in his capacity as Chairman and Chief Executive Officer. This insurance pays a daily indemnity to corporate officers in the event of an involuntary termination of professional activity due to dismissal or non-renewal of term of office. The total amount of the indemnities paid is capped (see (viii) of section 3.3.1.2).

Items of compensation due or awarded to Deputy CEO Agnès Pannier-Runacher, in respect of her corporate office for the 2018/2019 fiscal year (prorated, due to her departure from the company on 15 October 2018)

The payment of the variable and exceptional compensation shall be conditional upon approval, by the Ordinary Shareholders' Meeting, of the items of compensation payable to the Deputy Chief Executive Officer under the conditions laid down in Article L. 225-100 of the French Commercial Code, as presented in the following resolution:

Draft resolution submitted for shareholder approval pursuant to Article L. 225-100 of the French Commercial Code (*ex-post* vote)

Ninth resolution – Approval of the items of compensation due or awarded to Agnès Pannier-Runacher, Deputy Chief Executive Officer, in respect of the 2018/2019 fiscal year.

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the Shareholders' Meeting, having taken note of of the report of the Board of Directors, approves all of the items of compensation and benefits of any kind paid or awarded for the 2018/2019 fiscal year to Agnès Pannier-Runacher for her office as Deputy Chief Executive Officer as presented in the Company's corporate governance report, pursuant to Article L. 225-37 of the French Commercial Code and included in the 2019 Universal Registration Document (*"Chapter 3. Corporate governance" – "3.3 Compensation of corporate officers" – "3.3.1 Compensation and benefits of any kind awarded to executive corporate officers" and "3.3.1.5 Draft resolutions concerning the compensation policy" (ii)*).

Pursuant to Article L. 225-100 of the French Commercial Code, the Shareholders' Meeting will be asked to approve the following items of compensation due or awarded to Deputy CEO Agnès Pannier-Runacher in respect of the 2018/2019 fiscal year, calculated on a prorated basis for the period running from 1 to 15 October 2018, due to her departure from the Company on 15 October 2018.

SUMMARY OF THE ITEMS OF COMPENSATION AWARDED TO AGNÈS PANNIER-RUNACHER FOR THE 2018/2019 FISCAL YEAR (PRORATED BASIS)

Compensation elements	Amounts due or awarded for FY 2018/2019 (*prorated*)	Comments
Fixed compensation	€10,362	At its meeting of 24 January 2019, the Board of Directors decided to maintain her compensation as determined for the 2017/2018 fiscal year but calculated on her attendance time during the 2018/2019 fiscal year, i.e. from 1 to 15 October 2018, based on an annual amount of €260,000.

Variable compensation	€5,022	Or 48.46% of the reference annual fixed compensation, prorated due to her departure from the Company on 15 October 2018. The targets for the variable portion of the compensation are set out below, along with information on the assessment of their achievement:
		• from 0 to 25% according to the following quantitative criteria:
		  • from 0 to 12.5% based on Group EBITDA for the fiscal year,
		  • from 0 to 8.5% based on Group net debt calculated at the end of the fiscal year. This is the net debt as published in the 2019 Universal Registration Document, which may be restated for changes in the scope of consolidation (disposals and acquisitions),
		  • from 0 to 4% based on the free cash flow for the fiscal year;
		• from 0 to 25% based on qualitative criteria related to (i) the achievement of specific targets linked to the deployment of the strategy in each of the business units, (ii) the preparation of partnerships with shareholders and industrial players to deliver this strategy and (iii) the "Corporate Social Responsibility" (CSR) roadmap.

Multi-year variable compensation	N/A	Agnès Pannier-Runacher did not receive any multi-year variable compensation.
Compensation in respect of the corporate office	N/A	Agnès Pannier-Runacher did not receive any compensation in respect of the offices they hold within the Group.
Exceptional compensation	N/A	Agnès Pannier-Runacher did not receive any exceptional compensation.
Profit-sharing agreement	€1,205	Agnès Pannier-Runacher benefited from the profit-sharing agreement in force within CDA.
Stock option or performance share grants	N/A	As is the case for the Chairman and Chief Executive Officer, Agnès Pannier-Runacher was not a beneficiary of the performance share plans.
Welcome or severance package	No payment	The severance package that would have been payable to Agnès Pannier-Runacher in the event of her dismissal (except in the case of serious misconduct or gross negligence) became null and void due to her resignation from the Company on 15 October 2018.
Non-competition indemnity	N/A	Agnès Pannier-Runacher was not subject to a non-competition clause.
Complementary retirement plan	-	Agnès Pannier-Runacher was a member of the complementary retirement scheme applicable to the Group's senior officers and senior executives. This comprised a defined-contribution plan and a defined-benefit plan that guaranteed, upon retirement, a pension equal to 1% of her last annual compensation (fixed + variable) per year of seniority, up to a maximum of 10% of this last compensation. Due to her resignation from the Company on 15 October 2018, Agnès Pannier-Runacher is no longer eligible for the complementary defined-benefit retirement scheme. However, she will keep the rights gained under the defined-contribution retirement scheme (see item (ix) of section 3.3.1.2).
Complementary health and pension plan	-	Agnès Pannier-Runacher was covered by the collective health and pension plan in operation at CDA, in the same way and under the same conditions as Company employees.
Benefits of all kinds	€306	Agnès Pannier-Runacher was allocated a company car.

3.3.2 COMPENSATION AND BENEFITS OF ANY KIND AWARDED TO MEMBERS OF THE BOARD OF DIRECTORS

3.3.2.1 Compensation policy for Board members

In accordance with section III, item III.6 of the Company's Corporate Governance Charter, the Shareholders' Meeting allocates a fixed annual amount to Directors as compensation for their duties. The Board of Directors then freely distributes this amount among its members, possibly taking into consideration the members' attendance record at Board and Committee meetings.

The Board of Directors may award exceptional compensation, in cash or in kind, for specific assignments entrusted to some of its members or because of the member's distinctive profile or role; any such compensation must be approved through the regulated agreements procedure.

Except within the framework of a legally-agreed employment contract, no other compensation may be awarded to directors.

Except in exceptional circumstances (outlined below), members of the Board of Directors do not receive any compensation within the Group other than that received in respect of their duties as defined in the first paragraph above.

The Shareholders' Meeting of 18 March 2010 set the maximum annual amount that can be awarded to Board members at a total of €250,000 per fiscal year. This amount has not been modified since then and is thus applicable to all Board members in office during the fiscal year, and until otherwise decided. The compensation is allocated on the basis of the following principles:

- *for the Board of Directors and Committees*: fixed compensation of €1,500 is allocated to each director on the basis of their actual attendance at Board and Committee meetings and time spent on Board and Committee work;
- *for the non-voting member*: the Board of Directors' meeting of 14 March 2013 decided to grant Jacques Maillot compensation of €1,500 per Board meeting or Committee meeting attended, for the services he provides in his role as non-voting member. This compensation was maintained upon the renewal of term as a non-voting member by the Board of Directors on 9 March 2017.

The Corporate Governance Charter invites Directors to reinvest in shares at least half of their net compensation due and actually received for a fiscal year in respect of their Directors' duties, until they hold a minimum of 300 CDA shares. Directors who do not personally receive any compensation are excluded from this provision.

3.3.2.2 Compensation linked to Directors' duties and other compensation paid to non-executive officers

At its meeting of 17 October 2019, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to allocate a total of €115,500 to the Directors and the non-voting member for the 2018/2019 fiscal year. The compensation allotted for one fiscal year (in relation to the meetings held in this fiscal year) is paid during the next fiscal year.

The table below summarises all compensation paid to Board members for FY 2017/2018 and 2018/2019 by the Company, by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code or by the controlling companies.

Summary of all compensation linked to Directors' duties and other compensation paid to non-executive officers *(in euros)* (Table 3 of the AMF classification)

Directors and members of Committees	Gross compensation linked to attendance at Board and Committee meetings, paid in respect of the 2017/2018 fiscal year	Other gross compensation paid in respect of the 2017/2018 fiscal year	Gross compensation linked to attendance at Board and Committee meetings, paid in respect of the 2018/2019 fiscal year	Other gross compensation paid in respect of the 2018/2019 fiscal year
Dominique Marcel	N/A	See section 3.3.1	N/A	See section 3.3.1
Caisse des Dépôts et Consignations – Representative: **Virginie Fernandes**	12,000		24,000	
Banque Populaire Auvergne Rhône-Alpes – Permanent representative: **Maria Paublant**	4,500		6,000	
Caisse d'Épargne Rhône-Alpes – Permanent representative: **Bénédicte Davy**	12,000		18,000	
Crédit Agricole des Savoie – Permanent representative: **Emmanuelle Jianoux** (1)	9,000		6,000	
Sofival – Permanent representative: **Jean-François Blas**	10,500		-	
Antoine Gosset-Grainville	10,500		15,000	
Serge Bergamelli (2)	N/A		N/A	
Giorgio Frasca	13,500		13,500	
Carole Montillet	6,000		9,000	
Noëlle Lenoir (3)	6,000		-	
Rachel Picard	7,500		6,000	
Francis Szpiner	4,500		4,500	
Sophie Sasinka (4)	N/A		N/A	
TOTAL COMPENSATION LINKED TO DIRECTORS' DUTIES	**96,000**		**102,000**	**-**
Non-voting member				
Jacques Maillot			13,500	
TOTAL COMPENSATION			**115,500**	

(1) Jean-Yves Barnavon was replaced by Emmanuelle Jianoux from 1 February 2019.

(2) Serge Bergamelli does not receive any compensation for his duties as Director, in accordance with the policy of Caisse des Dépôts et Consignations, of which he is an employee.

(3) Noëlle Lenoir resigned from her position as Director during the 2017/2018 fiscal year.

(4) Sophie Sasinka is a Director representing employees. She receives no compensation for her duties in this capacity.

Bonus shares granted during the fiscal year to each corporate officer by the Company or any Group company (Table 6 of the AMF classification)

N/A

Bonus shares which vested during the fiscal year for each corporate officer (Table 7 of the AMF classification)

N/A

Stock option grants (Table 8 of the AMF classification)

N/A

Stock options granted to or exercised by the ten leading employees (excl. corporate officers) (Table 9 of the AMF classification)

N/A

Bonus shares granted to corporate officers (Table 10 of the AMF classification)

This table can be found in Chapter 5, Note 6.10 of the Consolidated Financial Statements.

3.4 Compliance with corporate governance recommendations

Compagnie des Alpes refers to the consolidated version of the AFEP-MEDEF Code of Corporate Governance for Listed Companies dated June 2018, which can be viewed *via* the following link: www.medef.com. In accordance with the "comply or explain" rule and the latest recommendations from that Code and the AMF, the following table specifies the recommendations of the Code that Compagnie des Alpes does not apply, explaining the reasons.

Principles of the AFEP-MEDEF Code not followed by CDA	Detailed explanations
Obligation to hold shares (Article 22): The Board of Directors sets a minimum number of shares that the executive officers must hold in the form of registered shares until they leave office. This decision is reviewed at least once each time a term of office is renewed. The Board can use different references such as: (i) annual compensation; (ii) a specific number of shares, a percentage of the capital gain net of social security contributions, taxes and transaction-related fees, if concerning shares from stock options exercised or performance shares; (iii) a combination of these references. As long as this shareholding obligation is not fulfilled, the executive officers will devote a portion of stock options or performance shares granted to this obligation, as determined by the Board. This information appears in the Company's annual report.	In December 2013, CDA incorporated this principle relating to the holding of shares by executive officers into its Charter, leaving it up to the Board to specify the terms that would apply. As yet, the Board has not defined these terms, in particular the number of shares that must be held by its executive officers (it should be noted that these executive officers do not benefit from performance share or stock option plans under which they would potentially be required to hold a quota of the shares resulting from these plans). Nevertheless, taking into account the number of shares in the Company now held by the Chairman-Chief Executive Officer (almost 9,000), the Appointments and Compensation Committee, which is aware of the difficulties for corporate officers of investing in Company shares in full compliance with the provisions of the French Monetary and Financial Code, has decided to delay the introduction of a more precise policy at this stage.
Complementary retirement plans (Article 24.6.2): The complementary defined-benefit pension plans intended for senior executives and executive officer, are required to observe conditions that prevent abuse. These complementary pension plans are subject to the condition that the beneficiary is a corporate officer or employee of the Company at the time they assert their rights to the pension in accordance with the applicable regulations. To prevent any abuse, and in addition to legal requirements, the following additional regulations have to be imposed (except in the case of plans that are closed to new beneficiaries, which can no longer be amended): • the group of potential beneficiaries must be significantly wider than the executive officers alone; • the beneficiaries must satisfy reasonable conditions, defined by the Board of Directors, relating to their seniority within the Company, which must amount to at least two years, in order to benefit from payments under a defined-benefit pension plan; • demanding performance conditions permitting annual definition of the acquisition of conditional rights, according to applicable legislation; • the reference period taken into account for the calculation of the benefits must cover several years and any artificial increase in compensation over this period for the sole purpose of increasing the benefits under the retirement plan is prohibited; • systems that create an entitlement, either immediately or after a limited number of years, to a high percentage of the overall final compensation are therefore to be excluded; • the maximum percentage of the reference income to which the individual will be entitled under the complementary retirement plan may not exceed 45% of the reference income (fixed and variable compensation payable for the reference period).	CDA has set up a combined complementary retirement plan, comprising a defined-contribution pension plan and a defined-benefit pension plan. All headquarters staff benefit from the complementary defined-contribution pension plan, including its executive officers. The defined contributions (individual accounts) are equal to 7% of the annual compensation for each beneficiary (capped at five times the social security ceiling, or €198,660 on an annual basis in 2018). Contributions to the savings plan are split between the employer (4%) and employee (3%), notwithstanding the employee's status and age. The defined-benefit pension plan, which is fully funded by CDA, is open to corporate officers, senior managers and category-CIII executives (72 individuals). This second plan allows beneficiaries who end their professional career within the Group to benefit, when they take their pension, from a retirement pension equal to 1% of their basic annual salary (last basic annual salary comprising fixed and variable parts) per year of seniority, up to a maximum of 10% of this compensation, less the pension received under the defined-contribution plan. Upon retirement the beneficiary may opt to receive a life annuity with a 60% survivor pension. Although this defined-benefit plan does not adhere strictly to all the recommendations set out in the AFEP-MEDEF Code, Compagnie des Alpes believes that it is in keeping with the spirit of this Code. The benefits under the scheme are not currently subject to a minimum seniority condition (recommendation: minimum of two years) and the reference compensation on which the calculation of the benefits is based is the last basic annual salary (recommendation: multi-year period). The system set up does, however, respect all the other recommendations and remains well below authorised pension levels. Thus, potential benefits which do not increase with seniority only account for 1% of the basic salary (vs. the legally authorised maximum of 3%). Moreover, the ceiling is capped at 10% of the basic salary (vs. a maximum of 45% recommended by the AFEP-MEDEF Code). Consequently, this system rules out any possibility of beneficiaries obtaining a high percentage of their final salary if they have given only very few years of service to the Group. It should be noted that CDA closed its defined-benefit pension plan on 4 July 2019, following the recent legislative changes in this regard, stemming from the Order of 3 July 2019 implementing the so-called Pacte law of 22 May 2019. The conditional benefits granted under this plan are frozen as of[1] January 2020 and will remain subject to the conditions provided under the plan's current rules.

4

STATEMENT OF NON FINANCIAL PERFORMANCE

4.1 The Group's CSR organisation and challenges

This chapter contains the labour, societal and environmental information required by Article R. 225-105-1 of the French Commercial Code, amended by order No. 2017-1180 and implementing decree No. 2017-1265, which transposed the European Parliament and Council Directive 2014/95/EU of 22 October 2014 on the publication of non-financial information.

The Statement of Non-Financial Performance endeavours to list the challenges the Group faces, the actions it has taken and the indicators it has decided to use to monitor and control their positive and negative impacts. The Compagnie des Alpes business model is set out in the introductory section of the document.

4.1.1 ORGANISATION

The CDA Group has a CSR Department devoted to implementing actions to reduce the negative impacts and increase the positive impacts of its activities, products and services. The Director for Communications, Brand and CSR represents this department on the Group Executive Committee.

The aim of this new department is therefore to encourage employees to act, to formalise a new CSR strategy and to monitor the action plans and objectives relating both to labour challenges (working closely with the Human Resources Department) and to environmental and societal challenges (in collaboration with all Group departments).

A first CSR roadmap was presented to the Strategy Committee and then the Board of Directors during the 2018-2019 fiscal year.

Our Ski areas manage Public Service Concession contracts with a large number of delegating authorities. Although bids generally contain an environmental section in which the bidder is asked to explain their policy, the Group's CSR approach is primarily a response to its strategic commitment to minimising its negative externalities and to taking account of society's expectations.

Guidelines in the Group's strategic planning procedure set out the progress it expects each Group entity to make on CSR matters in the next five years. To ensure the initiatives are taken into account by employees, and progress is made, for several years now the CSR policy has been put together with the Group's internal bodies and business segment commissions. These bring together subsidiary executives and business segment managers (Human Resources, Ski Area Operations, Catering, etc.). We aim to pursue our efforts in this respect to ensure our employees are more receptive to the culture and responsibility, and more motivated to work towards our priorities.

4.1.2 THE GROUP'S CSR RISKS AND CHALLENGES

CSR risks were identified through these top-down and bottom-up procedures then prioritised in accordance with the Group's risk map, the main items of which are explained in **Chapter 2**.

The Statement of Non-Financial Performance therefore highlights key risks and other CSR risks on which the Group wishes to report. Each of the key risks highlighted in the Statement of Non-Financial Performance reflects priority 1 or 2 risks in the Group risk map.

Most of the risk prioritisation work is currently carried out in-house although it is based on our knowledge of stakeholder expectations. We have, for example, taken account of points raised during strategic overviews which have involved interviewing many stakeholder representatives and we also keep a close eye on press reviews. In addition we have a discussion forum with an environmental NGO through which we discuss their positions and expectations, both general and in respect to specific projects.

SUMMARY TABLE OF CSR RISKS AND CORRESPONDING CHALLENGES

	Description of the macro risks with a material impact	CSR challenges including the key challenges
Social	**Group becomes less attractive and responsive** • Difficulty recruiting sufficient staff to operate and develop (see §2.4.1 Risk of Human Resource shortage) • Employees become less employable and do not have the right skills for the organisation's strategy • Loss of expertise to ensure business continuity • Problems attracting talent due to weak employer brand	§4.2.2. Our employees **§4.2.3.1 Developing employees, diversity within the Group and integration into the employment market** §4.2.3.1.1 Focus on training §4.2.3.1.2 Guaranteeing career security §4.2.3.1.3 Promoting integration through training/work experience §4.2.3.1.4 Committing to diversity in the Group and integration into the employment market §4.2.4.1 Gender equality at work §4.2.4.3 Labour relations and employee representation
	Increase in accident and absenteeism rates/leave from work • Increase in occupational accidents (see §2.4.2 Staff safety risks), psycho-social risks, work-related illnesses which impact employees' well-being at work and customer satisfaction • Employer's failure to respect their health and safety at work obligation • Business disruption and customer dissatisfaction due to absenteeism	**§4.2.3.2 Health and safety at work guarantee** §4.2.4.3 Labour relations and employee representation
	Labour risk linked to employee dissatisfaction impacting our competitiveness • Deterioration of well-being in the workplace • Customer dissatisfaction with the quality of our services • Resistance to change, innovation and transformation within the Group	§4.2.2. Our employees **§4.2.3.3 Employee commitment and motivation** §4.2.3.3.1 Promoting integration §4.2.3.3.2 Developing professional qualifications §4.2.3.3.3 Improving employee satisfaction §4.2.4.2 Compensation and benefits systems
Environmental (See Risks §2.2.1 and §2.2.3)	**Climate change** • Leisure activities with a high environmental footprint becoming less acceptable in the medium to long term • Pressure on water resources • Additional operating costs for Group sites and additional usage costs for customers • Failure to meet the national and international targets to mitigate the impact of climate disruption, resulting in physical risks, and transition risks	**§4.3.2.1 Reducing our direct energy and carbon footprint (GHG)** **§4.3.4 Sustainable water management** §4.3.6 The circular economy §4.3.2.2 Indirect environmental footprint performance (Scope 3)
	Decline of biodiversity and alteration of natural landscapes • Leisure activities with a high environmental footprint becoming less acceptable in the medium to long term • Irremediable decline of biodiversity (social good) • Ability to develop, and acceptability of the developments, in the natural or peri-urban environment • Failure to properly respond to customers' growing concern about the impact on nature of products and industrial processes	**§4.3.3.1 Taking account of biodiversity, soil and landscape in operations and design** §4.3.3.2 Connecting customers with nature by enhancing natural spaces §4.3.3.3 Controlling pollution and emissions
Societal	**Lack of resilience of regional and tourist ecosystems (see Risks §2.2.2, §2.2.3)** • Failure to anticipate the impact of climate change at the regional level (e.g. adaptation) • Inadequate development of tourist regions and ecosystems	**§4.4.1 Long-term contribution to the development and appeal of the regions**
	Lack of stakeholder trust • Break away from stakeholder and market expectations • Accidents resulting from the use of products and services (see Risks §2.3.3); site safety and security (see Risks §2.3.4) • Risks of cyber attacks (see Risks §2.3.1) • Regional populations' negative perception of the Group's social utility • Regulatory non-compliance	**§4.4.2 Positioning ourselves as a trustworthy player in the eyes of our stakeholders (satisfaction, safety, data protection, involvement with local communities)** §4.5 Ethics and compliance

4.2 Labour challenges

4.2.1 KEY INDICATORS

HEADCOUNT IN FY 2018/2019 (PERMANENT AND NON-PERMANENT)

Headcount in FY 2018/2019	Group 2019	Ski areas	Leisure parks	Holdings and Supports	Group 2018
TOTAL AVERAGE HEADCOUNT *(FTE*)*	5,129	2,079	2,760	290	4,951
GENDER EQUALITY					
of which% women	42%	31%	49%	46%	42%
of which% men	58%	69%	51%	54%	58%
MANAGEMENT					
% managers	11%	6%	10%	62%	11%
of which% female managers	39%	29%	46%	34%	40%
of which% male managers	61%	71%	54%	66%	60%
AVERAGE HEADCOUNT					
of which% permanent	42%	40%	38%	88%	42%
of which% non-permanent	58%	60%	62%	12%	58%
TRAINING**					
number of training hours	97,750	44,841	49,799	3,117	76,100
number of employees having attended at least one training programme	6,364	2,406	3,776	182	5,619
OCCUPATIONAL ACCIDENTS					
Occupational accident frequency rate	44.0	62.2	35.5	0.0	49.6
Number of occupational accidents that caused an employee's death	5	4	1	0	0
Number of travel accidents that caused an employee's death	0	0	0	0	0

* *FTE = Full-Time Equivalent.*
** *Data reported for calendar years 2018 (covering fiscal year 2018/2019) and 2017 (covering fiscal year 2017/2018).*
This data excludes Walibi Belgium training in 2017.

4.2.2 OUR EMPLOYEES

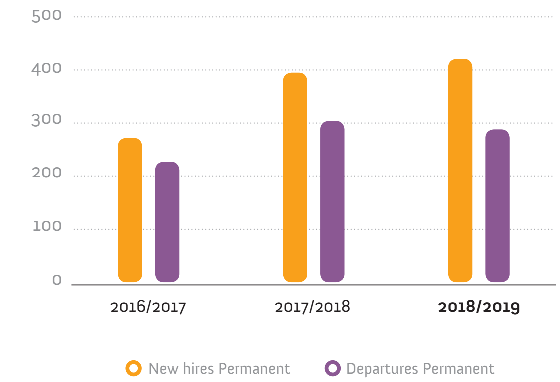
At 30 September 2019, the Group's total headcount was 5,538. The average headcount for the fiscal year increased by 4%, *i.e.* 5,129 full-time equivalents, on the previous year's figure of 4,951.

The Group's activities are highly seasonal. The average monthly headcount therefore fluctuates greatly during the fiscal year. The headcount in Leisure parks grows sharply between April and September, while Ski areas post a comparable rise between December and April.

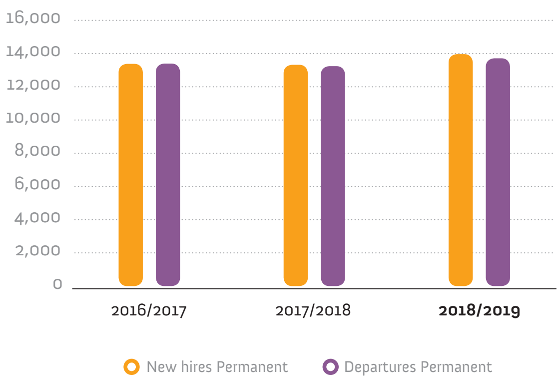
Due to the seasonality of our activities, new hires are primarily temporary (seasonal for both business segments), which represented 58% of the Group's FTE headcount over the past fiscal year.

The number of departures from the Group is more or less balanced out by the number of new hires, although there have been more new hires in the permanent workforce over the last three years:

NUMBER OF NEW HIRES/DEPARTURES OF PERMANENT STAFF OVER THE FISCAL YEAR



NUMBER OF NEW HIRES/DEPARTURES OF NON-PERMANENT STAFF OVER THE FISCAL YEAR*



* *Excluding contractors/replacement staff.*

Ski areas

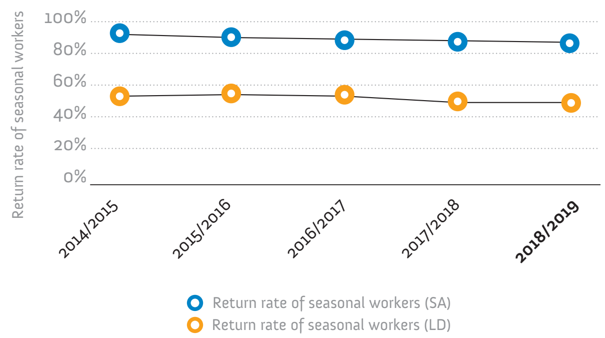
In Ski areas, returning seasonal workers are rehired from one season to the next, in compliance with Article 16 of the French National Collective Bargaining Agreement for Ski Lift and Ski areas. More than 87% of seasonal workers return from one season to the next.

Leisure parks

As regards Leisure parks, seasonal workers' employment structure is more volatile, although a tendency towards greater stability has emerged in recent years.

For the 2018/2019 fiscal year, the average return rate among seasonal workers in Leisure parks rose to 49%. The number has remained stable over the last five years.

CHANGE IN THE RETURN RATE OF SEASONAL WORKERS



Our ability to recruit staff is therefore key to the smooth running of our business.

Our priorities are therefore the integration of new employees, career security (primarily through training), a high return rate of seasonal workers and well-being at work.

4.2.3 OUR KEY LABOUR CHALLENGES

CDA employees have two main distinguishing features:

- most are seasonal employees who have a suitable personality for the activity;
- they really love working in the leisure sector and are really keen to increase customer satisfaction.

These two factors have a strong impact on the Group's labour policy which centres on three core areas:

1. Developing employees and diversity within the Group, and encouraging job integration;
2. Working to guarantee health and safety in the workplace;
3. Encouraging employee commitment and motivation for their own satisfaction and for the satisfaction of our customers.

Because of the way the Group is organised, the labour policy is largely decentralised to better meet each site's needs and activities. However, each subsidiary commits to take action commensurate of its resources and organisation in respect of each of the Group's labour challenges listed above.

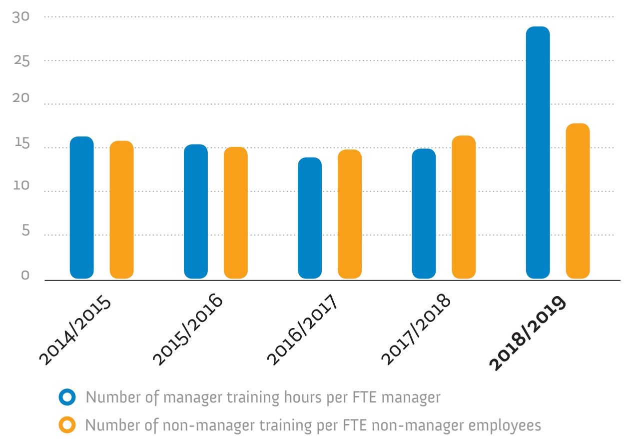
4.2.3.1 Developing employees, diversity within the Group and integration into the employment market

Because we offer so many temporary contracts, employee employability and skills development is a vital component of the Group's labour policy. It is vital we develop the skills of our employees to ensure they are more employable both inside and outside the Company and help them obtain valuable qualifications and experience.

4.2.3.1.1 Focus on training

In addition to the professional qualification programmes, we develop employability through skills acquisition and development. To this end, Compagnie des Alpes is pursuing its training drive: while the number of our full-time equivalent (FTE) employees increased by 4%, the number of training hours (including Walibi Belgium data for 2018 - excluded in 2017) increased by over 28% on the previous fiscal year, which equates to an average of 19 hours for each FTE.

CHANGE IN THE NUMBER OF TRAINING HOURS PER EMPLOYEE (MANAGEMENT AND NON-MANAGEMENT)*



* *Excluding Walibi Belgium in 2017 and GMDS in 2016.*

For the Leisure parks we are putting in place professional qualification training courses in order to foster loyalty among our seasonal workers and develop their skills. This makes them significantly more employable, both with the Group and in companies looking for the same type of profile (tourism professions in particular). E-learning programmes are also used at the sites to meet their specific business requirements.

Moreover, we continue to support Group managers by proposing a range of training modules adapted to our culture, our specific needs and our business segments.

We organised training on topics of strategic importance for the Group, such as raising awareness of digital issues and combating corruption, innovation (design thinking method) and working in project mode.

We also wish to focus on training for our local managers who are in direct contact with the operating staff and offer them additional job support. To do this, we are going to offer them special local manager training modules specific to their business segment, providing them with the tools they need to support their teams in matters strategic to our business. This is part of our ongoing quest to develop and acknowledge our employees' skills and offer them career security.

The aim is to guarantee our employees an excellent and rewarding career path to enable each individual to develop within Compagnie des Alpes.

4.2.3.1.2 Guaranteeing career security

Our activities are by nature seasonal. However CDA commits to helping seasonal workers extend their period of employment by offering, as part of a collective bargaining agreement, internal cross-over programmes between the two business segments and external programmes in the employment catchment area.

In internal cross-over programmes, all seasonal jobs to be filled are shared with seasonal workers (despite the fact that geographical mobility is still a deterrent for many of them). In the 2018/2019 fiscal year we introduced a shared recruitment tool providing access to Compagnie des Alpes Group vacancies. This is one of the ways we continue to promote and encourage internal mobility.

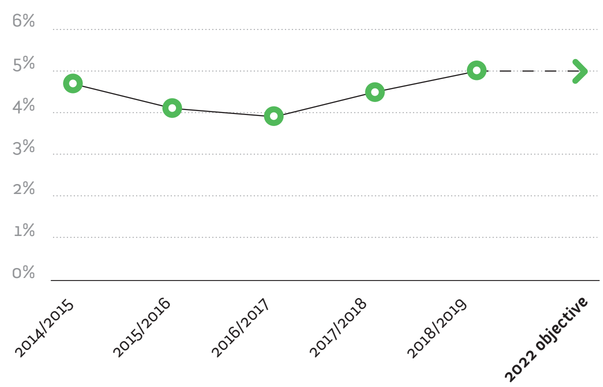
In the employment catchment areas, external programmes are offered. These involve putting our seasonal workers in contact with local employers with complementary seasonality. The Ski areas are pursuing their policy of informal collaboration with sub-contractors which has provided employment for seasonal workers during the summer in maintenance positions or other areas. Some activities (maintenance in particular) are also insourced which has enabled us to either offer our winter seasonal workers summer jobs or to offer permanent employment to workers on fixed-term contracts.

In terms of our Leisure parks, at the end of each season at Parc Astérix we organise a job/training forum for our seasonal workers, presenting to them the professions of the Ski Area activity, and the jobs on offer for the winter season. This allows seasonal workers at the end of their contract to consider undertaking professional training in a chosen area or studying for a certificate to further their career.

A Group framework agreement signed at the end of 2015, giving priority to re-hiring, provided better visibility for our seasonal workers at our Leisure parks sites who wished to return the following season, subject to certain specific conditions of the agreement.

4.2.3.1.3 Promoting integration through training/work experience

PERCENTAGE CHANGE OF WORK-STUDY TRAINEES IN THE WORKFORCE



Moreover, we aim to develop job integration, primarily through a Group-wide training/work experience initiative.

We thought about how we could proactively target a figure of 5% work study trainees in our total workforce by 2022 (irrespective of the legal requirements applicable to our local sites) by forging partnerships with schools and supporting training initiatives to encourage young people to consider working in one of our business segments. At Parc Astérix, for example, we focused on partnerships with schools in the hotel and catering sector to develop this activity at the site.

The target of 5% of work-study trainees in our workforce was met ahead of schedule in 2018/2019. We are continuing our efforts to ensure we maintain this figure in the years to come.

To help us achieve our job integration target at our headquarters, for several years we have been providing support until graduation to employees who combine work and training. Around 15 students preparing for a variety of diplomas, such as mergers and acquisitions, accounting/management, catering or audit/internal control, were welcomed in several Holdings and Supports companies during the 2018/2019 fiscal year. It should be noted that we offered contracts, two of them permanent, to several of our students (including trainees) at the end of their school education, based on the experience they had gained working for our companies.

At the Ski areas, the training/work experience contracts continue, mainly in technology, human resources and sales. This has led to a 55% increase in work-study trainees.

More than 159 work-study trainees, an increase of 11%, were hosted this year at the Leisure parks to follow-up their school education in areas such as hotel and catering, management or sales.

Thanks to our efforts in this area, we are able to help young people enter the workforce and also plan ahead by identifying the talent and potential employees we need to meet the current and future needs of our business segments. By forging the necessary partnerships with schools, we can continue to welcome work-study trainees into the Group.

4.2.3.1.4 Committing to diversity in the Group and integration into the employment market

The aim of our training, career security and integration measures is to foster diversity within the Group and step up job integration.

To this end, we have introduced parallel initiatives with associations to help the unemployed enter the job market.

Compagnie des Alpes' focus is on helping young people make the transition from school to work. Parc Astérix and Walibi Rhône-Alpes offered a structured programme to young people from the *Sport dans la Ville* (sport in the city) association. Because we are in the leisure business, this is the focus of our initiatives to attract young people, introduce them to our business segments and organisations and help them in their careers.

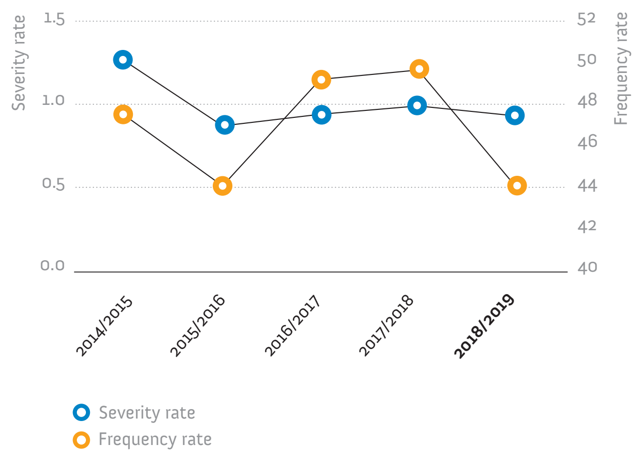
Our long-term aim is for all our sites to commit to a work integration initiative from a selection of actions proposed by CDA in order to increase diversity Group-wide and further our commitment in this respect.

The Group is committed to diversity and equal opportunities and consequently does not discriminate on any grounds, including disability. Many sites in fact regularly educate their employees about the benefits of having disabled employees in the workforce. Moreover, despite the specific nature of the working environments in the Ski areas and Leisure parks, some sites are looking to adapt and organise work stations to enable them to welcome and employ disabled workers and keep these workers in employment. As a result, the number of disabled employees has increased by 22% over the last three fiscal years.

4.2.3.2 Health and safety at work guarantee

Employee health and safety at work is the cornerstone of the Compagnie des Alpes labour policy.

CHANGE IN SEVERITY RATE AND FREQUENCY RATE OF OCCUPATIONAL ACCIDENTS – GROUP

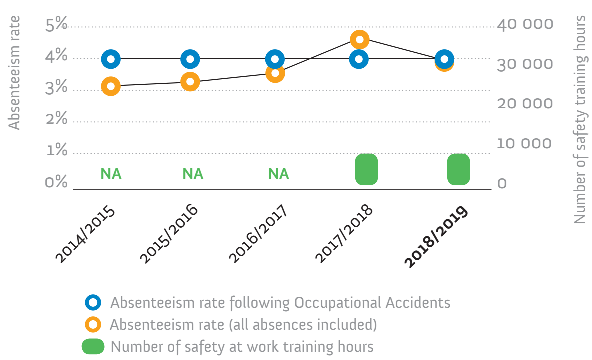


Each year, we establish initiatives to improve and guarantee health and safety at work for our employees. This key issue is addressed by various actions being rolled out within the Group in a decentralised manner. Each site decides on the most appropriate initiatives for its particular activity. Thus, a total of 31,508 hours of safety at work training was provided during the fiscal year.

In compliance with the law of 31 December 1991 and the decree of 5 November 2001, professional risk evaluation documents (personnel health and safety) are compiled and updated regularly on French sites. They include risk identification by business segment and job position as well as action plans. Each company is in charge of creating the single document for risk evaluation, and of updating it. This applies to all sectors, all reporting levels, and all employees, regardless of their status. All Group companies regularly exchange information about their experience feedback.

For Ski areas, occupational accidents are mainly falls when moving about on skis, as well as slips and falls when walking. For Leisure parks, occupational accidents occur most often when working at heights or moving about within parks or in the catering services.

CHANGE IN THE ABSENTEEISM RATE (ALL ABSENCES INCLUDED) AND THE ABSENTEEISM RATE FOLLOWING AN OA



While the absenteeism rate has remained stable in recent fiscal years, the number of occupational accidents fell by 8% this year.

For several years now, all the Ski areas of the CDA Group have adopted the QSE (Quality-Safety-Environment) procedure aimed at establishing an Integrated Management System (IMS) based on the OHSAS 18001 Safety standard. Today, many of the sites have included these practices in their organisation and procedures, even if they have not obtained certification. The sites are trialling initiatives with a greater focus on behaviour: checks on safety behaviour at the workstations, security rules inserted into the uniforms, casualty reports, etc.

In the Leisure parks, workplace health and safety compliance is part of an internal Compagnie des Alpes audit plan. Specialist firms have conducted a comprehensive workplace health and safety compliance review of four Leisure parks sites (Walibi Belgium, Bellewaerde, Walibi Holland and Parc Astérix) in recent years. The results and improvement recommendations are monitored as part of the existing governance (Compagnie des Alpes Executive Management of the site, general and operational management).

4.2.3.3 Employee commitment and motivation

One of the priorities of our labour policy is to commit and motivate our employees. This has a significant impact on their well-being at work and their ability to innovate and change and ultimately guarantee the best possible customer satisfaction. We do this through integration initiatives, awarding professional qualifications and by measuring employee satisfaction within the Group.

4.2.3.3.1 Promoting integration

Operational jobs require one-to-one training, which we provide to our seasonal workers. Most importantly, they must be good with people and able to extend a warm welcome to our visitors, while ensuring their safety and offering them a unique experience.

We therefore mainly recruit employees interested in our business segments, with a capacity to develop these qualities. Each year we offer a springboard to candidates who are often looking for their first job, and either have no qualification or are retraining.

Once we have hired our seasonal workers to work at one of the Leisure parks, we then organise an integration day to help them find out more about, and adapt to, the leisure sector. This takes the form of a team-building welcome day, during which teams rally together to welcome new employees, providing them with the necessary information on how the site is organised and how it works, in an enjoyable and educational manner (e-learning, treasure hunts, site tours, recreational activities in relation to the duties carried out, quizzes, etc.).

On such occasions, discussion and an exchange of experience is encouraged between long-standing and new employees. Here again we favour practical exercises and an interactive presentation of our activities. So we place great importance on employee well-being right from the integration stage.

4.2.3.3.2 Developing professional qualifications

To offer our employees career security and guarantee their employability, we have put significant measures in place to award professional qualifications.

In 2015 we introduced a pre-hiring certified training programme in the form of a POEC (*préparation opérationnelle à l emploi collective* – operational preparation for collective employment) for the new seasonal workers of the Leisure parks.

This programme is intended to enable teams to acquire the skills in line with our needs to improve hospitality at the parks and, most importantly, Very High Visitor Satisfaction.

At the end of the programme, which is in place at several sites (Parc Astérix, Walibi Rhône-Alpes and Futuroscope), successful candidates obtain a double branch-level certification, a CCP (Certificate of Professional Competence) and a CQP (Certificate of Professional Qualification) in one of the following three business segments: rides/installations, fast food and shop sales. This has been extended to the hotel and catering and show management business segments.

We also offer certificate courses providing the necessary skills for hospitality and service quality, office technology and management.

We have had some success with the programmes and have delivered more than 335 professional qualifications at the Leisure parks, an increase of 11% this year.

In Belgium, we also have a collectively-managed training fund for the occupational sector in which our sites operate. It gives them access to grants to train seasonal employees in service jobs and mainly hospitality, as well as in safety and technical issues.

In Ski areas, training continues to be focused on safety, authorisations as well as the development of skills to provide optimal service to our customers (hospitality, languages). Our training activities primarily focus on the Quality of Life at Work and raising awareness of the action to combat harassment.

Region-specific initiatives were also introduced: for example, in Val-d'Isère, STVI (the Val-d'Isère ski area operating company) in partnership with other companies and local authorities, pursued a POEC plan to train first-time seasonal workers in the basic skills required for tourism jobs.

SAP (Société d'Aménagement de La Plagne) also established a POEC approach for its first-timers.

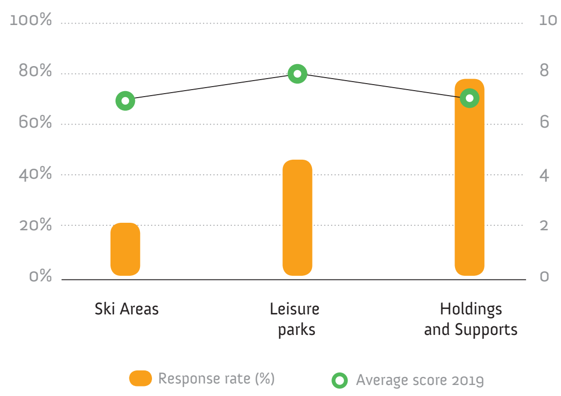
In addition, over 272 CQPs were awarded at the Ski areas, mainly in the operating business segments: grooming machine driver, fixed-grip cable car driver, self-disengaging cable car driver, ski lift driver, operations agent, snow maker and team manager.

To enable staff to obtain a certificate of professional qualification at branch level (CQP – *Certificat de Qualification Professionnelle*), Ski areas provide support, particularly in technical subjects. The objective is to confirm that specialist skills have been acquired, particularly in operating grooming machines, cable cars, etc.

Through the Group, this fiscal year, 607 employees obtained a recognised professional qualification which enhanced their skill set and improved their employability, an increase of 33%.

4.2.3.3.3 Improving employee satisfaction

EMPLOYEE SATISFACTION SURVEY 2019



Three years ago, we introduced employee satisfaction surveys in the Group as part of our quest to prevent psychosocial risks and ensure quality of work life. This simple and practical method of measuring satisfaction, and the resulting action plans, provide an opportunity for collective reflection on well-being in the workplace.

The average Compagnie des Alpes employee satisfaction score increased this year to 7.5/10 with a response rate of 36% (7,697 employees).

QWL and psychosocial risk prevention initiatives continued over the fiscal year. Many sites adopted a participative approach in order to develop action plans through workshops fostering collective intelligence and work in project mode. Parc Astérix trained ambassadors to run workshops on topics such as working conditions, management and organisation with a view to identifying collective solutions. The aim of this collaborative approach is to improve employee satisfaction.

4.2.4 OTHER LABOUR CHALLENGES

4.2.4.1 Gender equality at work

Percentage of women	Group	Ski areas	Leisure parks	Holdings and Supports
% of women among FTEs 2018/2019	42%	31%	49%	46%
% of female managers 2018/2019	39%	29%	46%	34%
% of women among permanent employees 2018/2019	35%	23%	43%	42%
% of women among high season temporary staff	48%	39%	54%	75%

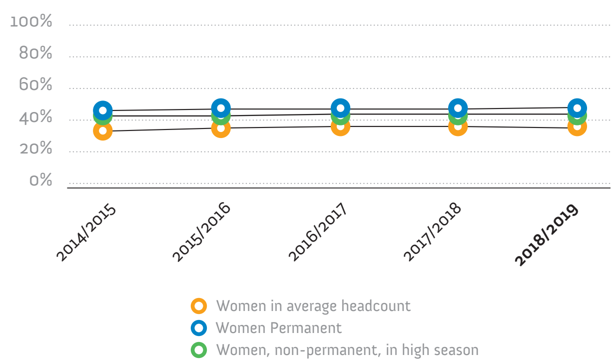
Gender equality is a priority for Compagnie des Alpes. The Group considered the issue and will soon disseminate a practical guide to gender equality.

By circulating this guide, we hope to highlight existing stereotypes and statistics and promote the strategic importance and critical success factors of a gender equality policy.

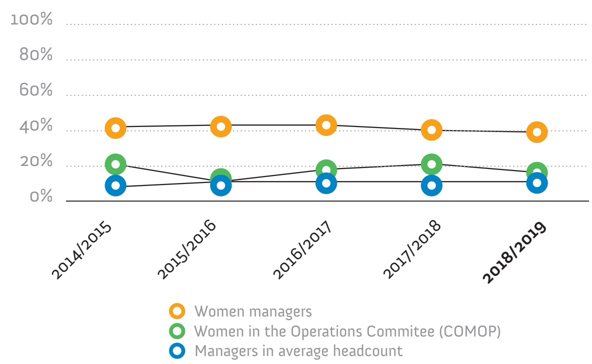
Fact sheets on all topics related to gender equality such as recruitment, training, compensation and communication, will be made available to all.

The proportion of women in the Group changed as follows over the last five fiscal years:

CHANGE IN THE PERCENTAGE OF WOMEN IN THE GROUP



CHANGE IN MANAGER NUMBERS IN THE GROUP



The percentage of women in relation to both total headcount and management has been stable for several years. This situation is due to the low staff turnover, particularly among permanent staff. It should be noted that the percentage of women managers is the same as the percentage of women in the workforce across the Company.

The percentage of women on management bodies remained stable at 29% for the Executive Committee and 16% for the Operations Committee (comprising mainly the site directors and Executive Committee directors) as of 30 September 2019.

Finally, the number of training hours delivered to women increased by 9% this year to 2,771 women having taken at least one course during the year (compared to the 2018 figure of 2,551 which did not include Walibi Belgium) The number of training courses taken by women equates to 41% of the Group-wide figure, mirroring exactly the percentage of women in the workforce.

4.2.4.2 Compensation and benefits systems

	Managers		Supervisors		Workers Employees	
Average monthly salaries for permanent staff	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**
Group	€6,107	€5,004	€3,203	€2,901	€2,680	€2,465

Compensation decisions are very largely decentralised. Obligatory annual negotiations are held in France at site level, which, in addition, offer all the specific profit-sharing and stock ownership agreements (with the exception of Travelfactory). Nine profit sharing agreements were entered into during the fiscal year. The average per-employee profit sharing and incentive figure in 2018/2019 was €3,001, equating to a distribution of €15.4 million (up 15%).

A Group Employee Savings Plan (PEG) is in place for all employees with a French employment contract (except employees of Futuroscope, STVI and Travelfactory – who have their own employee savings schemes). In this system, Management sets the contribution, and each subsidiary may also decide to introduce additional contributions.

A Group Collective Retirement Savings Plan (PERCO G) is available for all French sites to complete the gamut of employee savings schemes. In this case, each site is free to decide whether or not to include an employer contribution.

Thirteen Group companies had signed up to the PERCO G scheme for their employees.

Under the law of 24 December 2018 “introducing emergency economic and social measures” the Group decided to award a one-off bonus, in accordance with the attendance and compensation conditions set out by law, and a number of paid days (in view of the seasonal nature of our employees). This bonus was awarded by all of the Group’s French subsidiaries and funded at Group level. As a result, 93% of staff members employed as of 31 December 2018 received this one-off purchasing power bonus.

All the Group’s French employees are covered by supplementary health insurance on a compulsory (permanent employees) or optional (non-permanent employees) basis. A compulsory pension plan is also in place for all French employees.

There are several co-existing collective bargain agreements in France, reflecting the diversity of its business segments:

- the national collective bargaining agreement for ski lifts and ski areas;
- the national collective bargaining agreement for leisure areas, attractions and cultural spaces (CCNELAC);
- the national collective bargaining agreement for travel agencies and tourism;
- the national collective bargaining agreement for tour leaders and guides working for travel agencies and tourism;
- the national collective bargaining agreement for real-estate;
- the collective bargaining provisions applicable to Compagnie des Alpes staff.

In Belgium, the Group offers its staff hospital insurance cover in addition to the social protection provisions enshrined in legislation, and a pension plan for managers and employees.

In the Netherlands, executives benefit from supplemental retirement insurance and employee savings plans.

For the Netherlands, like Belgium, an agreement has been made to increase salaries every year. In Belgium, this increase is determined based on changes to the consumer price index.

Conversely, in Canada, the Group’s complementary health, insurance and retirement plans are key to employees’ social protection. The guarantees of these complementary plans were determined at a competitive level in relation to national standards.

4.2.4.3 Labour relations and employee representation

Each Group company manages its labour relations and organises its collective bargaining arrangements independently. Over the year, the collective bargaining agreements and unilateral decisions entered into on site related principally to compensation, workplace organisation and health and safety in the workplace, as can be seen from the table below:

	Compensation	Profit sharing	Work organisation	Health and safety in the workplace	Other
Number of collective bargaining agreements or unilateral decisions in the fiscal year	30	9	11	-	9

FY 2018/2019 was devoted to developing the labour relations process initiated by the 2017 employment law reform. Thus, all the Ski areas and Holdings companies set up their Works Councils (*Comité Social et Économique* – CSE). The Leisure parks held their most recent elections of council members in the fourth quarter of 2019.

To ensure we still have a Committee for health and safety in the workplace, Health, Safety and Working Conditions Committees (CSSCT) were created at all Ski areas, even those which had no legal obligation to have such a Committee.

Group bodies

Group-wide collective bargaining also focused on updating labour relations with the conclusion of two collective bargaining agreements in July 2019. The first governed the merger of the Group Committee with the European Works Council to form a single entity, the Group European Works Council. The second governed labour relations and the exercise of union rights within the Group.

4.2.5 CONSOLIDATED LABOUR DATA – GROUP SCOPE

Group Scope	30/09/2019	30/09/2018
Headcount		
Total headcount (1)	5,538	5,586
Headcount by age		
≤ 20 years	767	858
21 to 25 years	1,134	1,168
26 to 30 years	781	767
31 to 35 years	553	512
36 to 40 years	438	448
41 to 45 years	462	463
46 to 50 years	499	501
51 to 55 years	460	429
56 to 60 years	328	338
≥ 61 years	116	102
Headcount by seniority		
< 1 year	2,024	2,261
1 to 3 years	1,316	1,205
4 to 9 years	1,119	1,033
10 to 14 years	247	251
15 to 19 years	234	254
≥ 20 years	598	582
Average headcount (2)	5,129	4,951
Average headcount France (2)	*4,352*	*4,185*
Percentage of women	42%	42%
Percentage of men	58%	58%
Number of permanent employees (all on open-ended contracts)	2,129	2,062
Number of non-permanent employees	3,000	2,889
New hires (3)		
Number of hires per open-ended contract	421	395
Number of hires per fixed-term contract	13,966	13,324
Departures (4)		
Number of terminations	247	185
Number of breaches of contract	210	204
Number of resignations	401	350
Number of contract expirations	13,077	12,735
Number of retirements	40	45
Number of departures for other reasons	28	36
Hours worked and overtime		
Number of hours worked *(in thousands)*	8,789	8,479
Number of overtime hours *(in thousands)*	180	165
Absenteeism		
Absenteeism rate (all absences included)	4.26%	4.21%
Number of absentee days	55,057	52,734
of which sick leave days	27,138	26,392
of which occupational accidents, travel accidents, or occupational disease	8,734	9,107
of which other reasons	19,185	17,234

Group Scope	30/09/2019	30/09/2018
Compensation		
Gross total wage bill *(in millions of euros)*	184.7	170.6
Employer social security contributions *(in millions of euros)*	67.2	72.4
N-1 incentive bonuses paid in N		
Gross amount *(in millions of euros)*	9.4	8.3
Average amount per employee *(in euros)*	1,826	1,684
N-1 profit-sharing paid in N		
Gross amount *(in millions of euros)*	6.0	5.1
Average amount per employee *(in euros)*	1,176	1,030
Labour relations		
Number of staff representatives (5)	276	323
Number of trade union representatives	31	29
Collective bargaining agreements signed during the fiscal year	54	63
Hygiene and safety conditions at work		
Number of occupational accidents with leave of more than 24 hours	387	421
Number of deaths following occupational accident	5	0
Number of declared occupational diseases	5	7
Severity rate (6)	0.93	0.99
Frequency rate (7)	44.0	49.6
Training (8)		
Number of persons who received training	6,364	5,619
Number of training hours	97,756	76,100
Number of training hours per employee (9)	19.1	15.4
Employment of disabled workers		
Number of disabled workers employed during the fiscal year	156	139
Number of disabled workers hired during the fiscal year	70	54

(1) *All employees at 30 September, all types of employment contract.*
(2) *Sum of monthly headcount divided by 12 months.*
NB: average monthly headcount: Number of hours paid monthly/Number of statutory working hours.
(3) *Excluding contractors and replacement staff.*
(4) *Excluding contractors and replacement staff.*
(5) *Number of staff representatives excluding Health, Safety and Working Conditions Committees.*
(6) *Number of working days of leave after occupational accident * 1,000/number of hours worked.*
These leave days also include leave taken following an accident on the way to/from work (for all sites except SAP, STGM and Futuroscope).
(7) *Number of accidents with leave * 1,000,000/number of hours worked.*
(8) *Data reported for calendar years 2018 (covering fiscal year 2018/2019) and 2017 (covering fiscal year 2017/2018).*
This data excludes Walibi Belgium training in 2017.
(9) *Total number of training hours divided by the average headcount.*

REFERENCE TABLE OF LABOUR CHALLENGES

CSR challenges including the key challenges	Labour approach in line with challenges	Key performance indicators
§4.2.2. Our employees **§4.2.3.1 Developing employees, diversity within the Group and integration into the employment market** §4.2.3.1.1 Focus on training §4.2.3.1.2 Guaranteeing career security §4.2.3.1.3 Promoting integration through training/work experience §4.2.3.1.4 Committing to diversity in the Group and integration into the employment market §4.2.4.1 Gender equality at work §4.2.4.3 Labour relations and employee representation	Training plans and CDA Campus corporate university Automatic renewal of seasonal contracts Target to have 5% of work-study trainees in workforce (regardless of local legal requirements) Consideration of Group-wide work integration initiatives Reflection on the dissemination of a practical guide to guarantee gender equality Labour relations with the Group bodies	Number of training hours per FTE (management and non-management)* Return rate of seasonal workers Permanent staff turnover rate Percentage of work-study trainees in our FTEs Percentage of women in the workforce, Female Managers, Women on the Operations Committee (COMOP) Percentage of training delivered to Women* Number of meetings of the Group Works Council and the European Works Council Number of disabled employees
§4.2.3.2 Health and safety at work guarantee §4.2.4.3 Labour relations and employee representation	Decentralised initiatives to adapt the health and safety measures to the business operated by each site	Frequency rate Severity rate Rate of absenteeism following an OA Absenteeism rate
§4.2.2. Our employees **§4.2.3.3 Employee commitment** §4.2.3.3.1 Promoting integration §4.2.3.3.2 Developing professional qualifications §4.2.3.3.3 Improving employee satisfaction §4.2.4.2 Compensation and benefits systems	STAR recruitment policy Automatic renewal of seasonal contracts Professional qualification programmes (POEC, CQP, etc.) Employee satisfaction survey Employee savings schemes (employee profit sharing agreements, PEG, PERCO G)	Number of new hires/departures of permanent and non-permanent staff Return rate of seasonal workers Permanent staff turnover rate Number of professional qualifications awarded Average satisfaction score, Survey response rate Average profit-sharing amount per FTE

* *Training data reported for calendar years 2018 (covering fiscal year 2018/2019) and 2017 (covering fiscal year 2017/2018).*
This data excludes Walibi Belgium training in 2017.

4.3 Environmental challenges

The main objective of the Group's subsidiaries is to develop and manage exceptional activity areas in order to offer memorable leisure experiences. As such, the Group considers the environment to be an intangible asset, particularly in the Ski areas, which are located in areas of outstanding natural beauty.

Currently, the Group has not set objectives for all the challenges because its organisation and policies are still largely decentralised in these areas. It is however currently examining an objective to reduce its greenhouse gas emissions, taking account of the fact that its main processes have already been electrified and the key technical constraint is linked to the availability of low carbon traction systems for its vehicles (see §4.3.2). Each Group site is however required to reduce its direct environmental footprint and take advantage of its frequent interactions with suppliers and the general public to encourage them to take action.

In the medium term they must also plan more eco-friendly leisure activities for a low-carbon world, maintain their economic and social impact on the local economy and play their part in the maintenance of vital shared assets.

Energy, water and biodiversity are therefore three key environmental challenges for their business.

A summary of the main environmental indicators is shown in section 4.3.6.

CDA Group has made no particular provision and given no specific guarantee for environmental risk.

NB: (see. 4.5.1 Reporting scope).

The Group's environmental information is collected according to three profiles: Leisure parks (eight offering outdoor activities), Ski areas (nine) and tertiary sites (three offices, one workshop and two museums offering indoor activities).

The figures are reported for three related areas: Leisure parks (eleven, eight of which offer outdoor activities, one workshop and two museums), Ski areas (nine) and Holding and Supports (three offices).

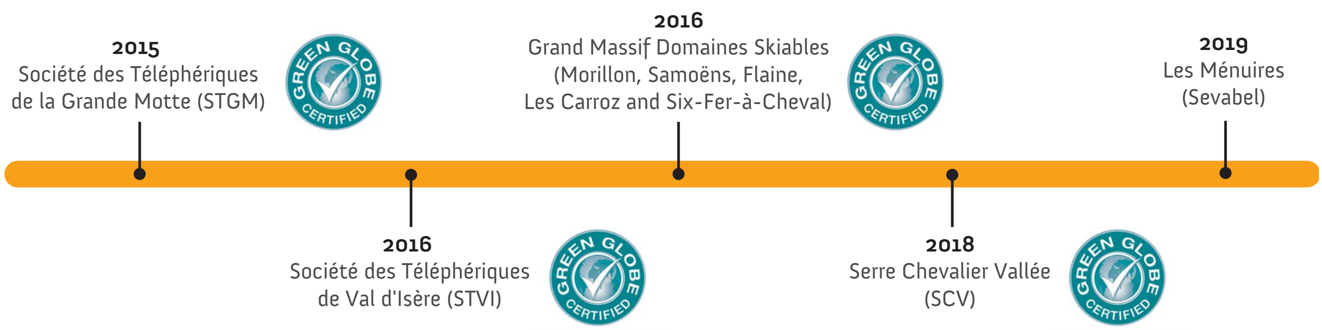
4.3.1 ORGANISATION AND PROCEDURES AT THE GROUP'S SITES

Organisation and dynamics of the Ski areas

Each of the nine Ski areas has a QSE or sustainable development manager. They come together at a quarterly Committee meeting to share their experience and contemplate the different problems and solutions the Ski areas encounter concerning the sustainability of their activities.

For several years now, all the Ski areas of the CDA Group have adopted the QSE procedure (Quality-Safety-Environment) aimed at establishing an Integrated Management System based on the Quality ISO 9001, Safety OHSAS 18001 and Environment ISO 14001 standards.

After a decade of certification (ISO 14001), and on the strength of very mature environment management systems, the Group's Ski areas are now turning to complementary programmes with the aim of injecting broader dynamics, including at resort level. Environmental practices are now part and parcel of the sites' quality systems and effort is being directed towards new challenges relating to the sustainability of the model.



- **Green Globe initiative: four Ski areas have this certification, which means that 40% of its skier days in FY 2018/2019 took place at Green Globe certified sites.**

This international certification, specific to the tourism sector, is based on 41 criteria relating to sustainable development. It acknowledges significant achievements but also encourages progress. Green Globe certification generally marks a new beginning and the start of a new stage for the teams.

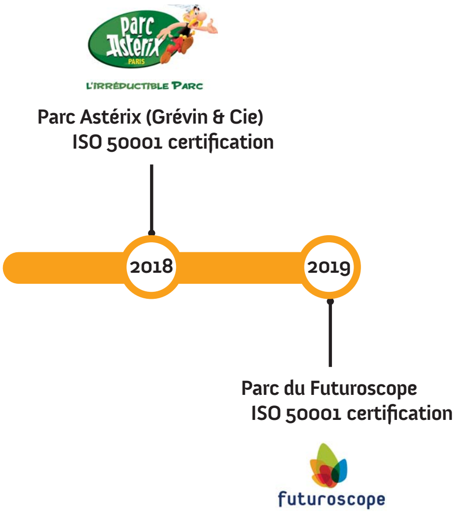
- In 2015, Société des Téléphériques de la Grande Motte (STGM) became the first Green Globe certified ski lift operator in the world.
- In 2016, Société des Téléphériques de Val-d'Isère (STVI) followed in its footsteps, with Tignes-Val-d'Isère becoming the first Green Globe certified connected ski area. In 2014, it had already obtained ISO 50001 certification for energy management, a first for a ski area.
- In autumn 2016, Grand Massif Domaines Skiables, which connects five ski resorts (Morillon, Samoëns, Flaine, Les Carroz and Sixt-Fer-à-Cheval), became the first ski area with Green Globe certification, not only for all its ski lifts but also for its slopes and associated services.
- In Q1 2018, Serre Chevalier Valley included Green Globe certification as part of its progress towards a sustainable model for all its ski area operation activities.
- **In December 2018, with the support of Sevabel, a Compagnie des Alpes subsidiary, Les Ménuires became the first French ski resort to join the POW Resort Alliance, run by the Protect Our Winter association.**

In doing so it became part of the club of resorts which lead the way on climate change, with the aim of demonstrating that joint action and advocacy on climate issues can have a positive impact and that it is never too late to preserve living and leisure areas.

- **In addition, an audit plan has been introduced at Group level to ensure site practices comply with regulations and to tackle issues over a five-year period, with the help of outside experts.**

Organisation and dynamic of the Leisure parks

For the Leisure parks, the environmental situation is more fragmented with a lesser immediate impact, given that these destinations are in more built-up areas (mostly on the fringes of urban areas). Therefore, according to the size and activity of the Leisure park, environmental issues are not always handled by a dedicated person within the organisation.



In this respect, our two biggest parks in France are committed to better energy management by obtaining ISO 50001 certification:

- in August 2018, Parc Astérix obtained ISO 50001 for all its activities (leisure parks, catering, hotel complexes, etc.). The certification, obtained through a joint effort, sets out the progress targets for the next three years. In 2019 the Hôtel des 3 hiboux at Parc Astérix was awarded the *Clé-Verte* label and has embarked on an effective environmental initiative;
- Parc du Futuroscope also obtained this certification for all its activities in January 2019 and has set itself ambitious energy and water management objectives. The park continues to share human and ecological adventures through its events and exhibitions: at Planet Power visitors can take a virtual flight on Solar Impulse, the first solar-powered aircraft to fly round the world or relive the Raid Green Expedition of electric cars from Paris to Cap Nord.

In total almost half (46%) of the Leisure park visitor-days were spent in Leisure parks with an environmental certification.

Alongside this, environmental compliance is part of a Compagnie des Alpes audit plan. Specialist firms have conducted a comprehensive environmental compliance review of four Leisure park sites (Walibi Belgium, Bellewaerde, Walibi Holland and Parc Astérix) in the last four years. The results and improvement recommendations are monitored as part of the existing governance (Compagnie des Alpes Executive Management of the site, general and operational management).

Employee training and motivation

The Group's subsidiaries also run employee initiatives to raise awareness of environmental protection issues such as waste sorting, eco-driving of grooming machines, green behaviour and the use of chemical products. Reminders are generally included in the induction leaflets or at the induction days for seasonal staff. The aim is for the environment to become part of operational excellence on a daily basis.

ICPE (facilities classified for environmental protection)

At 30 September 2019, the Group had 16 facilities classified for environmental protection, including four pending authorisations, three others being registered at prefectures and a number being assessed. At the Ski areas, these are mainly stores for the explosives required to trigger preventive avalanches and cooling towers (for artificial snow-making). For Leisure parks, the facilities classified for environmental protection are, for example, for looking after aquatic animals for Parc Astérix, the operation of a cogeneration plant and kennels at Futuroscope.

4.3.2 ENERGY FOOTPRINT OF GROUP SITES

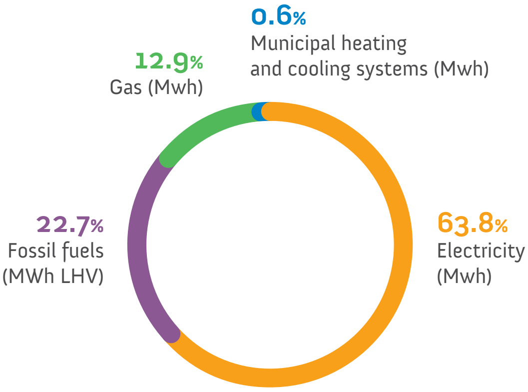
Action taken to tackle the main challenges	Indicators monitored	2015-2016	2016-2017	2017-2018	2018-2019
Increase the portion of renewable energy and reduce the portion of fossil fuels in the Group's energy mix	Total energy consumption (GWh)	251	255	249	256
	Portion of fossil fuels in total energy consumption	35%	35%	36%	36%
	Portion of renewable energies in total energy consumption	41%	40%	52%	55%
Improve the energy intensity and carbon intensity relating to visits to our sites	Direct GHG emissions* per skier day (SD) (Ski areas) or visitor (Leisure parks)	2.01 kg equivalent CO_2/visitor 1.15 kg equivalent CO_2/SD	2.26 kg equivalent CO_2/visitor 1.22 kg equivalent CO_2/SD	1.62 kg equivalent CO_2/visitor 1.25 kg equivalent CO_2/SD	1.7 kg equivalent CO_2/ visitor 1.19 kg equivalent CO_2/ SD
	Energy consumption per skier day (SD) (Ski areas) or visitor (Leisure parks)	11.2 kWh/ visitor 11.4 kWh/SD	10.4 kWh/ visitor 11.7 kWh/SD	8.9 kWh/ visitor 12 kWh/SD	9.5 kWh/visitor 12 kWh/SD

* *GHG: Greenhouse gas.*

4.3.2.1 Direct energy footprint

The Group's energy consumption is 256 GWh.

BREAKDOWN OF GROUP ENERGY SOURCES *(MWH)*

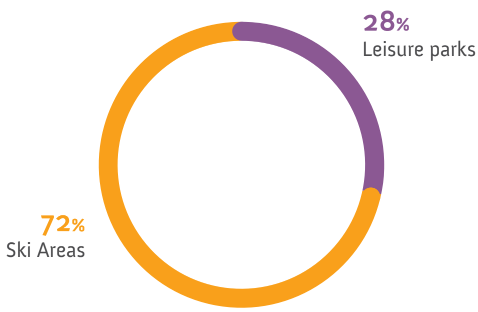


4.3.2.1.1 Electricity

Electricity represents the Group's main energy vector, representing almost two-thirds of consumption (64%) and is used mainly to operate the ski lifts, rides, buildings, hotels, shops and restaurants.

Total Group electricity consumption [1] was 163 GWh in 2018/2019, of which 72% was consumed by the Ski areas.

BREAKDOWN OF ELECTRICITY CONSUMED *(MHH)*



There are many factors which affect the Ski areas' electricity consumption:

- for the ski lifts: type of installation, number of days the ski area opened, opening/closure of some sectors, visitor numbers which is weather-dependent and, to a lesser extent, climatic conditions such as wind;
- snow-making related consumption is closely linked to the weather conditions, especially the levels of natural snowfall at the beginning of the season, and changes in the production infrastructure (accumulated production time, types of snow-making machines, altitude of the catchment systems, etc.).

  In this fiscal year, of the Group's five Ski areas that make artificial snow [2] and record the corresponding electricity consumption separately, ski lifts accounted for 80% of total electricity consumption.

The Leisure parks account for around 28% of the Group's total electricity consumption, mainly in summer. Here too, the consumption is dependent on activity levels and relates to the number of days open, visitor numbers and site enhancement work (new attractions, new restaurants and creation of aquatic centres).

Notes:

At sites where we produce energy (electricity and heat), we can consume electricity bought in and equally supply the national grid (rather than consume our own energy). To provide us with the most realistic view possible of our impact, we use a "net" approach (electricity consumption bought in – energy supplied to the grid or a third party). For Parc du Futuroscope, for example, we have deducted from the consumption of electricity bought in by the park the electricity it has co-generated and re-injected into the electricity grid. This provides us with a net consumption figure.

4.3.2.1.2 Municipal heating

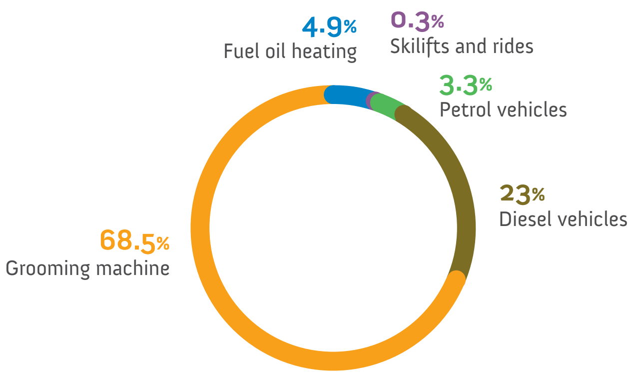
Some of our sites use cooling or heating systems, consuming a total of 1.5 GWh over the fiscal year, and most of which offer an interesting energy mix and help keep the Group's emissions low.

4.3.2.1.3 Fossil fuel consumption (petrol, diesel and fuel oil)

Fossil fuels are the second largest energy source with a total of 5,850 m³, 92% of which is diesel. Diesel is mainly used for grooming machines, which account for 69% (in m³) of total Group consumption of fossil fuels. This is followed by "other" consumption, which mainly concerns road vehicles (4WDs and service vehicles) and off-road vehicles (snowmobiles for example).

There is currently no alternative traction systems available for the grooming machines. However electric snowmobile prototypes will be trialled in the 2019-2020 season.

FUEL CONSUMPTION *(M³)*



The fuel consumed by the grooming machines depends very much on the weather. Abundant natural snow throughout the season will increase the number of grooming machine hours. In contrast, the number of grooming machine hours fell across the Board in 2018-2019 compared to the previous fiscal year. The Group has been working to optimise the grooming process for several years now, notably by

(1) *Excluding consumption at Grévin Montreal and the Paris headquarters, because there are no individual electricity meters in place.*
(2) *Does not include Sevabel and STGM, GMDS and STVI.*

training the drivers and using GPS and radars to optimise routes, which make it possible to adjust the grooming machine plans and produce artificial snow with more precision.

The Group's fleet of electric and hybrid vehicles increased by 13% to a total of 101. The Leisure parks lend themselves particularly well to the use of electric vehicles, especially non-specific ones such as lorries and maintenance vehicles, because of the configuration of the closed sites.

Fuel oil consumption is mainly used to heat buildings. Fuel oil accounts for only 5% of total consumption of fossil fuels. Guidelines sent to Group sites request them to keep their use of this type of fuel to a minimum when undertaking medium-term renovations.

4.3.2.1.4 Gas consumption

Finally, gas is mainly consumed by Leisure parks, which account for 99% of the 33 GWh used by the Group. Gas is mainly used to heat buildings and bathing water. Due to the fact its electricity and heat cogenerator is powered by natural gas, Futuroscope alone accounts for 54% of the total gas consumption. However the energy is not only produced to meet the Park's needs. It is also supplied to neighbouring companies and premises and fed into the electricity grid.

The Ski areas use very small quantities mainly to trigger avalanches.

4.3.2.2 Energy efficiency and support for renewable energies

4.3.2.2.1 Energy efficiency

We continued to monitor and optimise energy consumption through the sharing of best energy saving practices and we must continue to step up our efforts in this respect. For example, in 2019 we offered a more ergonomic version of our electricity consumption management system and put together a set of good practices to allow each Ski Area to self-assess or include new aspects in the specifications of new projects and renovations.

Our sites with ISO 50001 certification set themselves quantifiable consumption reduction targets. For example, Parc Astérix reduced its consumption by 5% (*i.e.* 1 GWh on a like-for-like basis over one year) and Futuroscope set itself the target of a 20% reduction in consumption between 2018 and 2023.

The sites have launched many activity-specific initiatives to reduce their energy consumption. These include:

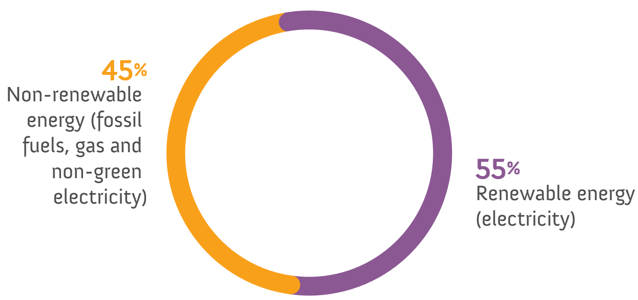
- the regrouping of the Paris and Chambéry offices at energy-efficient sites in each of the two cities;
- rationalisation of our ski lifts to allow us to cover the same ski area with fewer machines;
- the general installation of LEDs during renovations (*e.g.* outside car park at Bellewaerde and video projectors at the Musée Grévin), the purchase of energy-efficient equipment and better temperature monitoring and control: installation of presence-sensing devices, turning down heating and shutting off equipment at night and the installation of sensors on some of the workshop doors which cut off the heating when opened;
- the use of sub-meters;
- installing heat recovery devices in the machinery and transformer to heat the industrial premises (for example, in the new Eychauda chairlift at Serre Chevalier), and at the other end of the scale, free cooling, whereby low night temperatures are used to cool some of our premises (Chaplin's World);
- regulating the speed of ski lifts depending on the traffic. We are running trials which scan the queue and adjust the speed automatically;
- installing frequency drives for snow-making (pumps and compressors) and the gradual removal of air heaters from the stations;
- conducting energy diagnostics in the buildings (last year Musée Grévin in Paris allocated €200 thousand to replacing openings and improving the building's thermal insulation, France Miniature invested €20 thousand to change its office heating system) and renovating lodges in the Ski areas;
- experimenting with leaving vehicles at the top of the slopes with the final kilometres only covered during summer maintenance;
- equipment (ski lifts, snow-making machines, pumps, etc.) replaced with higher performance equipment which uses new traction systems.

4.3.2.2.2 Supporting the transition to renewable energies

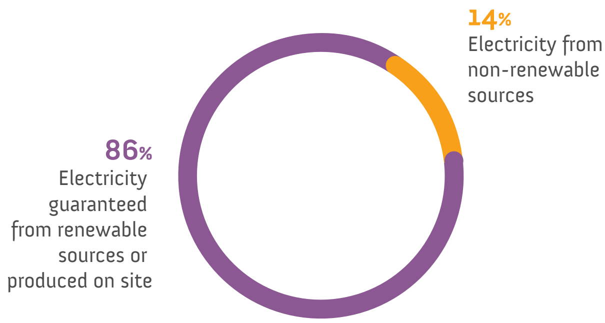
At Group level,

- energy from renewable sources represents 55% of energy consumed, entirely from electricity;
- "green" electricity from renewable sources represents 86% of electricity consumed:

ORIGIN OF ENERGY CONSUMED *(MWH)*



ORIGIN OF ELECTRICITY CONSUMED *(MWH)*



Use of "green" electricity

Following on from the historic step taken by the Ski areas, the Group's French Leisure parks (Parc Astérix, Walibi Rhône-Alpes, Musée Grévin Paris and France Miniature) have also been using electricity certified from renewable sources since 1 January 2018. This means that our suppliers purchase certificates of guarantee of origin from renewable energy producers or provide them themselves. This European system ensures that the electricity grid receives as much electricity from renewable sources as there are certificates sold.

Through this system the Group is supporting the energy transition by furthering the demand for renewable energy on the grids.

Because 86% of the electricity used by Compagnie des Alpes comes from renewable sources, it can keep a firm check on its greenhouse gas (GHG) emissions, which have been reduced by around 8 teq of CO_2, equating to a 20% reduction of the Group's total GHG emissions before renewable energies.

On-site production of renewable or high-performance energy

We have a large number of projects (solar panels, wind turbines, cogeneration and hydroelectricity) for producing renewable or high-performance energy at our sites.

Specifically, our Serre Chevalier site will be the first ski resort to produce its own electricity from a combination of all three renewable energies. This project, which has now been launched, will produce 4.5 GWh of renewable electricity each year, 80% by hydraulic power, 12% by solar panels and 8% through a high-altitude micro wind turbine. Partially commissioned in 2018, to be in full service in 2021, it aims to produce 30% of the subsidiary's total electricity consumption. Using existing infrastructures to effectively support renewable energies, this €3.6 million investment positions the Serre Chevalier Ski Area as a key energy transition player in the region. The work which began in the 2018-2019 season to install solar panels on the roofs of the resort's facilities (ski lift stations, tertiary buildings, etc.) will continue and 13 sites will be operational for the 2019-2020 station, supplementing the production of two wind turbines.

This programme is now a technical and industrial innovations lab. Thus, the stations of the brand new Eychauda chairlift were fitted with flexible solar panels at the manufacturer's factory.

The solar panel part of this pilot project has been replicated at all CDA Group Ski areas: each new project considers the feasibility at the specifications stage and a retrofit is planned for all facilities which present the most potential. For example, Les Arcs installed solar panels at two ski lift stations in the summer of 2019.

Some of our sites also produce renewable energy or aim to use more energy efficient processes:

- having installed solar panels in 2011 (126 MWh generated in 2018-2019), Futuroscope commissioned a cogeneration plant in the park enclosure in 2015. This plant produces both electricity, which is fed back into the grid (7 GWh over the fiscal year), and heat from natural gas. Most of the thermal energy produced is fed into the park's heating systems, while some is resold to a secondary school and other companies in the science park. Meaning that the Futuroscope hotel can therefore be heated entirely from the cogeneration plant;
- Walibi Belgium has solar panels installed on the roofs of three buildings (installed capacity of 0.25 MW for own consumption);
- in 2015, Bellewaerde replaced a fuel oil tank with a heat pump which heats the pool for the divers show from March to October and produces significantly lower greenhouse gas emissions;
- finally, all the Gazex systems at Samoëns and Serre Chevalier, for example, are self-powered by solar panels.

A total renewable energy capacity of 430 KW has been installed at our sites and 360 MWh of renewable electricity was produced in the fiscal year (excluding cogeneration, which equates to almost the entire annual electricity consumption of Chaplin's World).

4.3.2.3 Direct carbon footprint

4.3.2.3.1 Breakdown of direct greenhouse gas (GHG) emissions – Scope 1 et 2

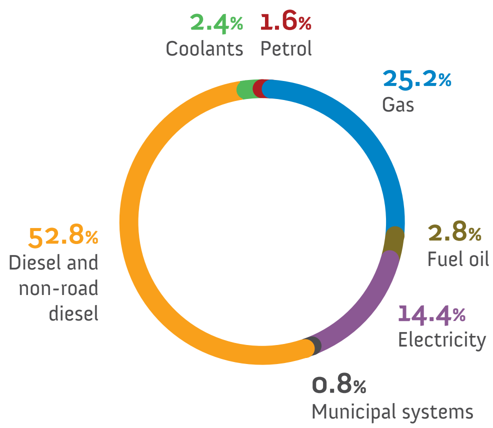
Emissions have been calculated for Scopes 1 and 2.

The bulk of greenhouse gas emissions (57%) are due to the direct consumption of fossil fuels (diesel, non-road diesel, fuel oil and petrol), primarily for grooming and other vehicles as mentioned above, followed by natural gas for heating or cogeneration (25%).

Although electricity is the Group's main energy source (63%), related emissions are only 14% of our total greenhouse gas emissions because we use renewable energy and it is consumed in France where the emission factor is low.

Emissions of coolants (2% of total emissions) only relate to the cooling systems of some computer rooms as well as the cold storage rooms of Leisure parks. These circuits are checked every year by qualified contractors and some are recharged.

BREAKDOWN OF GHG EMISSIONS (TEQ CO_2) – SCOPE 1 AND SCOPE 2



The Group's greenhouse gas emissions, detailed in the table in section 4.3.6, totalled 32,252 tonnes equivalent of CO_2, of which 52% for the Ski areas and 48% for the Leisure parks in the 2018/2019 fiscal year.

More specifically:

- the figures are established in accordance with Article 75 of Act 2010-788 of 12 July 2010 (the *Grenelle II* Act) and using the emission factors of version 8 of the *Bilan Carbone* (carbon assessment), which incorporates the updates of version 13.0 of the *Base Carbone* (carbon benchmark);
- because the Group does not yet publish Scope 3 emissions, our direct emission calculations take account of all the emission factors, including upstream stations, combustion and transport;

- for information, we also include the fuel consumption of all Group vehicles and some, but not all, of the fuel expenses for business trips;
- France's electricity emission factor fell from 82 g CO_2e/KWh to 79 g CO_2e/KWh between 2017 and 2018 and then to 57 g CO_2e/KWh in 2019. This effect linked to the change in the EF equates to a reduction of 156 teq CO_2;
- the 163 teq CO_2 decrease from the previous fiscal year can be explained as follows:

CHANGE IN TOTAL GREENHOUSE GAS EMISSIONS (TEQ CO_2)

	2016-2017	2017-2018	2018-2019
Total GHG emissions	34,842	32,415	32,252
Difference N – N-1		-2,427	-163

REASON FOR THE DIFFERENCE IN GROUP GHG EMISSIONS (TEQ CO_2)

-163	Reason for the difference in GHG emissions 2018/2019 – 2017/2018 in Teq CO_2	
169	Scope 1	
	-716	of which reduction in fossil fuel consumption
	721	of which increase in gas use at Belgian sites
	164	of which difference linked to coolants
-331	Scope 2	
	-329	of which use of more green electricity despite an overall increase in electricity consumption and taking account of the Emission Factor
	-2	of which minor difference in the use of municipal heating

4.3.2.3.2 Direct greenhouse gas (GHG) emissions per visitor

Visitors to our sites are offered the complete experience, comprising several products and services (ski lifts, grooming machine, rides, restaurant facilities and water areas) which are provided through various activities (operations, maintenance and prevention). It is therefore vital we look at the performance indicators which include all the visitor-induced impacts, the factor which most effects our energy consumption.

We have therefore examined per-visitor energy consumption and emissions: skier day and summer visitors for the Ski areas and visitors to the Leisure parks.

- The total emission of the Group's Ski areas is 1.19 kg of equivalent CO_2 per skier day, which is the equivalent of a nine-kilometre journey in a car (based on 130 g of CO_2/km).

  The slight change from last year is mainly due to the weather conditions affecting operations. Schematically, a year with less natural snow fall will see an increase in artificial snow-making production (100% low-carbon) and a fall in the number of grooming machine hours. Conversely, a year with a lot of natural snow will require less artificial snow but more grooming hours, which increases fuel consumption significantly.
- Similarly, total GHG emissions from the Leisure parks' activities is 1.7 kg equivalent CO_2 per visitor, this time equivalent to a 13-kilometre car journey (based on 130 g of CO_2/km).

  The slight increase on last year is mainly due to the fact the Belgian sites' gas use, primarily for heating the aquatic areas, was higher than visitor numbers over the year.

4.3.2.4 Indirect environmental footprint performance (Scope 3)

The Group did not calculate its indirect carbon footprint (Scope 3) but intends to do so either by extrapolating figures from one or more subsidiaries or through a global initiative.

We currently know the consumption figures for Group vehicles, for commuting journeys of fleet cars, for example. However these figures are not material for Scope 3 which covers the use of our products and services, our purchases and the transport thereof.

Ski areas

According to a *Bilan Carbone* exercise conducted in 2010 by 10 French ski resorts, more than 80% of the greenhouse gas emissions generated by ski activities, and recorded at the resorts, is from the skiers' journey to the site and energy consumption in the buildings (tourism-related residential buildings and tertiary sites). The ski-operator related GHG emissions are estimated to account for 2% of a resort's total emissions. When calculating Scope 3 emissions in 2020, we will have to set rules which allow us to differentiate between the economic players at the resort and the impact of the ski lift operator on the various entries.

Leisure parks

For the Leisure parks, our Scope 3 figures are based on Futuroscope's GHG emission figures. According to these figures, our Scope 3 indirect emissions are also probably in the region of 80% of our total *Bilan Carbone*, primarily 33% from transport for the people using our services and a further 33% from the transport of goods.

Visitor travel to our destinations

The vast majority of our visitors travel to our sites by car. The climate change impacts of the energy transition are likely to affect travel to our sites by private car (more expensive to get there, traffic restrictions and change of attitude to the private car).

To counteract this, our Group sites have been experimenting with communal travel options to its sites, which include:

- advertising rail travel, for example the train to Futuroscope, Belgian railways to Walibi Belgium and Bellewaerde, train and funicular to Les Arcs, train and shuttle bus to travel to Serre Chevalier from Turin or Oulxor, or ski lift to Méribel from the foot of the valley (Brides-les-Bains or Les Allues);
- free station-to-station shuttle buses and shuttle buses from the valley (La Plagne) or from Paris or Charles de Gaulle airport (Parc Astérix), easy public transport options for visitors between the park and hotels (Futuroscope), long-distance buses now stopping at Parc Astérix and Walibi Rhône Alpes, De Lijn bus timetable now adapted to Bellewaerde opening hours, or Skibus shuttles from Annemasse and Annecy to the Grand Massif;
- trial of the Snow express (TGV direct from Paris and shuttle to Val-d'Isère), taking all visitors from the Gare de Lyon in Paris to their accommodation;
- 7 Group resorts have signed an agreement with Snowcarbon to promote train and bus packages to the resorts; Travelski, a Group subsidiary, arranges travel by public transport for most of its groups (around 22,000 visitors each season);
- promoting public transport or including a "car share" section on the website (*e.g.* Futuroscope and Parc Astérix) to help people to find car shares, with car-share areas and stops in the valley.

Currently, use of these options is low compared to total visitor numbers. However, these trials and other innovations must be rolled out to offer simple, flexible and comfortable alternative high-impact travel to our different sites.

Employee travel to our destinations

In terms of road transport, seven Ski areas out of nine and two Leisure parks out of seven have provided shuttles for their employees in order to limit the use of personal vehicles and help them get to work. The other sites benefit from an in-town location or are close to public transport.

Furthermore, the Group sites are introducing initiatives to encourage travel to work on public transport and to reduce the number of required journeys. For example:

- a number of remote Ski areas provide accommodation to some of their seasonal workers. For example, STVI lodges 67 people in the winter, having created 20 new employee rooms in two years, STGM has a complex to lodge around 80 employees, the Flaine Ski Area offers accommodation to approximately 50% of its winter season workers and SAP has 26 rooms for seasonal workers, which met demand for the 2018/2019 season;
- other sites encourage employees to use the ski lifts at the foot of the valley to get to work (*e.g.* Les Arcs funicular then public transport or the gondola lift from Venosc to Deux Alpes with an extended timetable);
- car sharing is offered through membership of GMDS at Green Wayz-up, for example, which puts users from different companies in Haute Savoie in touch with each other *via* a mobile app, a partnership with Klaxit at Futuroscope or posting timetables in staff rooms and at operator companies;
- one of our Belgian sites compensates staff who cycle to work and ADS at Les Arcs offers 101 employees subsidised parking at the foot of the funicular;
- finally, head office staff have remote working agreements and each Group site has one or more video-conferencing facilities in rooms or on PCs to reduce the need for travel between sites.

4.3.3 BIODIVERSITY AND LANDSCAPE

Biodiversity protection is therefore a major environmental challenge for the Group. The exceptional natural environment in which we operate is an intangible component of our work tool and also the place where many of our employees and their families live.

Until we have a performance indicator to measure our impact on biodiversity we have decided to calculate it using an averages indicator system. We have not in fact found an easily-measurable performance indicator suitable for the different types of activities we operate, and their impacts, including *ad hoc* meetings organised by the Biodiversity Research Foundation. As a member of the B4B+ club (*Entreprises pour une Biodiversité Positive* – companies for positive biodiversity), we monitor the GBS (Global Biodiversity Score™) and similar indicators closely.

We are aware that the farming model of the restaurant facilities at our Leisure parks can, in some cases, have a significant impact on biodiversity. So we are looking into introducing our own composite indicator for supplies.

Action taken to tackle the main challenges	Indicators monitored	2018-2019
Taking account of biodiversity, soil and landscape in operations and design	Cumulative number of fauna and flora audits as part of the Ski Area observatories since their creation (Number)	978 – accumulated since 2007 of which 106 in 2019
Catering supplies from more environmentally-friendly sources	Under consideration for the Leisure parks	Not available

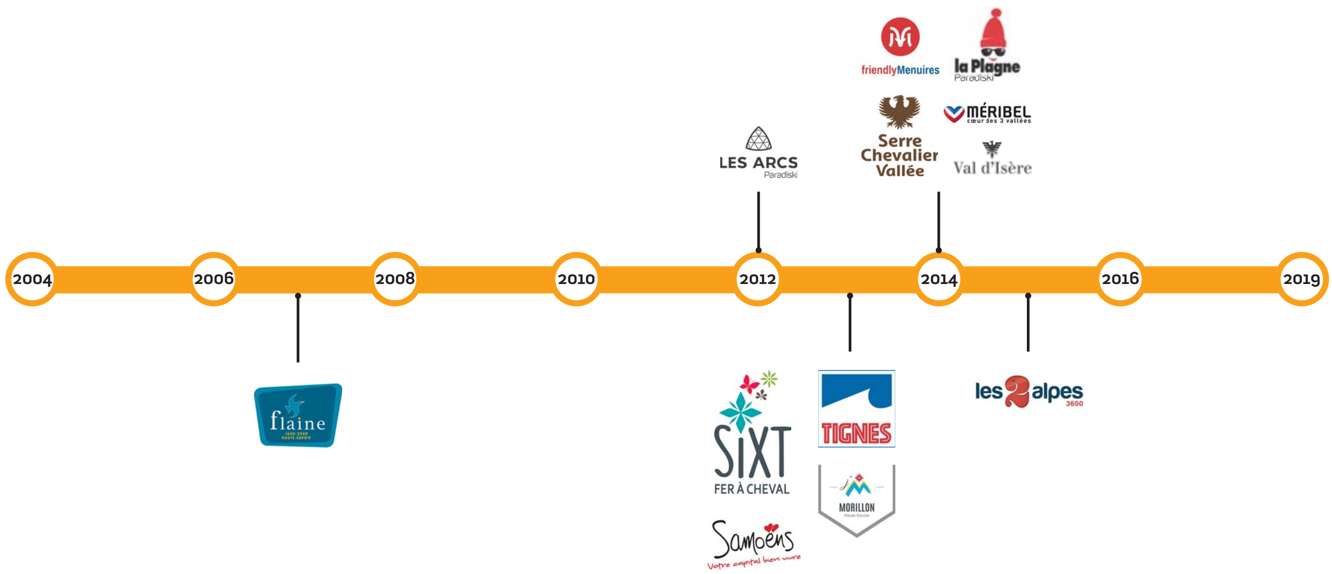
4.3.3.1 Taking account of biodiversity, soil and landscape in operations and design

This section relates to the nine Ski areas and seven Leisure parks only. It does not include the museums or tertiary sites which do not have a significant impact on biodiversity.

Ski area observatories

Because they are located in a natural environment, the existence of threatened or protected species is of particular importance to each of the Group's Ski areas.

Following the success of the Flaine Observatory (2007), the Group has developed environmental observatories in each of its Ski areas.



They allow the Group to monitor the impact of its operations and development on all aspects of the environment, on flora, fauna, landscape and specific biotopes (wetlands and habitats) Depending on the specifics of the site, some supplement the base figures with geology or forest inventories. Using information from external ecological experts, they now compose useful tools to help them understand the area and, through this, biodiversity preservation. For a development project, for example, the Observatory provides environmental data about the area, enabling environmental considerations to be factored in during the draft project phase by, for instance, adapting the scope or periods of work to avoid its impact on certain species or reducing the impact on an area. The Observatory also helps to monitor the compensation and remedial measures put in place for development projects.

Between 2007 and 2017, the Group's observatories counted 191 protected species and mapped the observation data using 23,173 GPS coordinates, based on the fauna and flora data obtained during 672 audits.

200 additional flora and fauna audits were carried out in 2018, and 106 in 2019, at all Group observatories, which equates to 978 audits since their creation.

The Observatory also provides a forum for discussion and collaboration with many stakeholders on a wide range of projects:

- the national forestry commission (*Office national des forêts*), mountain and national park Galliform observatory: system for viewing wild birds on cable sections of susceptible ski lifts, zoning of the parade and reproduction of gallinaceous birds, species counts, prohibition areas to preserve habitats, research into the behaviour of some species at Ski areas with GPS monitoring, etc.;
- 10-year monitoring of a protected species (*buxbaumia viridis*);
- post-work revegetation by turf cutting to optimise recovery, or trail sowings suitable for high-altitude environments using Phytosem seeds which offer us more diverse mixes of local species, including a minimum of 20% *Végétal Local* certified seeds.

Over the fiscal year the Ski areas revegetated 80 hectares. As regards soil use, only a very small part of the concession is used for ski slopes: an average of 4% of the total area (in seven of the Group's nine Ski areas which provide this information [1]. The rest of the area is left in its natural state or used outside the winter season by farmers (mainly for pasture).

The Leisure parks

The Leisure park sites also have adapted natural spaces that they can use to increase visitors' enjoyment.

On average, the concrete areas at the Leisure parks account for less than one quarter (23%) of the total surface area (based on seven sites out of eight [2], 40% is given over to landscaped areas and waterways, and the rest is left in its natural state with environments such as forests and swamps.

(1) Does not include STVI, Méribel Alpina.
(2) Does not include Walibi Holland.

The most affected of the Leisure parks is Parc Astérix as the site comprises a series of moors and meadows on sand, which is part of a larger eco-unit (one of the most beautiful in the Picardy region). For this reason, Parc Astérix and the *Conservatoire des Espaces Naturels de Picardie* (CENP – Board for the protection of natural spaces in Picardy) have signed a management agreement for the natural environment contained within the site (Bois de Morrière and Le Fossé de la Coque), covering approximately 60 hectares. They have committed to developing joint and complementary initiatives for the preservation and restoration of natural habitats of heritage interest and ecological networks, such as:

- observation campaigns and counts (birds and insects);
- maintenance aimed at restricting the spread of bracken to promote the growth of heather, cutting back and removal by horses (carried out by CENP staff or agricultural colleges);
- the creation of corridors to facilitate the movement of animals and vegetation from one area to another.

Along similar lines, Parc Astérix has introduced on-site eco-grazing with a local company with the appropriate certification.

The Parc Astérix Delphinarium team monitors veterinary health and behaviour regularly in collaboration with two vets and a scientist. The Delphinarium has set itself the target of monitoring the animals closely and responsibly. So Parc Astérix has helped set up an Animal Welfare Committee which meets twice a year. The work is published in an annual activity report which covers education, research and conservation activities. The qualifications and expertise of the Committee members are testament to its calibre: qualified CNRS, Paris 13, ENVA, MHNH and INRA researchers, animal keepers, vets and Parc Astérix managers.

Finally, Bellewaerde is directly involved in the protection of threatened species (the European bison, the Amur leopard and the Asian giraffe) and has also been contributing intensely to the European breeding programme for the European bison, Europe's largest mammal.

Catering at the Leisure parks

Revenue from catering activities accounts for a significant portion of Compagnie des Alpes' total revenue and the whole Leisure parks revenue. As food and its supply chain have a potentially high environmental impact (climate change, damage to biodiversity, imports contributing to deforestation, etc.), the Group has begun to seriously consider how it can reduce its indirect impact on biodiversity through how its sources its supplies for the catering business.

This has required it to consider feasible and actionable short- to medium-term improvement solutions. As its reflection on the matter is still in the early stages, the Group cannot yet announce any new measures or the associated indicators, particularly because of the number of factors involved in sustainable food supplies.

The priority improvement solutions being considered, some of which have already been implemented, include:

- introducing greener menu choices with vegetarian options;
- using eco-label products or suppliers who have undertaken to respect the environment or have put progress actions in place;
- a preference for local products and promotion of the producers.

Finally,

- since 2018 Compagnie des Alpes has required that all eggs and egg-containing products in France come from free-range poultry, unless there is a shortage of supply;
- in 2019, as regards the centralised supply of French parks, the chicken meat sourced from France increased significantly to 89% (96% of EU origin), bearing in mind that 80% of all quantities purchased is animal welfare certified by the LDC Group *Nature d éleveur* label.

4.3.3.2 Connecting customers with nature by enhancing natural spaces

All of the Ski areas and three Leisure parks operate close to protected zones: Natura 2000, ZNIEFF (Natural area of interest for ecology, flora and fauna), National Park, RNN (National Natural Reserve), Regional Natural Park, or Protective Forest or APB (Biotope Protection) zone.

Contribution to Nature 2050, a voluntary restoration programme

NATURE 2050

In late 2016, Compagnie des Alpes became a member of the Nature 2050 programme. This voluntary programme, the brainchild of CDC Biodiversité, goes beyond the scope of the mandatory compensatory measures to run nature-based initiatives, with quantifiable results, aimed at adapting the land to climate change and restoring its biodiversity. The impacts of the projects are then measured until 2050 by the project manager based on indicators set by a scientific committee.

The Group has been a member of the programme for three years and remains committed to its target of providing some or all of the financial support for one project related to its activity each year. Offering more than financial contributions and logistics support (provision of vehicles and contribution from employees), the initiative aims to go beyond the action of restoring per se by developing the relationship with stakeholders with a view to taking joint action on biodiversity.

Compagnie des Alpes is thus involved in two projects linked to mountain areas and activities:

- one project, managed by the *Ligue de protection des Oiseaux* (League for the Protection of Birds – LPO) in the Provence-Alpes-Côte d'Azur (PACA) region, is adapting a mountain forest to climate change in the Partias Regional Natural Reserve (Briançonnais), which is adjacent to the Serre Chevalier Ski Area, and has planted 3,000 cembra pines;
- restoration of the peatland at the body of water at Les Bruyères, at the foot of Les Ménuires, is managed by the *Conservatoire des Espaces Naturels de Savoie* (Savoy Conservation Trust for Natural Spaces). The aim is to better manage the flash floods and sediment transport in the peatland, while preserving biodiversity to permit continuation of the tourism activity.

Enhancing natural spaces and biodiversity

The Ski areas offer leisure opportunities but also safe access to places and landscapes of outstanding natural beauty. To protect these spaces, the Group's sites must play their part in enhancing them and raising awareness of their fragility and the need to preserve them by reconnecting visitors with nature.

- **The "Altitude Expériences" project overseen by the subsidiary STGM, which operates the Tignes Ski Area, is a perfect example of this.** The concept is to attract as many people as possible to the Grande Motte glacier and offer fun ways for them to discover this beautiful and unique national treasure, not only through access to magnificent viewpoints but by providing facts and information about this splendid, but ever so fragile, site. This public-private initiative, devised in close collaboration with the Parc National de la Vanoise, aims to include an environmental dimension in the tourism product to educate as many people as possible. The partnership relates to the environmental and regulatory aspect of the project, but there is also an educational aspect with the provision of information about the environment.

- **The new Aiguille Rouge footbridge at Les Arcs is helping our visitors understand the mountains.** Looking out onto a magnificent landscape, visitors can read the information boards installed in conjunction with the Hauts de Villaroger nature reserve.
- The Ski areas raise their customers' awareness of biodiversity protection in the following ways:
  - at Les Ménuires, visitors can discover the rich local fauna and have a walk along the new fun Friendly Natural Park trail to meet some of the many animals who live in the La Vanoise national park;
  - Grand Massif offers a fun trail for children to discover wildlife and a geological trail. It also runs a summer-winter initiative during which guides are available to introduce and talk about the fauna;
  - in the summer at La Plagne, SAP provides visitor information about the flora and fauna;
  - at Tignes, STGM set up an exhibition in conjunction with the Vanoise National Park and took part in the "echo day", the main objective of which was to raise awareness about the environment and the initiatives in place (landscape integration, introduction to the environmental observatory, green behaviour, etc.);
  - at Les Deux Alpes, the *Ballade des Cristalliers* was run again in the summer of 2019, taking walkers along two fun hiking paths to introduce them to the rocks and the environment;
  - at Serre Chevalier, the biodiversity issue is mentioned during the visit to the traders at the Ski Area;
  - we also continue to share the nature data we collect at our environmental observatories. For example, SCV, which operates the Serre Chevalier Ski Area, posts reports on the site's observatory on Facebook.

On a lesser scale, some Leisure parks also raise visitor awareness with biodiversity teaching material:

- at Parc Astérix, hotel guests will be able to discover local flora and fauna on the new "discovery trail" thanks to signs created by the CENP over a 4-km circuit. The site includes, for example, the Morrière forest, which is home to protected plant species such as the marsh Saint John's wort;
- France Miniature has created installations about bees and biodiversity protection;
- the topic of biodiversity preservation is mentioned at various Futuroscope attractions. For example, the exhibition-event *Villes 2050* (Cities 2050), showed the work of an architect who, for the last few years, has been designing extraordinary urbanisation projects which reconcile the city with the environment.

4.3.3.3 Controlling pollution and emissions (soil, air and landscape)

Soil and air pollution

Most soil contamination is caused by leaks following the accidental rupture of a hydraulic cable on a grooming machine. This type of leak is very localised. Ski areas carry out preventive maintenance and preventive changes on these cables, working in collaboration with suppliers to ensure reliability. They have an emergency procedure in place to treat polluted snow and clean up soil in the summer.

Some of our Ski areas have trialled GTL synthesis technology to reduce atmospheric pollution (NOx and particles). Its use will be rolled out group-wide subject to supply.

In addition, the sites manage their use of chemical products to limit their environmental impact and lower or eliminate the use of the most dangerous products. As stated above, environmental compliance analyses at the sites check and reinforce the procedures in place (rules for the storage of chemical and inflammable products, group-wide introduction of retention containers, special bins, risk analysis, etc.) and thereby reduce pollution risk.

Visual and light pollution

Group sites are placing increasing importance on lighting and their impact on the landscape. In practice, this has led to many initiatives, including:

- pursuit of the policy to gradually reduce the number of ski lifts, and therefore pylons, cables, stations and overhead power lines. For example, at Tignes, STGM dismantled three devices to make room for a new gondola lift. It doing so it was able to remove 41 pylons, 5 stations and 7,300 metres of cable. At Val-d'Isère, STVI has now removed more than 70 pylons since 2012 and aims to eliminate a further 100 between now and 2022;
- the work is monitored as part of the environmental observatory at each Ski Area with the aim of better integrating the new developments into the landscape. This activity took place over 34 days at Compagnie des Alpes Ski areas in the 2018/2019 fiscal year. Taking photographs as the work progresses allows us to take a step back and assess the effectiveness of the measures put in place. This involves growing vegetation on the roofs or in the work areas, burying equipment (garage for the new Legends TSD buried), grids and storage areas, the use of untreated materials (stone or wood) when renovating lodging in the ski area, etc.;
- turning off the lighting strips at night and all lighting at Futuroscope and Bellewaerde after closing.

Noise nuisance

Noise nuisance is dealt with in point 4.4.2.4 "Involvement with local communities".

4.3.4 SUSTAINABLE WATER MANAGEMENT

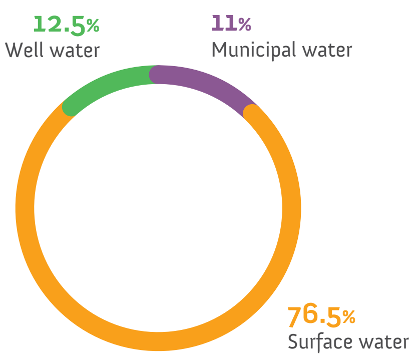
Action taken to tackle the main challenges	Indicators monitored	2015-2016	2016-2017	2017-2018	2018-2019
Gain a better understanding of our impact on water	Total water consumption (litres) per skier day (Ski areas) or visitor (Leisure parks)	145 L/visitor 235 L/SD	110 L/visitor 259 L/SD	95 L/visitor 222 L/SD	90 L/visitor 257 L/SD
	Percentage of municipal water in the consumption (%)	12%	12.2%	12.5%	11%
	Percentage of municipal water in the artificial snow (%)	1%	2%	1%	0.4%
	Total water consumption (m^3)	4,418,523	4,550,281	3,956,758	4,449,601

Compagnie des Alpes' activities are heavily dependent on water resources. However, municipal water accounts for only 11% of all water usage. Most water used is surface water (77%) and the remainder is well water (12%).

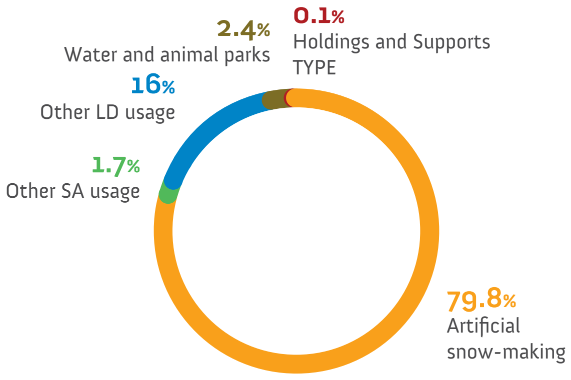
Compagnie des Alpes does not operate any sites in high water risk areas which could repeatedly affect its ability to operate. By this we mean areas where the aggregate "water" risk is identified as high or very high by the World Resources Institute (Aqueduct database). However, occasionally some population bases (*e.g.* the greater Paris region or Belgium) where the Group operates do feature as areas which could be susceptible to pressure between use and demand. The same applies to some Alpine basins in summer (August) or at the end of the summer during periods of drought, or on days in the winter holidays when tourist numbers peak.

In accordance with laws on water, certain wells and pumping facilities require authorisation and the annual amounts drawn are capped. The sites also keep a close eye on local restrictions enforced by the authorities.

ORIGIN OF WATER CONSUMED



BREAKDOWN OF WATER USAGE



Holdings and Supports sites

In tertiary sites, water consumption is considered negligible in volume terms at Group level (0.1%). Due to a lack of individual meters, these figures do not include the Paris and Chambéry sites.

4.3.4.1 Water in the Ski areas

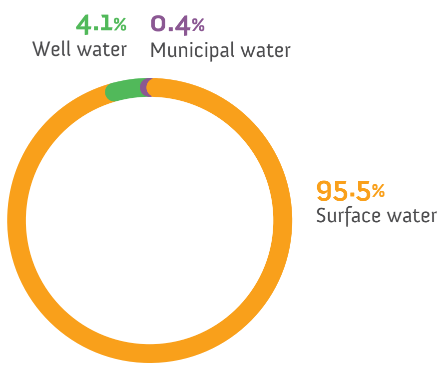
Inventory

In Ski areas, water is mainly used for artificial snow-making. Said purpose accounts for 80% of the Group's total water usage. Artificial snow is used to protect the Group and resort operators from the financial and social impact of a shortage of natural snow on the ski business, especially at the beginning and end of a season. Scientific studies have quantified the combined impact of artificial snow-making and grooming (scraping) on the viability of the ski resorts, significantly extending the lifespan of the snow cover.

The volumes of water used depend on the quantities and periods of snowfall, notably when preparing to open the Ski areas at the end of the calendar year.

Ski areas limit their use of municipal water by favouring surface water catchment and overflow recovery systems. As a result, 99.6% of the water used to make artificial snow comes from surface water or well water.

ORIGIN OF WATER FOR ARTIFICIAL SNOW-MAKING



Storage and production process

In winter, the water levels in mountain streams are at their lowest. To reduce use in winter when water levels are at their lowest, Group resorts have made the effort to build hillside water catchment systems which can be used to store autumn rainwater and water from snow melts. The aim of these high-altitude water catchment systems is therefore to store water when there is a plentiful supply on the mountains. This levels out use from the area and provides a permanent water supply for optimal production during the available cold weather windows and optimal humidity, potentially for shorter periods.

The hillside catchment systems are a very good solution for managing water quantities and reducing the impact on quality during periods when water levels are low. However, at the time of construction they have a high impact on biodiversity, especially when they significantly affect the wetlands and environment. In this instance, the impact is identified and mitigated, offset if necessary, during the project phase.

Once all the network work has been completed, man-made snow is simply water that has been crystallised at low temperatures. No chemical transformation or additive is used. Water taken from the natural environment for this purpose is returned to the water cycle, mainly when the snow melts, and to a lesser extent due to evaporation.

For several years, the Ski areas have employed slope preparation and grooming techniques that limit the amount of snow necessary for skiing while maintaining very high service standards. The use of radars and the work done to achieve ideal slope profiles and ensure a good covering of grass also help to reduce the amount of snow necessary for a slope to be opened. The aim is to produce "the right quantity" of artificial snow.

Improving knowledge

SAP (at La Plagne) is one of the pilot resorts for the PROSNOW project which aims to design a demonstrator, which feeds into a snow management system, to predict weather and climate conditions between one week and several months in advance. Because of the marked variations in the weather, especially in late autumn, improving forecasting ability at all levels could help the station managers adapt in real time and potentially result in more efficient water usage.

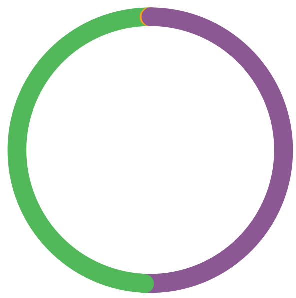
To improve water management, Compagnie des Alpes also wishes to better understand the local water resources at each of its sites and the waterway catchment areas. As a result five sites have incorporated a "water source" factor into their environmental observatories. A sixth site has taken part in a scheme to coordinate water usage at municipality level.

As is the case for flora and fauna, the aim is to have data to help make the right decisions to limit quantitative and qualitative impacts.

4.3.4.2 Water at the Leisure parks

In Leisure parks, water is used for the rides (pools and watering), pools for animals as well as in the restaurants, toilets and hotels for visitors.

LEISURE PARKS: ORIGIN OF WATER CONSUMED



50.6% of the water consumed by Leisure parks comes from wells (located at Parc Astérix and Futuroscope), followed by municipal water (49%) and to a very small extent, surface water.

Leisure parks try to limit their water consumption in various ways such as detecting leaks (installing sub-meters, for example), installing aerated, self-closing or infrared taps and dual flush toilets, and collecting rainwater for sanitary use or to water green spaces. Bellewaerde Park also has a treatment plant. Once treated, the waste water is tested internally and through independent external checks to ensure it meets local environmental regulations.

Where appropriate, Group sites conduct water analyses, both before use in order to check its potability, and when it is discharged, in order to check pollution levels (four out of nine Ski areas and all Leisure parks (7)).

NB: Due to a lack of individual meters, these figures do not include Grévin Montréal and the CDA Productions workshops.

4.3.5 THE CIRCULAR ECONOMY AND WASTE

The Group is improving its waste sorting and recycling (over 93% non-hazardous) and the last stage will be to fully address visitor waste at the Leisure parks.

Efforts to systematically use eco-friendly products (*e.g.* reduction at source) and combat food waste will also need to be stepped up, building on current initiatives.

Waste recycling

At the Ski areas and Leisure parks, waste is generated during two types of period and volumes can vary considerably from year to year.

- Maintenance period in which renovation, repair and construction work is undertaken:

  The volume of waste this activity generates varies enormously from one year to the next and from one site to another, especially according to the investment and works programmes in place. At the sites, the waste generated during this period comes from equipment construction/dismantling and maintenance (metal) and work on ski runs and improvements (wood, organic waste and possibly rock and rubble).

- The visitor season:

  The waste generated by Ski areas during the on-season is mainly paper/cardboard, household waste, glass and tyres (grooming machines and other vehicles).

  Concerning Leisure parks, most waste is generated during the on-season by the restaurants and cafes, shops and visitors (paper/cardboard, glass, plastic, aluminium and household waste), and also from maintenance of the green spaces (green waste).

Today, the Group sites are focussing their efforts on waste sorting, ensuring it is delivered to treatment channels.

- 91% of Group sites practice separate waste collection in the administrative offices.
- 100% [1] of the sites sort the main types of waste generated from construction work (back-end) and current operations. It is then taken to specialist recycling channels.
- 55% of the Leisure parks have introduced waste sorting and recycling facilities for visitors at some or all of the bins along the paths at the parks. However, where these facilities exist, improving recycling is a work in progress. The first stage will be to improve the recycling rate of the main types of waste and the quality of sorting.

Some of the waste from both these activities is not weighed. For example, rock and rubble generated by summer work at the Ski areas is generally re-used, as it can be used to fill in holes on the slopes if necessary. Some sites take their non-hazardous waste to refuse sites or their supplier and do not obtain a slip to confirm receipt. Because the type of waste varies considerably according to the work carried out, the Group does not keep a record of the volume and weight of the waste generated (with the exception of bio-waste).

Extending the life of the facilities and equipment: what Group technicians do each day

The Group's business activities are extremely capital-intensive. The useful life of our fixed assets can be up to 30 or 40 years for the ski lifts and rides.

Each day, the Group's technical teams maintain and repair them to keep them compliant and in good operating condition for as long as possible.

Moving and modifying the ski lifts, work which Ingelo (an engineering subsidiary of the Group) began in 2011, has now become its core activity. 13 chairlifts and 9 drag lifts were moved/modified between 2011 and 2019. Our subsidiary has created – and operates in – a second-hand market in which the equipment manufacturers are not present. As a result, Ingelo has become a CDA player in the circular economy, recycling and making the best possible use of old equipment to reinstall it in place of new equipment in new locations.

Around 360 tonnes of steel (stations, vehicles, clamps, pylons and supports) were reused in its last two operations in FY 2019: TSD Crète (268 t) and TSF Cibouit (94 t).

This means that, in the last five operations, an accumulated quantity of almost 1,000 tonnes of steel have been reused.

For many years the Group has been retrofitting grooming machines at an average of two per year. This involves refurbishing a vehicle, by simply replacing old and obsolete components by newer ones. This focus on repairing equipment (almost ten retrofitted machines are currently operational at our resorts) increases the lifespan and value of the equipment and recognises the expertise of the teams involved.

Eco-design

A key way forward will be for us to gradually turn our thoughts to how we can reduce this waste at source, primarily by working with suppliers and also devising alternative approaches.

In practice, this has led to some targeted initiatives, including:

- replacing single-use plastic goblets by eco-cups, no longer using plastic straws and not offering them systematically at the Leisure parks;
- a move to returnable glass bottles in the Restaurant du Lac then Le Cirque (2020) at Parc Astérix;
- removing single-use plastic from the offices at our headquarters (use of dishwasher) or promoting meal trays with minimum packaging waste;
- moving towards order consolidation and larger packaging quantities at many sites;
- recycling drag-lift pylons to make a CATEX (cable for transporting explosives) at Sevebel, renovation rather than replacement of old structures (*e.g.* the new station at TC Brévières);
- purchase of reusable aerosols at STGM and oil analysis to optimise the frequency of oil changes.

Preventing and recycling food waste

Leisure park restaurants

The Leisure parks have taken initial steps to combat food waste by introducing a number of initiatives at one or more sites:

- for two years now Futuroscope's Saveurs du Soleil restaurant has taken part in the joint *Mon resto engagé* initiative run by the Vienne CCI, aimed at reducing food waste;
- optimal visitor number planning and the introduction of a booking system have also helped to reduce waste through better stock management;
- portion control: use of standard portions, introduction of smaller containers and smaller bread portions;
- following preparation specifications and employee awareness through training;
- losses are tracked on a daily basis and at the end of the season, any food with a use-by date before the site is reopened to the public is donated.

Most of the restaurant facilities at 50% of our Leisure park sites now weigh and sort the bio-waste from food preparation and uneaten food which is used to fuel methanisation sites. In total, over the year, no less than 140 tonnes of bio-waste were recycled in this way.

Concrete knowledge of volumes is a first step in identifying the sources of food waste and taking a more structured approach to combating waste.

Staff canteen

The Leisure parks are aiming to capitalise on the experiment run at the staff canteen at Futuroscope, which was the very first of its type for the Group.

- A satisfaction survey and a study of the causes of food waste led to measures being taken to reduce food waste, which included adapting the dishes on offer.
- Then, some innovative practices were trailed such as sending dehydrated organic waste to an insect farm which breeds fly larva

(1) *The Paris, Chambéry and Travefactory group sites are not included because they are not affected by this type of waste.*

to produce proteins for inclusion in the animal food chain and green chemistry.

Since then, Parc Astérix has been collecting the bio-waste from its staff canteen along with that from its visitor restaurants in the park and at its hotels. At La Plagne, SAP has installed a composter in the staff eating area.

Hazardous waste

All hazardous waste is collected and treated by approved contractors. Hazardous waste only accounts for 7% of total Group waste by weight. This percentage actually falls significantly when account is taken of the fact that most of the non-hazardous waste is not weighed.

The Ski areas produce two-thirds of the hazardous waste. Overall, 40% (by weight) is hydrocarbon sludge from the periodic draining of hydrocarbon separator tanks, all of which is re-processed to produce heat. This is followed by other waste, for instance from emptying the chemical toilets, oil filters, coolants,(19%) then grease from the drip trays (16%), solvents and hydraulic oil from ski lift engines, soiled packaging and rags, Waste Electrical and Electronic Equipment (WEEE) and healthcare waste (with risk of infection) from the rescue operations which some sites are responsible for carrying out.

Paper

In view of its activities, Compagnie des Alpes' consumption of raw materials is low and relates to the use of paper for administrative purposes, financial communication and above all for commercial purposes for the printing of tickets, maps, flyers, posters and catalogues. Paper purchased and used internally represents 8% of paper generated (down), compared with 92% used for external communications.

As a general rule, Group entities limit their paper usage through digitisation: digitised maps in Ski areas, recyclable passes, online sales, email confirmations, paperless tickets and exchange coupons, communication with visitors through Facebook and Instagram and development of smartphone apps. These practices are pursued in addition to digital archiving, double-sided printing for tertiary works and reducing the number of printers. After falling significantly in the previous year, total paper consumption increased by 8% over the year.

4.3.6 CONSOLIDATED ENVIRONMENTAL DATA

	Change (N/N-1)	2016/2017	2017/2018	2018/2019
ELECTRICITY CONSUMPTION (GWH)	**+5%**	**166**	**156**	**164**
of which renewable	+9%	103	129	141
FOSSIL FUEL CONSUMPTION (GWH LHV)	**-3%**	**56**	**60**	**58**
FOSSIL FUEL CONSUMPTION (M^3)	**-4%**	**5,650**	**6,068**	**5,847**
of which diesel and non-road diesel	-4%	5,216	5,619	5,368
of which petrol	+32%	138	145	192
of which fuel oil	-5%	296	303	287
FOSSIL FUEL GAS CONSUMPTION (GWH)	**+10%**	**33**	**30**	**33**
CONSUMPTION OF MUNICIPAL HEATING AND COOLING SYSTEMS (GWJ)			**2**	**2**
TOTAL ENERGY CONSUMPTION (GWH)	**+3%**	**255**	**249**	**256**
CONSUMPTION OF COOLANTS (KG)	**+52%**	**257**	**265**	**403**
GREENHOUSE GAS (GHG) EMISSIONS BY EMISSION SOURCE (CO_2 TONNES EQUIVALENT)	**-0.5%**	**34,842**	**32,415**	**32,252**
of which electricity	-7%	8,124	4,964	4,634
NB: "avoided" through the use of green electricity			10,182	8,038
of which diesel and non-road diesel	-4%	16,535	17,813	17,016
of which petrol	+32%	385	405	536
of which fuel oil	-5%	943	968	916
of which gas	+10%	8,037	7,387	8,108
of which coolants	+27%	817	614	779
of which municipal heating/cooling systems	-1%		265	262
WATER CONSUMPTION (M^3)	**+12%**	**4,550,281**	**3,956,758**	**4,449,601**
of which well water	-27%	655,102	763,872	557,877
of which surface water	+26%	3,339,029	2,697,175	3,404,985
of which municipal water	-2%	556,150	495,711	486,739
PAPER CONSUMPTION (TONNES)	**+8%**	**430**	**438**	**474**
WEIGHED WASTE PRODUCTION (TONNES)	**-16%**	**5,132**	**5,086**	**4,278**
of which non-hazardous	-16%	4,845	4,752	3,975
of which hazardous	-10%	287	335	303

The above environmental data table is consolidated according to actual scope. It should be noted that there is very little difference in the like-for-like data (see 4.5) for water and energy consumption and greenhouse gas emissions.

REFERENCE TABLE OF ENVIRONMENTAL CHALLENGES

CSR challenges including the key challenges	Action taken to tackle the main challenges	Indicators monitored
§4.3.2.1 Reducing our direct energy and carbon footprint (GHG) **§4.3.4 Sustainable water management** §4.3.6 The circular economy §4.3.2.2 Indirect environmental footprint performance	• Increase the portion of renewable energy and reduce the portion of fossil fuels in the Group's energy mix • Improve the energy intensity and carbon intensity relating to visits to our sites • Gain a better understanding of our impact on water	• Total energy consumption (GWh) • Portion of fossil fuels in total energy consumption • Portion of renewable energies in total energy consumption • Direct GHG emissions [1] per skier day (Ski areas) or visitor (Leisure parks) • Energy consumption per skier day (Ski areas) or visitor (Leisure parks) • Total water consumption (litres) per skier day (Ski areas) or visitor (Leisure parks) • Percentage of municipal water in the consumption (%) • Percentage of municipal water in the artificial snow (%) • Total water consumption (m³)
§4.3.3.1 Taking account of biodiversity, soil and landscape in operations and design §4.3.3.2 Connecting customers with nature by enhancing natural spaces. §4.3.3.3 Controlling pollution and emissions	• Taking account of biodiversity, soil and landscape in operations and design • Catering supplies from more environmentally-friendly sources	• Cumulative number of fauna and flora audits as part of the Ski Area observatories since their creation • Sourcing of catering supplies currently under consideration for the Leisure parks • Awaiting a suitable indicator to calculate our biodiversity footprint

(1) GHG: Greenhouse gas.

4.4 Societal challenges

The Group's subsidiaries offer leisure activities to the general public in the heart of high-traffic tourist areas in urban, peri-urban and regional environments.

It should be noted that, due to the nature of its business, combating food poverty has not been identified as a CSR risk for the Group. Therefore, no particular information has been published on this topic.

4.4.1 LONG-TERM CONTRIBUTION TO THE DEVELOPMENT AND APPEAL OF THE REGIONS

CDA Group sites lie at the heart of regions in which they operate, maintaining very special relationships with local entities. CDA is the top, or main, employer in the local ecosystems which makes it a first-rate partner.

4.4.1.1 Gaining a better understanding of the Group's socioeconomic impact

The CDA subsidiaries in the area generate direct employment and many of the people employed are local seasonal workers. The subsidiaries also generate indirect employment through their own purchases and contributions to local authorities and this money passing into the local or regional economy.

Through a specific study run by Utopies©, using the Local Footprint© methodology, we were able to quantify the multiplier effect of our activities based on the typology of our purchases, total payroll and contributions in the form of taxes, fees and levies.

This exercise, initially based on 2016 data for six ski areas and Parc du Futuroscope and expanded to include Parc Astérix in 2019, highlights the economic impact of our activities and policies on the regions at different levels (Department, Region, Country).

Economic impact of 6 ski areas

For example: In six ski areas in the Tarentaise valley in the Savoie region,

LES ARCS Paradiski
MÉRIBEL cœur des 3 vallées
friendlyMenuires
Val d'Isère
la Plagne Paradiski
TIGNES

- 1 direct job in one of our Tarentaise ski areas supports 1.6 additional jobs in Savoie, 2.8 in Auvergne-Rhône-Alpes (AURA) and 4 in France;
- these six companies pay €62 million in tax (various taxes, excluding VAT), local authority contributions (mainly through Public Service Concession contracts) and corporation tax. Note that 66% of this amount is paid to the region;
- 73% of their purchases are made in France. Specifically, they contribute to the local economic fabric by spending €34 million with 736 SMEs in Savoie and €49 million with around 1,200 SMEs in the Auvergne-Rhône-Alpes region.

Economic impact of Futuroscope

- 1 direct job at Futuroscope supports 0.9 additional jobs in Vienne, 1.2 in Nouvelle Aquitaine and 3.2 in France.
- The Park's activities contribute €78 million to Vienne's GDP and €159 million to France's GDP.
- Futuroscope buys 77% of its goods and services in France, spending €52 million of which €29 million in the Nouvelle Aquitaine region. It spends €25 million with 192 SMEs in Vienne.

Economic impact of Parc Astérix

- Parc Astérix injected €100 million into the French economy in 2017-2018, including €77 million from purchases, €21 million in terms of its payroll and €2 million in taxes.
- This in turn generated wealth (GDP) of €182 million in the French economy, €87 million of which in the Hauts de France Region and €63 million in the greater Paris region (Ile-de-France).
- The Park's activities sustained 3,327 jobs in France, 815 of which were direct and 1,282 indirect in the supplier chain.
- Parc Astérix bought goods or services amounting to €52 million in Hauts de France and Ile de France combined, which equated to 67% of its total purchases.

Impact of our catalyst effect on the tourist offering

And our sites are major tourist attractions. Their business activities therefore benefit shops, transport, accommodation, cafés and restaurants and, more broadly, other socioeconomic players in the tourism ecosystem.

For example, for every euro a skier spends on the ski lifts, they spend another seven at the resort (2012 Contours study). On this basis, we can estimate that around €2.6 billion of France's GDP comes from expenditure by the skiers and their fellow travellers at our six Tarentaise resorts. This equates to €2.1 billion of GDP generated in AURA and €1.4 billion in Savoie, due to the catalytic effect of our activity.

Finally, because of the quality of the facilities and services they offer, our resorts broaden the general appeal of France as a tourist destination: 45% of the catalytic effect is generated by skiers from outside France.

4.4.1.2 Investing in the appeal of the sites and other socioeconomic players

Investing

Each year, Compagnie des Alpes invests vast sums in the appeal of their resorts and leisure parks. Over the fiscal year, their net capital expenditure was in excess of €209.4 million (24.5% of revenue). This massive investment in our tools and equipment helps to maintain and grow the dynamic of the tourist ecosystems in which we operate.

You will find more information about our investment dynamic in several chapters of this Universal Registration Document.

For example, Compagnie des Alpes launched a major €55 million project at Parc Astérix, due to be completed in 2020, aimed at increasing the hotel capacity from the current 100 rooms to 450 rooms (two additional hotels) and enhancing the park's offering These changes will make Parc Astérix accessible to visitors who are more than three hours away by car, turning it into a short break destination, as Futuroscope is today.

Getting involved

Leisure parks are contributing to the success of regional tourism through their involvement in regional structures, notably tourism boards. By enhancing their capacity and appeal, the Leisure parks are becoming *bona fide* regional and national tourist destinations. For example, Futuroscope is running initiatives with the Vienne tourist board and other tourism players in the department to promote the Pays du Futuroscope brand.

The Ski areas also take part in global resort studies (on appeal, positioning, accommodation or customer journey satisfaction), contribute to the tools available (implementation of CRM system, data sharing, and design thinking initiative) and market the resorts (help to fund Tourist Offices and are members of Atout France or France Montagne). The overall aim is to improve the appeal of the whole area. In return, this generates economic benefits for the entire region and local stakeholders.

Below are a few examples of CDA's actions which mark it out as the best partner of the regions:

- CDA is currently putting the finishing touches to an initial major survey of 52,000 customers which will be of benefit to all local players, either globally or targeting the specifics of a particular resort. The results will then be shared with local representatives and Tourism players (TO, socio-pros) so they can work together on improvements.
- ADS supports the growth of the resort players by incorporating their promotions into the "Basic and Premium pass" benefits programme. Most of our partners recorded an increase in their visitor numbers thanks to the roll-out broad promotional mechanism.
- Each year GMDS circulates the results of its environmental observations to a large number of local stakeholders and the environmental authorities to promote the wealth of the region and ensure it is protected. It also suggests ways it can be improved and raises collective awareness.

Moreover, the Group companies contribute to the building and maintenance of resort access roads, primarily through their funding of the Tarentaise road system and RN 90, and also support municipal infrastructures by financing the local and regional shuttles and accommodation.

4.4.1.3 The real estate-accommodation policy at the resorts

The Group believes it is duty-bound to consider the future of the resorts and takes a leading role in tackling issues which extend beyond the simple management of its ski lifts. This had led it to turn its attention to accommodation.

Foncière Rénovation Montagne

The implementation of the project involving the creation of Foncière Rénovation Montagne is a noteworthy illustration of Compagnie des Alpes involvement in partnerships that have a strong regional impact, with local stakeholders.

The aim of Foncière Rénovation Montagne is to invest in local real estate with a view to acquiring ageing properties to renovate. By renewing the appeal of these properties, it helps to combat the "cold beds" problem in mountain regions. The "cold beds" phenomenon relates to accommodation that is rarely occupied by its owner and rarely offered for rent or, when it does come on the rental market, nobody wants to rent it: in other words, empty apartments. The resulting imbalance is harmful to the economy of the resorts and the poorly-maintained accommodation can sometimes reduce the appeal of an entire area. Thus, these "cold beds" block constructed but non-productive real estate at a time when real estate resources are in short supply, particularly in the mountains.

Through the Foncière Rénovation Montagne initiative, Compagnie des Alpes is trying to create a knock-on effect which encourages local authorities and owners to put their renovated properties back into the sales circuit.

Since the start of the initiative, 478 properties have been purchased and renovated (for a total cost of €11 million).

The real estate-accommodation policy

The Group has a strategy to maximise occupation of the available beds at the resort, to support tourism and the local economy:

- the network of the Compagnie des Alpes Group's real estate agencies (28 offices) manages around 2,950 lots, or 13,500 beds. The target is to achieve an above-average apartment occupancy rate (on average a few percentage points higher than the resort agency average) to attract skiers, and also money, to the resort;
- the Group's real estate agencies offer lodge owners assistance with any renovations and upgrades required to help them obtain quality labels, thus equipping them to combat the "cold beds" phenomenon;
- CDA has invested in the preservation and refurbishment of existing accommodation. For example SAP has completely refurbished the Baccara building (460 beds) in Les Coches to bring them in line with modern tastes and standards. Similarly our teams have renovated and brought back into service a time-share building (300 beds) which would have been sold off individually at Les Ménuires;
- the CDA group also supports new projects by participating financially in building ownership or in management structures, or in the sale of land, or in undertakings to purchase.

In total, since 2014, the Group has operated 5,761 hot beds (6,200 since 1998), half of which have been upgraded, and the other half are new beds.

4.4.1.4 Adapting to the consequences of climate change

Changes in demand for a leisure activity, which is by nature non-essential, are difficult to predict in a low-carbon world with the new constraints this involves. The Group is therefore faced with the fact that a leisure activity with a high environmental footprint may become less attractive in the medium term and is working to first reduce the negative external factors of its activities and then to embark on the long-term project of adapting and planning ahead for the leisure activities of the future.

Ski area operations

The effects of climate change have already been felt, particularly in the Ski areas with a shorter glacier skiing season (summer, autumn), a tendency for a shorter period of natural snowfall in recent seasons, and uncertainty about the duration of temperature windows for the production of artificial snow. To this we will likely have to add an increase in extreme events and the impact of the melting of the permafrost which will require additional maintenance of the infrastructures affected.

Despite difficult starts to the seasons, Compagnie des Alpes Ski areas remain resilient for the time being due to the fact their resorts are at high altitude or provide access to high altitude ski areas. An alternative solution may be to use the first section of the ski lifts as a lift, thereby offering to access the ski area even when conditions are difficult on the low-altitude slopes. The generation of operating conditions, and the associated flows, is the first adaptation.

Ski areas are also using technology to adapt and guarantee the start and end of the season by producing artificial snow, with around 40% of the slope areas equipped according to snow level priorities. Production networks have therefore adapted to the capacity required and the water storage facilities with around 10% of total investment being made in this area. In addition, optimisation work and equipment renewal are providing higher yields while limiting the rise in operating costs and the consumption of resources (energy primarily).

Grooming techniques are also evolving in order to optimise snow quality and increase its useful life. Grooming takes a range of parameters into account: weather forecasts, a precise calculation of snow volumes considered necessary, satellite or radar measurements of snow thickness. The orientation of the slopes is also examined, and work on the ski runs and re-establishment of vegetation allow the resort to reduce the quantities of snow required to create suitable skiing conditions.

In addition to these technological solutions, the Ski areas are working on a summer activity relaunch by developing their 2 or 4 season fun non-ski activities (mountain biking, green tourism, glacial walking, alpine coaster, mountain go-kart circuit, downhill scooters, marinas) and packages with partner resorts (thermal baths, water and racket sports, etc.). They are also improving their circuits and access to viewpoints (Altitude Expérience in Tignes, Aiguille Rouge footbridge in Les Arcs, etc.) to make them accessible to all.

An initial study is underway to assess the transition risks (based on scenarios) and material risks (based on a review of scientific literature on the subject) of the energy and ecological transition which are applicable to the Group sites.

The main long-term material risks could be linked to a reduction of the operating period at the height of the season due to the rise in average winter temperatures, based on the trajectories of the different

IPCC models. These models anticipate little change in the winter precipitation patterns in the medium term and over the year as a whole. Pressure on the availability of water for producing artificial snow, depending on the storage and management method used, is dependent on the reliability of this forecast.

While the additional transition risk costs for the Group sites are moderate in the medium term (additional energy, tax costs etc.), changes in vehicle motorisation over short cycles will be critical in our ability to reduce the consumption of fossil fuels. This applies particularly to the grooming machines which are the primary source of the Group's emissions.

Leisure park operations

The Leisure parks are less vulnerable to physical climate risk than the Ski areas. Visitor numbers are relatively dependent on temperature and weather, and sometimes increase when the weather is fine late season. However, excessively hot weather (heatwaves) can deter visitors from going to a site which is not suitably adapted, or perceived as such.

It is therefore important that the sites meet the regulatory requirements for renovation of tertiary buildings in the medium term and support new modes of transport (electric car charging points, for example) to ensure easy access to the facilities.

To provide further food for thought, we took a first step which has enabled us to create a draft adaptation plan for the following: our leisure offering, infrastructure (*e.g.*: queues, gardens), flexibility of operations and working conditions, assessment of planned investments.

In both business segments, more frequent and more intense extreme physical events will impact on the periods of opening and prevention, maintenance and repair costs.

4.4.2 POSITION OURSELVES AS A TRUSTWORTHY PLAYER IN THE EYES OF OUR STAKEHOLDERS

4.4.2.1 Safety/security measures

For the Group, the security and integrity of its employees and customers are priorities (see also section 4.2.3.3). Section 2.3.3. Risks of Bodily Injury describes the types of checks on infrastructures and the safety levels of themed items sold in Leisure parks stores.

Before the start of each season, forums are organised to welcome new employees and distribute as necessary booklets or welcome guides that set out these priorities.

Training is dispensed on customer hospitality and safety and also operational procedures, preventive measures (movement and postures, working at heights, using chemical products, etc.), and procedures to follow in the event of an incident.

In addition to all these practices, Group companies undertake specific preventive measures, such as the development of quiet or family skiing areas, safety measures for embarking the chair lift (ESF agreement, elevators for children, carpet, school at headquarters, installing guard rails, anti-submarining seat safety measures, etc.), raising awareness about the risk of avalanches and the use of victim detection equipment (ARVA Park, for instance), pictograms and reminders of conduct and behaviour on the attractions, and enhanced monitoring of the operators.

Finally, certain companies have directly undertaken actions to raise awareness of disability and improve access for people with a disability. Futuroscope has the national Tourism & Handicap certification (label national Tourisme et Handicap) for people with motor disability, mental disorders and hearing impairment.

4.4.2.2 Monitoring and managing customer satisfaction

Monitoring customer satisfaction is a key priority for each employee and directly linked to **the strategic objective of obtaining Very High Satisfaction scores**.

Through our very regular surveys we can gauge customer opinion and take steps to make improvements. We have developed extremely comprehensive interactive processes and methodologies to enable us to identify what improves customer satisfaction and what spoils the experience. Equally, our service design initiatives enable us to observe and listen to our customers. In short, the Group is using innovative ways to help it understand the customer experience.

The satisfaction ratings are regularly reviewed by each team and also Executive Management and the Executive Committee (Comex), either on a business segment or facility-by-facility basis. Today, the Group can prove that very high customer satisfaction really does improve competitiveness.

Moreover, eight Group sites also have ISO 9001 certification. The scope of this certification covers 57% of visitors to our sites (skier and visitor days).

4.4.2.3 Data security measures

To combat cyber risks and meet its data protection obligations, the Group has equipped itself with specific action plans which are reviewed at least once a year by the Risk Committees (cyber security action plan) and the Audit and Finance Committee (Reporting and GDPR action plans).

The Group has structured itself around a DPO (Data Protection Owner) network, responsible for implementing the actions at each entity, and a further two specific action plans carried at Group level by the IT Systems Department and the Legal Department.

The actions will be supplemented by intrusion audits conducted as part of either the internal audit plan or the IT tracking process.

The Group monitors an indicator relating to the number of potential violations following incidents (*e.g.* loss of PC, phishing, ransomware, etc.) and may decide to report these violations pro-actively to the competent authorities (CNIL in France, for example) if it believes there is a significant risk.

To date, the CDA Group has not pro-actively reported any customer data violations to the authorities.

4.4.2.4 Involvement with local communities

This chapter provides a few examples of the many initiatives taken by the sites to demonstrate their involvement with local communities.

Local dialogue

Regular meetings are held with the different stakeholders to take account of their needs and expectations, improve dialogue and collaborate on collective solutions or actions as needed: public partners, socio-professional partners and associations. Group subsidiaries are present or active in local associations, both those related to the environment, and owner and neighbour associations. On this last point, most Leisure parks organise events with people living in the neighbourhood (*e.g.* neighbourhood gatherings and open days such as *Fête des Voisins*, and *Journée des voisins*) which offer a great opportunity for discussion and the exchange of views.

A site priority is to study and reduce the noise pollution that may be generated by its activities. All Group sites regularly measure noise, and specific measures are taken: the grooming schedule adapted according to time of day and by route, quieter snow-making machines and rollers near housing, the ski lift drive station located uphill, equipment buried below ground, show sound volume varied according to wind direction, appropriate event (festival) measures, roofing on entertainment areas, layout of the rides, informing local residents about events, taking part in conciliation Committees, etc.

Involvement in education

- Parc Astérix collaborates with the ENVA (Maisons-Alfort veterinary school) on matters relating to its Delphinarium and welcomes young people from the Sport dans la ville [Sport in the city] association to introduce them to the business segments at the park.
- Futuroscope is expanding its range of edutainment activities with special interactive workshops for school children (approx. 150,000 school children visit each year). The most recent workshop was the “Labo du Jeu Vidéo” (video game workshop), an introduction to creating an imaginary video game at LP2I, the nearby secondary school which is also a partner of Futuroscope. In 2019 we signed an agreement with the Rectorate of Poitiers Academy whereby both parties share their thoughts on the park’s education and teaching innovation choices and guidelines: developing links with schools programmes, designing new teaching scenarios, design and creation of educational tools, etc.
- The Ski areas promote their business segments among school children and apprentices in local industries, and support the research programmes of IRSTEA in Grenoble, primarily by providing ground data or backing research topics such as the monitoring of the Deux Alpes glacier.
- Many Group site managers are involved in professional training courses.

Promoting heritage

- ADS supports the Les Arcs Film Festival and Music Festival financially and Serre Chevalier supports the organisation of the Jazz Festival.
- Origine Grand Massif is a quality label supported by our GMDS subsidiary. Driven by a desire to protect local values, this initiative offers local producers the opportunity to obtain an “appellation” in the farming, crafts, culture and food and drink sectors. The main objective is to bring visitors and local producers together to share special moments.

Support and solidarity

Lastly, Group companies support local aid operations and social and sports partnerships:

- the Group’s ski lift companies contribute €2.2 million to the French Ski Federation (FFS), regional Committees and sports clubs. This money comes from the sale of CarréNeige insurance and additional patronage funding. For example, our ski areas in Savoie contributed €1.9 million, €0.62 million of which in patronage funding to the Comité de Ski de Savoie (Savoie Ski Committee). In addition to this financial support, the clubs receive technical and logistics assistance for the preparation (snow provision, grooming machine hours, maintenance) and organisation of training and competitions (planned openings, private events). The clubs work to promote leisure skiing and identify young talents in the club, then offer them high-level training in alpine, nordic and freestyle skiing, snowboarding and telemark skiing;
- some examples of support for the sick: Petits Princes initiative in the French parks in collaboration with the SNELAC on Solidarity Day, visit to Parc Astérix of 30 families of sick children and volunteers, Téléthon, Chaplin’s World participation in the Swiss Solidarity and *cœur-à-cœur* initiatives;
- some examples of support for disadvantaged young people: Deux Alpes and Serre Chevalier support the 82-4000 association which introduces young people from disadvantaged backgrounds to the mountains; collection of work clothes for the Cravate Solidaire initiative at Parc Astérix; 10,000 children and families from the Secours Populaire du Nord visited Parc Astérix as part of Journée des Oubliés des Vacances initiative for children who don’t have the chance to go on a summer holiday; 2,500 disadvantaged youngsters visited Walibi Belgium through Arc-en-Ciel, the umbrella organisation for almost 370 youth work associations.
- Serre Chevalier helped to fund the renovation of the A&E Department at the Briançon hospital complex; Grévin Montréal donated almost 500 tickets to 52 Quebec-based social purpose organisations; 14 young people were hired for a day by Bellewaerde and Bellewaerde Aquapark: their pay will be donated to a charity initiative in Guinea and several Belgian projects.
- Deux Alpes and Les Arcs each signed a partnership agreement to support two resorts which are experiencing difficulties, Col de Porte and Col de Granier. The teams at the CDA subsidiaries will provide financial support and sponsor skills development or equipment. For example, when Deux Alpes Loisirs gets rid of a piece of equipment, Col de Porte is given first refusal to buy it and Deux Alpes Loisirs provides a technical expert as a point of contact for each area.

The sponsorship and donations over the year totalled almost €1 million.

4.4.3 COMPLIANCE AND ETHICS

Compagnie des Alpes makes compliance and ethics a core part of its business practices. The implementation of the Group's compliance and ethics policy has been entrusted to the Legal Director, appointed as the Group's Ethics Officer by the Chairman and Chief Executive Officer, as confirmed by the Group's Risk Committee.

The Ethics Officer's role is to establish procedures that promote compliance with applicable regulations, as well as stringent rules of ethics and professional conduct. It also involves inciting all employees to abide by the principles and good practices that uphold the Group's constant determination to respect its stakeholders, including its employees, shareholders, customers, partners and, of course, public authorities, and to make every effort to ensure that all of its business activities are conducted in a totally legal, responsible, transparent and ethical manner.

The Ethics Officer may be consulted by any employee on issues concerning compliance and ethics and may be required to assist employees in their decision-making.

4.4.3.1 Preventing fraud, money-laundering and the financing of terrorism

To encourage best ethical practices, the Group has drafted and distributed an Ethics Charter which is a guide for professional conduct, an IT system resources usage charter, and procedures to combat money laundering and the financing of terrorism.

At subsidiaries, these codes of conduct are backed up, where appropriate, by formal undertakings by the management, training courses, and clauses in employment contracts.

Compliance with the law, Group policies and the proper functioning of processes are ensured by the application of internal controls, the separation of duties and regular internal audits. Since 2013, the formalisation of the Group's internal control procedures has strengthened the application of best practices and employees' vigilance to fraud (see section 2.8 "Internal control procedures" in Chapter 2 "Risk factors").

4.4.3.2 Combating corruption

To prevent the risk of corruption, the Group has stepped up its efforts mentioned above and introduced a corruption prevention plan which meets the requirements of Law n° 2016-1691 of 9 December 2016 on transparency, anti-corruption and economic modernisation, known as the "Sapin 2" law.

Although the Group does operate in countries exposed to corruption risks (Transparency International index < 50), there are fewer than five employees based permanently in these countries and the consultancy contracts which relate directly to them represent less than 0.05% of the Group's revenue.

Following the completion of the Group's corruption risk mapping by the Risk Management Department, the following documents were prepared, at the request of the Group Legal Department, with the assistance of the Risk Management Department, the Finance Department and the Internal Audit and Internal Control Department:

- anti-corruption Code of Conduct, based on the standard Middlenext Code which the Company helped to draw up as part of a working group, and supplemented by practical examples relating to the Group's business activities;
- gifts, invitations and donations policy, giving employees clear guidelines on the circumstances under which they can receive or give gifts and/or invitations and setting out the conditions for donating to associations and/or patronage;
- whistleblowing procedure, available to all Group employees and also non-employees, stipulating how to raise the alarm *via* a specialist provider's secure whistleblowing platform, the protection offered to the person raising the alarm, etc. The Group Legal Director is the designated point of contact in accordance with Article 4 II of Decree n° 2017-564 of 19 April 2017;
- audit procedures for members of the Finance Department, to ensure the books, ledgers and accounts are not used to conceal corruption or trading in influence.

The Chairman and Chief Executive Officer has communicated widely on these procedures and on the topic in general to all employees. The Group entities' legal representatives are responsible for circulating them to all of their staff and ensuring they are applied.

The Human Resources Department and Group Legal Department have also worked on the introduction of:

- an e-learning platform. The training, which includes examples directly relevant to the Group's business activities, has been rolled out to French-speaking permanent employees, for whom the training is mandatory;
- face-to-face training by a specialist lawyer for the Executive Committee and the 340 employees most exposed to the risk, which covered 82% of the employees identified.

A plan to monitor the effectiveness of the system was put in place by the Internal Audit Department in 2019.

4.4.3.3 Human rights and promotion and compliance with the stipulations of the Basic International Labour Organization Conventions

The Group recognises the guiding principles of the UN's Universal Declaration of Human Rights and, in the course of its business activities, promotes respect for the fundamental rights (respect for human rights and the international labour standards).

The companies of the CDA Group are committed to abide by the International Labour Organization (ILO) declaration relative to the fundamental rights and principles at work, bearing in mind that the ILO directives are fully incorporated into the labour laws of most countries in which the CDA Group operates.

However, we do not consider the risk related to human rights as a specific risk. First, most of the sites we operate in the Ski areas and Leisure parks are located in Europe, where the risk of violation of human rights is low.

Second, in terms of our purchases, an analysis conducted in 2018 as part of a socioeconomic study (*cf.* 4.4.1.1) revealed that around 97% of the purchases made by the sites covered were from tier-1 suppliers based in France or, more widely, in Europe.

Very few of the products we buy for sale at the sites ("Retail") are bought from suppliers based in Asia. These products are therefore more exposed to a risk relating to fundamental rights at work. Since 2011, product compliance audits have been conducted at the factories of our main suppliers in South-East Asia (*cf.* §4.4.2.1), specifically those that produce toys and crockery. These audits continue on the basis of labour criteria (child labour, forced labour, discrimination, working hours, compensation, health and safety, etc.). To date, the results of these audits have shown that the social criteria are satisfied.

For non-retail purchases, the Group makes every effort to impose strict contractual clauses on our suppliers and these clauses will be reinforced when necessary.

4.4.3.4 Societal supply chain performance

The Group has adopted a pilot Purchasing policy which lays down the key principles which apply to each of its entities.

As part of this local commitment, the CDA Group gives priority to recognised local suppliers, who share the same values in terms of risk prevention and respect for the environment.

Where appropriate, contracts include environmental protection clauses and a prevention plan, possibly with a prevention-safety-environment guide. A large number of sites incorporate an Environmental Charter in the prevention plans produced with external companies. In addition, procurement departments are helping to eliminate the most hazardous chemical products by refusing them or limiting them in orders. The Group also has intellectual property and licence protection clauses in it contracts, and the contracts signed by CDA Group subsidiaries reflect the CDA Group's commitment to not participating in concealed employment practices or those that fail to comply with regulations.

Subcontracting is mainly used for maintenance work: trail work and ski lifts for Ski areas, and ride maintenance, security of access and upkeep of green spaces for the Leisure parks.

As CDA does not meet the criteria of Article L. 225-102-4 (5,000 or 10,000 employees at the close of two consecutive fiscal years, – see 4.2.7), we do not believe we are obliged to draw up and formally implement a duty of care plan.

4.4.3.5 Tax transparency

Through its tax consolidation group, Compagnie des Alpes implements a transparent tax policy that covers all direct and indirect taxes, contributions, and other levies of a fiscal nature payable by the Company. The parent-company:

- ensures that the Group's subsidiaries comply with tax laws and regulations;
- strives to improve the Group-wide assessment of risks and their management;
- enters into constructive and transparent dialogue with the tax authorities and other public authorities.

Moreover, the Compagnie des Alpes Group implements a transfer pricing policy in line with OECD principles to justify the ensuing revenues. The Group has no legal entity (company, branch or agency) in any territory on the list of non-cooperative countries and territories, as defined by French and international legislation. In addition, flows *via* those countries are prohibited if they are only motivated by tax reasons.

REFERENCE TABLE OF SOCIETAL CHALLENGES

CSR challenges including the key challenges	Action taken to tackle the main challenges	Indicators monitored
§4.4.1 Long-term contribution to the development and appeal of the regions	4.4.1.1 Gaining a better understanding of the Group's socioeconomic impact 4.4.1.2 Investing in the appeal of the sites and other socioeconomic players 4.4.1.3 The real estate-accommodation policy at the resorts 4.4.1.4 Adapting to the consequences of climate change	Socioeconomic impact measures % of revenue in capital expenditure Number of beds managed Number of "hot" beds sustained (cumulative)
§4.4.2 Position ourselves as a trustworthy player in the eyes of our stakeholders	4.4.2.1 Safety/security measures 4.4.2.2 Monitoring and managing customer satisfaction 4.4.2.3 Data security measures 4.4.2.4 Involvement with local communities	Internal indicators not published. Customer satisfaction indicators Number of customer data violations pro-actively reported to the CNIL
§4.4.3 Compliance and ethics	4.4.3.1 Preventing fraud, money-laundering and the financing of terrorism 4.4.3.2 Combating corruption 4.4.3.3 Human rights and promotion and compliance with the stipulations of the Basic International Labour Organization Conventions 4.4.3.4 Societal supply chain performance 4.4.3.5 Tax transparency	

4.5 Methodology note on CSR reporting

4.5.1 REPORTING SCOPE

The information covers all the business activities of all Group entities falling within the scope of fully consolidated companies. It does not include equity affiliates. These entities (subsidiary or site) are grouped in three sectors: Ski areas, Leisure parks and Holdings and Supports.

There are two special cases detailed in the table below. Certain subsidiaries:

- only report labour data, but not environmental or societal data, owing to a lack of activity justifying an impact in this regard;
- do not report any data, even labour data, owing to the fact that they have no headcount, nor any material environmental or societal impact.

The reporting period in principle corresponds to the fiscal year, *i.e.* from 1 October to 30 September of the following year. In a few limited cases, the data may relate to the previous calendar year (invoicing of services for the calendar year).

Changes in consolidation scope during the year: concerning social reporting, sites joining (opening of new site/entity or acquisition of an existing site/entity) the scope are included in reports if they are part of the headcount for a period of at least six months during the fiscal year. This applies to Familypark GMBH which was acquired in March 2019 and included in the Leisure parks accounts from 1 April 2019.

Although Familypark GMBH's business has a social and environmental impact it has not been included in this fiscal year's reporting scope. Consolidation of this subsidiary, which accounts for less than 2% of the year's consolidated revenue and of the group's workforce, focused on accounting and finance items, as well as operating procedures. It was not required to complete the labour, environmental and societal sections of the questionnaires required to consolidate the Group's Statement of Non-Financial Performance (SNFP). It will be fully incorporated in the SNFP for FY 2019-2020.

There were no outgoing entities (disposals) during the fiscal year. Due to the nature of its business, CDA Ski Diffusion was absorbed by Travel Factory.

Existence of *reporting*	Labour	Environmental	Societal
Ski areas			
ADS; DAL/SC2A/Pierre&Neige; Grand Massif Domaines Skiables; Méribel Alpina; SAP; SCV Domaine Skiable; SEVABEL; STGM; STVI/Valbus	Yes	Yes	Yes
Scivabel; SAG; Service building (see Note 1)	No	No	No
Leisure parks			
Belpark BV (Bellewaerde, Walibi Belgium & Aqualibi sites); By Grévin (Chaplin's World); CDA Productions (Workshops); France Miniature; Parc Futuroscope (including Futuroscope Destination and FMD); Grévin & Cie (Parc Astérix including the hotel complex); Grévin Montréal; Musée Grévin (Paris); Walibi Holland/Walibi Holiday Park; Avenir Land (Walibi Rhône-Alpes)	Yes	Yes	Yes
CDA DL (see Note 2)	Yes	No	No
Familypark (see above)	No	No	No
CDA Brands; Immoflor NV; Premier Financial Services; Walibi World; HHH (see Note 3)	No	No	No
Holdings and Supports			
CDA (Paris and Chambéry sites); CDA- DS (Chambéry); Travelfactory group (Travelfactory, Djay; Simply to ski)	Yes	Yes	Yes
CDA Management; INGELO; (see Note 2)	Yes	No	No
CDA Financement; Loisirs Ré; (see Note 3)	No	No	No
TFI; Skiline; CDA Beijing (see Note 4)	No	No	No

Note 1: Building ownership subsidiaries or subsidiaries which have land rights, without business operations.

Note 2: INGELO, CDA Management and CDA-DL offer consultancy or engineering and design services for the Group and for non-Group companies. Their employee numbers are included in Labour Reporting. As their employees are lodged at the tertiary sites of Chambéry and Paris, their environmental and societal impact is included in the impacts of the CDA holding entities, and CDA-DS.

Note 3: These are holding and financial companies with no business activities or employees.

Note 4: These are two subsidiaries belonging to the Travelfactory Group which have no significant impact at Group level: Skiline is a sales office with three employees in Belgium and TFI an IT development centre with 11 employees. CDA Beijing is a consolidated entity with two employees.

4.5.2 DATA COLLECTED

The definition of all the data sets to be collected is specified in a reporting procedure and is mentioned in the reporting tool used (web platform for all three categories: labour, environmental and societal). Data relevance and definition is reviewed every year through feedback after the end of the reporting process.

The definition is completed by detailed information to ensure better understanding and facilitate collection: unit, calculation method to be used and rules governing estimates to be applied if necessary, conversion factors, scope to be taken into account, ideas to be excluded, examples.

Three questionnaires have been prepared for the environmental indicator, in order to adapt them to the business: Ski areas, Leisure parks, including both French and International sites, and "tertiary sites", that is Holding and Supports subsidiaries whose activity is conducted within a building (museum, workshop, etc.).

4.5.3 COLLECTION PROCESS

The data reporting process is the joint responsibility of the Group Human Resources Department and the CSR Department.

It is conducted in partnership with the Group Legal Department for regulatory monitoring. After a feedback and preparation (awareness raising, training) phase, the data collection phase begins, followed by a consolidation phase led by the departments mentioned above.

Each entity is responsible for collecting and inputting its data.

The data is analysed and checked (N/N-1 changes, consistency tests) to ensure compliance and reliability. At the end of the process, it is consolidated in the form of a table or diagram, and commented on for publication.

4.5.4 LIMITATIONS OF DATA COLLECTION AND RELIABILITY

There may be certain limitations on the accuracy and comparability of the data uploaded during the collection process, notably in the case of unavailability.

In this case, explanations shall be provided, both in relation to why the data is unavailable and the scope considered.

Methodologies relating to certain environmental and social indicators may be subject to certain limitations, due to the absence of recognised definitions at national or international level.

However, the revision of the definitions framework and consistency checks tend to limit these inaccuracies, ensuring that an overall satisfactory level of reliability is achieved.

Furthermore, this information is verified by an independent third-party body, in this case Mazars. The planning of these audits takes account of the difficulties encountered obtaining the data, or the quality of the data, and the history of each site's own audits. This enables us to gradually ensure the reliability of the data collected by the sites.

4.6 Report by the independent third-party body on the consolidated statement of non-financial performance appearing in the management report

For the fiscal year ended on 30 September 2019

Dear Shareholders,

As an independent third-party body, member of the Mazars network, statutory auditor of Compagnie des Alpes, certified by COFRAC Inspection under number 3-1058 (scope of certification available on the website www.cofrac.fr), we hereby present our report on the consolidated statement of non financial performance for the fiscal year ended 30 September 2019 (hereinafter the "Statement"), presented in the management report, in application of the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Company's responsibility

It is the responsibility of the Board of Directors to establish a Statement in compliance with applicable legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied concerning these risks as well as the results of these policies, including key performance indicators.

The Statement was established in application of the Company's procedures (hereinafter the "Standards"), the material elements of which are presented in the Statement.

Independence and quality control

Our independence is defined in Article L.822-11-3 of the French Commercial Code and the code of ethics of our profession. In addition, we have put in place a system of quality control including documented policies and procedures whose aim is to ensure compliance with the ethical requirements, professional standards, and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a reasoned basis for our limited assurance conclusion on:

- the compliance of the Statement with the provisions specified in Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in application of section 3 of parts I and II of Article R. 225 105 of the French Commercial Code, *i.e.* the results of the policies, including the key performance indicators, and the actions, relating to the main risks, hereinafter the "Information".

It is however not our responsibility to comment on:

- compliance with other applicable legal and regulatory provisions, in particular those of the vigilance plan and the fight against corruption and tax evasion;
- compliance of products and services with the applicable laws and regulations.

Nature and scope of our work

Our work described hereafter was carried out in compliance with the provisions of Articles A. 225 1 et seq. of the French Commercial Code specifying the manner in which the independent third-party body conducts its mission and according to the professional standards of the *Compagnie nationale des commissaires aux comptes* (national auditing body) relating to this procedure as well as to the international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

We have conducted work allowing us to assess the compliance of the Statement with the regulatory provisions and the fairness of the Information:

- We took note of the business activity of the entity, of all of the companies included in the scope of consolidation, of the presentation of the main social and environmental risks related to this activity, of its impacts on human rights and the fight against corruption and tax evasion, as well as of the resulting policies and their consequences;
- We assessed the appropriate character of the Standards with respect to its relevance, its exhaustiveness, its reliability, its neutrality and its clarity, taking into consideration, as applicable, the good practices in the sector;

- We verified that the Statement covers each category of information specified in part III of Article L.225 102 1 on social and environmental matters as well as the compliance with human rights and the fight against corruption and tax evasion;
- We verified that the Statement includes an explanation of the reasons justifying the lack of information required by the 2nd paragraph of section III of Article L. 225-102-1;
- We verified that the Statement presents the business model and the main risks linked to the business activity of all the entity and all entities included in the consolidation scope, including when it seems relevant and proportional, the risks created by its business relations, its products or services as well as the policies, actions and results, including the key performance indicators;
- We verified, when relevant with respect to the main risks or policies presented, that the Statement presents the information specified in part II of Article R. 225-105;
- We assessed the procedures for selection and approval of risk management;
- We inquired about the existence of internal control and risk management procedures put in place by the company;
- We assessed the consistency of the results and key performance indicators used with respect to the main risks and policies presented;
- We verified that the Statement includes a clear and reasoned explanation of the reasons justifying the lack of any policy concerning one or more of these risks;
- We verified that the Statement covers the consolidated scope, i.e. all the companies included in the consolidation scope in compliance with Article L. 233-16 with the limits specified in the Statement;
- We assessed the process for collection put in place by the entity aiming for exhaustiveness and the fairness of the Information;
- We implemented, for the key performance indicators and the other quantitative results (1) that we considered as the most important:
  - analytical procedures consisting in checking the proper consolidation of the data collected as well as the consistency of their changes,
  - detailed tests based on sampling, consisting in verifying the proper application of the definitions and procedures and in comparing the data with the documentary items. This work was carried out on the selection of contributing (2) entities covering between 18% and 34% of the consolidated data of the key performance indicators and results selected for these tests;
- We consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered the most important;
- We assessed the overall consistency of the Statement with respect to our knowledge of the company.

We feel that the work we conducted using our professional judgement allows us to express a limited assurance conclusion; a higher level of assurance would have necessitated more extensive verification work.

Means and resources

Our work mobilised the skills of six people and was carried out between the months of September and December over a total working period of three weeks.

We conducted approximately ten interviews with the persons responsible for the preparation of the Statement, representing in particular the Communications Department, the Human Resources Department and the Risk, Insurance, and Risk Management Department

(1) Percentage of work-study employees among FTEs: number of work-study employees during the fiscal year, total number of FTEs; Absenteeism rate: total number of days' leave, number of hours worked; Frequency rate: total number of occupational accidents with leave, number of hours worked; Severity rate: total number of days' leave for occupational accidents, number of hours worked; Number of training hours per FTE: number of training hours, number of FTEs; Number of professional qualifications awarded; Return rate of seasonal workers; Portion of renewable energies in total energy consumption: total electricity consumption, renewable energy consumption; Portion of fossil energy (of which gas and fossil fuels) in total energy consumption: total electricity consumption, consumption of fossil fuels; GHG emissions per visitor and per skier days: GHG emissions related to energy consumption, GHG emissions related to refrigerants, number of skier days, number of visitor days; Portion of tap water in total consumption and artificial snow-making: water consumption by type of source, water consumption linked to artificial snow, total water consumption; Cumulative number of Fauna and Flora audits as part of the Ski Area observatories since their creation.

(2) Parc du Futuroscope, Société d'Aménagement de la Plagne, Grand Massif DSF and DSG (performance indicators relating to the environment only).

Conclusion

Based on our work, we found no material misstatement that would call into question the compliance of the statement of non-financial performance with the applicable regulatory provisions and we consider the information, taken as a whole, is presented fairly, in compliance with the Standards.

Comments

Without calling into question the foregoing conclusion and in accordance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments:

- The Group gives broad autonomy to the subsidiaries in the conduct of business. The policies relating to the main risks in labour matters are not defined at the level of the Group but at the level of each subsidiary in view of their context and their business activity. The Group defined a common base for policies with regard to environmental and societal risks, but the subsidiaries retain substantial autonomy for applying and implementing them.

The commitments, resources implemented, organisation as well as the main actions can thus be noticeably different among the subsidiaries.

Paris La Défense, 27 January 2020

The independent third party	Edwige REY
MAZARS SAS	CSR & Sustainable Development Partner

5

FINANCIAL INFORMATION

5.1 Analysis of consolidated results and sectors

5.1.1 ANALYSIS OF GROUP RESULTS

Compagnie des Alpes Group's revenue for the 2018/2019 fiscal year rose by 6.6% compared with the previous fiscal year on an actual scope basis, to €854.0 million. On a comparable scope*, it improved by 4.2% compared to the 2017/2018 fiscal year.

Gross operating income was up 6.4%, and amounted to €232.3 million on an actual scope basis; on a comparable scope, it amounted to €227.4 million and increased by 4.2%. EBITDA margin remained almost stable at 27.2% *versus* 27.3% in the previous fiscal year. On an actual scope basis, it benefited from the accretive effect of Familypark acquired in April 2019 and a dilutive effect related to the Travelfactory group (consolidated as of 1 January 2018 of the previous year).

Therefore, the Group proved its solidity, the resilience of the business of the Ski areas and the major dynamism of the Leisure parks. The Very High Satisfaction strategy combined with significant attractiveness-boosting investments made for three years resulted in an increase in business and profitability.

The operating income was impacted by the €6 million increase in amortisation and depreciation.

Net cost of debt stabilised and amounted to -€8.3 million. Other financial income and expenses improved by €2 million.

After taking into account an income tax expense of €32.2 million and a share of net income of associates of €8.9 million, the net income stood at €71.4 million at 30 September 2019 *versus* €63.2 million in the previous year.

Thus, net income, Group share amounted to €62.2 million, *versus* €57.2 million the previous year.

5.1.1.1 Activity and results for the period

CONSOLIDATED INCOME AT 30/09/2019

(in millions of euros)	FY 2018/2019 Actual scope (1)	FY 2018/2019 Comparable scope (2)	FY 2017/2018 Actual scope (3)	Change % Comparable scope (2) - (3) / (3)	FY 2017/2018 Actual scope (4)	Change % Actual scope (1) - (4) / (4)
Revenue	854.0	835.1	801.2	4.2%	801.2	6.6%
EBITDA (gross operating income)	232.3	227.4	218.3	4.2%	218.3	6.4%
EBITDA/Revenue	*27.2%*	*27.2%*	*27.3%*	*-0.1%*	*27.3%*	*-0.2%*
OPERATING INCOME	**105.1**	**102.1**	**97.0**	**5.2%**	**97.0**	**8.4%**
Net cost of debt and miscellaneous	-10.3				-12.3	-15.8%
Income tax expense	-32.2				-29.7	8.4%
Equity method	8.9				4.5	98.2%
Net income, ongoing business	71.4				59.5	20.1%
Net income from discontinued operations	0.0				3.7	-100.0%
NET INCOME	**71.4**				**63.2**	**13.0%**
Minority interests	-9.2				-6.0	53.6%
NET INCOME (GROUP SHARE)	**62.2**				**57.2**	**8.8%**

* *The change on a comparable scope excluded the Familypark (Leisure parks) and Service Building (Ski areas) businesses, as well as the Travelfactory (Holdings and supports) business carried out as of the 1st quarter of 2018/2019, since this acquisition had only been consolidated as of the 2nd quarter of the previous year, i.e. 1 January 2018.*

5.1.1.2 Revenue

The revenue for the 2018/2019 fiscal year rose by 6.6% compared with the previous period on an actual scope basis, to €854.0 million. On a comparable scope, it improved by 4.2%.

(in millions of euros)	FY 2018/2019 Actual scope (1)	FY 2018/2019 Comparable scope (2)	FY 2017/2018 Actual scope (3)	Change % Comparable scope (2) - (3) / (3)	FY 2017/2018 Actual scope (4)	Change % Actual scope (1) - (4) / (4)
Ski areas	443.8	443.8	429.3	3.4%	429.3	3.4%
Leisure parks	380.7	363.8	339.9	7.0%	339.9	12.0%
Holdings and supports	29.5	27.5	32.0	-13.9%	32.0	-7.7%
REVENUE	**854.0**	**835.1**	**801.2**	**4.2%**	**801.2**	**6.6%**

Ski areas

In the 2018/2019 fiscal year, revenue from Ski areas reached €443.8 million, up by +3.4% compared to the previous period, which, as for information, included sale of land amounting to €2.4 million.

Ski lift tickets, strictly speaking, recorded a growth of +3.9%, reflecting a 0.6% increase in the number of skier days and a 3.3% increase in average revenue per skier-day.

This season benefited from favourable conditions in terms of snowfall for almost all the massifs in France. In this context of stiffer competition, the Group recorded further growth in the total number of skier days for the fourth consecutive year. The Group also highlights the fact that all of its areas saw an increase in revenue.

Beyond the natural qualities of the sites operated by the Group, this performance once again proves the relevance of its economic model and the soundness of its strategy. The strategy is based on the constant improvement of the quality of its ski areas (development and optimisation of lifts and equipment), active participation in boosting the accommodation offer and the creation of beds, as well as the distribution and active marketing of mountain stays.

Leisure parks

In the 2018/2019 fiscal year, the revenue from Leisure parks stood at €380.7 million, up by 12% in published data. On a comparable scope, growth stood at +7%.

This performance can be explained in particular by a further 4.5% increase in per visitor spending. In fact, investments in site infrastructure, improvement of product ranges, and the extension of catchment areas thanks to the hotel offering allow an increase in per visitor spending in the park with a clear increase in the collection rates and an increase in the average shopping carts in food services and shops at the main sites.

This strong growth is also explained by a 2.5% increase in the number of visitors on a comparable scope, thanks in particular to the record-breaking performance of the French sites, notably at Parc Astérix (+7.1%) and Walibi Rhône-Alpes (+9.1%). On the other hand, the reduction in the marketing of discount tickets in certain markets had a negative mechanical impact on the number of visitors, offset by an increase in per visitor spending. Overall, taking into account the consolidation of Familypark, the BU totalled 9.6 million visits during the fiscal year (+8.8%).

This increase in the number of visitors was not at the expense of the Very High Satisfaction of the visitors, which has increased almost in all aspects this summer. The new attractions inaugurated this year are contributing to the development of the capacity of the parks and their success enhances their attractiveness. Therefore, “Mystic” in Walibi Rhône-Alpes, “Untamed” in Walibi Holland or *attention Menhir* in Parc Astérix have directly reached satisfaction ratings of more than or equal to 9 out of 10.

The operation of new “sites” has also started very well. Familypark continued to grow compared to last year, which was already a record (around 6% over the six months of consolidation). The opening of the Bellewaerde Aquapark reached a level of activity in line with the Group’s expectations. Finally, the opening of the second hotel of Parc Astérix has also been successful, contributing directly to the very good performance of the site this year.

Holdings and supports

Holdings and supports revenue amounted to €29.5 million compared to €32 million for the same period last year. The consolidation of Travelfactory revenue for 12 months, compared to 9 months in the previous fiscal year, only partially offset the decline in revenues related to the consulting business.

Travelfactory recorded overall business growth over the fiscal year, with launches of the Travelski site in Belgium, the Netherlands and the UK.

Consulting revenue dropped in comparison with the previous fiscal year due to the expiration of the project management contract with Jardin d’Acclimatation, following its re-opening. This drop was not offset by other contracts, including those with Jardin d’Acclimatation, and contracts in China, particularly in Taicang and Beidahu, and in Japan and Uzbekistan.

5.1.1.3 Earnings Before Interest, Taxes, Depreciation and Amortisation

Gross operating income (EBITDA) amounted to €232.3 million and increased by 6.4% compared to FY 2017/2018 on actual scope basis. On a comparable scope, it stood at €227.4 million in 2018/2019, up 4.2% compared to the previous year.

Per business segment, it breaks down as follows:

(in millions of euros)	FY 2018/2019 Actual scope (1)	FY 2018/2019 Comparable scope (2)	% of revenue 2018/2019 Comparable scope	FY 2017/2018 Actual scope (3)	% of revenue 2017/2018 Comparable scope	Change % Comparable scope (2) - (3) / (3)	FY 2017/2018 Actual scope (4)	Change % Actual scope (1) - (4) / (4)
Ski areas	165.5	165.3	37.2%	159.3	37.1%	3.8%	159.3	3.9%
Leisure parks	97.0	89.4	24.6%	82.0	24.1%	9.1%	82.0	18.4%
Holdings and supports	-30.3	-27.3		-22.9		-19.0%	-22.9	-32.1%
EBITDA	**232.3**	**227.4**	**27.2%**	**218.3**	**27.3%**	**4.2%**	**218.3**	**6.4%**

Ski areas

The EBITDA for the Ski areas rose by 3.8% to €165.3 million, due to growth in activity during the 2018/2019 fiscal year and a good management of operating expenses.

The EBITDA margin remained almost stable at 37.2% on a comparable scope.

Payroll costs were under control despite the effects of increases linked to annual salary negotiations and growth in employee profit-sharing. Maintenance and repair costs increased due to unplanned work and major breakdowns occurring on these structuring devices in our ski areas. There was also an increase in energy costs due to the end of a long-term contract that protected the Group from upward trends. Lastly, lease payments increased in connection with the increase in revenue from ski lift passes.

Leisure parks

On actual scope basis, Leisure parks EBITDA amounted to €97 million, up €15 million compared to the previous fiscal year (+18.4%). On a comparable scope, this increase amounted to +€7.4 million (+9.1%), after a 5.9% increase in 2017/2018, 16.5% in 2016/2017, 6.9% in 2015/2016 and 17.8% in 2014/2015.

The EBITDA margin reached 25.5% for all the parks (and 28.2% excluding Futuroscope), which grew by 0.5 point on comparable scope.

The strategy followed by the Group aims at:

- continuous improvement in the quality of the experience and an increase in the accommodation capacity;
- an extension of the catchment areas thanks to the hotel offering;
- extended opening periods, which contribute to customer satisfaction and revenue growth;
- improvement in the infrastructure and in-park offering (restaurants and shops, in particular);
- a proven digital strategy; and
- lastly stepping up promotional communication notably through an increased media presence.

These actions also resulted in an increase in expenses, which increased by 10% (or +€25.7 million) and correspond essentially:

- to growing personnel costs for a better adjustment to the number of visitors and to the growth of internal sales, hotel activities and new operations (water park);
- to marketing expenses, mainly in terms of media expenses;
- to material costs corresponding to the increase in in-park sales;
- to other expenses under the growth of external services (hotels).

Holdings and supports

EBITDA for the historic Holdings and supports businesses stood at -€26.6 million, down €3 million. The centralisation of certain inter-divisional functions (communications, HR management, IT, ticketing, standardised management software, marketing policy, etc.) represents the vast majority of this segment's expenses. In 2018/2019, the Group parent company also paid the full cost of the exceptional premium for purchasing power paid by all the Group companies, amounting to a total of €2.4 million.

The Travelfactory subgroup's tour operator business generated a negative EBITDA of €3 million over a 12-month period. On a comparable scope, EBITDA fell by €1.1 million compared to the previous year, mainly due to business development costs on a Belgian and English market. The real estate business generated a slightly positive EBITDA of €0.3 million, up €0.6 million over the previous year.

The consulting business, which aims to consolidate the listing of our two businesses and identify growth drivers, saw a €1.8 million fall in revenue, and consequently generated a negative EBITDA of €0.7 million compared to +€0.2 million over the previous year. This decline was a result of a lower absorption of fixed costs (mainly personnel costs).

Therefore, total EBITDA for Holdings and supports stood at -€30.3 million, down €7.4 million over the previous year.

5.1.1.4 Capital expenditure

Investment levels are one of the main performance measures monitored by the Group, alongside revenue and EBITDA.

Capital expenditure (net of disposals) amounted to €209.4 million (€208.5 million on a comparable scope) compared with €186.2 million the previous year. It represents 25% of the Group's revenue in 2018/2019 (compared with 23.2% in 2017/2018).

Investments break down by business lines as follows:

(in millions of euros)	FY 2018/2019 Actual scope (1)	FY 2018/2019 Comparable scope (2)	% of revenue 2018/2019 Comparable scope	FY 2017/2018 Actual scope (3)	% of revenue 2017/2018 Comparable scope	Change % Comparable scope (2) - (3) / (3)	FY 2017/2018 Actual scope (4)	Change % Actual scope (1) - (4) / (4)
Ski areas	101.6	101.6	22.9%	91.0	21.2%	11.7%	91.0	11.7%
Leisure parks	102.8	102.1	28.1%	91.3	26.8%	11.9%	91.3	12.7%
Holdings and supports	4.9	4.7		3.9		18.8%	3.9	24.5%
NET CAPITAL EXPENDITURE	**209.4**	**208.5**	**25.0%**	**186.2**	**23.2%**	**12.0%**	**186.2**	**12.4%**

Investments in the Ski areas segment amounted to €101.6 million, compared with €91 million the previous year (22.9% and 21.2% of segment revenue respectively). These mainly related to ski lifts, snow-making equipment and work to secure water resources, grooming machines and ski run and trail work (see Notes 6.2 and 6.3 to the Consolidated Financial Statements).

In close collaboration with the granting authorities, the Group is focusing its efforts on investments that will generate additional revenues, increase the attractiveness of the areas operated and improve the quality of the product offered to customers, and optimise operating expenses.

In the Leisure parks segment, investments came to €102.1 million on a comparable scope, compared with €91.3 million in the previous year, *i.e.* 28.1% of the revenue *versus* 26.8% in 2017/2018. As was the case the previous year, considerable attention was devoted to amusement parks this year; these investments concern:

- the continued creation of a new indoor water park near the Bellewaerde park, which opened to the public in early July 2019;
- the completion of the construction of a new hotel at Parc Astérix, the Cité Suspendue, and the launch of work on another hotel, Les Quais de Lutèce, planned for 2020;
- ongoing investments in increasing the appeal of both the new attractions of the 2019 season (*Attention Menhir* in Parc Astérix, "Mystic" in Walibi Rhône-Alpes, "Untamed" in Walibi Holland and kids zone of *Futuropolis* in Futuroscope) and the attractions planned for the next season.

In the Holdings and supports segment, investments mainly represent intangible assets intended for site operations (computer software for ticketing and expenses relating to the implementation of the Group's digital strategy – datalake, CRM and sales tunnels). At Travelfactory, they mainly relate to digital investments (website).

5.1.1.5 Operating Income

Net operating income amounted to €105.1 million in 2018/2019, up by 8.4% on an actual scope basis and 5.2% on a comparable scope:

(in millions of euros)	FY 2018/2019 Actual scope (1)	FY 2018/2019 Comparable scope (2)	% of revenue 2018/2019 Comparable scope	FY 2017/2018 Actual scope (3)	% of revenue 2017/2018 Comparable scope	Change % Comparable scope (2) - (3) / (3)	FY 2017/2018 Actual scope (4)	Change % Actual scope (1) - (4) / (4)
EBITDA	232.3	227.7	51.3%	218.3	50.9%	4.3%	218.3	6.4%
Amortisation, depreciation and provisions	-127.1	-125.3	-34.4%	-121.3	-35.7%	3.3%	-121.3	4.9%
Other operating income and expenses	0.0	0.0	-0.2%	-0.1	-0.3%	-52.2%	-0.1	-52.2%
NET OPERATING INCOME	**105.1**	**102.1**	**12.2%**	**97.0**	**12.1%**	**5.2%**	**97.0**	**8.4%**

Expenses linked to the amortisation and depreciation of non-current assets increased by €4 million on a comparable scope, as a result of the ambitious investment policy implemented over the last five years. In addition, they included an impairment charge of €3 million on two sites abroad and accelerated depreciation of property, plant and equipment to reflect their fair value.

The cost of net debt remained stable compared to the previous year at -€8.3 million, despite an increase of €104 million in outstanding debt. This stability is explained by:

- the implementation of a NEU CP programme in February 2019 (average drawdown outstanding of €79.8 million at an average rate of -0.06%);
- a lower average bond debt rate due to the repayment of the €200 million loan in October 2017 and the establishment of a USPP loan of €65 million at a rate of 2.14%.

The average interest rate declined from 2.24% in 2018 to 1.72% in 2019.

Other financial income and expenses are impacted by losses incurred on unconsolidated subsidiaries involved in the land, real estate or catering business. The discontinuation of the unprofitable catering business, sold in 2018/2019, made it possible to reduce the losses incurred by approximately €2 million compared to the previous fiscal year.

The income tax expense increased by €2.5 million compared to the previous year. It includes:

- deferred tax income of €2.5 million stemming from the recognition of Parc du Futuroscope carryover losses, whereas in 2017/2018, a deferred tax loss of €1.2 million had been recognised;
- deferred tax income of €0.3 million on the fall in the tax rate in France.

The nominal tax rate stood at 31.1% *versus* 32% the previous year. It includes the absence of deferred tax income recognised on losses from subsidiaries abroad or in France, the recoverability whereof is not guaranteed (amounting to €1.4 million).

The share of net income of associate companies increased by €4.4 million, to reach €8.9 million, mainly due to higher income for Compagnie du Mont-Blanc, which is linked to various indemnities for past claims.

Income from discontinued operations amounted to +€3.7 million the previous year and was related to the sale of Grévin Prague and Seoul.

Net income (Group share) for the fiscal year amounted to €62.2 million *versus* €57.2 million the previous year, *i.e.* an 8.8% increase compared to the year before which itself was a record.

5.1.2 CASH, FINANCING AND CAPITAL

5.1.2.1 Cash and cash equivalents

(in millions of euros)	30/09/2019	30/09/2018
Operating cash flows from continuing operations after borrowing cost and tax	196.3	180.0
Net capital expenditure (CAPEX, net of disposals)	-208.1	-188.5
Change in receivables and payables on non-current assets	-1.3	2.3
FREE CASH FLOW	**-13.0**	**-6.1**
Acquisition/Disposal of non-current financial assets	-77.5	-8.1
Change in borrowings	162.1	-73.2
Dividends (including non-controlling interests in subsidiaries)	-20.5	-16.8
Change in WCR and other	-7.7	-2.4
Impact of discontinued operations	0.0	3.3
CHANGE IN CASH POSITION	**43.4**	**-103.2**

Operating cash flow amounted to €196.3 million (*i.e.* 22.4% of revenue), an increase of 9% compared to 30 September 2018, reflecting the significant improvement in the Group's business performance and benefiting from an accretive effect from the acquisition of Familypark.

The negative free cash flow of €13 million reflects the Group's high level of investments during the year (up by €20 million compared to the previous year).

The increase in non-current financial assets includes the acquisition of Familypark for €56.3 million. Other net financial investments amounting to €19.9 million mainly result from the call for funds relating to our 20% stake in Jardin d'Acclimatation, from the financing of accommodation improvement operations and from minority investments in new construction programmes in mountain areas, as well as from the advances granted to non-consolidated companies.

The change in borrowings included:

- the reversal of Familypark's borrowings amounting to €18 million;
- the raising of a new €65 million loan on the USPP market;
- the implementation of a short-term marketable securities issuance programme (NEU CP), the outstanding amount of which at 30 September amounted to €134 million.

Compagnie des Alpes paid out €16 million in dividends, an increase of €3.8 million compared to the previous year. The subsidiaries, meanwhile, paid out almost €4.5 million to their minority shareholders.

5.1.2.2 Structure of debt

The Group's (gross) financial debt (€562.8 million) comprises 71.7% of fixed-rate loans and 28.3% of variable-rate loans (see Note 6.12 to the Consolidated Financial Statements).

As part of the Familypark buyback, Compagnie des Alpes raised a loan of €65 million on the USPP market on 20 March 2019, with an average period of 10 years and final maturity at 12 years, at a rate of 3.504%.

The Group also implemented a short-term marketable securities issuance programme (Negotiable European Commercial Paper – NEU CP) with Banque de France, for a maximum amount of €240 million, the outstanding amount of which came to €134 million on 30 September.

5.1.2.3 Exposure to banking covenants

The covenant that the Group must conform to is the following: Net debt/EBITDA ratio should remain less than or equal to 3.5x.

Given the improvement in the Group's performance as a whole, it stood at 2.33 compared with 1.84 the previous year on a restated basis.

For information, the debt/equity ratio stood at 0.58 *versus* 0.46 the previous year.

5.1.3 EVENTS AFTER THE REPORTING PERIOD

See Note 8.4 of the additional notes to the consolidated financial statements regarding post-closure events.

5.2 Activities and results of S.A. Compagnie des Alpes

5.2.1 ROLE OF COMPAGNIE DES ALPES WITHIN THE GROUP

The role of Compagnie des Alpes SA is to hold investments, monitor, manage, and control Group development, and manage the main senior executives. The Company places resources and services at the disposal of its subsidiaries, especially with a view to making management more efficient, and undertakes specific projects aimed at developing the business internationally and generating synergies between the segments.

To this end, Compagnie des Alpes SA assumes responsibility for certain functions for the entire Group such as the preparation of consolidated financial statements, and the financial and institutional disclosure of all Group business with particular regard to its stock market listing. It also manages the Group's procurement functions (assistance in managing energy suppliers, travel policy, grouped equipment purchases, etc.), as well as its insurance and financing policy. CDA SA also centralises certain sales teams within the Leisure parks business, as well as the "Product development and quality" team.

And through its matrix organisation, it offers the services needed to steer the Group (legal, financial, IT, technical, HRM, strategic and operational marketing, and the process of digitalisation).

The average number of permanent employees at CDA SA increased from 118 to 129 full-time equivalents (FTEs).

5.2.2 ACTIVITIES AND RESULTS

In 2018/2019, Compagnie des Alpes continued the internal re-invoicing policy as it did in 2017/2018.

These factors resulted in a net operating loss of -€10.6 million (previous fiscal year: -€10.8 million).

Net financial income of €19.9 million was recorded, compared to €31.3 million the previous year. Dividends received from subsidiaries amounted to €47.0 million compared to €43.8 million in 2017/2018. Financing cost decreased by 6% to reach -€6.3 million.

Impairment of securities reached -€20.8 million in 2018/2019 and essentially concern consolidated subsidiaries.

The net extraordinary income, amounting to -€0.1 million, was up compared to the previous year, due to a net capital loss of €16.6 million recorded in 2017/2018 on the disposal of securities and receivables of Grévin Prague and Grévin Seoul.

After taking into account tax income of €5.4 million (*vs.* €12.9 million the previous year) at tax consolidation level, the net income amounted to €14.6 million compared to €17 million the previous year.

5.2.3 KEY FIGURES OF THE COMPANY

The Company's key figures are as follows:

(in millions of euros)	30/09/2015	30/09/2016	30/09/2017	30/09/2018	30/09/2019
Net financial assets	840.3	849.1	839.3	832.6	883.0
Shareholders' equity	547.6	551.3	544	548.8	547.5
Net debt (1)	286.5	286.5	289.2	275.1	328.0
Net income	12.7	13.4	2.5	17.0	14.6
Net dividend	9.7	9.7	12.2	12.2	15.9

(1) Borrowings less cash and cash equivalents in the balance sheet assets.

5.2.4 DIVIDEND POLICY

The dividend is set each year by the Board of Directors at its December meeting.

Compagnie des Alpes dividends paid out for the last three fiscal years (which allow individual shareholders domiciled in France to take a tax deduction) were as follows:

- fiscal year 2015/2016: Dividend per share of €0.40 paid in cash on 16 March 2017;
- fiscal year 2016/2017: Dividend per share of €0.50 paid in cash on 8 March 2018;
- fiscal year 2017/2018: Dividend per share of €0.65 paid in cash on 14 March 2019.

The Board of Directors proposed to the Shareholders' Meeting to pay the shareholders a dividend of €0.70 per share for 2018/2019.

5.2.5 INFORMATION ON PAYMENT PERIODS

In accordance with the provisions of Article D. 441I.-1 and -2 of the French Commercial Code, we hereby disclose information on the time taken to settle accounts payable, and receivables from customers.

	Article D. 441 I.-1: invoices received						Article D. 441 I.-2: invoices issued					
(in thousands of euros)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 day and more	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 day and more
(A) Late payment instalments												
Number of invoices concerned	434					21	57					39
Total amount of invoices concerned (including taxes)	-1,347	-231	0	0	0	-231	-2,027	11	15	0	95	121
Percentage of total amount of purchases (excluding taxes) for the fiscal year	-4.34%	-0.74%	0.00%	0.00%	-0.37%	-1.11%						
Percentage of pre-tax sales for the fiscal year							-5,05%	0,03%	0,04%	0,00%	0,24%	0,30%
(B) Invoices excluded from (A) relating to disputed or unrecognised liabilities and claims												
Number of invoices excluded	0	0	0	0	64	64						
Total amount of the invoices excluded	0	0	0	0	-115	-115						
(C) Late payment instalments												
Payment periods used for calculating late Payment	Period of 45 days from the date of receipt of invoice						Period of 45 days from the date of issue of invoice					

5.2.6 INFORMATION ON COMPENSATION AND BENEFITS RECEIVED BY CORPORATE OFFICERS DURING THE FISCAL YEAR

Information required by Article L. 225-102-1 of the French Commercial Code regarding compensation of corporate officers is presented in Chapter 5.4.

5.2.7 SUBSIDIARIES AND SHAREHOLDINGS

5.2.7.1 Shareholdings purchased

During the fiscal year just ended, the Company acquired a stake of 94.9% in Familypark GmbH and a 70% stake in Ski & Soleil, taking its total holding to 100%.

5.2.7.2 Shareholdings sold

None.

5.2.8 IDENTITY OF THE CONSOLIDATING COMPANY

The financial statements of the Compagnie des Alpes Group are fully consolidated by Caisse des Dépôts et Consignations.

5.2.9 OTHER INFORMATION

The amount of non-deductible expenses referred to in Article 39.4 of the French General Tax Code amounted to €96,903 during this fiscal year.

5.2.10 KEY EVENTS AFTER THE REPORTING DATE

None.

5.3 Consolidated financial statements

5.3.1 FINANCIAL STATEMENTS

INCOME STATEMENT

(in thousands of euros)	Notes	30/09/2019 (1)	30/09/2018
REVENUE	**5.2**	**854,011**	**801,226**
Other operating income		2,377	1,694
Production transferred to inventory		316	-134
Consumables used		-108,299	-103,696
External services		-152,437	-136,544
Taxes other than on income		-39,211	-36,800
Payroll costs and employee profit-sharing		-286,730	-270,360
Other operating expenses and income		-37,734	37,044
EBITDA	**5.3**	**232,292**	**218,344**
Amortisation, depreciation and provisions		-127,143	-121,252
Other operating income and expenses		-44	-92
NET OPERATING INCOME		**105,106**	**97,000**
Gross cost of debt		-8,270	-8,242
Income on cash and cash equivalents		0	4
NET COST OF DEBT	**5.4**	**-8,270**	**-8,238**
Other financial income and expenses	5.4	-2,053	-4,022
Income tax expense	5.5	-32,246	-29,744
Share of net income of associate companies	5.6	8,863	4,471
INCOME FROM ONGOING OPERATIONS		**71,400**	**59,467**
Income from discontinued operations	5.7	0	3,693
EARNINGS		**71,400**	**63,160**
Net income - share of non-controlling interests		-9,156	-5,961
NET INCOME OF PARENT COMPANY SHAREHOLDERS		**62,244**	**57,199**
Net income per share of parent company shareholders	5.8	€2.55	€2.34
Diluted earnings per share of parent company shareholders	5.8	€2.54	€2.34

(1) *2019 data is prepared pursuant to IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers". Changes related to the application of these new standards are presented in Note 1.*

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	30/09/2019	30/09/2018
Net profit at fair value, before tax		
Cash flow hedges	-1,370	351
Translation differences	371	12
Impact of operations under the equity method	-782	-3
Tax effect of these items	472	-121
SUBTOTAL: RECYCLABLE ITEMS UNDER INCOME	**-1,309**	**239**
Instruments of shareholders' equity at fair value through shareholders' equity (1)	-1,060	
Actuarial gains (losses) on employee benefits	-7,223	850
Tax effect of these items	2,804	-11
SUBTOTAL: NON-RECYCLABLE ITEMS UNDER INCOME	**-5,479**	**839**
PROFIT FOR THE PERIOD	**71,400**	**63,160**
TOTAL INCOME RECOGNISED FOR THE PERIOD	**64,612**	**64,238**
Attributable to:		
shareholders of the parent-company	56,060	58,224
non-controlling interests	8,552	6,014

(1) *Pursuant to IFRS 9 "Financial instruments", the classification of financial assets is amended as of 1 October 2018. Changes related to the application of this new standard are presented in Note 1.*

BALANCE SHEET ASSETS

(in thousands of euros)	Notes	30/09/2019 (1)	30/09/2018
Goodwill	6.1	331,512	294,135
Intangible assets	6.2	68,755	66,685
Property, plant and equipment	6.3	513,944	423,382
Concession assets	6.3	639,801	607,361
Investments in associate companies	6.4	82,011	75,959
Non-current financial assets	6.7	58,165	40,279
Deferred tax assets	6.13	9,801	7,612
NON-CURRENT ASSETS		**1,703,990**	**1,515,412**
Inventories	6.5	24,296	22,808
Accounts receivable	6.6	67,949	66,316
Other receivables		13,119	9,450
Current taxes		11,420	15,065
Current financial assets	6.7	286	676
Cash and cash equivalents	6.9	22,320	31,624
CURRENT ASSETS		**139,390**	**145,940**
TOTAL ASSETS		**1,843,380**	**1,661,352**

LIABILITIES

(in thousands of euros)	Notes	30/09/2019	30/09/2018
Shareholders' equity			
Share capital		186,425	186,091
Additional paid-in capital		257,596	257,596
Reserves		423,438	379,563
SHAREHOLDERS' EQUITY - SHARE OF PARENT-COMPANY SHAREHOLDERS		**867,459**	**823,250**
Shareholders' equity - share of non-controlling interests		60,528	55,906
TOTAL SHAREHOLDERS' EQUITY		**927,987**	**879,157**
Non-current provisions	6.11	69,199	55,781
Non-current financial liabilities	6.12	356,383	303,980
Deferred tax liabilities	6.13	22,387	21,800
NON-CURRENT LIABILITIES		**447,969**	**381,561**
Current provisions	6.11	14,699	16,548
Current financial liabilities	6.12	206,427	129,962
Operating liabilities	6.14	172,925	187,026
Current taxes		4,759	3,593
Other debt	6.14	68,613	63,505
CURRENT LIABILITIES		**467,424**	**400,634**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,843,380**	**1,661,352**

(1) 2019 data is prepared pursuant to IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers". Changes related to the application of these new standards are presented in Note 1.

STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	30/09/2019	30/09/2018
CASH FLOWS FROM OPERATING ACTIVITIES	**7.1**	**199,526**	**195,028**
Acquisitions of property, plant and equipment and intangible assets	7.2	-213,071	-186,556
Disposal of property, plant and equipment and intangible assets	7.2	3,699	358
NET CAPITAL EXPENDITURE		**-209,372**	**-186,198**
Acquisition of non-current financial assets and other		-4,243	-826
Disposal of non-current financial assets		332	-
Repayment of financial receivables associated with disposals		-	-0
Loans or repayments of financial advances		-17,224	-5,836
Changes in the scope of consolidation	6.16	-56,339	-1,427
NET FINANCIAL INVESTMENTS		**-77,474**	**-8,089**
CASH FLOWS FROM INVESTING ACTIVITIES		**-286,846**	**-194,287**
CDA capital increase		-0	-
Share of minority interests in the capital increase of subsidiaries		0	-
CHANGES IN CAPITAL		**-0**	**-**
Dividends paid to parent-company shareholders		-15,851	-12,173
Dividends paid to minority interests in subsidiaries		-4,503	-4,603
Dividends to be paid		8	1
NET DIVIDENDS PAID		**-20,346**	**-16,775**
Repayment of borrowings		-37,668	-204,575
New borrowings		199,734	131,413
CHANGE IN BORROWINGS	**7.3**	**162,066**	**-73,162**
GROSS INTEREST PAID		**-7,627**	**-17,424**
CHANGES IN SUNDRY RECEIVABLES AND PAYABLES		**-**	**-0**
CASH FLOWS FROM FINANCING ACTIVITIES		**134,093**	**-107,361**
IMPACT OF OTHER MOVEMENTS		**-3,422**	**31**
IMPACT OF DISCONTINUED OPERATIONS	**7.4**	**-**	**3,348**
CHANGE IN CASH POSITION OVER THE REPORTING PERIOD		**43,350**	**-103,240**
NET CASH POSITION AT BEGINNING OF REPORTING PERIOD		**-69,706**	**33,534**
NET CASH POSITION AT REPORTING DATE	**7.5**	**-26,356**	**-69,706**

SHAREHOLDERS' EQUITY

(in thousands of euros)	Share capital	Additional paid-in capital	Revaluation of financial instruments	Translation adjustments	Consolidated reserves	Net income attributable to shareholders of the parent company	Shareholders' equity - share of the shareholders of the parent company	Shareholders' equity - share of non-controlling interests	Total shareholders' equity
POSITION AT 30 SEPTEMBER 2017	**185,703**	**257,595**	**1,146**	**-2,195**	**303,881**	**31,320**	**777,450**	**54,924**	**832,374**
CDA capital increase	388				-388		0		0
Net income 2018						57,199	57,199	5,961	63,160
Other items of comprehensive income 2018			230	6	789		1,025	53	1,078
Comprehensive income 2018			**230**	**6**	**789**	**57,199**	**58,224**	**6,014**	**64,238**
Appropriation of earnings for the prior reporting period					31,320	-31,320	0		0
Dividend payout					-12,173		-12,173	-4,603	-16,776
Other changes			-1,350	363	736		-251	-429	-680
POSITION AT 30 SEPTEMBER 2018	**186,091**	**257,595**	**26**	**-1,826**	**324,165**	**57,199**	**823,250**	**55,906**	**879,156**
Transition to IFRS 9 _ Adjustments at the beginning of reporting period (1)			**4,490**		**-180**		**4,310**	**339**	**4,649**
ADJUSTED POSITION AT 1 OCTOBER 2018	**186,091**	**257,595**	**4,516**	**-1,826**	**323,985**	**57,199**	**827,560**	**56,245**	**883,805**
CDA capital increase	334				-334		0		0
Net income 2019						62,244	62,244	9,156	71,400
Other items of comprehensive income 2019			-1,883	370	-4,671		-6,184	-604	-6,788
Comprehensive income 2019			**-1,883**	**370**	**-4,671**	**62,244**	**56,060**	**8,552**	**64,612**
Appropriation of earnings for the prior reporting period					57,199	-57,199	0		0
Dividend payout					-15,851		-15,851	-4,503	-20,354
Other changes					-310		-310	234	-76
POSITION AT 30 SEPTEMBER 2019	**186,425**	**257,595**	**2,633**	**-1,456**	**360,018**	**62,244**	**867,459**	**60,528**	**927,987**

(1) *The effects of the application IFRS 9 "Financial instruments" as of 1 October 2018 for the scope of companies consolidated through full consolidation are presented in Note 1.*

5.3.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENT

Group overview

The Compagnie des Alpes Group's main business activity is the operation of leisure facilities. It operates mainly in Ski areas and Leisure parks. The Group's parent company is Compagnie des Alpes, whose headquarters are located at 50-52 boulevard Haussmann, 75009 Paris.

The full-year 2018/2019 consolidated financial statements were approved by the Board of Directors on 9 December 2019, which authorised their publication. Figures are in thousands of euros, unless otherwise indicated.

Note 1 Accounting principles and policies

The main accounting policies applied in the preparation of the consolidated financial statements are outlined below. Unless otherwise indicated, they are applied consistently across all reporting periods presented.

In application of EU regulation 1606/2002 of 19 July 2002 on international accounting standards, the annual consolidated financial statements of the Compagnie des Alpes Group for the reporting period ended 30 September 2019 were drawn up in conformity with the international financial reporting standards (IAS/IFRS), as adopted by the European Union at 30 September 2019, and in accordance with the historical cost convention, with the exception of certain financial assets and liabilities, which were valued at their fair value, as required under IFRS.

The standards whose application is mandatory from 1 October 2018 did not have a significant impact on the Group's consolidated financial statements.

- **Application of IFRS 15 "Revenue from contracts with customers"**

The IFRS 15 standard on recognition of revenue is applicable, for the Compagnie des Alpes Group, at 30 September 2019. It does not have a significant impact on the Group's consolidated financial statements.

- **Application of IFRS 9 "Financial instruments"**

IFRS 9 replaces IAS 39 "Financial instruments: accounting and evaluation". IFRS 9 defines the rules applicable to the classification and accounting of financial instruments, impairment of financial assets (resorting, notably for the valuation of trade receivables, to an expected loss model replacing the incurred loss model), and to hedge accounting.

This standard was been applied retrospectively and in a limited manner, with the exception of hedge accounting, which was applied prospectively as of 1 October 2018.

Classification and evaluation of financial instruments:

The retrospective application of the "Classification and evaluation of financial instruments" component results in the deletion of the "available-for-sale financial assets" category and a reclassification:

- as "financial assets at fair value through other components of comprehensive income"; or
- as "financial assets at fair value through income;
- as "non-current financial assets through amortised cost".

The adoption of this standard resulted in an opening adjustment of +€4.8 million without tax effect, which breaks down as follows:

- evaluation of financial assets at fair value through income (+€4.1 million);
- evaluation of financial assets at fair value through non-recyclable shareholders' equity (+€0.7 million).

Impairment of financial assets

IFRS 9 requires the recognition of expected credit losses on trade receivables. The Group applied the simplified approach to the standard and calculated impairments based on the history of the Group's credit losses. The adoption of the standard resulted in an increase in the impairment of assets of €0.3 million before tax effect and an adjustment in shareholders' equity.

Hedge accounting

The Group has chosen to adopt the new IFRS 9 provisions in hedge accounting as of 1 October, prospectively. The standard had no impact on the previously chosen hedging relationships. The effects of applying the standard are linked to the change in the method of accounting for the cost of the hedges (changes in value linked to forward points of futures contracts and the time value of options).

- **Other regulatory changes and standards applicable after the fiscal year ending on 30 September 2019**

The Group chose not to apply any new standard, interpretation or amendment to existing standards.

The IFRS 16 standard on lease agreements is applicable, for the Group, at 30 September 2020. In 2018, the Group initiated the project to implement this standard and completed the analysis of the main impacts. The main contracts concerned are real estate leases, leasing contracts as well as a few specific lease agreements (long-term lease, etc.).

The Group will use the simplified retrospective method at the time of the standard's first application at 1 October 2019. Lease liabilities will therefore be measured at the present value of residual rental payments, with the application of a marginal borrowing rate agreed at 30 September 2019. This marginal rate specific to each contract will take into account the residual maturity of the rental commitment, as well as the currency area in which the lessee operates. In accordance with the options authorised by the standard, contracts of less than twelve months at 1 October 2019 will not be restated; the same will apply to contracts whose new property value is not significant.

The Group estimates that the application of IFRS 16 will lead to an increase in financial liabilities of €100 to €110 million at 1 October 2019, and to an increase in EBITDA of approximately €13 million and of operating profit of approximately €2 million. This estimate is established on the basis of the facts and circumstances known to date.

Key assumptions and estimates

The preparation of the consolidated financial statements in accordance with IFRS is based on assumptions and estimates made by the Executive Management to calculate the value of assets and liabilities at the reporting date and the income and expense items for the year. The actual results may differ from these estimates.

The main sources of uncertainty relating to the key assumptions and estimates concern goodwill (Note 6.1), estimates of the value of associate companies (Note 6.4) and financial assets at fair value (Note 6.7) and the recognition of deferred tax assets (Note 6.13).

1.1 CONSOLIDATION METHOD

The companies in which the Group has exclusive control are fully consolidated.

Associate companies are entities that the Group does not control but over which it exercises significant influence, usually with 20% to 50% of the voting rights.

Shareholdings in associate companies are accounted for using the equity method and initially recognised at their acquisition cost. The Group's interest in associate companies includes goodwill (net of accumulated impairment) as identified at the time of acquisition.

The Group presents its share of net income of associate companies on a separate line of the income statement, below the operating income line.

The Group does not have any joint ventures.

All internal transactions and positions are eliminated, either in full for fully consolidated companies, or proportionally to the Group's interest in the case of companies consolidated using the equity method.

The list of consolidated companies can be found in Note 4.2.

1.2 REPORTING DATE OF CONSOLIDATED COMPANIES

The consolidated financial statements cover a 12-month period, from 1 October 2018 to 30 September 2019 for all companies, except for Groupe Compagnie du Mont-Blanc consolidated using the equity method over the period from 1 September 2018 to 31 August 2019.

1.3 TRANSLATION OF FINANCIAL STATEMENTS AND FOREIGN CURRENCY TRANSACTIONS

The financial statements of foreign subsidiaries are translated into the presentation currency (euro) by applying the following methods:

- the balance sheet (including goodwill) is translated at the closing rate;
- the statement of comprehensive income is translated at the average exchange rate for the period;
- all resulting translation gains or losses are recognised in a separate component of shareholders' equity.

Translation gains or losses resulting from the translation of net investments in foreign operations and loans and other currency instruments designated as hedges on said investments are recognised in shareholders' equity upon consolidation.

1.4 OPERATING SEGMENTS

The operating segments are presented on the same basis as those used in the internal reporting provided to the Group's Executive Management:

- **Ski areas:** this business mainly consists in the operation of ski lifts and maintenance of ski runs and trails;
- **Leisure parks:** this segment covers the operation of theme parks, combined amusement and animal parks, water parks, wax museums and tourist sites. Its revenue figures include admission tickets, restaurants, shops and accommodation;
- **Holdings and supports:** this segment includes holding companies and operational support subsidiaries (including CDA SA and CDA-DS, its financial subsidiary CDA Financement, its reinsurance subsidiary Loisirs-Ré and INGELO), international consulting services activities (CDA Management and CDA Beijing) and lastly the activities of tour-operators, travel agencies and other real estate businesses (including the Travelfactory Group bought in January 2018).

A chart showing the Group's consolidated companies, grouped by segment, is given in Note 4.2.

1.5 BUSINESS COMBINATIONS AND GOODWILL

The Group recognises the identifiable assets, liabilities and contingent liabilities of acquired entities at fair value on the date of taking of control.

Where the agreement governing the business combination provides for a payment that is contingent on future events, the Group includes the amount of this payment in the cost of the business combination at the vesting date, if the payment is probable and can be reliably measured.

In the case of acquisitions of companies holding concession agreements, an analysis and fair value measurement of these agreements are performed on the basis of the expected profit margin at the end of the concession agreement. Any variance between the profitability of the concession agreement and the Group average is recognised under (intangible) assets or liabilities (provisions). It is amortised or recovered over the remaining term of the concession.

Goodwill is the excess of the cost of an acquisition over the fair value of the Group's share in the identifiable net assets of the subsidiary or associate on the vesting date.

Goodwill arising from the acquisition of a subsidiary is recognised under the item "goodwill". Goodwill arising from the acquisition of an associate company is recognised under the item "investments in associate companies".

The Group is allowed 12 months from the vesting date to finalise accounting for the business combination in question. Any changes to the acquisition price made outside the allocation period are recognised in profit or loss and no change is made to the acquisition cost or goodwill.

1.6 REVENUE

Sales of tickets (ski lift passes and admission fees to parks) are recognised in the reporting period in which visitors use the facilities of the Compagnie des Alpes Group. Prepaid tickets that will be used during the following period are only recognised in income when used for admission to a site. Unused prepaid tickets are recognised as deferred income.

Services are recognised in income when the service is rendered. The sale of merchandise (shops and food services) is recognised when realised.

In the consulting business, revenues relate to the invoicing of service and management consulting contracts. This happens when the services rendered are completed.

In the tour-operator business, revenue depends on the distinction between agent and principal. When the Company acts as an agent, revenues relate to the commissions collected and when it acts as principal and bears the risks that come with owning inventory, it recognises revenue for the total amount of the price expected in exchange of goods or services provided and the amount paid to the third party is recognised as an expense.

1.7 EBITDA

EBITDA is the key line item used by the Group to represent the operating performance of its various activities.

It includes the income and expense items that are directly related to current operations, and is calculated before the cost of holding assets (amortisation, depreciation and impairment), other operating income and expenses, net financial income and income tax.

1.8 OTHER OPERATING INCOME AND EXPENSES

The items comprising operating income that are not directly related to current operations (because of their nature, frequency and/or relative significance) are recognised in "other operating income and expenses".

These mainly include:

- capital gains or losses from the disposal of shareholdings;
- costs generated by the temporary closure of a site;
- restructuring costs;
- any other income or expense item that is easily identifiable, unusual, significant and not directly related to current operations, except for specific cases not resulting in cash outflows.

1.9 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

An asset is classified as "available for sale" only if a plan has been put in place by management to sell the asset, if the asset is available for immediate sale in its present condition and if the sale is highly probable within a reasonable time-frame.

At the time of initial recognition as "held for sale":

- non-current assets and groups of assets that are intended to be sold are recognised at the lower of their book value and fair value less costs to sell;
- amortisable assets are no longer amortised from the date on which they are classified as assets held for sale.

In the case of discontinued operations, any net income and contribution to cash flow are presented separately from income and cash flow for continuing operations.

1.10 CALCULATION OF EARNINGS PER SHARE

The basic earnings per share figure is obtained by dividing the net income available for shareholders of the parent company by the weighted average number of shares outstanding during the period.

The diluted earnings per share figure is obtained by dividing the net income available for shareholders of the parent company by the weighted average number of outstanding shares during the period, adjusted for the impact of all dilutive instruments.

1.11 OTHER PERFORMANCE AGGREGATES USED

The operating cash flow, net capital expenditure level, free cash flow, operating ROCE (return on capital employed) and net debt are the principal performance aggregates monitored by the Group.

These are determined as follows:

- operating cash flow: this measure corresponds to net income:
  - plus amortisation, depreciation and provisions, capital loss from disposals, dividends paid by the equity affiliates and other expenses without any impact on cash,
  - less provision reversals, capital gains from disposals, the share in the net income of equity affiliates and other income without any impact on cash;
- net capital expenditure: this measure corresponds to the acquisition of property, plant and equipment and intangible assets net of the changes in trade payables on non-current assets and income from their disposal;
- free cash flow [(1)]: it corresponds to the difference between the operating cash flow and the net capital expenditure;

(1) The changes in the operating working capital requirement are not taken into account.

- ROCE (return on capital employed) and operating ROCE on sites: this measure allows measuring of the profitability of the Group's invested capital and the Group's principal business lines, namely, Ski areas and Leisure parks. It corresponds to the percentage, for each business line and the total for both business segments, of the after tax net operating income on the consolidated net asset amount determined as follows:
  - after tax net operating income: it is determined after deducting a theoretical tax expense by applying a standard tax rate,
  - net assets used excluding goodwill include:
    - non-current assets in net amount after exclusion of goodwill,
    - working capital requirement,
    - deferred tax assets net of deferred tax liabilities,
    - current provisions.

  The operating ROCE on sites is determined on the basis of the aggregates indicated above for each of the business lines, after the exclusion of goodwill;
- net debt: corresponds to gross borrowings net of cash and cash equivalents.

1.12 INTANGIBLE ASSETS

The intangible assets acquired appear on the balance sheet at their amortised cost.

When the Group measures brands and trademarks, following analysis, these are considered as having indefinite useful lives. They are thus not amortised and are instead tested for impairment annually (see Note 6.1).

This in particular applies to (see Note 1.14):

- usage rights: the intangible rights to operate the ski lifts of ADS (Les Arcs/Peisey), SEVABEL (Les Ménuires), SCV Domaines Skiables (Serre Chevalier), GMDS (Flaine), STVI (Val-d'Isère) and DAL (Les Deux Alpes);
- the concession for the use of the highway interchange giving access to Parc Astérix, which expires in 2086 (see Note 1.14 below); and
- the right to use the Futuroscope brand until 2026.

Intangible assets and other use rights to assets, the duration of which is directly linked to a concession agreement or lease, are amortised up to the date of expiry of such contracts.

1.13 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised on the balance sheet at their amortised cost.

Investment subsidies are deducted from the gross amount of the assets giving rise to them. Items of property, plant and equipment that are in use are depreciated on a straight-line basis, broken down by component on the basis of their estimated useful lives as follows:

	Durations
Buildings	20 to 30 years
Improvements	10 to 20 years
Ski lifts	15 to 30 years
Ski run and trail works	40 years
Rides	10 to 40 years
Equipment (other than ski lifts and rides)	5 to 40 years
Other items of property, plant and equipment (including theme decor and wax figures in Musée Grévin)	3 to 10 years

The range of depreciable periods is due to the diversity of assets involved. The shortest periods are for more rapidly replaced components (*e.g.*, scenery for different types of rides), while the longest periods apply to infrastructure.

Residual values and useful lives of assets are reviewed and, if necessary, adjusted at each reporting date.

1.14 CONCESSIONS

Compagnie des Alpes is a major player in the leisure sector in Europe, particularly in the operation of ski areas. The operation of ski areas in France is governed by the legal framework established in the French Mountain Act (Loi Montagne) of 9 January 1985, concerning the development and protection of mountainous regions. These ski areas are for the most part subject to concession agreements between CDA subsidiaries and local municipalities.

The operator holds a concession agreement with a municipality or group of municipalities. These agreements govern the relations between the granting authority and the operator with regard to all operating aspects of a ski area (capital expenditure, commercial and pricing policies, legal risks, etc.). On this basis, the operator is responsible for making the capital expenditure over the life of the concession required to keep the facilities in good operating condition and implement its commercial and pricing policy. In return, the operator is authorised to collect from users, on the basis of a public rate grid, income from the sale of ski lift passes.

Some CDA Group companies (STGM, ADS, SAP, SCV and GMDS) continue to pay leasing contract fees for ski lifts provided by the granting authorities. However, this system is gradually being replaced by concession agreements. In fact, the operators replace, at their own expense, obsolete equipment held under leasing contracts, with the new equipment coming under concession agreements.

The CDA Group has analysed the characteristics of its contracts and the nature of the services provided and concluded that these contracts do not fall within the scope of IFRIC 12 on service concession agreements. Accordingly, the CDA Group recognises assets associated with ski lift concessions as a separate component of property, plant, and equipment. They are broken down and amortised in accordance with the same rules applied to property, plant and equipment owned by the Group itself.

Assets classified as held in concession are:

- assets supplied by the granting authority which are to be returned at the end of the concession;
- assets supplied by the operator which are to be placed at the granting authority's disposal at the end of the concession (typically in exchange for payment to the operator).

Transfers for no consideration from the granting authority and assets under leasing contracts are not recognised in the Group's balance sheet. A provision is funded on the liability side of the balance sheet (major repair provisions) for periodic maintenance of these facilities. The Company's other assets, which are not connected with the concession and which don't meet these criteria, are classified as directly-owned assets.

Conditions governing return to granting authorities

When concession agreements expire, it is generally expected that the concession assets acquired by the operator will be recovered by the granting authority in return for a payment. This payment is based on various calculation methods set out in the contracts. It is at least equal to their net book value.

Main concession agreements

Concessions granted by municipalities, municipalities groups and associations

The main concession agreements of consolidated Group companies are as follows:

- **Société des Téléphériques de la Grande Motte (STGM) – Tignes:**

concession granted by the municipality of Tignes initially for the period from 5 September 1988 to 30 September 2016 (28 years) and extended in 1998/1999 for an additional ten years to 31 May 2026;

- **Société d'Aménagement de la Station de La Plagne (SAP) – La Plagne:**

concession granted by the Syndicat Intercommunal de la Grande Plagne (SIGP, grouping of several municipalities) initially for the period from 15 December 1987 to 10 June 2017 (30 years) and extended in 1998/1999 for an additional 10 years to 10 June 2027;

- **ADS – Les Arcs-Peisey-Vallandry:**

Concession granted by the municipality of Bourg-Saint-Maurice for the period from 1 June 1990 to 31 May 2020 (30 years) and extended for 10 years in January 2015 until 31 May 2030.

Concession granted by the municipality of Villaroger for the period from 1 June 1998 to 31 May 2020.

Concession granted by the municipality of Peisey-Nancroix for the period from 1 January 1997 to 31 May 2020.

Concession granted by the Syndicat Intercommunal à Vocation Multiple (SIVOM, a grouping of several municipalities) of Landry-Peisey-Nancroix for the period from 18 October 1989 to 30 October 2019 (30 years). This concession was renewed for 30 years until July 2049.

- **Société d'Exploitation de la Vallée des Belleville (SEVABEL) – Les Ménuires:**

Concession for the operation of the Saint-Martin-de-Belleville ski area, granted by the municipality of Les Belleville initially for the period from 1 December 1990 to 31 May 2017 (27 years) and extended on 16 May 2001 for four years to 31 May 2021, then on 29 March 2016 for ten years to 31 May 2031.

Concession for the operation of the Ménuires ski area granted by the Syndicat Mixte pour l'Aménagement de Belleville (SYMAB, grouping of several municipalities) initially for the period from 1 December 1990 to 31 May 2017 (27 years) and extended on 11 August 2000 for four years up to 31 May 2021, then on 29 March 2016 for 10 years up to 31 May 2031.

- **Méribel Alpina:**

Concessions respectively granted by the municipality of Les Allues for the period from 18 December 1989 to 17 December 2019 (30 years) and extended until 31 May 2034, and by the municipality of Brides-les-Bains for the period from 30 June 1992 to 17 December 2019 (27 years), including the extension which is being renegotiated.

- **Grand Massif Domaines Skiables (GMDS):**

Concession granted by the department of Haute-Savoie, amended by an additional clause, for the period from 9 January 1989 to 8 January 2019 (30 years), subsequently renegotiated for five years up to 2024.

Concession for the operation of new ski lifts and ski runs granted by the municipality of Magland for the period from 4 July 2000 to 30 April 2025 (25 years).

Concession for the operation of new ski lifts and ski runs granted by the municipality of Arâches-la-Frasse in the part of its territory falling within the Flaine ski area for the period from 9 July 2004 to 30 April 2029 (25 years).

Concession for the operation of new ski lifts and ski runs granted by the municipality of Morillon for the period from 8 July 2016 to 31 May 2047 (31 years).

Concession granted by the municipalities of Morillon and Arâches-La-Frasse for the operation of the Perce-Neige Arête area for the period from 17 July 2008 to 15 December 2022.

Concession for the operation of new ski lifts and ski runs granted by the municipality of Samoëns for the period from 1 September 2000 to 30 April 2030 (30 years).

Concession signed on 28 January 2013 with the municipality of Sixt-Fer-à-Cheval for a 40-year period ending 30 September 2053.

- **SCV Domaine Skiable – Serre Chevalier:**

Concession granted by the municipality of Saint-Chaffrey for the management and operation of the new ski lifts and the ski area for the period from 1 December 2004 to 30 August 2034 (30 years).

Concession granted by the Syndicat Intercommunal de Gestion et d'Exploitation des Domaines d'Hiver et d'Été de Serre Chevalier 1400-1500 (SIGED, grouping of several municipalities) for the operation of ski lifts and ski runs for the period from 1 November 1998 to 31 October 2018 and replaced by a new concession on 14 December 2017 for the period from 1 November 2017 to 31 October 2047 (30 years).

Concession granted by the Syndicat Intercommunal à Vocation Unique du Prorel (single-purpose grouping of municipalities) for operation and management of the Massif du Prorel facilities for the period from 15 December 2006 to 31 October 2034.

- **Société de Téléphérique de Val-d'Isère (STVI) – Val-d'Isère:**

Concession granted in May 1982 by the municipality of Val-d'Isère initially for a 30-year period (expiring in 2012) and extended in 1991 for 8 years (until July 2020), and again in 2014 for 12 years (until July 2032).

Concession granted in September 1970 by the municipality of Bonneval s/Arc initially for a 30-year period and extended in 1994 for an additional 18 years to 9 April 2019. An amendment was signed on 5 April 2019, bringing the end of this concession to 30 November 2019. A new amendment was signed in November 2019, bringing the end of the concession to 30 November 2020.

- **Deux Alpes Loisirs (DAL) – Les Deux Alpes:**

Concession granted on 21 June 1993 by the municipality of Mont-de-Lans for a 30-year period (until 2023).

Concession granted on 14 January 1994 by the municipality of Venosc for a 30-year period (until 2024).

Concession granted on 21 September 1993 by the municipality of Saint Christophe-en-Oisans for a 30-year period (until 2023).

On 28 November, the delegating municipalities of the Deux Alpes ski area notified Deux Alpes Loisirs (the delegated company) of their decision to terminate the three existing PSCs conditionally before their expiry date to allow new competition for a single PSC for the whole area. Deux Alpes Loisirs is one of the applicants.

The agreements of equity affiliates are as follows:

- **Compagnie du Mont-Blanc (CMB) – Chamonix:**

Concession signed on 5 December 2013 with the municipality of Chamonix for the Chamonix ski areas for a 40-year period ending 5 December 2053.

Concession signed on 6 January 1989 with the municipality of Chamonix for Aiguille du Midi for a 40-year period ending 31 December 2028.

Concessions for the operation of the Tramway du Mont-Blanc and the Train du Montenvers granted by the department of Haute-Savoie in 1988 and 1998 for 30- and 25-year periods ending, respectively, on 31 December 2018 (extended until 31 May 2020) and on 31 December 2023.

Concession for the operation of Les Houches/Saint-Gervais (through its 72.5%-owned subsidiary, LHSG) for a 30-year period from 1 December 2011 to 30 November 2041.

- **Société des Remontées Mécaniques de Megève (SRMM) – Megève:**

Concession for the operation of the downstream sector Princesse, signed on 10 December 2002 by the municipality of Demi-Quartier, for a 30-year period ending on 9 December 2032.

Concession for the Crêtes du Mont d'Arbois and the upstream sector Princesse, signed on 10 March 1989 by the municipality of Saint-Gervais, for a 30-year period ending on 9 March 2019 and extended by an additional clause until 2023.

Concession for Mont d'Arbois, Rocharbois and Rochebrune, signed on 15 April 1993 by the municipality of Megève, for a 30-year period ending on 14 April 2023.

- **Société d'Exploitation des Remontées Mécaniques de Morzine Avoriaz (SERMA) – Morzine/Avoriaz:**

The company operates a concession granted by the municipality of Morzine, which runs to 13 June 2032, and a concession granted by the municipality of Montriond, which runs to 13 June 2032.

- **Domaine Skiable de Valmorel (DSV) – Valmorel:**

The company operates a concession granted by the Communauté de Communes de la Vallée d'Aigueblanche (grouping of several municipalities), which runs to 30 September 2052.

- **Domaine Skiable de La Rosière (DSR) – La Rosière:**

The company operates a concession granted by the Commune de la Rosière, which runs to 30 September 2039.

Pursuant to these agreements, and depending on the case, the operating companies either pay a concession fee or a municipal tax and departmental tax (known as the "Mountain Law tax"), or both. These fees and levies are based on sales of ski lift passes and calculated as a contract-specific percentage.

By way of exception within the CDA Group, the municipalities of Saint-Martin de Belleville, Val-d'Isère and Tignes retain responsibility for the ski run service, for which SEVABEL, STVI and STGM pay a special fee.

Moreover, under the different contracts signed by the Group, CDA subsidiaries may enter into agreements on investment budgets. Such agreements are variable and can be reviewed, mainly with regard to their term, amount and nature, depending on the contract and implementation opportunities.

In light of certain lease contracts signed by the Leisure parks, these investment budget agreements may concern all of the Group's subsidiaries.

Real estate development concessions

- ADS has concessions for real estate development granted by the municipality of Bourg-Saint-Maurice;
- through its 99.9%-owned subsidiary, SCIVABEL, SEVABEL also holds the development concession for the Reberty urban development zone (ZAC de Reberty) at Les Ménuires;
- GMDS, with its 99.99%-owned subsidiary Société d'Aménagement Arve-Giffre (SAG), also owns land in Flaine in the Grand Massif. This real-estate company is managed under a tourism-development arrangement with the Syndicat Intercommunal de Flaine (grouping of several municipalities).

The projected development costs are recognised *pro rata* to the building permits sold, upon signing of the deed of sale.

Leisure park concessions

- **Concession for the highway interchange giving access to Parc Astérix**

Parc Astérix has a private interchange on the A1 motorway, which provides direct access to the park: this concession was granted by SANEF, the company operating the A1 motorway, for a period of 99 years (from 1987 to 2086).

The right to operate this concession is accounted for as an intangible asset of Grévin & Cie (see Note 6.2), which pays a fee to SANEF for the passage of each vehicle through the toll plaza. This fee corresponds to the highway toll that is not paid when vehicles use the Parc Astérix interchange.

- **Licensing agreement with Editions Albert-René (publisher of the Astérix comic books)**

In 1986, a licensing agreement was concluded with Editions Albert-René for the legal duration of the copyright, which is 70 years after the death of the last surviving author.

This agreement guarantees Grévin & Cie the right to use the comic strip characters and world in its theme parks, in France and abroad.

An amendment signed in March 1996 set the licensing fee at 3% of sales excluding VAT of Parc Astérix, with a minimum fee of €1.7 million.

- **Futuroscope lease**

To enable the operator to make significant long-term investments, the Department of Vienne has decided to create a procedure for awarding an administrative long-term lease for a larger area to replace the current lease, which expires in 2026. If no lease is awarded at the end of the procedure, the current lease will continue as-is until expiry. Futuroscope SA, in association with the Vienne SEMPAT and the Caisse des Dépôts et Consignations, is one of the applicants.

1.15 IMPAIRMENT OF ASSETS

Definition of cash-generating units and allocation of assets

An asset's recoverable amount is the higher of its fair value less selling costs and its value in use. The recoverable amount of property, plant and equipment and intangible assets is tested when events, market developments or internal factors indicate a risk of a permanent loss of value.

It is tested at least once a year, at the reporting date, for assets with an indefinite useful life (category limited to goodwill, brands and trademarks).

As goodwill and the main items of property, plant and equipment and intangible assets relate to operation of the sites, these are allocated to groups of cash-generating units, which equate to the sites on which the Group's strategic development is focused.

An impairment loss is recognised if the recoverable amount of the asset or group of assets tested is lower than its book value.

Goodwill impairment losses are irreversible. Impairment losses for other items of property, plant and equipment and intangible assets may be reversed if the recoverable amount of the asset increases.

Impairment of goodwill is shown on the "impairment" line of the income statement, below the operating items.

Allocation of goodwill and operating assets to cash-generating units (CGUs)

The Group's CGUs comprise the sites it operates.

For impairment testing purposes, goodwill is allocated at the level of the groups of CGUs, which constitute homogeneous entities generating cash flows that are largely independent of the cash flows generated by the other CGUs. As part of an initiative to make the measurement of CGU value creation more consistent with the Group's performance monitoring, internal organisation and strategy, the impairment loss testing procedures were modified as of 30 September 2014. In particular, this change reflects management of a homogeneous offering in the Leisure parks segment following a series of acquisitions carried out since 2002 and the overall management of offering development in the Ski areas business line.

Consequently, the CGUs that the Group intends to continue to operate and hold have been reorganised as follows:

- Ski areas portfolio: grouping together all the ski areas whose arbitration regarding operation and investments is pooled in a single decision-making body;
- Leisure parks portfolio: grouping together all the Leisure parks and Musées Grévin in France and abroad, whose arbitration regarding operation and investments is pooled in a single decision-making body.

The other Group companies are included in the Holdings and supports Division (consulting, tour-operator, real estate agencies and holding companies activities).

Procedures for determining the recoverable amount

The recoverable amount of groups of CGUs, as defined above, corresponds to the sum of the values in use of the CGUs comprising the groups of CGUs, which is determined by discounting projections of future cash flows from operating of the sites based on the medium-term plans (five years) approved by the Group's Executive Management and presented to the Strategy Committee and to the Board of Directors, and using a terminal value based on the forecast future standardised cash flows to perpetuity generated by the asset under consideration.

For the CGUs operated under concession agreements (Ski areas) or leases (Leisure parks), the CDA Group manages these contracts on a going concern basis (both in terms of site management and in terms of capital expenditure to maintain/increase its business).

The Group has never been confronted with a company operating a concession (Ski areas) or lease (Leisure parks) having to cease operations due to the expiration of its contract. Accordingly, the Group measures the recoverable amount of the groups of CGUs on the assumption that its concession-holding activities will continue beyond the end of the concession, in light of the extensions already obtained in the past. The daily management and investment policy are therefore implemented with a view to maintaining or increasing the appeal of the leisure park or ski area concerned.

1.16 FINANCIAL ASSETS

Pursuant to IFRS 9, the non-current financial assets are broken down into three categories:

- financial assets measured at amortised cost:

  These are financial assets whose economic model aims to receive contractual flows, and the contractual conditions of which provide for specified dates of flows corresponding only to repayments of capital and interest. They represent the loans and receivables linked to the shareholdings and the deposits and guarantees;
- financial assets measured at fair value, with recognition as other comprehensive income, which cannot be recycled as income: They represent shareholdings of non-controlled companies;
- financial assets measured at fair value through income: They mainly represent securities of non-consolidated controlled companies.

This primarily concerns shareholdings of Ski areas in real estate agencies and lease or building ownership companies, which are not significant with regard to the consolidated financial statements (see Notes 6.7 and 6.8).

The implementation of IFRS 9 eliminated the notion of available-for-sale financial assets.

Fair value is determined according to the methodology defined by IFRS 13, based on the three levels of fair value defined in Note 6.15.

1.17 INVENTORIES

Inventories are stated at the lower of cost and net realisable value (*i.e.* the market price less costs to sell). Inventories are measured at weighted average cost.

1.18 ACCOUNTS RECEIVABLE

Accounts receivable are recognised at amortised cost. An impairment loss is recognised depending on the expected losses and the actual losses. Any impairment loss is recognised in profit or loss.

1.19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include petty cash, bank balances and short-term investments in money market investments. Such investments are readily convertible into cash at their nominal value, and the risk of a change of value is insignificant.

Overdrafts are presented as liabilities in the balance sheet, under “current borrowings”.

1.20 TREASURY STOCK

Treasury stock is recorded at acquisition cost with a corresponding reduction in shareholders’ equity. Treasury stock sale proceeds are credited to shareholders’ equity and not recognised in the income statement.

1.21 PROVISIONS

Provisions for retirement bonuses

The CDA Group’s commitments with respect to retirement benefits derive from legal obligations and collective bargaining agreements applicable in the countries in which Group subsidiaries operate.

In France, company commitments to permanent or seasonal employees are reflected either in premiums paid to insurance companies or in provisions. If the premium paid by a company only partly covers its commitments, a provision is funded for the remainder.

The commitments are calculated for all Group employees in France, except for seasonal workers in the Leisure parks segment, where turnover is extremely high. It is thus considered unlikely that these workers will still be employed by the Group when they retire.

The total of these commitments is determined on the basis of the current salaries of employees by calculating the bonuses that will be paid to employees upon retirement, having regard to their seniority at that date.

Gains and losses resulting from changes in actuarial assumptions, plus the impact of regulatory changes, are recognised in shareholders’ equity.

Supplementary pension benefits granted to executives of certain subsidiaries are revalued each year.

In other countries where the CDA Group operates (the Netherlands and Belgium in particular), retiring employees receive no retirement package from their employer. Therefore, no provision is required.

However, companies contribute each year to provident funds (pension funds). The absence of the Group’s obligations with respect to these contracts is verified each year.

Other provisions

Provisions are recognised when, at the end of the reporting period, the Group has an obligation to a third party arising from a past event that is certain or likely to lead to an outflow of resources to the third party, with no equivalent consideration received. These provisions are estimated in accordance with their nature, with the most likely assumptions taken into account.

Provisions for restructuring costs are recognised once the Group has a formal, detailed restructuring plan that has been communicated to the relevant parties.

1.22 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred (less fees and issue or redemption premiums, these adjustments being factored into the calculation of the effective interest rate).

Borrowings are subsequently recognised at amortised cost. Any difference between the income (net of transaction costs) and the redemption value is recognised in the income statement over the duration of the loan, in accordance with the effective interest rate method.

1.23 DERIVATIVES AND HEDGING OPERATIONS

The Group’s use of derivatives such as interest rate swaps, caps or other equivalent futures contracts is designed to hedge against interest rate and foreign exchange risk.

For each cash flow hedge, the hedged financial liability is recognised in the balance sheet at amortised cost. Changes in the value of the derivative are recognised in shareholders’ equity. To the extent that financial expenses and income from the hedged item affect profit or loss in a given reporting period, the financial expenses and income from the derivative recognised in shareholders’ equity for the same reporting period are transferred to profit or loss.

When a derivative does not meet the criteria for hedge accounting, changes in fair value are recognised in profit or loss.

1.24 INCOME TAX AND DEFERRED TAXES

Group income taxes are determined in accordance with tax laws in force in the country where the income is taxable.

Deferred taxes

A temporary difference between the book value of an asset or liability and its tax base gives rise to recognition of deferred tax by means of the liability method, using the most recent income tax rates enacted (or substantively enacted). A deferred tax liability is recognised for all taxable temporary differences.

No deferred tax assets are recognised with respect to tax loss carryforwards unless it is likely they will be recovered within a reasonable time-frame (likelihood is calculated on the basis of available forecasts).

Deferred tax assets and liabilities are offset for each tax entity.

The income tax expense is recognised in profit or loss unless it concerns items that were recognised directly in shareholders' equity. In this case, it is also recognised in shareholders' equity.

1.25 SHARE-BASED PAYMENTS

The Group has put in place equity-settled payment arrangements (bonus shares). The fair value of services rendered by employees in exchange for bonus shares is recognised in payroll costs.

Note 2 Management of capital and risks

2.1 CAPITAL MANAGEMENT

The Group's primary objective for its capital management is to maintain a good credit risk rating and healthy capital ratios, in order to safeguard the long-term financing of its business and optimise shareholder value.

Accordingly, the Group monitors the performance of its net debt-to-equity ratio. In its calculation of net debt, the Group includes loans and borrowings bearing interest plus cash and cash equivalents. Shareholders' equity includes convertible preference shares, Group share of capital and unrealised gains and losses recognised directly in shareholders' equity.

The Group manages its capital structure and makes adjustments as economic conditions change. The Group may modify dividend payments to shareholders, return part of the capital or issue new shares.

2.2 RISK MANAGEMENT

Cash-flow risk and risk of changes in value due to interest rate fluctuations

The Group does not hold significant interest-bearing assets. The Group is exposed to interest rate risk on its overdrafts and medium- and long-term borrowings. At 30 September 2019, 71.7% of the Group's debt is fixed (fixed rate or floating rate hedged) and the remaining 28.3% of debt is exposed to rate changes. This debt consists of bank debt (30%) and market debt (70%). As regards its floating-rate debt, the Group manages its interest rate risk by using floating-for-fixed swaps or rate cap purchases. (Note 6.12).

With current hedged positions at 30 September 2019 and the change in debt taken into account, the exposure of gross debt to interest rate risk at 30 September 2019 and its projected change in 2019/2020 May be summarised as follows:

	30/09/2019	30/09/2020
Unhedged gross debt	28.3%	25.2%
Hedged gross debt	71.7%	74.8%

Unexposed debt includes fixed rate debt and the hedged portion of the variable rate debt.

Should benchmark rates (1-month and 3-month Euribor, Eonia) increase or decrease by 1% compared to the closing rate on 30 September 2019, the impact on financial expenses over the whole of 2018/2019, taking into account the Company's debt profile, would have been as follows:

	FY 2018/2019		
	Impact on net income before tax		
(in millions of euros)	Interest expense	Valuation of hedging instruments	Impact on shareholders' equity before tax
Impact of a +1% change in interest rate	-1.07	0	0.7
Impact of a -1% change in interest rate	0.93	0	0.08

Foreign exchange risk

Most of the Group's international business activities are in the euro zone (with the exception of the operations in Canada, Switzerland and China, which are not material in terms of the Group's non-current assets). Investments in foreign subsidiaries are made in local currencies: the portion of balance sheet assets sensitive to variations in foreign exchange rates is 1%, exposed to fluctuations in local currencies against the euro.

As such, the Group currently sees its exposure to foreign exchange risk as not significant.

However, in February 2019, the Group contracted two cross currency swaps (CCS) for a total amount of CHF8,700,000 to cover the foreign exchange risk on a loan granted to its Swiss subsidiary.

The Group has not carried out any foreign exchange hedging transactions for other operations outside the euro zone, for the following reasons:

- intra-Group forex flows are limited;
- sales proceeds are denominated in the same currency as operating.

Credit risk

The Group has no major concentration of credit risk. Most of its business is carried out with end-customers (B2C sales). These customers pay in cash, or by bank check or bank card, before the service is provided. Furthermore, the Group has implemented policies to ensure that the intermediate customers who buy its products have appropriate credit risk histories.

Liquidity risk

The Compagnie des Alpes Group anticipates its financing needs. When the Finance Department draws up its multi-year plans, it ensures that it always has sufficient liquidity to cover investments and current operations, and cope with any exceptional events.

The medium-term debt of the Compagnie des Alpes Group is diversified, as described in Note 6.11, and is based on disintermediated and bank financing (loans from a banking pool, bilateral bank loans, bond issues, revolving credit facility) with staggered maturities.

Most of these credit facilities are subject to a banking covenant, which is described in Note 6.11 to the Consolidated Financial Statements.

Short-term liquidity needs are covered by bank overdrafts which are renewable annually and are not subject to covenants, and/or by a Negotiable European Commercial Paper (NEU CP) programme capped at €240 million. This programme is backed by a revolving credit facility of €250 million (expiring in May 2023). To increase the liquidity of this programme, we have added a swingline of €80 million.

As of 30 September 2019, the Group's net financial debt stood at €540.5 million.

As at 30 September 2019, the Group had a significant buffer of undrawn credit facilities:

- €106 million in medium- and long-term loans can be drawn upon at any time:
  - a revolving credit facility of €106 million expiring in May 2023;
- moreover, for short-term requirements, €104,1 million is available at any time in the form of overdrafts.

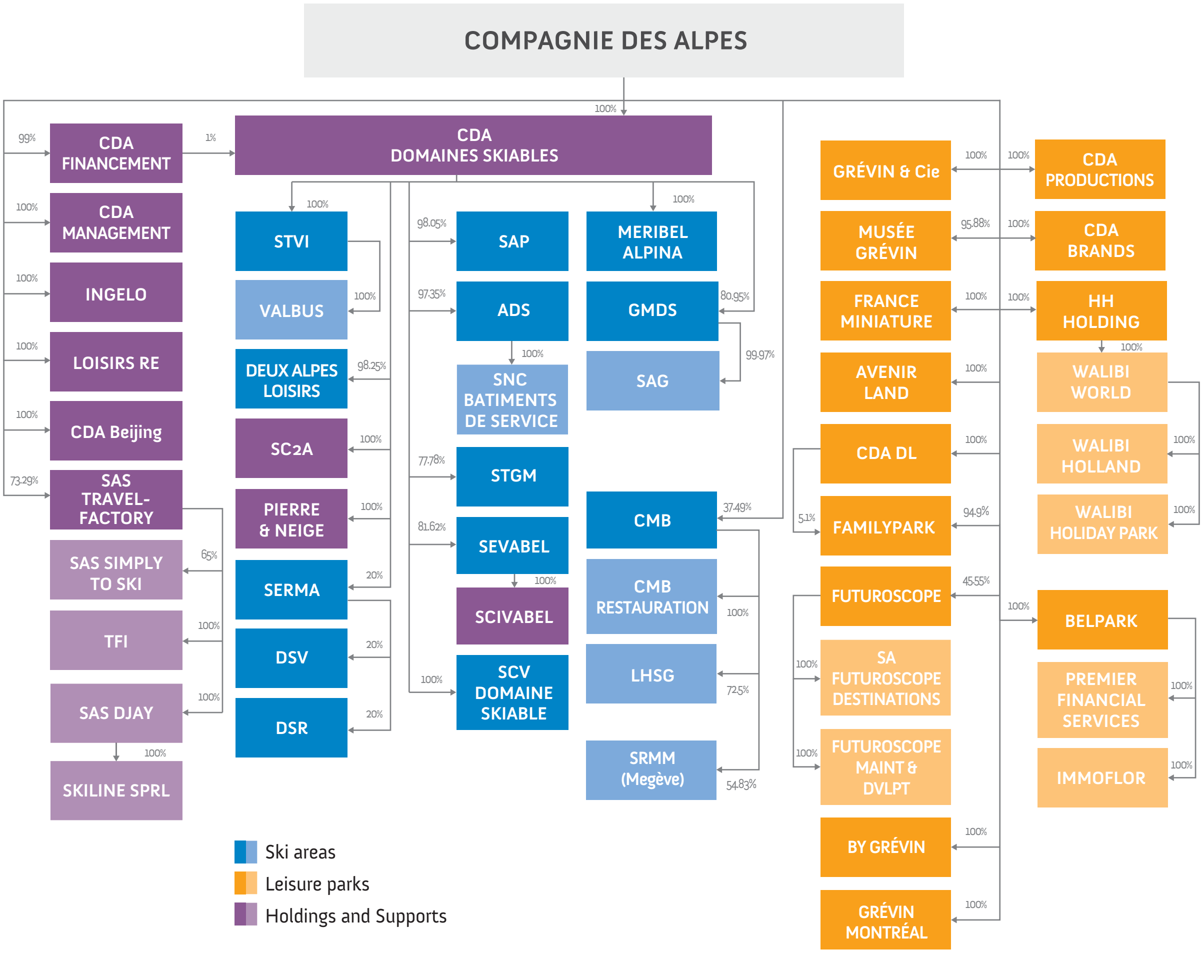
The liquidity risk review shows that the Group currently has enough credit lines (bonds, revolving loan, bank loans, overdraft facilities, and NEU CP programme) to finance its investments and working capital requirement.

COUNTERPARTY RISK

All cash investments and financial instruments are set up with leading institutions and banks and in accordance with the rules regarding security and liquidity.

For derivatives and transactions settled in cash, counterparties are restricted to top-notch financial institutions. The Group's exposure to counterparty risk is therefore low.

Note 3 Organisational structure of the Compagnie des Alpes Group



Compagnie des Alpes holds 97.89% of double voting rights for Musée Grévin.
The percentages indicated above correspond to the percentage of capital held.

Note 4 Scope of consolidation

4.1 CHANGES IN THE SCOPE OF CONSOLIDATION DURING THE YEAR

On 20 March 2019, the Group acquired Familypark, operating a park located in Austria. This company was included in the scope of consolidation as of 31 March 2019.

In addition, as of 1 October 2018, the Group decided to consolidate Bâtiments de Services, owned by ADS, whose administrative offices it owns.

As a reminder, in January 2018, the Group acquired a 73.3% share of the Travelfactory Group, a player in the distribution of online travel, including the following companies:

- Travelfactory SAS;
- Simply to Ski SAS;
- TFI;
- Djay SAS;
- Skiline Sprl;
- SAS Mountain Outdoor Company (absorbed by Travelfactory in November 2018).

In addition, in 2017/2018, the Group decided to discontinue its operations in the Czech Republic and Korea. Therefore, it stopped the operations of Grévin Museum in Prague on 5 March 2018 and sold Grévin Museum in Seoul to the minority partner on 1 February 2018. The operations of these two sites for the 2017/2018 fiscal year are therefore presented as discontinued operations in the income statement.

4.2 LIST OF CONSOLIDATED COMPANIES AT 30 SEPTEMBER 2019 (BUSINESS METHOD AND SEGMENT)

COMPAGNIE DES ALPES

Parent company: Compagnie des Alpes – 50-52 boulevard Haussmann – 75009 Paris

SKI AREAS	Consolidation method [1]	Legal form	% shareholding
STGM 73320 Tignes	FC	SA	77.78
ADS 73700 Bourg-Saint-Maurice	FC	SA	97.35
SAP 73210 Macôt-La-Plagne	FC	SA	98.05
SEVABEL 73440 St-Martin-de-Belleville	FC	SAS	81.62
Méribel Alpina 73550 Méribel-les-Allues	FC	SAS	100
Grand Massif Domaines Skiables 74300 Flaine	FC	SA	80.95
SAG 74300 Flaine	FC	SA	80.93
SCV Domaine Skiable 05330 St Chaffrey	FC	SA	100
STVI 73150 Val-d'Isère	FC	SAS	100
Valbus 73150 Val-d'Isère	FC	SAS	100
Deux Alpes Loisirs (DAL) 38860 Mont-de-Lans	FC	SA	98.25
Groupe Cie du Mont-Blanc 74400 Chamonix	EA	SA	37.49
SERMA 74110 Morzine	EA	SAS	20
DSR 73700 Montvalezan	EA	SAS	20
DSV 73420 Valmorel	EA	SAS	20
Bâtiments de Service 73700 Bourg-Saint-Maurice	FC	SNC	96.13

(1) FC = Full consolidation.
EA = Equity accounted.

LEISURE PARKS	Consolidation method [1]	Legal form	% shareholding
Grévin & Cie 60128 Plailly	FC	SA	100
Musée Grévin 75009 Paris	FC	SA	95.88
France Miniature 78990 Elancourt	FC	SAS	100
Harderwijk Hellendoorn Holding Harderwijk – The Netherlands	FC	BV	100
Walibi World Biddinghuizen – The Netherlands	FC	BV	100
Walibi Holland Biddinghuizen - The Netherlands	FC	BV	100
Walibi Holiday Park Biddinghuizen - The Netherlands	FC	BV	100
Belpark BV 8902 Ieper – Belgium	FC	BV	100
Immoflor NV 8902 Ieper – Belgium	FC	NV	100
Premier Financial Services 8902 Ieper – Belgium	FC	BV	100
CDA Brands 75009 Paris	FC	SAS	100
Avenir Land 38630 Les Avenières	FC	SAS	100
Parc Futuroscope 86130 Jaunay Clan	FC	SA	45.55
Futuroscope Destination 86130 Jaunay Clan	FC	SA	45.55
Futuroscope M&D 86130 Jaunay Clan	FC	SA	45.55
CDA DL 60128 Plailly	FC	SA	100
CDA Productions 75009 Paris	FC	SAS	100
Grévin Montréal Montreal, QC – Canada	FC	Inc.	100
BY GRÉVIN Geneva – Switzerland	FC	SA	100
Familypark GMBH Sankt Margarethen im Burgenland – Austria	FC	Inc.	100

(1) FC = Full consolidation.
EA = Equity accounted.

HOLDINGS and SUPPORTS	Consolidation method [1]	Legal structure	% shareholding
CDA Financement 75009 Paris	FC	SNC	100
CDA-DS 75009 Paris	FC	SAS	100
Loisirs Ré L – 2633 Senningenberg (GDL)	FC	SA	100
INGELO 73000 Chambéry	FC	SAS	100
CDA MANAGEMENT Paris	FC	SAS	100
CDA Beijing China – Beijing	FC	LTD	100
SC2A 38860 Mont-de-Lans	FC	SA	98.25
Pierre et Neige 38860 Mont-de-Lans	FC	SA	98.25
SCIVABEL 73440 St-Martin-de-Belleville	FC	SCI	81.62

(1) *FC = Full consolidation.*
EA = Equity accounted.

HOLDINGS and SUPPORTS	Consolidation method [1]	Legal structure	% shareholding
Travelfactory 92210 Clichy	FC	SAS	73.29
Djay 92210 Clichy	FC	SAS	73.29
TFI Raanana, Israel	FC	SAS	73.29
Simply to ski 92210 Clichy	FC	SAS	73.29
Skiline Antwerp, Belgium	FC	SPRL	73.29

(1) *FC = Full consolidation.*
EA = Equity accounted.

Note 5 Information on the consolidated income statement

The summary information intended for strategic analysis and decision-making by the Group's Chairman, Chief Executive Officer and Deputy Chief Executive Officer (the chief operating decision-makers referred to in IFRS 8) is organised around the following indicators, by operating segment:

- revenue;
- EBITDA (gross operating income) and EBITDA margin: the EBITDA measures the current operating performance of the segments (revenue – direct costs, which include re-invoicing of operational services provided by support subsidiaries and holding companies);
- net capital expenditure and net rate of capital expenditure to sales ratio.

5.1 RESTATEMENTS OF THE INCOME STATEMENT

Overview of discontinued operations

The Group discontinued its operations in the Czech Republic and South Korea, and sold its two subsidiaries Grévin Prague and Grévin Seoul in FY 2017/2018.

As a result, and in accordance with IFRS 5 on discontinued operations, the income statement at 30 September 2018 included the "income from discontinued operations" line corresponding to the income from the sale of Grévin Museum in Prague and Seoul.

5.2 REVENUE

Revenue in the Ski areas segment mainly consists of sales of ski lift passes (approximately 99% of business line revenue).

Revenue in the Leisure parks segment mainly comprises sales of admission tickets (about 54% of business line revenue), with the remainder coming from restaurants, stores, merchant services and various ancillary businesses.

Performance by geographic area is presented for the businesses in France and outside France based on the destination of sales recorded.

Geographical area *(in thousands of euros)*	Ski areas	Leisure parks	Holdings and supports	30/09/2019	30/09/2018
France	443,777	260,800	28,247	732,824	699,508
Excl. France	0	119,913	1,274	121,187	101,718
TOTAL AT 30/09/2019	**443,777**	**380,713**	**29,521**	**854,011**	**0**
TOTAL AT 30/09/2018	**429,324**	**339,927**	**31,975**	**0**	**801,226**

5.3 EBITDA BY BUSINESS SEGMENT

EBITDA breaks down as follows:

	Ski areas		Leisure parks		Holdings and supports		Total	
(in thousands of euros)	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018
Revenue	443,777	429,324	380,713	339,927	29,521	31,975	854,011	801,226
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION	**165,523**	**159,271**	**97,020**	**81,967**	**-30,251**	**-22,894**	**232,292**	**218,344**
Operating margin (EBITDA/revenue)	*37.3%*	*37.1%*	*25.5%*	*24.1%*	*NS*	*NS*	*27.2%*	*27.3%*

Figures for capital expenditure by segment are also shown below, together with the proportion of revenue they account for.

	Ski areas		Leisure parks		Holdings and supports		Total	
(in thousands of euros)	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018	30/09/2019	30/09/2018
NET CAPITAL EXPENDITURE	**101,635**	**90,995**	**102,829**	**91,260**	**4,908**	**3,943**	**209,372**	**186,198**
Capital expenditure as a proportion of revenue	*22.9%*	*21.2%*	*27.0%*	*26.8%*	*16.6%*	*12.3%*	*24.5%*	*23.2%*

5.4 BORROWING COST, OTHER FINANCIAL INCOME AND EXPENSES

(in thousands of euros)	30/09/2019	30/09/2018
Interest expense on borrowings	-8,270	-8,242
Other financial revenue and expenses	0	0
Other financial income and expenses Income on cash and cash equivalents	0	4
NET COST OF DEBT	**-8,270**	**-8,238**
Losses on financial transactions	-1,229	-541
Other financial income	253	-512
Financial provisions/reversals	-1,077	-2,969
OTHER FINANCIAL INCOME AND EXPENSES	**-2,053**	**-4,022**

5.5 INCOME TAX EXPENSE

Income tax expense breaks down as follows:

(in thousands of euros)	30/09/2019	30/09/2018
Current taxes	-32,644	-26,609
Deferred taxes	398	-3,136
TOTAL	**-32,246**	**-29,744**

The reconciliation between the standard tax rate in France and the effective tax rate is outlined below (the effective tax rate is the ratio of income tax to net income of consolidated companies, including income from discontinued operations included in the tax consolidation, but before tax and adjustments for goodwill impairment losses).

The reconciliation between income tax and the pre-tax income of consolidated companies is shown below:

	30/09/2019	30/09/2018
NET INCOME BEFORE TAX	**103,646**	**92,904**
Current tax rate	33.33%	33.33%
Theoretical tax expense	34,549	30,968
Effects of:		
Difference between actual tax rate and theoretical rate	138	130
Non-deductible expenses/non-taxable income	674	760
Tax loss carryforwards not recognised in assets	1,627	1,018
Activation of losses from previous years	-2,463	1,622
Income from associate companies recognised net of tax	-2,954	-1,490
Income from discontinued operations recognised net of tax	0	-1,231
Adjustment of deferred taxes following changes in tax rates	0	-1,738
Other	675	-294
TOTAL INCOME TAX EXPENSE	**32,246**	**29,744**

Tax loss carryforwards for which no deferred tax was recognised, stood at €24.3 million at 30 September 2019 (of which €16 million relate to foreign subsidiaries), and equate to a deferred tax asset of €6.3 million.

5.6 SHARE OF NET INCOME OF ASSOCIATE COMPANIES

Companies *(in millions of euros)*	Country	Total balance sheet	Revenue	Income	EBITDA (gross operating income)	Impairment	Share of net income of associate companies
30/09/2018							
Groupe Cie du Mont-Blanc	France	236.5	98.1	9.4	38.1	0.0	3.5
SERMA (Avoriaz)	France	87.1	36.6	5.6	14.5	0.0	1.1
DSV (Valmorel)	France	28.8	12.3	0.3	2.7	-0.5	-0.4
DSR (La Rosière)	France	30.6	10.7	1.3	3.8	0.0	0.3
TOTAL							**4.5**
30/09/2019							
Groupe Cie du Mont-Blanc	France	258.3	103.2	18.6	39.6	0.0	7.0
SERMA (Avoriaz)	France	105.4	39.2	6.8	16.0	0.0	1.4
DSV (Valmorel)	France	30.0	12.9	1.1	3.8	0.0	0.2
DSR (La Rosière)	France	29.2	13.3	1.7	4.8	0.0	0.3
TOTAL							**8.9**

5.7 DISCONTINUED OPERATIONS

Income from discontinued operations was as follows:

	30/09/2019	30/09/2018
Losses of Grévin Prague	-	-1,323
Losses of Grévin Seoul	-	-405
Impairment of assets in Prague and Seoul	-	0
Restructuring expense, net of tax	-	-440
Currency hedge unwinding	-	79
Gains from disposals, net of tax	-	5,626
Other	-	156
TOTAL	**-**	**3,693**

At 30 September 2018, it includes the capital gains from the sale of the Prague and Seoul sites net of tax.

5.8 EARNINGS PER SHARE OF THE PARENT COMPANY SHAREHOLDERS AND DILUTED EARNINGS PER SHARE

The earnings per share of the parent company shareholders amounted to €62,244 thousand.

(in thousands of euros)	2019	2018
Net income - Share of parent-company shareholders	62,244	57,199
Number of shares outstanding	24,457,051	24,413,271
EARNINGS PER SHARE - SHARE OF PARENT-COMPANY SHAREHOLDERS	**2.55**	**2.34**

(in thousands of euros)	2019	2018
Net income - Share of the parent-company shareholders used for determining the diluted earnings per share	62,244	57,199
Number of shares outstanding	24,457,051	24,413,271
Adjustment to factor in the dilutive effect of performance share plans	122,650	116,350
NET INCOME - SHARE OF PARENT-COMPANY SHAREHOLDERS DILUTED PER SHARE	**2.54**	**2.34**

5.9 OPERATING ROCE

For 2018/2019, the reconciliation between the Group ROCE and the operating ROCE was as follows:

	Ski areas and Leisure parks	Rest of the Group	Group total
Net operating income	123,703	-18,597	105,106
Theoretical tax (at 33.33%)	-41,230	6,198	-35,032
After tax net operating income	82,473	-12,399	70,074
Assets used excluding *goodwill*	1,011,934	-15,431	996,503
SEGMENT OPERATING ROCE	**8.2%**		**7.0%**
Goodwill	324,158	7,354	331,512
Total assets used (including *goodwill*)	1,336,092	-8,077	1,328,015
GROUP ROCE			**5.3%**

Note 6 Information on the consolidated balance sheet

6.1 GOODWILL

Net goodwill breaks down as follows:

(in thousands of euros)	Gross amount	Impairment	Net amount
AT 30/09/2017	**296,018**	**-13,063**	**282,955**
Changes in the scope of consolidation	11,180	0	11,180
Other changes	0	0	0
AT 30/09/2018	**307,198**	**-13,063**	**294,135**
Changes in the scope of consolidation	41,203	0	41,203
Other changes	-3,826	0	-3,826
AT 30/09/2019	**344,575**	**-13,063**	**331,512**

The acquisition of the Travelfactory sub-group generated a first-time consolidation difference of €11.2 million, the allocation of which was determined as follows:

Travelski and Locatour brands	1,746
Customer relations	2,637
Other adjustments to Fair Value	616
Deferred taxes	-1,173
SUB-TOTAL ALLOCATED	**3,826**
Residual goodwill	7,354
FIRST-TIME CONSOLIDATION DIFFERENCE	**11,180**

Customer relations are amortised over a period of 10 years.

At 30 September 2019, net goodwill was distributed by major Group business units, as follows.

(in thousands of euros)	30/09/2019	30/09/2018
Ski areas	132,155	132,155
Leisure parks	192,003	150,800
Holdings and supports	7,354	11,180
TOTAL	**331,512**	**294,135**

The acquisition of the Austrian park Familypark generated goodwill of €41.2 million, which remains provisional given the 12-month allocation period.

Procedures for carrying out goodwill and asset impairment tests

Goodwill was tested for impairment losses (see Note 1.15).

As the risks are reflected in the cash flows of each business, a single discount rate has been determined for the businesses tested. The rate of 6.0% was obtained using the analyses made by external experts.

In light of the challenging economic climate and the uncertainties in Europe's outlook, the Group intensified its strategic brain-storming regarding its main sites. The 2020-2024 business plans, used as a basis for impairment testing, whilst still based on realistic assumptions already made in the past, contain the guidelines needed for continued profitable growth in the Leisure parks segment and the maintenance of margins in the Ski areas segment:

- cost control;
- more selective investment and priority given to spending on increasing appeal in the Leisure parks segment.

Beyond the five-year period of the plan, the terminal value is calculated on the basis of cash flows to perpetuity using an average growth rate of between 1% and 2% (this being adjusted on the basis of the specific outlook for each entity and its positioning). This growth rate is considered reasonable for the leisure sector in the medium and long term.

Impairment test results

The tests carried out on the Ski areas and Leisure parks operating segments indicated the absence of impairment to be recognised for the last five years.

Overall sensitivity of tests to the WACC and to the perpetual growth rate:

Sensitivity tests are conducted by varying the basic assumptions underpinning the business plan (change in sales volume) or the discount rate.

It should be noted that impairment tests are now carried out at the segment level in order to reflect the measurement of value creation, the monitoring of performance and the level of strategic decision-making within the Group.

Overall sensitivity of tests to the WACC and to the growth rate

Ski areas (excluding companies accounted for under the equity method)

The table below shows the positive difference between the values in use and the values tested (consolidated cost price of €527 million).

		Discount rate		
		5.5%	**6.0%**	**6.5%**
LT growth rate	1.2%	611.0	472.7	360.7
	1.7%	762.6	590.7	454.8
	2.2%	960.5	739.8	570.8

Leisure parks

The table below shows the positive difference between the values in use and the values tested (consolidated cost price of €522 million).

		Discount rate		
		5.5%	**6.0%**	**6.5%**
LT growth rate	1.5%	514.2	380.9	274.5
	2.0%	665.6	496.6	365.6
	2.5%	867.4	645.5	479.4

For the Group as a whole, the sensitivity analyses presented indicate that the recoverable amount for the two operating segments and the "Holdings and supports" segment is higher than the Group's equity.

These valuations are supported by additional tests (including sensitivity analyses) carried out on the basis of criteria monitored internally (investments and margins).

Regarding the last segment, Holdings and supports, it includes companies with different businesses that are tested individually or by sub-group including companies with similar businesses (tour operator and consulting businesses).

6.2 INTANGIBLE ASSETS

Intangible assets break down as follows:

(in thousands of euros)	At 30/09/2018	Acquisitions	Disposals	Increases	Reversals	Changes in the scope of consolidation	Other changes	At 30/09/2019
Gross amount								
Use rights	89,809	0	0			0	0	89,809
Rights	35,407	4,295	-259			0	934	40,378
Business intangibles	9,403	0	0			0	70	9,473
Trademarks and brands	29,288	0	0			0	0	29,288
Contracts and customer relations	0	0	0			0	2,637	2,637
Highway interchange concession Parc Astérix	6,290	0	0			0	0	6,290
Cinematographic films and works	15,076	381	-211			0	-34	15,212
Other intangible assets	15,746	1,369	-20			251	2,124	19,469
Intangible assets in progress	1,840	1,844	0			0	-663	3,021
SUBTOTAL: GROSS AMOUNT	**202,859**	**7,889**	**-490**			**251**	**5,068**	**215,577**
Depreciation and impairment								
Dep/amort. Use rights	-76,160			-2,025	0	0	362	-77,823
Dep/amort. Software	-28,402			-4,461	250	0	114	-32,499
Dep/amort. Business intangibles	-7,644			-137	0	0	-70	-7,851
Dep/amort. Contracts and customer relations	0			-461	0	0	0	-461
Dep/amort. Highway interchange concession Parc Astérix	-1,894			-64	0	0	0	-1,958
Dep/amort. Cinematographic films and works	-11,496			-1,863	201	0	0	-13,158
Dep/amort. Other intangible assets	-10,579			-1,861	19	-171	-480	-13,072
SUBTOTAL: DEPRECIATION AND AMORTISATION AND IMPAIRMENT	**-136,175**			**-10,872**	**470**	**-171**	**-74**	**-146,822**
NET AMOUNT	**66,685**	**7,889**	**-490**	**-10,872**	**470**	**80**	**4,994**	**68,755**

The investments for the year mostly represent the purchase and development of new software at Group level amounting to €4.3 million.

The column "Changes in scope" takes into account the acquisition of the Austrian park Familypark at 31 March 2019 and the allocation of the first-time consolidation difference of the Travelfactory sub-group.

The principles that apply to the amortisation of intangible assets are detailed in Note 1.12.

6.3 PROPERTY, PLANT AND EQUIPMENT (DIRECTLY OWNED AND CONCESSION)

Property, plant and equipment break down as follows:

(in thousands of euros)	At 30/09/2018	Acquisitions	Subsidies	Disposals	Increases	Reversals	Changes in the scope of consolidation	Other	At 30/09/2019
Gross amount									
Land and improvements	49,398	1,289		-55			28,563	208	79,403
Ski run and trail works	126,448	1,532		-4,405				3,009	126,584
Snow-making	175,762	2,779						7,667	186,208
Buildings, offices, shops, other spaces	416,525	16,723		-5,806			2,555	12,186	442,183
Ski lifts	869,378	20,593		-12,374				61,833	939,430
Grooming machines	46,991	7,914		-4,536				484	50,853
Rides	402,299	36,302		-2,741				4,109	439,969
Materials and equipment	157,935	17,251		-5,146			29,616	8,428	208,084
Other items of property, plant and equipment	80,015	5,848	-4,855	-2,199				13,538	92,347
Property, plant and equipment in progress	118,976	98,586		-527			367	-106,731	110,671
Advances and down-payments on non-current assets	700	1,173						-213	1,660
SUBTOTAL: GROSS AMOUNT	**2,444,426**	**209,990**	**-4,855**	**-37,789**			**61,101**	**4,518**	**2,677,391**
Amortisation, depreciation									
Land and improvements	-20,446				-1,353		-12,539		-34,338
Ski run and trail works	-62,107				-3,041	4,280			-60,868
Snow-making	-116,657				-6,947				-123,604
Buildings, offices, shops, other spaces	-245,351				-17,556	5,308	-11,116	3,598	-265,117
Ski lifts	-517,743				-36,993	11,655		-2	-543,083
Grooming machines	-31,187				-7,019	4,358		-1	-33,849
Rides	-219,644				-19,450	2,660		-95	-236,530
Materials and equipment	-128,034				-21,012	5,000	-3,051	-3,912	-151,008
Other items of property, plant and equipment	-72,515				-5,175	2,472		-30	-75,248
SUBTOTAL: DEPRECIATION AND AMORTISATION	**-1,413,684**				**-118,547**	**35,733**	**-26,706**	**-442**	**-1,523,645**
NET AMOUNT	**1,030,743**	**209,990**	**-4,855**	**-37,789**	**-118,547**	**35,733**	**34,395**	**4,076**	**1,153,746**
Gross amount of directly-owned assets	1,059,837	116,982	-947	-20,076			61,101	3,423	1,220,320
Depreciation of directly-owned assets	-636,456				-62,138	19,178	-26,706	-254	-706,375
NET AMOUNT OF DIRECTLY-OWNED ASSETS	**423,382**	**116,982**	**-947**	**-20,076**	**-62,138**	**19,178**	**34,395**	**3,169**	**513,945**
Gross amount of concession assets	1,384,589	93,009	-3,909	-17,713				1,095	1,457,071
Depreciation of concession assets	-777,228				-56,409	16,555		-188	-817,270
NET AMOUNT CONCESSION ASSETS	**607,361**	**93,009**	**-3,909**	**-17,713**	**-56,409**	**16,555**		**907**	**639,801**
NET AMOUNT	**1,030,743**	**209,991**	**-4,856**	**-37,789**	**-118,547**	**35,733**	**34,395**	**4,076**	**1,153,746**

Gross investments for the period amounted to €210 million and mainly break down as follows:

- in the Ski areas segment (€105 million), this related to the completion of capital expenditure programmes prior to the 2018/2019 winter season and to the initial work for the 2019/2020 season. They mainly correspond to investments relating to the development of Ski areas (ski run and trail works, ski lifts and artificial snow);
- in the Leisure parks segment (€102 million), this breaks down into investments to step up appeal (€69.8 million) and investments for maintenance and miscellaneous investments (€33.2 million);
- the column “Changes in scope” takes into account the acquisition of the Austrian park Familypark;
- lastly, the “Other” column mainly includes the allocation of non-current assets in progress at 30 September 2019, scrapped items and translation adjustments.

Amortisation and depreciation include an impairment charge of €3 million relating to two sites abroad, as well as accelerated depreciation of property, plant and equipment to reflect their fair value.

The breakdown by business segment and geographic area is as follows:

REGION OR COUNTRY *(in thousands of euros)*	Notes	Ski areas	Leisure parks	Holdings and supports	30/09/2019	30/09/2018
FRANCE		705,448	268,873	22,153	996,474	938,281
o/w assets held under concession		639,109	0	692	639,801	607,361
o/w which assets on lease finance		0	1,335	0	1,335	1,782
OTHERS (excl. France)		0	225,928	98	226,027	159,146
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS		**705,448**	**494,801**	**22,251**	**1,222,501**	**1,097,427**
Intangible assets	6.2	11,087	45,843	11,825	68,755	66,685
Property, plant and equipment	6.3	694,361	448,958	10,426	1,153,745	1,030,743
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS IN THE BALANCE SHEET		**705,448**	**494,801**	**22,251**	**1,222,501**	**1,097,427**

6.4 INVESTMENTS IN ASSOCIATE COMPANIES

(in thousands of euros)	30/09/2019	30/09/2018
VALUE OF SECURITIES AT BEGINNING OF REPORTING PERIOD	**75,959**	**73,628**
Change in scope of consolidation and miscellaneous	-785	-21
Net income for the period	8,863	4,471
Dividends paid	-2,026	-2,118
VALUE OF SECURITIES AT END OF REPORTING PERIOD	**82,011**	**75,959**

Compagnie du Mont-Blanc is listed on the stock market. However, given the very low liquidity and high volatility of the stock, the share price is not representative of the recoverable amount of the Group's shareholding. Therefore, its value for the Group is assessed on the basis of its value in use (public service arrangements for Chamonix, which have been renewed until 2053). For information purposes, the difference between the stock market value of Compagnie du Mont-Blanc at 30 September 2019 and the equity value of the securities was positive at €5.7 million. On the basis of the share price at 30 October 2019, this difference was positive for the same amount.

6.5 INVENTORIES

(in thousands of euros)	30/09/2019	30/09/2018
Gross amount	3,534	3,534
Impairment	-311	0
LAND BANK	**3,223**	**3,534**
Gross amount	387	388
Impairment	-313	-313
PARKING AREAS	**74**	**75**
Gross amount	21,914	19,735
Impairment	-916	-536
INVENTORIES OF RAW MATERIALS, SUPPLIES AND GOODS	**20,999**	**19,199**
TOTAL	**24,296**	**22,808**

The land banks are mainly held by ADS (Les Arcs/Peisey-Vallandry) and SAG (Flaine). These companies develop sites for subsequent sale.

Inventories of raw materials, supplies and goods relate both to the Ski areas segment (spare parts for ski lifts) and the Leisure parks segment (shop inventories, restaurants and costumes, and waxwork production).

6.6 ACCOUNTS RECEIVABLE

(in thousands of euros)	30/09/2019	30/09/2018
Trade receivables:		
Gross amount	*23,084*	*28,428*
Impairment for proven credit losses	*-2,396*	*-2,059*
Impairment for expected credit losses	*-300*	*0*
NET AMOUNT:	**20,388**	**26,369**
Advances and down-payments	1,864	4,952
Tax and payroll receivables	31,875	28,797
Other accounts receivable	13,823	6,198
TOTAL	**67,949**	**66,316**

6.7 FINANCIAL ASSETS AND OTHER CURRENT AND NON-CURRENT ASSETS

	30/09/2019			30/09/2018		
(in thousands of euros)	Non-current	Current	Total	Non-current	Current	Total
FINANCIAL ASSETS						
Available-for-sale financial assets				10,593		10,593
Securities of controlled, non-consolidated companies	9,973		9,973			
Securities of non-controlled companies measured at fair value through income	1,677		1,677			
Securities of non-controlled companies measured at fair value through shareholders' equity	10,558		10,558			
Loans and receivables associated with shareholdings	36,651		36,651	29,911		29,911
Deposits and guarantees	1,466		1,466	2,363		2,363
Derivatives on financing transactions		137	137		554	554
Other financial assets	398	149	547	678	122	800
GROSS AMOUNT	**60,723**	**286**	**61,009**	**43,545**	**676**	**44,221**
Impairment	-2,558		-2,558	-3,266		-3,266
NET FINANCIAL ASSETS	**58,165**	**286**	**58,451**	**40,279**	**676**	**40,955**
Investment subsidies to be received		2,628	2,628		461	461
Receivables on disposal of property, plant and equipment		2,827	2,827		1,624	1,624
Prepaid expenses		7,664	7,664		7,365	7,365
Tax and CICE receivables		11,420	11,420	4,498	10,567	15,065
OTHER ASSETS	**0**	**24,539**	**24,539**	**4,498**	**20,017**	**24,515**
TOTAL CURRENT AND NON-CURRENT FINANCIAL ASSETS	**58,165**	**24,825**	**82,990**	**44,777**	**20,693**	**65,470**

6.8 SHAREHOLDINGS IN NON-CONSOLIDATED COMPANIES

The main non-consolidated investment securities are as follows:

Shareholdings at fair value through income	Business activity	Date of the financial statements	Percentage shareholding	Fair value of securities	Net position	Income	Revenue	Impact on income
ADS IMMOBILIER	Real estate agency	30/09/2018	100%	410	240	59	601	-
AGENCE IMMOB. DE LA VALLEE DE BELLEVILLE	Real estate agency	30/09/2018	100%	1,938	615	60	2,198	-
FLAINE IMMOBILIER	Real estate agency	30/09/2018	90%	745	564	36	719	135
OIP	Real estate agency	30/09/2018	100%	1,814	995	2	2,751	-
PANORAMIC EURL	Real estate agency	30/09/2018	100%	60	65	6	370	-
SARL SKI & SOLEIL	Real estate agency	30/09/2018	100%	1,068	-25	-112	3,003	-
SERRE CHEVALIER IMMOBILIER	Real estate agency	30/11/2018	100%	100	125	11	198	-
VAL D'ISÈRE IMMOBILIER	Real estate agency	30/09/2018	100%	-	6	1	139	-115
2ALPES IMMOBILIER	Real estate agency	30/09/2018	100%	100	177	22	222	-
SAS 2CO Immo	Real estate agency	31/12/2018	45%	1,439	3,197	-40	951	-
MÉRIBEL PRIVÉ	Concierge service	30/09/2018	100%	-8	-103	-185	46	-219
GELINGES	Seasonal accommodation	30/09/2018	100%	2	29	-	58	-
DEUX ALPES BAIL	Lease conveyancing	-	100%	100	100	-	-	-
SAP LOCATION	Lease conveyancing	30/11/2018	100%	-	-819	-834	890	-901
SERRE CHEVALIER BAIL	Lease conveyancing	30/09/2018	100%	268	382	-377	468	-314
SNC GESTION LOCATIVE LES MONTAGNES DE L'ARC	Lease conveyancing	30/09/2018	100%	-	-1,451	-378	327	-
CASSIOPÉE	Buildings carrying	31/10/2018	100%	2,390	72	-	-	-
ÉTOILE POLAIRE LOGEMENT	Buildings carrying	30/09/2018	78%	1	2	-	160	-
LES TERRASSES D'HÉLIOS	Buildings carrying	31/12/2018	100%	2	-1	-	-	-
SAP INVEST	Buildings carrying	30/04/2019	98%	-	-327	-404	677	-395
SCI 2001	Buildings carrying	31/12/2017	60%	4	19	5	15	-
SCI ALTILAC	Buildings carrying	31/12/2018	25%	238	634	-319	939	32
SCI FRONT DE NEIGE	Buildings carrying	31/12/2018	78%	5	-71	-	193	-
LA PLAGNE RESORT	Tour operator	-	50%	100	200	-	-	-
LES MÉNUIRES TOURS	Tour operator	30/09/2018	50%	16	37	-	20	-
SARL PARADISKITOUR	Tour operator	30/09/2018	99%	858	872	46	3,556	-
TOTAL				**11,650**				**-1,777**

Non-controlling shareholdings	Business activity	Date of the financial statements	Percentage shareholding	Fair value of securities	Net position	Income	Dividends paid
FONCIÈRE LA PLAGNE	Property company	30/09/2018	6%	14	-414	-2,835	-
FONCIÈRE LES ARCS	Property company	30/09/2018	11%	147	1,477	53	-
FONCIÈRE LES ECRINS	Property company	30/09/2018	8%	7	283	-3,408	-
FONCIÈRE LES MÉNUIRES	Property company	30/09/2018	12%	141	1,264	28	-
FONCIÈRE RENOVATION MONTAGNE	Property company	30/09/2018	10%	254	2,589	-5,487	-
JARDIN D'ACCLIMATATION	Amusement park	31/12/2018	20%	5,107	-5,959	-7,352	-
LODGE & SPA MOUNTAIN	Buildings carrying	30/09/2018	3%	950	31,466	-511	-
SACOVAL SEM	Buildings carrying	31/12/2018	14%	1,100	7,733	289	-
PLAGNE RENOV	Buildings carrying	31/05/2019	15%	57	359	-122	-
SCI RT LES CLARINES	Buildings carrying	-	27%	1,500	-	-	-
VILMONT SARL	Buildings carrying	31/05/2019	33%	429	1,723	303	50
SAGEST TIGNES DÉVELOPPEMENT SARL	Other reservation services	31/12/2018	10%	176	303	25	-
MACEARTH				360	na	na	-
DIVERS				316			
TOTAL				**10,558**			

The above shareholdings are primarily Ski areas shareholdings in real estate agencies and real estate development entities, which are not material in terms of the consolidated financial statements. These are mainly owned with a view to their use (to support the commercial activities of our business lines).

6.9 CASH AND CASH EQUIVALENTS

(in thousands of euros)	30/09/2019	30/09/2018
Investment funds	161	161
Demand deposits	20,047	30,689
Cash	2,112	775
TOTAL	**22,320**	**31,624**

6.10 SHAREHOLDERS' EQUITY

Treasury stock

Pursuant to the share buyback programme authorised by the Combined Ordinary and Extraordinary Shareholders' Meeting of 8 March 2019, CDA's liquidity contract consisted of the following at 30 September 2018:

- 21,893 shares representing a gross book value of €584 thousand;
- €370 thousand in cash (principal and accrued interest).

Stock options

There are 122,650 performance shares (representing 0.5% of the share capital) that had not yet vested at 30 September 2019. The options and allotments of the bonus shares are realised through the issue of new shares released through the special incorporation of reserves.

The main terms of the stock option and performance share plans at 30 September 2019 are described below:

Plan for the grant of performance shares*	Plan no. 18	Plan no. 19	Plan no. 20	Plan no. 21	Plan no. 22	Total
Date of Shareholders' Meeting	13/03/2014	10/03/2016	10/03/2016	08/03/2018	08/03/2018	
Implementation date (Board of Directors' decision)	08/04/2015	18/03/2016	28/03/2017	23/03/2018	25/04/2019	
Number of shares that can be subscribed to at the outset	59,925	61,900	59,400	65,100	67,050	
Including Board of Directors	0	0	0	0	0	
Number of beneficiaries	166	170	159	158	165	
Date of vesting of performance shares	08/04/2017	18/03/2018	28/03/2019	23/03/2020	25/04/2021	
Number of performance shares vested	44,695	50,850	49,950	0	0	
Expired or cancelled stock options/performance shares	15,230	11,050	9,450	8,700	800	
Outstanding stock options/performance shares	0	0	0	56,400	66,250	122,650

* *Grant of which is based on economic factors.*

The total change in performance share awards can be summarised as follows:

Grants of performance shares	At 30/09/2019	At 30/09/2018	At 30/09/2017
RIGHTS GRANTED AT BEGINNING OF REPORTING PERIOD	**116,350**	**113,950**	**108,475**
Rights granted	67,050	65,100	59,400
Rights expired	-10,800	-11,850	-9,230
Rights exercised	-49,950	-50,850	-44,695
Grants adjustments	0	0	0
RIGHTS GRANTED AT REPORTING DATE	**122,650**	**116,350**	**113,950**

The expense recognised for stock option and performance share plan awards was €1,189 thousand at 30 September 2019 (compared to €1,030 thousand at 30 September 2018).

Plan no. 22

Plan no. 22 was implemented following approval by the Board of Directors on 25 April 2019. This plan consisted of 67,050 performance shares and involved 165 beneficiaries.

Detailed information on the stock options and performance shares can be found in Chapter V of the Registration Document on Corporate Governance.

It notably details the performance criteria for the full vesting of performance shares.

The fair value of the performance shares in Plan no. 22 at 30 September 2019 was €25,374 (compared to €27,494 in the prior reporting period for Plan no. 21).

The main factors used to calculate the cost for the Plan introduced during the fiscal year are:

Dividend cover	2.00%
Stock price volatility	25.00%
Risk-free rate for performance shares (two-year duration)	-0.535%
Turnover rate	5.00%

Compared with previous Plans, the percentage of performance shares granted was limited. The valuation assumes grants of 50% for Executive Committee members (except corporate officers who are not entitled to share grants) and 75% for other beneficiaries.

The binomial model is used to measure fair value.

6.11 PROVISIONS (NON-CURRENT AND CURRENT)

Non-current provisions

Non-current provisions comprise the following items:

		Income			
	30/09/2018	Increases	Reversals		30/09/2019
Post-employment benefits	47,028	3,868	-2,740	7,938	56,094
Other non-current contingencies	8,753	589	-385	4,148	13,105
TOTAL	**55,781**	**4,457**	**-3,125**	**12,086**	**69,199**

The provisions for "Other non-current contingencies" notably cover provisions for site renovation (representing €8.2 million), the amount of which was revised for one site, during the year, in the amount of €4.1 million.

They also include the provisions set aside in connection with long-service awards (representing €1.4 million) and depreciation charges (representing €2.4 million).

Provisions for post-employment benefits

The amount of provisions for post-employment benefits represents the Group's obligations for the vested rights of employees, net of provisions for payments to insurance funds.

These provisions are calculated including social security charges on the basis of an average retirement age of 62. The discount rate used was 0.5% at 30 September 2019, compared with 1.55% at 30 September 2018.

The balance sheet amounts are determined as follows:

(in thousands of euros)	30/09/2019	30/09/2018
Present value of financed obligations	62,487	54,740
Fair value of plan assets	-6,393	-7,712
LIABILITY RECOGNISED IN THE BALANCE SHEET	**56,094**	**47,028**

The amount of provisions for post-employment benefits represents the Group's obligations for the vested rights of employees, net of provisions for payments to insurance funds.

The table below shows the amounts recognised in the income statement:

(in thousands of euros)	30/09/2019	30/09/2018
Current service cost	3,253	3,385
Financial cost	862	824
Expected return on plan assets	-99	-116
Reduction/discontinue operations	-757	-1,701
TOTAL AMOUNT INCLUDED IN EMPLOYEE BENEFIT EXPENSE	**3,260**	**2,392**

Expenses for the year include:

- entitlements for an additional year of service;
- interest earned;
- expected return on pension fund assets.

The changes during the fiscal year for defined-benefit pension plans are detailed below:

(in thousands of euros)	30/09/2019	30/09/2018
Current service cost	-3,253	-3,385
Financial cost	-862	-824
Expected return on plan assets	99	116
Actuarial gains and losses	-7,605	55
Benefits net of those redeemed by the funds	1,373	1,443
Reduction/discontinue operations	757	1,701
Other	426	775
TOTAL	**-9,066**	**-119**

Actuarial gains and losses for the fiscal year mainly result from changes in the discount rate (0.5% compared to 1.55% at 30 September 2018) and revision of the turnover rate.

The expected return on assets is the same as the discount rate.

Current provisions

Current provisions cover the risks directly related to the operation of the Group's sites. The change in current provisions breaks down as follows:

	30/09/2018	Income		Change in scope	Other	30/09/2019
		Increases	Reversals			
Provision for major repairs	8,517	2,901	-3,455	0	0	7,963
Other	8,031	5,132	-3,038	72	-3,461	6,736
TOTAL	**16,548**	**8,033**	**-6,493**	**72**	**-3,461**	**14,699**

Provisions for major repairs are only for the Ski areas and are intended to cover work on lifts under leasing contracts.

Other current provisions mainly relate to ongoing disputes and provisions for a net negative position of non-consolidated companies (€1.4 million). Following a merger-absorption that took place during the year, a previous provision was reversed as other movements representing €3.4 million.

In the course of CDA's day-to-day management of its activities, the Group is subject to a number of legal disputes and litigations. Compagnie des Alpes does not believe these will entail any significant cost or have any notable impact on its financial position, business, profits, or property.

The disputes, periodically recorded, are analysed by management. The management then makes any provisions required.

To the Group's knowledge there are no governmental, legal or arbitration proceedings (including any proceedings of which the issuer is aware, any suspended proceedings, and any proceedings with which it is threatened), and no litigation or arbitration regarding the validity or execution of concession agreements or operating contracts held by the Group that might have or have had, during the past 12 months, a significant impact on the financial position or profitability of the Company and/or Group.

6.12 BORROWINGS

Breakdown of gross borrowings and net debt

(in thousands of euros)	30/09/2019 Non-current	30/09/2019 Current	30/09/2019 Total	30/09/2018 Non-current	30/09/2018 Current	30/09/2018 Total
Bonds	259,426		259,426	194,244		194,244
Borrowings from credit institutions	90,923	154,868	245,791	104,249	26,473	130,722
Other borrowings and similar debt	801		801	699		699
Lease finance	1,157		1,157	1,672		1,672
Accrued interest		2,781	2,781		2,148	2,148
Bank credit balances and similar		48,676	48,676		101,331	101,331
Employee profit-sharing	2,893		2,893	2,943		2,943
Miscellaneous	1,183	102	1,285	173	11	184
TOTAL	**356,383**	**206,427**	**562,810**	**303,980**	**129,962**	**433,942**

Structure of debt

Fixed-rate debt corresponds mostly to bonds subscribed to by CDA and CDA Financement (€260 million) and the bank loan of €25 million activated on 18 October 2017. The variable-rate loan includes a bank loan of €80 million activated on 31 October 2017 as well as drawings on the NEU CP programme and short-term bank credit lines.

Borrowings break down by maturity as follows:

(in millions of euros)	Total	Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years
30/09/2019	562.8	206.4	27.7	33.8	21.5	112.2	161.2
30/09/2018	433.9	129.9	18.3	24.1	36.1	21.2	204.3

Bond debt

The €260 million bond debt of Compagnie des Alpes breaks down as follows:

- a loan of €45 million issued on the Euro PP market ("Euro PP") for a period of 8 years;
- a loan of €50 million issued on the USPP market ("USPP"), under French law, for an average period of 10 years and final maturity at 12 years;
- a €100 million bond issue on the Euro PP market in May 2014, with coupon at 3.504% and 10-year maturity.

Furthermore, Compagnie des Alpes raised a new €65 million loan on the USPP market on 20 March 2019, with a provision of funds on 17 April 2019. This new bond has a final maturity of 12 years for an average period of 10 years and a dividend-rate of 2.14%.

At 30 September 2019, the fair value of the four bonds was as follows:

- 2014 bond: €109.9 million;
- Euro PP 2017 loan: €47.2 million;
- USPP 2017 loan: €54.3 million;
- USPP 2019 loan: €79.5 million.

Depreciable bank debt

Depreciable bank debt of €105 million was fully mobilised in 2018-2019 and breaks down as follows:

- an €80 million depreciable term loan fully mobilised on 31 October 2017 and taken from the Group's long-standing banking partners, which now include a Chinese bank. This loan has a maturity of five years for 50% and six years for the remaining 50%;
- a €25 million depreciable term loan fully mobilised on 18 October 2017 and granted by a new French banking partner, with a final maturity at seven years.

Market financing

Compagnie des Alpes implemented a short-term marketable securities issuance programme (Negotiable European Commercial Paper – NEU CP), for a maximum amount of €240 million, which was registered on 4 February 2019 with Banque de France.

This programme is backed by a revolving credit facility of €250 million (expiring in May 2023), to which a swingline sub-limit of €80 million has been added.

The programme is run by four Investment Agents (BNP Paribas, CACIB, CIC and Société Générale), and the Domiciliary Agent is CACEIS Corporate Trust.

The outstanding amount at 30 September 2019 is €134 million.

Revolving bank debt

The Group has a revolving credit facility for a maximum amount of €250 million expiring on 6 May 2022. In December 2018, Compagnie des Alpes obtained the consent of the lenders to extend it by one year, which therefore brings its final maturity to 6 May 2023.

Furthermore, with the aim of boosting the liquidity of the NEU CP programme, a swingline sub-limit of €80 million was added to the revolving credit.

Hedging instruments

The Group arranged interest rate hedging instruments (borrowings-backed) for its floating-rate commitments.

At 30 September 2019, the hedges implemented amounted to €105 million.

The hedging instruments used are made up of two fixed-rate swaps and an adjusted CAP purchase:

- two swaps representing €80 million of the hedged debt, 0.35% with maturity in 2023 and 0.27% with maturity in 2022 respectively, activated with the mobilisation of the €80 million loan on 31 October 2017;
- purchase of adjusted CAP of €25 million at an exercise price of 0.25% and maturing at three years with a starting date of 1 June 2018.

The fair-value impact of hedging instruments is recognised under borrowings from credit institutions (-€1.1 million).

	Financial assets (a)		Financial liabilities (b)		Exposure of net debt before hedging (c) = (b) - (a)		Interest-rate-hedging instruments (d)		Exposure of net debt after hedging (e) = (c) + (d)	
30/09/2019 *(in millions of euros)*	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Less than 1 year	22.3		6.0	200.4	-16.3	200.4	41	41	24.7	159.4
From 1 to 2 years			7.7	20.0	7.7	20.0	20	20	27.7	0.0
From 2 to 3 years			5.9	28.0	5.9	28.0	28	28	33.9	0.0
From 3 to 4 years			5.5	16.0	5.5	16.0	16	16	21.5	0.0
From 4 to 5 years			112.2	0.0	112.2	0.0			112.2	0.0
Over 5 years			161.2	0.0	161.2	0.0			161.2	0.0
TOTAL	**22.3**		**298.4**	**264.4**	**276.1**	**264.4**	**105**	**105**	**381.1**	**159.4**

Information on the repayment clauses

1. Banking covenants

The bonds and bank loans taken out in 2017 and 2019, as well as the revolving credit facility, are subject to a common covenant. It corresponds to the "Consolidated net debt/Consolidated EBITDA" financial ratio. This covenant is reviewed twice a year, on 31 March and 30 September, and should be less than 3.5.

At 30 September 2019, this ratio was respected.

	Covenant	Ratio at 30/09/2019
Consolidated net debt/Consolidated EBITDA	<3.50	2.33

2. Other repayment clauses

Other repayment clauses relate mainly to:

- Caisse des Dépôts et Consignations' direct or indirect shareholding in the Compagnie des Alpes (which must be at least equal to 33.34% of the capital and voting rights of the CDA);
- Compagnie des Alpes' shareholding in CDA Financement, which must remain greater than or equal to 99.9%.

Any shareholdings purchased by one or more persons, other than the Caisse des Dépôts et Consignations, acting together would acquire at least 33.34% of the share capital and voting rights in Compagnie des Alpes.

INFORMATION ON INTEREST RATES

The table below shows the interest rates after taking into account interest-rate hedges.

	30/09/2019		30/09/2018	
(in millions of euros)	Amount	Rate	Amount	Rate
Fixed-rate borrowings	399.2	2.12%	328.7	2.38%
Floating-rate borrowings	159.4	0.60%	102.3	1.41%
Shareholdings and miscellaneous	4.2		2.9	
TOTAL	**562.8**	**1.72%**	**433.9**	**2.24%**

6.13 DEFERRED TAXES

	30/09/2019	30/09/2018
Total deferred tax assets in the balance sheet	9,801	7,612
Total deferred tax liabilities in the balance sheet	-22,387	-21,800
NET DEFERRED TAX POSITION	**-12,586**	**-14,188**

(in thousands of euros)	Tax loss carryforwards	Post-employment and similar commitments	Profit-sharing	Regulated provisions	Valuation adjustments	Maintenance components	Provisions for non-deductibles	Leases	Financial instruments	Brands	Other	TOTAL
30/09/2018	**5,653**	**16,082**	**1,736**	**-24,830**	**-9,865**	**-2,613**	**-2,217**	**52**	**-129**	**-3,099**	**5,044**	**-14,188**
Change	1,043	2,973	324	-1,947	-1,005	-702	-180	-58	460	0	693	1,602
30/09/2019	**6,696**	**19,055**	**2,060**	**-26,777**	**-10,870**	**-3,316**	**-2,397**	**-6**	**331**	**-3,099**	**5,737**	**-12,586**

Deferred tax assets are normally recovered over a period of five to ten years.

6.14 OPERATING LIABILITIES AND OTHER LIABILITIES

(in thousands of euros)	30/09/2019	30/09/2018
Trade and related payables	77,590	93,647
Tax and payroll payables	75,663	72,555
Other operating liabilities	19,672	20,823
SUBTOTAL "OPERATING LIABILITIES"	**172,925**	**187,026**
Debt on non-current assets	39,872	37,751
Other miscellaneous debt	742	1,475
Adjustment accounts	28,000	24,279
SUBTOTAL "OTHER DEBT"	**68,613**	**63,505**
TOTAL	**241,539**	**250,531**

6.15 FINANCIAL INSTRUMENTS BY CATEGORY, FAIR VALUE AND IMPACT ON INCOME

IFRS 9 applicable from 2018 defines three categories of financial instruments:

- financial assets and liabilities at fair value through other items of comprehensive income;
- financial assets and liabilities at fair value through the net income statement;
- loans and receivables measured at amortised cost.

Financial instruments recognised in the balance sheet at fair value are broken down according to the following fair value levels:

- level 1, which includes measurements based on a price listed on an active market; in general, the market value corresponds to the last listed price;
- level 2, which includes measurements based on data that can be observed on the market, not included in level 1;
- level 3, which includes measurements based on data the can be observed on the market; in general, the valuation of securities of non-controlled companies is based on the share of the net position.

Fair values were determined on the basis of information available at the closing date of the fiscal year (last available statements) and therefore do not take into account the impact of future changes.

There were no transfers of financial instruments between level 1 and level 2 or any transfers to or from level 3 in 2019.

Financial assets and other assets *(in thousands of euros)*	Notes	Balance sheet value				Fair value of financial assets at amortised cost	Fair value level of financial assets at fair value		
		Fair value through net income [1]	Fair value of hedging instruments [1]	Instruments of shareholders'equity - Fair value through other items of comprehensive income [1]	Amortised cost [1]		Level 1	Level 2 [3]	Level 3
Trade receivables	6.6				20,388	[2]			
Tax and payroll receivables	6.6				31,875	[2]			
Other operating receivables [a]	6.6				15,687	[2]			
Tax and CICE receivables					11,420	[2]			
Other receivables					13,119	[2]			
Loans and receivables associated with shareholdings					34,255	[2]			
Deposits and guarantees					1,466	[2]			
Other financial assets					385	[2]			
Cash and cash equivalents	6.9				22,320	[2]			
TOTAL FINANCIAL ASSETS RECOGNISED AT AMORTISED COST		**0**	**0**	**0**	**150,915**				
Securities of non-controlled companies	6.7			10,558					10,558
Derivatives on financing transactions			137				137		
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY		**0**	**137**	**10,558**	**0**	**0**	**137**	**0**	**10,558**
Securities of non-controlled companies	6.7	1,677							1,677
Securities of non-consolidated controlled companies	6.7	9,973						6,235	3,738
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME		**11,650**	**0**	**0**	**0**	**0**	**0**	**6,235**	**5,415**
TOTAL FINANCIAL ASSETS		**11,650**	**137**	**10,558**	**150,915**	**0**	**137**	**6,235**	**15,973**

(1) The financial assets are presented in accordance with the provisions of IFRS 9 "Financial instruments" in force at 1 October 2018 or according to their reference standard.

(2) The Group does not disclose the fair value of financial assets such as accounts receivable, tax receivables, other receivables or cash and cash equivalents, as their net book value, after impairment, is a reasonable approximation of the fair value.

(3) The fair value of real estate agencies was assessed taking into account the estimated value of goodwill, determined on the basis of coefficients observable on the market, applied to the revenue generated according to the activities of the agencies (seasonal rentals, apartment under lease, trustee, transaction, etc.).

(a) Includes "other accounts receivable" and "advances and down-payments" referenced previously in Note 6.6.

Financial liabilities and other liabilities *(in thousands of euros)*	Notes	Balance sheet value: Hedging derivatives (1)	Balance sheet value: Other financial liabilities	Fair value of financial liabilities at amortised cost	Fair value level of financial liabilities at fair value: Level 1	Level 2	Level 3
Operating trade payables	6.14		77,590	(1)			
Fixed asset trade payables	6.14		39,872	(1)			
Tax and payroll payables	6.14		75,663	(1)			
Tax liabilities			4,759	(1)			
Other operating liabilities	6.14		19,672	(1)			
Other miscellaneous debt	6.14		741	(1)			
Adjustment accounts	6.14		28,000	(1)			
Bonds	6.12		259,426	(1)			
Borrowings from credit institutions	6.12		245,767	(1)			
Other financial and similar borrowings	6.12		2,172	(1)			
Employee profit-sharing	6.12		2,893	(1)			
Bank overdrafts	6.12		48,676	(1)			
Accrued interest	6.12		2,781				
TOTAL FINANCIAL LIABILITIES RECOGNISED AT AMORTISED COST		**0**	**808,012**				
Derivatives on financing transactions		1,095			1,095		
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH SHAREHOLDERS' EQUITY		**1,095**	**0**		**1,095**		
Derivatives on financing transactions							
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH INCOME		**0**	**0**				
TOTAL FINANCIAL LIABILITIES		**1,095**	**808,012**		**1,095**	**0**	**0**

(1) The Group does not disclose the fair value of financial liabilities such as operating liabilities and other liabilities, borrowings from credit institutions and other borrowings, since their book value is a reasonable approximation of the fair value.

6.16 ACQUISITION OF FAMILYPARK

On 20 March 2019, the Group acquired Familypark, operating a park located in Austria. This company was included in the scope of consolidation as of 31 March 2019.

The purchase price of the shares (100%) amounted to €72.5 million and the net amount disbursed for this acquisition came to €56.3 million after deduction of active and passive cash at 31 March 2019.

The first-time consolidation difference amounted to €41.2 million and is yet to be allocated.

It would be marginal on an annual basis.

Property, plant and equipment and intangible assets	33,268	Net position	9,964
NON-CURRENT ASSETS	**33,268**	**NON-CURRENT LIABILITIES**	**846**
Inventories and net exposure	540		
Accounts receivable	943	Current provisions	72
Other receivables	324	Current financial liabilities	23,513
Tax receivable	596	Operating liabilities	1,570
Cash and cash equivalents	294		
CURRENT ASSETS	**2,697**	**CURRENT LIABILITIES**	**25,155**
TOTAL ASSETS	**35,965**	**TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES**	**35,965**

Purchase price	51,167
Net position acquired	-9,964
Difference of first-time consolidation (1)	**41,203**
Reconciliation with cash flow statement:	
Purchase price	-51,167
Bank overdrafts	-5,466
Cash and cash equivalents	294
Changes in the scope of consolidation	**-56,339**

(1) Currently being allocated.

Note 7 Information on the statement of cash flows

7.1 CASH FLOWS FROM OPERATING ACTIVITIES

(in thousands of euros)	30/09/2019	30/09/2018
Net income (Group share)	62,244	57,199
Minority interests in the income	9,156	5,961
COMPREHENSIVE NET INCOME	**71,400**	**63,160**
Amortisation, depreciation and provision increases and reversals	129,981	122,093
Gains or losses on disposal	-430	21,981
Share of net income of associate companies	-8,863	-4,471
Dividends received from associate companies	3,255	2,497
Other	984	-25,210
OPERATING CASH FLOW AFTER COST OF NET FINANCIAL DEBT AND TAXES	**196,327**	**180,050**
Net cost of debt	8,270	8,238
Tax expense (including deferred taxes)	32,246	29,746
OPERATING CASH FLOW BEFORE COST OF NET FINANCIAL DEBT AND TAXES	**236,843**	**218,034**
Change in accounts receivable and payable	-8,327	-3,025
Other elements of cash timing differences	3,886	3,770
Tax paid	-32,875	-23,750
CASH FLOWS FROM OPERATING ACTIVITIES	**199,526**	**195,028**

Details of the results of companies consolidated using the equity method are given in Note 5.6, the net cost of debt is discussed in Note 5.4.

7.2 ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(in thousands of euros)	Notes	30/09/2019	30/09/2018
Acquisition of intangible assets	6.2	-7,889	-5,237
Acquisitions of property, plant and equipment (net of subsidies)	6.3	-205,135	-184,905
ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS		**-213,024**	**-190,141**
Changes in debt on non-current assets		-47	3,585
ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS IN THE STATEMENT OF CASH FLOWS		**-213,071**	-186,556
Sale price of intangible assets		0	35
Sale price of property, plant and equipment		4,902	1,566
Receivables associated with asset disposals		-1,203	-1,243
DISPOSAL OF INTANGIBLE ASSETS IN THE STATEMENT OF CASH FLOWS		**3,699**	**358**

The breakdown of capital expenditure over the fiscal year is discussed in Notes 6.2 and 6.3.

7.3 CHANGE IN BORROWINGS

(in thousands of euros)	30/09/2019	30/09/2018
BORROWINGS IN THE CONSOLIDATED BALANCE SHEET FOR THE PREVIOUS FISCAL YEAR	**433,942**	**427,316**
• borrowings from credit institutions	162,546	-73,619
• lease finance	-516	-503
• other borrowings and similar debt	30	292
• other	6	1
CHANGE IN BORROWINGS IN THE STATEMENT OF CASH FLOWS	**162,066**	**-73,829**
Change in half-year bank credit balances	-52,655	88,017
Miscellaneous	18,362	-7,561
TOTAL CHANGE (ALL BORROWINGS)	**127,773**	**6,627**
Miscellaneous (financial instruments)	1,095	0
BORROWINGS IN THE CONSOLIDATED BALANCE SHEET FOR THE FISCAL YEAR	**562,810**	**433,942**

7.4 IMPACT OF DISCONTINUED OPERATIONS

(in thousands of euros)	30/09/2019	30/09/2018
Cash flows from operating activities	-	4,963
Cash flows from investing activities	-	-1,754
Cash flows from financing activities	-	11
Impact of other movements	-	128
IMPACT OF DISCONTINUED OPERATIONS	**-**	**3,348**

7.5 NET CASH POSITION

(in thousands of euros)	30/09/2019	30/09/2018
CASH ASSETS IN THE BALANCE SHEET	**22,320**	**31,624**
Bank credit balances and similar	-48,676	-101,331
NET CASH POSITION IN THE STATEMENT OF CASH FLOWS	**-26,356**	**-69,706**

Note 8 Other disclosures

8.1 RELATED PARTIES

The Group considers the following to be related parties:

- all fully consolidated companies and associate companies;
- the reference shareholder of the Company: Caisse des Dépôts;
- all members of the Executive Committee and of the Board of Directors, together with close family members.

8.1.1 Fully consolidated companies and associate companies

Dealings between the parent company and its subsidiaries, joint ventures and associate companies are detailed in Note 4.2.

Transactions between the parent company and its controlled subsidiaries are eliminated in consolidation and therefore not detailed in this Registration Document.

The operating income of Compagnie des Alpes SA comes mainly from services provided to its subsidiaries as part of agreements freely concluded under normal conditions. The role of Compagnie des Alpes SA within the Group is presented in Chapter 5.2.

At 30 September 2019, the outstanding financing of CDA Financement, a subsidiary of Compagnie des Alpes, for controlled companies totalled €538.6 million. Outstanding controlled company investments with CDA Financement stood at €90.7 million.

Cash flows between Compagnie des Alpes and associate entities are insignificant.

8.1.2 Caisse des Dépôts et Consignations (CDC)

Futuroscope: In January 2011, under the preliminary agreements signed in October 2010 in conformity with the partnership approach desired by all the parties, Compagnie des Alpes became the reference shareholder of Futuroscope, along with the Vienne department and CDC, which is also a direct and indirect shareholder.

This partnership, as described in the 2011 Registration Document (page 176), continued to flourish in 2017/2018.

Licencing: The licencing agreement for the use of the corporate names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts", which was authorised in 2005, continues normally.

The licence represents 0.2% of consolidated annual revenue, weighted according to the percentage of share capital held by Caisse des Dépôts in Compagnie des Alpes at 1 January each fiscal year. The resulting expense for the year was €671 thousand.

8.1.3 Members of the Executive Committee and of the Board of Directors

Foncière Rénovation Montagne: company founded in April 2013 by Caisse des Dépôts, Banque Populaire des Alpes, Caisse d'Épargne Rhône-Alpes, Crédit Agricole des Savoie and CDA, dedicated to financing the renovation of mountain tourist accommodation.

The purpose of this real estate company is to invest in local real estate in order to acquire ageing accommodation, renovate it and renew its appeal. These accommodation facilities are then put back on the rental market for sale in the medium term for leasing purposes, in order to keep them on the market. The goal is to create a knock-on effect on the other stakeholders to create virtuous dynamics of growth for the mountain economy.

Compensation awarded to members of the Executive Committee and the Board of Directors

Total compensation made to principal executives for their Group activities as stipulated in IAS 24.16 are as follows:

FY 2018/2019 *(in millions of euros)*	
Board of Directors	
Group Executive Committee	**5,287**
Short-term benefits	2,318
• *Salary components*	*1,403*
• *Other short-term components*	*916*
Post-employment benefits	413
End of work contract packages	2,383
Share-based payments	173

* *Set on the basis of theoretical maxima.*

8.2 HEADCOUNT

	2018/2019	2017/2018
Average headcount		
France	4,351	4,185
Others (excl. France)	883	766
TOTAL AVERAGE HEADCOUNT	**5,234**	**4,951**

At 30 September 2019, headcount broke down as follows:

- Ski areas 18.6%;
- Leisure parks 75.8%;
- Holdings and supports 5.6%.

8.3 OFF-BALANCE SHEET COMMITMENTS

Operating leases and leasing contracts

The CDA Group's lease commitments at 30 September 2019 were as follows:

(in thousands of euros)	< 1 year	From 1 to 5 years	> 5 years	Total
Rent	12,532	43,994	80,513	137,040

Other commitments

(in thousands of euros)	30/09/2019	30/09/2018
Sureties and endorsements	454	10,398
Liability guarantee given	11,086	11,216
Acquisition of non-current assets	-	3,449
Other	24,788	25,745
COMMITMENTS GIVEN	**36 328**	**50,808**
Liability guarantee received	1,550	1,550
Sureties received	10,504	13,291
Other	0	0
COMMITMENTS RECEIVED	**12,054**	**14,841**

The commitments given mainly relate to:

- the real estate commitments of the Deux Alpes Loisirs Group: its subsidiary SC2A (formerly Deux Alpes Voyages) provided a guarantee to cover up to €5.0 million in current lease payments;
- €2.1 million from the funding approval given by CDA Financement to SAP Invest, SAP Location and Panoramic;
- in the context of the creation of real estate companies to stimulate the refurbishment of the real estate assets of our resorts, the ski lift companies provide investors with guaranteed rents during the refurbishment period, and then to put them back on the market.

  At 30 September 2019, these commitments amounted to the relatively low figure of €12.4 million, given the number of transactions currently being carried out;
- a liability guarantee granted to Looping Deutschland GmbH during the sale of Fort Fun in the amount of €1 million until 2026;
- two parent-company guarantees at first request amounting to €10.1 million given to the City of Paris for Jardin d'Acclimatation, the first for €9.1 million in relation to the operating fee until 2041, and the second for €1 million in relation to the execution of the contractual investment programme until 2024;
- a bank guarantee and parent company guarantee at first request of CHF750 thousand, given for the By Grévin site;
- the commitments received primarily relate to:
  - a €1.6 million liability guarantee received on the acquisition of Travelfactory,
  - guarantees of €7.1 million given to ADS on land deals,
  - a bank guarantee received by STVI to cover the future payment of a transactional indemnity of €1.2 million relating to the restaurant Tête de Solaise,
  - sureties received from suppliers for €1 million as part of the construction work of a new hotel in Parc Astérix,
  - a surety received on the tourist service guarantees for Futuroscope Destination in the amount of €1.2 million,
  - when acquiring Futuroscope (in January 2011), the sellers provided Compagnie des Alpes with representations and warranties indemnifying it in the event of inspection by tax, parafiscal, social, customs, social security, and other bodies. These representations and warranties remain in force until the corresponding legal and regulatory terms expire;
- as part of the Travelfactory purchase, the parties granted each other put and call options on the balance of Travelfactory shares for a total maximum amount of €5.3 million, over a period of 4 years.
- Moreover, under the various contracts signed by the Compagnie des Alpes Group, the subsidiaries may enter into agreements on investment budgets. Such agreements are variable and can be reviewed, mainly with regard to their term, amount and nature, depending on the contract and implementation opportunities. In light of certain lease contracts signed by the Leisure Destinations, these investment budget agreements may concern all of the Group's subsidiaries.

8.4 EVENTS AFTER THE REPORTING DATE

- During the last quarter of the year, the Group contracted two new bank loans of €5 million and €4 million.
- On 28 January 2020, the Compagnie des Alpes was informed that the municipalities of 2Alpes and Saint Christophe en Oisans would be submitting to the forthcoming meeting of the municipal councils in February 2020 their choice of the SAEM Société Touristique de l'Alpe d'Huez (SATA) as the new operator, awarded the Public Service Delegation Contract for the construction and operation of the 2Alpes ski area.

At the end of 2019, the Deux Alpes ski area delegating municipalities notified Deux Alpes Loisirs, the delegatee company, a subsidiary of the Compagnie des Alpes, their decision on the early termination of the three current Delegations of Public Service (PSC), about 3 years before expiry, to allow a new competition for a single PSC for the entire area, for reasons of general interest. Deux Alpes Loisirs is one of the applicants.

The expectations of the specifications required ambitious investments in view of the outlook for this site. Thanks to its in-depth knowledge of the stakes for the resort where it has been operating the ski area for more than 10 years, Deux Alpes Loisirs made an ambitious and responsible proposal, such as to continue the modernisation of the ski area while ensuring the viability of the DSP.

Deux Alpes Loisirs contributed €40 million to the group's revenue in 2018-2019 and generated 1,260 million skier days.

The activity during the current season will continue to be provided by Deux Alpes Loisirs at least up to the end of the fiscal year. If approved, this decision will not have any impact on the guidance that the Group announced at the presentation of its annual income, it will moreover compensate Deux Alpes Loisir for the assets returned and loss of earnings in compliance with the provisions of the PSC.

8.5 PERSONS RESPONSIBLE FOR THE FINANCIAL STATEMENTS AUDIT

Identity of the Statutory Auditors

PricewaterhouseCoopers Audit SA
63, rue de Villiers
92200 Neuilly-sur-Seine

Incumbent Statutory Auditor represented by Mrs Françoise Garnier.

Registered with the Compagnie régionale des commissaires aux comptes de Versailles.

Reappointed on 8 March 2018. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2022/2023 financial statements.

Cabinet Mazars
Exaltis
61, rue Henri Régnault
92075 Paris La Défense Cedex

Incumbent Statutory Auditor represented by Mr Gilles Rainaut.

Registered with the Compagnie régionale des commissaires aux comptes de Versailles.

Reappointed on 10 March 2016. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2020/2021 financial statements.

Virginie Chauvin
Exaltis
61, rue Henri Régnault
92075 Paris La Défense Cedex

Alternate Statutory Auditor.

Registered with the Compagnie régionale des commissaires aux comptes de Versailles.

Appointed on 10 March 2016, replacing Mr Raymond Pétroni whose term of appointment expired recently. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2020/2021 financial statements.

8.6 STATUTORY AUDITORS' COMPENSATION

	Mazars				PricewaterhouseCoopers Audit SA			
	Amounts		%		Amounts		%	
Amounts (in thousands of euros)	2019	2018	2019	2018	2019	2018	2019	2018
Audit								
Statutory audit, certification, examination of separate and consolidated financial statements								
Issuer	192	187	25%	26%	192	187	28%	30%
Fully consolidated subsidiaries	489	477	64%	67%	409	340	60%	55%
Services other than certification								
Audit-related work	31	47	4%	7%	0	0	0%	0%
Other	48		6%	0%	83	91	12%	15%
SUBTOTAL	**760**	**711**	**100%**	**100%**	**618**	**618**	**100%**	**100%**

* - *Services other than the certification of financial statements (SAAC) required by the regulations: reports on CDA SA's statement of non-financial performance.*
- *Services other than the certification of financial statements (SAAC) not required by the regulations: statements of expenditure, cost base, due diligence.*

5.3.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Fiscal year ended 30 September 2019)

To the Shareholders' Meeting of Compagnie des Alpes

Opinion

Under the terms of the mission entrusted to us by your General Meeting, we have performed an audit of the annual financial statements of Compagnie des Alpes for the fiscal year ended 30 September 2019, such as they are attached to this report.

We certify that the consolidated financial statements are, according to the IFRS standard adopted in the European Union, regular and honest and give a true image of the result of the transactions in the past fiscal year and the financial situation and assets, at the end of the fiscal year, of the unit composed of the persons and entities included in the consolidation.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for our opinion

Audit guidelines

We have carried out our audit in accordance with the professional standards applicable in France. We feel that the audit evidence we collected provides a sufficient and adequate basis for our opinion.

The responsibilities incumbents upon us pursuant to these standards are specified in the part "Responsibilities of the Statutory auditors relative to the audit of the consolidated financial statements" in the present report.

Independence

We have carried out our audit in compliance with the independence rules applicable to us, during the period between 1 October 2018 and the date of our report, and in particular we have not provided services prohibited under Article 5, paragraph 1, of Regulation (EU) No. 537/2014 or under the French Code of Ethics for Statutory Auditors.

Comment

Without calling into question the opinion expressed above, we would like to draw your attention to Note 1 to the consolidated financial statements, "Accounting principles and policies", which indicates that IFRS 9 "Financial instruments" and IFRS 15 "Revenue from contracts with customers" were applied for the first time on 1 October 2018.

Justification of our assessments – Key points of the audit

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code regarding the justification of our assessment, we draw your attention regarding the risks of significant material misstatement which, in our professional judgement, were most significant in the audit of the consolidated financial statements for the fiscal year, as well as the responses we have provided with regard to these risks.app.

These assessments were made as part of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We express no opinion on elements of these consolidated financial statements taken in isolation.

Recognition of revenue

Risk identified

The Group's revenue mainly derives from tickets for entry to leisure parks and museums and sales of passes in ski resorts.

The resulting income is recognised from ticketing computer systems which may vary depending on the sites.

Although the Group relies on several systems for internal control (distribution of internal control guides, campaigns for the self-evaluation of sites, etc.) to ensure the accuracy and comprehensiveness of the revenue, we nevertheless considered that the recognition of ticket sales is a key point in the audit, due to the volume of individual transactions, the large number of sites concerned and the existence of different ticketing systems.

Our solution

In the context of our audit, while adapting the level of checks according to the estimated level of risk for each site, particularly when new ticketing software is developed, our work includes:

- a critical review of the internal-control systems for checking the effectiveness of the procedures put in place to calculate the revenue;
- a critical review of the control environment for the IT systems used, with the help of our IT experts;
- detailed analytical reviews in order to corroborate the quantified data with seasonal and customer-attendance trends and to ensure that price changes are taken into account;
- reconciliation between data from the ticketing systems, incoming payments and data recognised in the accounts.

Accounting treatment of the concessions for ski areas

Risk identified

The operation of the ski areas by Compagnie des Alpes lies within a complex legal framework:

- the specifics of the mechanical-ski-lifts public service are recognised at the legislative and regulatory level via the Mountain Act of 9 January 1985, the major provisions of which were incorporated in the French Tourism Code;
- public service concessions (PSC) signed between the subsidiaries of Compagnie des Alpes and the local authorities set the main economic parameters for the equilibrium of the PSC relative essentially to investments, fees paid, changes to prices and the devolution of assets at the end of the concession.

We considered that the accounting translation of the elements in the life of these contracts is a key point of the audit, because recording transactions directly related to these contracts is complex:

- each subsidiary signs a specific contract with the local authority upon which the ski area is dependent;
- the accounting treatment of assets is specific to each of the concessions;
- the determination of the recovery value of assets at the end of the concession may, according to the contracts, require the use of judgements and estimates by the management;
- the management's assumption that the concessions will be renewed made by the management when carrying out its impairment tests must take into account the latest discussions with the local authorities.

Our solution

We have taken note of the legal commitments and transactions related to the implementation of these contracts.

We have checked the correct accounting translation of these transactions, particularly with regard to the treatment of the concession assets and the investment commitments. Where applicable, we have corroborated our analyses by interviews with the Financial Department and Legal Department, notably to understand the judgements and estimates adopted.

We have taken note of the negotiations in progress for concessions that will shortly expire, in order to check the reasonable character of the assumptions made by the management to perform its impairment tests.

We have also assessed the appropriate character of the information referred to in the Consolidated Financial Statements, notably in Note 1.14 relating to the concessions.

Impairment test for intangible assets and property, plant and equipment

Risk identified

At 30 September 2019, the value of intangible and tangible assets stood at €1,554 million compared with a balance sheet total of €1,843 million. These assets are composed of goodwill (€331 million, see Note 6.1), intangible assets (€69 million, see Note 6.2) and property, plant and equipment (€1,154 million, see Note 6.3).

The value of these assets is tested by the management as soon as events or changes to the market environment or internal events indicate a risk of sustainable loss of value and at least once a year for assets with an indefinite service life.

We have considered that the valuation of these assets is a key point of the audit due, firstly, to the determination of their recoverable value, based on forecasts for discounted future cash flows, which require the use of assumptions, estimates or assessments, and, secondly, due to the high sensitivity of assumptions on the results of the test used. The main assumptions, the methodology used and the sensitivity tests are presented in Notes 1.12, 1.15 and 6.1 to 6.3 to the consolidated financial statements. As indicated in Note 1.15, the impairment tests are implemented under an approach that involves grouping cash-generating units at the level of two operating sectors: Ski Areas and Leisure Parks.

Our solution

We have examined the procedures for implementing the impairment tests performed by the Group. These are based in particular on medium-term plans prepared for each site, reviewed and approved by the Group's governance.

We have assessed:

- the quality of the process for the preparation and approval of budgets and forecasts;
- the appropriateness of the main estimates used, in particular cash flow forecasts and the long-term growth rates and discount rates used.

We have also analysed the consistency of forecasts and performed our own sensitivity analyses on the impairment tests.

These analyses were carried out with the assistance of our valuation experts and have been shared with the group's Executive Management.

We have also assessed the appropriate character of the information presented for the impairment tests for assets and checked the quantified information provided in Note 6.1 to the consolidated financial statements and relating to the sensitivity tests.

Specific checks

We also carried out, in accordance with the standards of professional practice applicable in France, the specific checks required by the law and regulations on disclosures relating to the Group, given in the Board of Directors' management report.

We have no comment to make regarding their fairness and consistency with the consolidated financial statements.

We certify that the consolidated statement of non-financial performance specified by Article L.225-102-1 of the French Commercial Code is present in the information on the Group provided in the management report, with the understanding that, in compliance with the provisions of Article L. 823-10 of this Code, we have not checked the faithfulness or consistency of the information contained in this statement with the consolidated financial statements, which must be performed by an independent third-party.

Information under other legal and regulatory obligations

Appointment of the Statutory auditors

We have been appointed Statutory Auditors of Compagnie des Alpes by the Shareholders' Meeting, in 1998 in the case of Mazars and in 1991 in the case of PricewaterhouseCoopers Audit.

On 30 September 2019, the firm Mazars was in the 22nd year of its mission without interruption and the firm PricewaterhouseCoopers Audit was in its 29th year, *i.e.* 22 and 26 years respectively since the company's shares were listed for trading on a regulated market.

Responsibilities of the management and the persons responsible for corporate governance with regard to the consolidated financial statements

It is the responsibility of the management to prepare consolidated financial statements that present a true image in accordance with the IFRS standards as adopted in the European Union and to set up the internal control it deems necessary to the preparation of consolidated financial statements and to ensure that they are free of material misstatements, whether these result from fraud or error.

At the time of preparing the consolidated financial statements, it is the responsibility of the management to assess the company's ability to continue its operation, to present in these financial statements, where applicable, the necessary information relating to business continuity and to apply the accounting concept of a going concern, except where the company plans to liquidate or cease trading.

It is the responsibility of the Audit Committee to monitor the process by which financial information is prepared and the efficiency of the internal control and risk management systems, as well as, where applicable, that of the internal audit, with regard to procedures for preparing and processing accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors regarding the audit of the consolidated financial statements

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our aim is to obtain reasonable assurance that the consolidated financial statements, taken as a whole, are free from material misstatement. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with professional standards of practice will systematically detect all material misstatements. Misstatements can arise due to fraud or error and are considered to be material if they, individually or in the aggregate, could be reasonably expected to influence the economic decisions of users taken on the basis of the financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist in guaranteeing the viability or quality of the management of your company.

In the context of an audit performed in accordance with the professional standards of practice applicable in France, the Statutory Auditor exercises his or her professional judgement throughout the audit.

Furthermore:

- he or she identifies and assesses the risks that the consolidated financial statements may contain material misstatements, whether these are due to fraud or error, defines and implements audit procedures to address these risks and collects evidence that he or she considers sufficient and appropriate as a basis for his or her opinion. The risk of not detecting a material misstatement arising from fraud is greater than that of a material misstatement resulting from error, because fraud may involve collusion, falsification, wilful omission, false statements or circumvention of the internal control system;
- the auditor reviews the internal control system relevant to the audit in order to define audit procedures that are appropriate in the circumstances and not in order to express an opinion on the effectiveness of the internal control system;
- he or she assesses the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by the management, as well as the related information provided in the consolidated financial statements;
- he or she assesses the appropriateness of the management's application of the accounting principle of going concern and, depending on the evidence collected, the existence or otherwise of significant uncertainty relating to events or circumstances likely to call into question the company's ability to continue operating. This assessment is based on the evidence collected up to the date of the auditor's report, bearing in mind that subsequent circumstances or events could jeopardise business continuity. If the auditor identifies the existence of significant uncertainty, he or she shall draw readers' attention to the information provided in the consolidated financial statements regarding this uncertainty or, if this information is not provided or is not relevant, he or shell shall prepare a certification with reservation or refuse to certify the financial statements;
- the auditor evaluates the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect underlying transactions and events so as to give a true and fair image;
- concerning the financial information of the persons or entities included within the scope of consolidation, it connects the elements that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and performance of the audit of the consolidated financial statements, as well as the opinion expressed on these statements.

Report to the Audit Committee

We provide a report to the Audit Committee which presents the scope of the audit and the programme of work carried out, as well as the conclusions derived from our work. We also draw the attention of the committee, where applicable, to significant weaknesses in the internal control system that we have identified concerning procedures for the preparation and processing of accounting and financial information.

Among the information presented in the report to the Audit Committee are the risks of material misstatements, which we deem the most significant for the audit of the consolidated financial statements for the fiscal year and that consequently constitute the key points of the audit, which we must describe in this present report.

We also provide the Audit Committee with the statement referred to in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France such as they are set out 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 applicable, we discuss any risks that may threaten our independence and the safeguard measures applied with the Audit Committee.

Neuilly-sur-Seine and Courbevoie, 29 January 2020

Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

5.4 Parent company financial statements

5.4.1 PARENT-COMPANY BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS AT 30 SEPTEMBER 2019

BALANCE SHEET ASSETS

	30/09/2019			30/09/2018
(in thousands of euros)	Gross amount	Amortisation, depreciation and provisions	Net amount	
Intangible assets	21,990	15,206	6,784	4,516
Property, plant and equipment	3,483	2,654	829	824
Non-current financial assets	931,576	48,563	883,013	832,583
NON-CURRENT ASSETS	**957,049**	**66,423**	**890,626**	**837,923**
Accounts receivable	9,628	0	9,628	12,229
Cash position	178	0	178	102
CURRENT ASSETS	**9,806**	**0**	**9,806**	**12,331**
Prepaid expenses	1,738	0	1,738	1,412
TOTAL ASSETS	**968,593**	**66,423**	**902,170**	**851,666**

BALANCE SHEET LIABILITIES

(in thousands of euros)	30/09/2019	30/09/2018
Share capital	186,425	186,091
Issue premium and merger premium	263,018	263,018
Legal reserve	17,981	17,133
Other reserves	1,192	1,526
Retained earnings	64,334	64,072
Net income for the period	14,592	16,961
SHAREHOLDERS' EQUITY	**547,542**	**548,801**
Provisions for contingencies and charges	3,278	3,854
Borrowings	328,175	275,179
Operating liabilities	14,626	15,202
Other liabilities and adjustment accounts	8,094	8,443
LIABILITIES	**350,895**	**298,824**
Translation adjustments (liabilities)	455	187
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**902,170**	**851,666**

INCOME STATEMENT

(in thousands of euros)	30/09/2019	01/10/2018
REVENUE (EXCL. VAT)	**31,017**	**28,880**
Other revenue	16	9
Reversal of provisions and expense transfers	1,966	3,621
OPERATING INCOME	**32,999**	**32,510**
Purchases and external costs	18,073	14,188
Taxes other than on income	757	1,174
Payroll and social security charges	20,664	22,575
Amortisation and depreciation	2,783	2,837
Provisions	1,230	2,432
Other expenses	133	118
OPERATING EXPENSES	**43,640**	**43,324**
OPERATING INCOME	**-10,641**	**-10,814**
NET FINANCIAL INCOME	**19,897**	**31,260**
INCOME FROM ORDINARY ACTIVITIES BEFORE TAX	**9,256**	**20,446**
Net extraordinary income	-97	-16,373
Income tax	5,433	12,888
NET INCOME	**14,592**	**16,961**

STATEMENT OF CASH FLOWS

(in thousands of euros)	30/09/2019	30/09/2018
Net income	**14,592**	**16,961**
Amortisation, depreciation and provision increases and reversals (incl. impairment)	23,006	5,728
Gains and losses on disposal	22	16,641
Dividends received	-46,952	-43,767
Write-offs and loss on irrecoverable receivables	0	2,000
OPERATING CASH FLOW	**-9,332**	**-2,437**
Changes in WCR	653	-17,760
Restatement of financial expenses and write-offs	6,256	6,660
CASH FLOWS FROM OPERATING ACTIVITIES	**-2,423**	**-13,537**
Acquisitions of property, plant and equipment and intangible assets	-4,450	-1,882
Dividends received	46,952	43,767
Acquisitions of non-current financial assets	-71,173	-11,382
Disposal and redemption of non-current financial assets	308	15,710
CASH FLOWS FROM INVESTING ACTIVITIES	**-28,363**	**46,213**
New borrowings and intra-group loans		
Repayment of borrowings and intra-group loans	0	-200,000
Change in overdrafts	-12,923	172,923
Payment of financial expenses and write-offs	-6,204	-15,812
CHANGES IN SUNDRY RECEIVABLES AND PAYABLES	**0**	**68**
Dividends awarded to shareholders	-15,851	-12,174
CASH FLOWS FROM FINANCING ACTIVITIES	**-34,978**	**-54,995**
CHANGE IN CASH POSITION	**-65,764**	**-22,319**
Cash position at beginning of reporting period	-832	21,487
Cash position at reporting date	**-66,596**	**-832**
CHANGE IN CASH POSITION	**-65,764**	**-22,319**

5.4.2 NOTES TO THE PARENT-COMPANY FINANCIAL STATEMENTS

These additional notes to the parent-company financial statements of Compagnie des Alpes SA for the 12-month period ended 30 September 2019 contain additional information on the balance sheet (total assets of €902,170 thousand) and the income statement of 14,592 thousand.

CONTENT

Note 1 Key events during the fiscal year

In March 2019, Compagnie des Alpes acquired a 94.9% stake in Familypark GmbH for €48.6 million.

Note 2 Accounting principles, rules and policies

The annual financial statements are presented in accordance with the generally accepted accounting principles in France.

The basic method used to measure assets and liabilities was the historical cost method. The main policies applied are as follows:

2.1 INTANGIBLE ASSETS

Software is amortised on a straight-line basis over one to three years.

2.2 PROPERTY, PLANT AND EQUIPMENT

Depreciation is calculated on the basis of the estimated useful lives of the various types of assets. Property, plant and equipment are measured at acquisition cost. The useful lives are as follows:

- General installations 10 years
- Equipment (vehicles, office and computer equipment) 3 to 5 years
- Office furniture 5 to 10 years

2.3 NON-CURRENT FINANCIAL ASSETS

Shareholdings are recognised at acquisition cost.

The acquisition costs of shareholdings included in the cost of securities are subject to accelerated straight-line amortisation over five years.

Shareholdings are tested annually for impairment, on the basis of a number of valuation factors (net assets, growth prospects determined in relation to the medium-term business plans of the companies in question, estimated realisable value, etc.). Impairment may be recognised when the valuation (based on a number of valuation factors) is lower than the cost price.

Loans, deposits, and other capitalised receivables are measured at their nominal value minus any impairment losses depending on their recoverable nature.

2.4 RECEIVABLES

Receivables are measured at their nominal value. Impairment is recognised when the net asset value falls below the book value.

2.5 POST-EMPLOYMENT BENEFITS

The obligations of Compagnie des Alpes with respect to post-employment benefits are measured and recognised off balance sheet. The calculation method complies with the Company's collective arrangements that came into force on 1 July 2009.

The obligation is calculated on the basis of current salaries (fixed salary and bonuses), including benefits to be paid when employees retire, and taking into account seniority at retirement date. The assumption of voluntary retirement at the age of 62 was taken as the most probable. The benefits reflect a number of coefficients and assumptions (anticipated life expectancy, changes in the benefit calculation basis, inflation, etc.). The discount rate is based on the performance of the 10-year iBOXX and amounts to 0.5% per annum for the fiscal year ended 30 September 2019 (1.55% at 30 September 2018).

Note 3 Notes relating to the balance sheet

3.1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The property, plant and equipment and intangible assets line items changed as follows:

(in thousands of euros)	At 30/09/2018	Increases	Decreases	At 30/09/2019
Intangible assets	17,237	4,753		21,990
Depreciation of intangible assets	-12,721	-2,485		-15,206
NET TOTAL	**-4,516**	**-2,268**		**-6,784**

(in thousands of euros)	At 30/09/2018	Increases	Decreases	At 30/09/2019
Property, plant and equipment	3,207	293	-17	3,483
Depreciation of property, plant and equipment	-2,383	-288	17	-2,654
NET TOTAL	**824**	**5**	**0**	**829**

Capital expenditure mainly relates to IT development carried out by Compagnie des Alpes (principally development of CRM applications, continued roll out of automated reporting of the revenue of Leisure parks, and a financial ERP throughout the Group).

3.2 NON-CURRENT FINANCIAL ASSETS

The changes in non-current financial assets can be summarised as follows:

(in thousands of euros)	At 30/09/2018	Increases	Decreases	At 30/09/2019
Shareholdings	845,756	54,464		900,220
Shareholdings in non-consolidated companies	6,318	5,619		11,937
Related receivables (and accrued interest not yet due)	6,836	14,768	-3,559	18,045
Dividends to be received	0			0
Deposits and guarantees	430	12		442
Treasury stock	356	206		562
OUTSTANDING CASH FOR THE MARKET-MAKING AGREEMENT	**650**		**-280**	**370**
Gross total	860,346	75,069	-3,839	931,576
Impairment of shareholdings	-24,148	-20,790		-44,938
Impairment of related receivables	-3,615	-10		-3,625
NET TOTAL	**832,583**	**54,269**	**-3,839**	**883,013**

The increase in shareholdings resulted mainly from the acquisition of 94.9% of Familypark GmbH's shares in March 2019 for an amount of €48.6 million.

Compagnie des Alpes also carried out a capital increase for some of its subsidiaries:

- CDA DL for an amount of €2.6 million;
- By Grévin for an amount of €2.7 million;
- CDA Beijing for an amount of €0.55 million.

Concerning non-consolidated companies, Compagnie des Alpes granted an advance of €10.45 million to Jardin d'Acclimatation in December 2018, then participated in its €3.6 million capital increase, through the incorporation of part of its financial receivables. It also acquired shares of SCI des Clarines for €1.5 million and granted an advance of an equal amount to this company.

Compagnie des Alpes also acquired Travelfactory's 70% stake in Ski & Soleil for €0.56 million.

Further advances of CAD3.8 million (or €2.8 million at 30 September 2019) were granted by Compagnie des Alpes to its subsidiary Grévin Montréal during the year, taking the total amount of advances to CAD9.1 million. €3.4 million of this receivable, which generated a translation adjustment of €455 thousand during the fiscal year ended 30 September 2019, was impaired to take into account the financial situation of the subsidiary and its outlook.

Impairment of securities amounted to €44.9 million at 30 September 2019 after taking into account increases of €20.8 million for the fiscal year, which can mainly be analysed as follows:

- impairment of securities of HHH for an amount of €10.9 million;
- impairment of securities of Grévin Montréal for an amount of €4.8 million;
- impairment of securities of Grévin for an amount of €3.2 million;
- impairment of securities of CDA Beijing for an amount of €1.1 million.

SUBSIDIARIES AND SHAREHOLDINGS *(IN THOUSANDS OF EUROS)*

Financial information Subsidiaries and shareholdings	Legal structure	Date for the last fiscal year ended	Equity interest at at 30/09/2019 (direct and indirect)
Subsidiaries (at least 50% of the share capital held by the company)			
BY GREVIN (b) – GENEVA (SWITZERLAND)	SA	30/09/2019	100%
CDA-DS – SIREN no. 477 855 787 – 92100 BOULOGNE BILLANCOURT	SAS	30/09/2019	100%
GRÉVIN & CIE – SIREN no. 334 240 033 – 60128 PLAILLY	SA	30/09/2019	100%
CDA FINANCEMENT – SIREN no. 482 940 616 – 92100 BOULOGNE BILLANCOURT	SAS	30/09/2019	100%
CDA PRODUCTIONS – SIREN no. 421 155 458 – 92100 BOULOGNE BILLANCOURT	SAS	30/09/2019	100%
MUSÉE GRÉVIN – SIREN no. 552 067 811 – 75009 PARIS	SA	30/09/2019	95.88%
FRANCE MINIATURE – SIREN no. 348 677 196 – 78990 ELANCOURT	SAS	30/09/2019	100%
HARDERWIJK HELLENDOORN HOLDING – NL 3840 – HARDERWIJK – THE NETHERLANDS	BV	30/09/2019	100%
SOCIÉTÉ DU PARC DU FUTUROSCOPE – SIREN No. 444 030 902 – 86130 JAUNAY CLAN	SA	30/09/2019	45.55%
CDA BRANDS – SIREN no. 383 926 532 – 92100 BOULOGNE BILLANCOURT	SAS	30/09/2019	100%
AVENIR LAND – SIREN no. 311 285 068 – 38630 LES AVENIÈRES	SAS	30/09/2019	100%
CDA MANAGEMENT – SIREN no. 500 244 140 – 92100 BOULOGNE BILLANCOURT	SAS	30/09/2019	100%
LOISIRS RE – L 8070 BERTRANGE (GD Luxembourg)	SA	30/09/2019	100%
CDA BEIJING BUSINESS CONSULTING – China – Beijing	Ltd	30/09/2019	100%
CDA DL – SIREN no. 534 737 432 – 92100 BOULOGNE BILLANCOURT	SAS	30/09/2019	100%
INGELO – SIREN no. 534 870 803 – 73000 CHAMBÉRY	SAS	30/09/2019	100%
MUSÉE GRÉVIN MONTRÉAL (b) – MONTRÉAL QC (CANADA)	Inc	30/09/2019	100%
TRAVELFACTORY – SIREN no. 534 737 432 – 92210 CLICHY	SAS	30/09/2019	73.30%
SKI & SOLEIL - SIREN no. 509 089 322 – 92210 CLICHY	SAS	30/09/2018	100.00%
FAMILYPARK GMBH – SANKT MARGARETHEN, AUSTRIA	SARL	30/09/2019	94.90%
Shareholdings (10 to 50% of the share capital held by the Company)			
CMB – SIREN no. 605 520 584 (c) – 74400 CHAMONIX	SA	31/05/2019	37.49%
JARDIN d'ACCLIMATATION – SIREN no. 582 110 995 – 75009 PARIS	SA	31/12/2018	20.00%
2CO IMMO – SIREN no. 809 948 870 – 05330 SAINT CHAFFREY	SAS	31/12/2018	45%
AZOR MANAGEMENT – MOSCOW (RUSSIA)	LLC	-	15%
SCI RT LES CLARINES – SIREN no. 850 101 635 – 73000 CHAMBÉRY	SCI	N/A	27.27%

(a) Principal amount.
(b) Conversion for €1: CHF1.0847 - CAD1.4426.
(c) Consolidated data of the CMB Group at 31 May 2019.

3.3 LIQUIDITY CONTRACT AND TREASURY STOCK

Treasury stock and cash allocated to the liquidity contract are classified as "non-current financial assets".

Pursuant to the share buyback programme authorised by the Combined Ordinary and Extraordinary Shareholders' Meeting of 7 March 2019, CDA's liquidity contract consisted of the following at 30 September 2019:

- 21,893 shares representing a gross book value of €562 thousand;
- cash of €370 thousand (principal and accrued interest),

Regarding the CDA stock price which stood at €25.6 at 30 September 2019, no impairment loss was recognised.

3.4 ACCOUNTS RECEIVABLE

The "accounts receivable" line item stood at €9,628 thousand. It comprised:

- trade receivables €945 thousand;
- tax and payroll receivables (VAT and CICE) €6,060 thousand;
- intra-group current accounts of tax consolidated subsidiaries €2,486 thousand;
- other sundry receivables €136 thousand.

3.5 PREPAID EXPENSES

The prepaid expenses of €1,768 thousand included:

- operating expenses of €1,437 thousand;
- financial expenses related to a bond issue (amounting to €331 thousand). These costs are expensed on a straight-line basis over the term of the bond.

3.6 SHARE CAPITAL

At 30 September 2019, the share capital consisted of 24,457,051 ordinary shares with no stated nominal value.

The financial statements of Compagnie des Alpes and its subsidiaries are fully consolidated by Caisse des Dépôts et Consignations (CDC).

Share capital	Shareholders' equity other than share capital incl. net income	Loans and advances granted by the company and still outstanding [(a)]	Amounts of guarantees and sureties given by the company	Revenue (excl. VAT)	Net income	Dividends paid to CDA during the reporting period	Gross book value of securities	Net book value of securities
2,950	-2,860		-	5,628	-1,634	-	3,172	-
298,531	120,111		14,814	350	37,563	33,500	318,531	318,531
52,913	16,185		29,120	123,641	11,071	8,087	114,541	114,541
1,010	2,036		221,169	-	827	500	1,015	1,015
664	-1,000		899	1,369	-699	-	10,038	-
4,603	2,469		151	13,926	909	926	30,061	30,061
1,809	-765		-	3,810	-319	-	6,012	1,100
252	94,655		-	-	-2,657	-	105,478	94,578
6,504	30,316		-	92,566	6,297	2,370	28,593	28,593
713	24,378		-	-	1,041	1,000	16,850	16,850
915	4,527		5,383	15,791	910	480	16,038	16,038
331	6		500	974	-481	-	2,574	1,574
2,075	-		-	-	-	-	2,075	2,075
1,090	-824		-	298	-358	-	1,130	1
2,685	81		-	309	56	-	2,725	2,725
100	368		1,915	6,644	217	69	100	100
12,131	-11,140		-	1,091	-2,056	-	13,312	218
128	-2,020		2,102	74,953	-2,089	-	10,332	10,332
8	-33		-	3,003	-112	-	1,010	1,010
50	12,135		-	16,921	4,604	-	48,557	48,557
2,581	118,802		-	98,445	19,570	-	26,557	26,557
7,738	-13,697	6,893	-	7,738	-7,352	-	5,107	5,107
3,580	-382	414	-	591	1	-	1,611	1,611
-	-	-	-	-	-	-	55	55
N/A	N/A	1,500	N/A	N/A	N/A	N/A	1,500	1,500

3.7 CHANGE IN SHAREHOLDERS' EQUITY

The change in shareholders' equity breaks down as follows:

(in thousands of euros)	Share capital	Issue premium and merger premium	Reserves	Retained earnings	Income	Shareholders' equity
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2017	**185,703**	**263,018**	**18,923**	**73,892**	**2,478**	**544,014**
Appropriation of results			124	2,354	-2,478	0
Dividend payout				-12,174		-12,174
Capital increase	388		-388			0
Net income for the period					16,961	16,961
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2018	**186,091**	**263,018**	**18,659**	**64,072**	**16,961**	**548,801**
Appropriation of results			848	16,113	-16,961	0
Dividend payout				-15,851		-15,851
Capital increase	334		-334			0
Net income for the period					14,592	14,592
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2019	**186,425**	**263,018**	**19,173**	**64,334**	**14,592**	**547,542**

The Shareholders' Meeting of 7 March 2019 approved the dividend distribution of €15,851 thousand during the appropriation of income for the reporting period ended 30 September 2018.

3.8 PROVISIONS FOR CONTINGENCIES AND CHARGES

(in thousands of euros)	At 30/09/2018	Increases	Decreases	At 30/09/2019
Provisions for affiliate risks	1,000			1,000
Provisions for contingencies	2,704	1,230	-1,806	2,128
Provisions for charges	150			150
TOTAL	**3,854**	**1,230**	**-1,806**	**3,278**

Provisions for contingencies are related to identified risks or ongoing disputes.

3.9 BORROWINGS

Maturities of the Company's financial debt break down as follows:

(in thousands of euros)	At 30/09/2018	Increases	Decreases	At 30/09/2019
Bonds	100,000			100,000
Group borrowings	172,923		-12,923	160,000
Accrued interest not yet due on bonds	1,421	1,401	-1,421	1,401
Bank overdrafts	835	65,939		66,774
TOTAL	**275,179**	**67,340**	**-14,344**	**328,175**

Borrowings	Total	Maturity at less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years
Bonds	100,000					100,000	0
Group borrowings	160,000	16,000	16,000	16,000	16,000	16,000	80,000
Interest on bonds	1,401	1,401					0
Bank overdrafts (incl. intra-group)	66,774	66,774					0
TOTAL	**328,175**	**84,175**	**16,000**	**16,000**	**16,000**	**116,000**	**80,000**

The bond issue (for €100 million in 2014) is accompanied by a shareholder clause stipulating that the direct or indirect shareholding of Caisse des Dépôts in the capital of Compagnie des Alpes S.A. must be greater than or equal to 33.33%. If, without prior consent by the lending institution, Caisse des Dépôts were to directly or indirectly own less than 33.33% of the share capital and voting rights of the borrower, the lender could immediately call in the loan.

The bonds come with the obligation to respect a financial ratio based on the consolidated financial statements of Compagnie des Alpes Group.

The ratio that must be respected is the following:

	Covenant	Ratio at 30/09/2019
Consolidated net debt/Consolidated EBITDA	< 3.50	2.33

At 30 September 2019, this ratio was respected.

3.10 OPERATING LIABILITIES

Operating liabilities break down as follows:

(in thousands of euros)	At 30/09/2019	At 30/09/2018
Trade payables	6,498	5,956
Liabilities towards staff and social security bodies	7,390	8,384
Tax liabilities (VAT and other taxes)	526	1,069
Tax consolidation current accounts	4,214	8,054
Corporate tax liabilities	212	
Other debt	3,880	
TOTAL	**22,720**	**23,463**

Note 4 Notes relating to the income statement

4.1 REVENUE

Revenue amounted to €31 million. These mainly consist of services provided by the Company on behalf of its subsidiaries (operational services and holding company services) and staff seconded to subsidiaries.

4.2 OPERATING EXPENSES

Net operating expenses for reversal of provisions and other income amounted to €41.6 million and increased by €1.9 million compared to the previous year, mainly due to an increase in external services (linked to IT and digital costs) and personnel costs (payment of an exceptional business bonus for employees of the Group in the amount of €2.4 million, fully borne by the parent company - "Macron bonus").

4.3 NET FINANCIAL INCOME

(in thousands of euros)	At 30/09/2019	At 30/09/2018
Dividends	47,001	43,767
Income on financial receivables	54	75
SUB-TOTAL DIVIDENDS AND INCOME ON FINANCIAL RECEIVABLES	**47,055**	**43,842**
Interest expense on loans and *cash pools*	-2,700	-2,558
Interest expense (bond)	-3,556	-4,102
SUB-TOTAL FINANCING COSTS	**-6,256**	**-6,660**
Reversal of financial provisions	0	294
Impairment of non-current financial assets	-20,800	-4,214
SUB-TOTAL PROVISIONS AND IMPAIRMENT (NET)	**-20,800**	**-3,920**
Write-offs		-2,000
Other	-102	-2
NET FINANCIAL INCOME	**19,897**	**31,260**

Dividends amounted to €47 million compared to €43.8 million in 2018.

4.4 NET EXTRAORDINARY INCOME

The net extraordinary income stood at -€97 thousand in the absence of significant items of an exceptional nature. In 2018, it amounted to -€16.4 million and mainly included:

- net capital gains from the sale of Grévin Prague and Grévin Seoul shares for €1.7 million;
- losses on disposal of receivables from the same companies amounting to -€18.3 million.

4.5 INCOME TAX

For the fiscal year ended 30 September 2019, Compagnie des Alpes continued to act as the head company of the tax consolidation group. Consolidated subsidiaries were as follows:

- Grévin & Cie;
- Musée Grévin;
- France Miniature;
- CDA-Domaines Skiables;
- Méribel Privé (formerly Compagnie Immobilière des 2 Savoie);
- CDA Financement;
- Méribel Alpina;
- SCV Domaine Skiable (Serre Chevalier);
- CDA Productions;
- Avenir Land (Walibi Rhône-Alpes);
- Société d'Aménagement de la Station de La Plagne (SAP);
- Arcs Domaine Skiable (ADS);
- CDA Management;
- INGELO;
- Deux Alpes Loisirs;
- SC2A SARL;
- CDA DL;
- Val-d'Isère Téléphériques;
- Valbus;
- CDA Brands;
- Serre Chevalier Bail;
- Val-d'Isère Immo.

The tax consolidation regime of Compagnie des Alpes is based on the general principle of financial neutrality. Each subsidiary member of the tax group states income tax as if the subsidiary were not consolidated, and the parent company declares the total income tax of the tax group.

The tax group reported taxable earnings of €55.7 million. The tax group incurred income tax of €18.2 million.

In light of the tax contributed by the tax consolidated subsidiaries (€23.6 million), the accounting income generated by the tax consolidation totaled €5.4 million.

Note 5 Off-balance sheet commitments

The commitments given include:

- a liability guarantee granted to Looping Deutschland GmbH during the sale of Fort Fun in the amount of €1 million until 2026;
- two liability guarantees amounting to a total of €10.1 million given to the City of Paris for Jardin d'Acclimatation, one for €9.1 million relating to the operating fee due until 2041 and one for €1 thousand relating to the implementation of the contractual investment programme until 2024.

The commitments received are as follows:

- when acquiring Travelfactory (in January 2019), the sellers provided Compagnie des Alpes with representations and warranties indemnifying it (for €1.55 million) for post-transaction damages. These representations and warranties remain in force until the corresponding legal and regulatory terms expire;
- As part of the Travelfactory purchase, the parties granted each other put and call options on the balance of Travelfactory shares for a total maximum amount of €5.3 million, over a period of 4 years.

Note 6 Events after the reporting date

None.

Note 7 Earnings and other key information over the past five reporting periods

TABLE OF INCOME FOR FIVE YEARS

Description *(amounts in euros)*	30/09/2015	30/09/2016	30/09/2017	30/09/2018	30/09/2019
Share capital at reporting date					
a) Share capital	185,030,527	185,362,679	185,703,368	186,090,974	186,424,689
b) Number of ordinary shares outstanding	24,274,151	24,317,726	24,362,421	24,413,271	24,457,051
c) Number of convertible bonds outstanding					
Operations and net income for the period					
a) Revenue	29,565,808	27,007,717	27,573,778	28,880,325	31,017,444
b) Net income before tax, profit-sharing, amortisation, depreciation and provisions	-11,040,791	10,527,492	-5,547,818	5,720,490	32,165,937
c) Income tax	7,444,803	7,284,000	6,391,332	12,888,109	5,433,218
d) Net income after tax, profit-sharing, amortisation, depreciation and provisions	12,763,210	13,379,298	-2,319,064	16,961,031	14,591,888
e) Distributed earnings	9,697,908	9,718,410	12,173,487	15,850,693	NA
Earnings per share					
a) Net income after tax, profit-sharing, but before amortisation, depreciation and provisions	-0.15	0.73	0.03	0.76	1.54
b) Net income after tax, profit-sharing, amortisation, depreciation and provisions	0.53	0.55	-0.10	0.69	0.60
c) Dividend per share	0.40	0.40	0.50	0.65	NA
Personnel					
a) Average headcount	125	109	122	118	129
b) Total payroll for the reporting period	14,300,916	13,871,806	13,451,976	14,869,362	12,500,745
c) Amounts paid in employee benefits over the reporting period	7,124,136	5,735,114	7,024,197	7,706,118	8,163,146

5.4.3 STATUTORY AUDITORS’ REPORT ON THE ANNUAL FINANCIAL STATEMENTS

To the Shareholders’ Meeting of Compagnie des Alpes,

Opinion

Under the terms of the mission entrusted to us by your General Meeting, we have performed an audit of the annual financial statements of Compagnie des Alpes for the fiscal year ended 30 September 2019, such as they are attached to this report.

We certify that, as per French generally accepted accounting principles, the annual financial statements give a true and fair view of the operating performance over the past fiscal year, as well as of the financial position and assets and liabilities of the company at the end of that fiscal year.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for our opinion

Audit guidelines

We have carried out our audit in accordance with the professional standards applicable in France. We feel that the audit evidence we collected provides a sufficient and adequate basis for our opinion.

The responsibilities assigned to us pursuant to these standards are presented in the section “Responsibilities of the Statutory Auditors regarding the audit of the annual financial statements” in this report.

Independence

We have carried out our audit in compliance with the independence rules applicable to us, during the period between 1 October 2018 and the date of our report, and in particular we have not provided services prohibited under Article 5, paragraph 1, of Regulation (EU) No. 537/2014 or under the French Code of Ethics for Statutory Auditors.

Justification of our assessments – Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the justification of our assessments, we draw your attention to the key points of the audit regarding the risks of material misstatement which, in our professional judgement, were most significant in the audit of the annual financial statements for the fiscal year, as well as the responses we have provided with regard to these risks.

These assessments were made as part of our audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We express no opinion on specific elements of the annual financial statements.

Valuation of shareholdings

Risk identified

Most of the Company’s assets are shareholdings that are measured in line with the method indicated in Notes 2.3 and 3.2 to the annual financial statements.

We have considered the valuation of shareholdings to be a key point of the audit given their significance in the annual financial statements and because the determination of their recoverable amount, based on multi-criteria valuation methods, requires the use of assumptions, estimates and assessments likely to have a material impact on the provisions for impairment recorded.

Our solution

We have reviewed the impairment testing methods applied by the company. These are notably based on the medium-term plans prepared for each subsidiary, reviewed and approved by the company’s governance.

We have assessed:

- the quality of the process for the preparation and approval of budgets and forecasts;
- the appropriateness of the main estimates used, in particular cash flow forecasts and the long-term growth rates and discount rates used.

We have also analysed the consistency of forecasts and performed our own sensitivity analyses on the impairment tests.

These analyses were carried out with the assistance of our valuation experts and have been shared with the company’s Executive Management team.

Based on our research, we have no reason to challenge the results of the impairment tests or the figures presented in Note 3.2 to the annual financial statements.

Specific checks

We also carried out, in accordance with standards for professional practice in France, the specific checks required by the laws and regulations.

Information provided in the management report and any other documents on the financial situation and the annual financial statements provided to the shareholders

We have no comments to make regarding the accuracy and consistency with the annual financial statements of the disclosures in the management report of the Board of Directors or in the other documents provided to shareholders on the financial position of the company and the annual financial statements.

We attest to the faithfulness and the consistency of the annual financial statements with the information on the payment times mentioned in Article D. 441-4 of the French Commercial Code.

Report on corporate governance

We attest to the existence, in the report of the Board of Directors on corporate governance, of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information provided in application of the provisions of Article L. 225-37-3 of the French Commercial Code on the compensation and benefits paid to the corporate officers as well as the commitments made to them, we checked their consistency with the financial statements or with the data used to prepare these financial statements and, as the case may be, with the items received by your company from companies controlling your company or controlled by it. On the basis of this work, in our opinion, these disclosures are accurate and fair.

Concerning information relating to the elements that your company considered potential key factors in the event of a purchase or exchange takeover bid, provided in application of the provisions of Article L. 225-37-5 of the French Commercial Code, we checked their compliance with the documents from which they originate that were provided to us. On the basis of this work, we have no comment to make on this information.

Other information

In accordance with the law, we have determined that the information relating to the investments and control and to the identity of holders of share capital or voting rights has been presented to you in the management report.

Information under other legal and regulatory obligations

Appointment of the Statutory Auditors

We have been appointed Statutory Auditors of Compagnie des Alpes by the Shareholders' Meeting, in 1998 in the case of Mazars and in 1991 in the case of PricewaterhouseCoopers Audit.

On 30 September 2019, the firm Mazars was in the 22nd year of its mission without interruption and the firm PricewaterhouseCoopers Audit was in its 29th year, i.e. 22 and 26 years respectively since the company's shares were listed for trading on a regulated market.

Responsibilities of the management and the persons responsible for corporate governance with regard to the annual financial statements

It is the responsibility of the management to prepare annual financial statements that present a true and fair view of the company in accordance with French accounting rules and principles, as well as to implement the internal control system it deems necessary to ensure the annual financial statements are free from material misstatements, whether due to fraud or error.

At the time of preparation of the annual financial statements, it is the responsibility of the management to assess the company's ability to continue its operations, to present in these financial statements, where applicable, the necessary information relating to business continuity and to apply the accounting concept of going concern, except where the company plans to liquidate or cease trading.

It is the responsibility of the Audit Committee to monitor the process by which financial information is prepared and the efficiency of the internal control and risk management systems, as well as, where applicable, that of the internal audit, with regard to procedures for preparing and processing accounting and financial information.

The annual financial statements have been adopted by the Board of Directors.

Responsibilities of the Statutory auditors regarding the audit of the annual financial statements

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements taken as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with professional standards of practice will systematically detect all material misstatements. Misstatements can arise due to fraud or error and are considered to be material if they, individually or in the aggregate, could be reasonably expected to influence the economic decisions of users taken on the basis of the financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist in guaranteeing the viability or quality of the management of your company.

In the context of an audit performed in accordance with the professional standards of practice applicable in France, the Statutory Auditor exercises his or her professional judgement throughout the audit. Furthermore:

- he or she identifies and assesses the risks that the annual financial statements may contain material misstatements, whether these are due to fraud or error, defines and implements audit procedures to address such risks and collects evidence that he or she considers sufficient and appropriate as a basis for his or her opinion. The risk of not detecting a material misstatement arising from fraud is greater than that of a material misstatement resulting from error, because fraud may involve collusion, falsification, wilful omission, false statements or circumvention of the internal control system;
- the auditor reviews the internal control system relevant to the audit in order to define audit procedures that are appropriate in the circumstances, and not in order to express an opinion on the effectiveness of the internal control system;
- he or she assesses the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by the management, as well as the related information provided in the annual financial statements;

- he or she assesses the appropriateness of the management's application of the accounting principle of going concern and, depending on the evidence collected, the existence or otherwise of significant uncertainty relating to events or circumstances likely to call into question the company's ability to continue operating. This assessment is based on the evidence collected up to the date of the auditor's report, bearing in mind that subsequent circumstances or events could jeopardise business continuity. If the auditor identifies the existence of significant uncertainty, he or she shall draw readers' attention to the information provided in the annual financial statements regarding this uncertainty or, if this information is not provided or is not relevant, he or she shall prepare a certification with reservation or refuse to certify the financial statements;
- the auditor evaluates the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect underlying operations and events so as to give a true and fair view.

Report to the Audit Committee

We provide a report to the Audit Committee which presents the scope of the audit and the programme of work carried out, as well as the conclusions derived from our work. We also draw the attention of the committee, where applicable, to significant weaknesses in the internal control system that we have identified concerning procedures for the preparation and processing of accounting and financial information.

Among the information presented in the report to the Audit Committee are the risks of material misstatement that we deem the most significant for the audit of the financial statements for the fiscal year and that thus constitute the key points of the audit, which we must describe in this report.

We also provide the Audit Committee with the statement referred to in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France such as they are set out 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 applicable, we discuss any risks that may threaten our independence and the safeguard measures applied with the Audit Committee.

Neuilly-sur-Seine and Courbevoie, 29 January 2020

Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

5.4.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

To the Shareholders' Meeting of Compagnie des Alpes,

As Statutory Auditors of the Company, we hereby present to you our report on regulated agreements and commitments.

It is our duty to inform you, based on the information provided to us, of the basic features, terms and procedures and justification, in terms of interest for the Company, of the agreements and commitments brought to our attention, or that we identified in the course of our work, without having to comment on their utility or validity or look for other agreements or commitments. It is your responsibility, pursuant to the provisions of Article R. 225-31 of the French Commercial Code, to assess the benefits accruing from these agreements and commitments when considering their approval.

In addition, where applicable, we are required to communicate the information provided for in Article R. 225-31 of the French Commercial Code regarding the performance, during the past fiscal year, of any agreements already approved by the Shareholders' Meeting.

For this mission we have applied due diligence that we consider to be in compliance with the professional standards of the French Statutory Auditors' association (Compagnie Nationale des Commissaires aux Comptes). This due diligence consisted of verifying the consistency of the information provided to us with the information in the underlying documentation from which it was taken.

Agreements and commitments submitted for approval to the shareholders' meeting

We inform you that we have been not been notified of any agreement or commitment authorised or entered into during the past fiscal year to submit to the Shareholders' Meeting for approval in application of the provisions of Article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the shareholders' meeting

A) that continued to be performed during the past fiscal year:

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements that had already been approved in previous fiscal years continued to be performed in the past reporting period.

Services agreement with Parc du Futuroscope

On 29 October 2015, the Board of Directors of Compagnie des Alpes (CDA) decided to authorise the implementation of a services agreement with Parc du Futuroscope ("Futuroscope").

CDA, the reference shareholder of Futuroscope, has the structure, experience, organisation and resources that make for its reputed and long-standing expertise in administrative, financial, technical and operational fields. This allows it to offer reliable and efficient support to its subsidiaries in the above-mentioned areas.

Futuroscope has stated its desire to avail itself of the assistance and know-how that CDA can provide to optimise its management and the conduct of its business.

Futuroscope is invoiced under the General Assistance Agreement, for a total of €900 thousand for the period from 1 October of year N to 30 September of year N+1. This amount was calculated to consider the services actually performed by CDA as well as the resources implemented by Futuroscope itself in the areas concerned.

This agreement came into effect on 1 October 2014.

At 30 September 2019, income stemming from the agreement amounted to €900 thousand.

Implementation of the Foncière Rénovation Montagne project

On 12 April 2013, the Board of Directors of Compagnie des Alpes (CDA) decided to authorise the implementation of the Foncière Rénovation Montagne (Mountain Real Estate Refurbishment) project and the signing of the related contract.

Thus, in April 2013, Caisse des Dépôts, Banque Populaire des Alpes (BPA), Caisse d'Épargne Rhône Alpes (CERA), Crédit Agricole des Savoie and CDA jointly established Foncière Rénovation Montagne, a company dedicated to the financing and refurbishment of mountain tourism accommodation.

As of that date, CDC held a 48.8% stake in Foncière Rénovation Montagne, BPAURA and CERA each held a 16% stake and Crédit Agricole des Savoie and CDA each held a 9.6% stake.

In this context, local real estate companies were established. They are owned by Foncière Rénovation Montagne (the majority shareholder) as well as by local public and private stakeholders (resorts/valleys) such as the ski lift companies and local authorities, via relevant Mixed Economy Companies.

At 30 September 2019:

- CDA holds a 9.6% stake in Foncière Rénovation Montagne, representing an investment of €785 thousand;
- CDA's investments in the capital of four local real estate companies represent €281 thousand:
  - Foncière des Écrins: €111 thousand, or 3.0% of the share capital,
  - Foncière les Arcs: €59 thousand, or 4.5% of the share capital,
  - Foncière les Ménuires: €56 thousand or 7.7% of the share capital,
  - Foncière la Plagne: €55 thousand or 3.0% of the share capital;
- the current account advances granted to Foncière Rénovation Montagne and the local real estate companies amount to €1,071 thousand and €434 thousand, respectively.

Licensing agreement with Caisse des Dépôts et Consignations

On 28 June 2005, the Supervisory Board approved the signing of a licence agreement for the use of the names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts". In consideration, Compagnie des Alpes pays an annual fee of 0.2% of consolidated annual sales (net of VAT), weighted according to the percentage of share capital held by Caisse des Dépôts et Consignations in Compagnie des Alpes at 1 January of each fiscal year.

At 30 September 2019, expense stemming from the agreement amounted to €677 thousand.

Refinancing – establishment of an amendment to the credit facility agreement and a new depreciable term loan agreement

On 26 January 2017, the Board of Directors of Compagnie des Alpes (CDA) decided to authorise the signing of a credit agreement, wherein your Company, acting in the capacity of "Debtor" and "Guarantor", alongside the "Borrower", its subsidiary CDA-Financement :

- an amendment to the credit facility agreement dated 7 May 2014: this amendment, which was signed on 23 February 2017, lowers the amount of the revolving credit facility from a maximum principal amount of €260 million to an amount of €250 million. This made it possible to review the margins and add two one-year extension options (May 2022 and May 2023). As at 30 September 2019, no outstanding amount has been disbursed under this agreement;
- a new depreciable term loan agreement for a principal amount of €80 million consisting of a revolving credit facility maturing in 2022 for the A tranche (50%) and in 2023 for the B tranche (50%). CDA-Financement's outstanding amount disbursed at 30 September 2019, corresponding to your company's guarantee commitment, is €80 million at 30 September 2019.

Inclusion of Mr Dominique Marcel, Chairman and Chief Executive Officer, in a pension plan combining defined contributions and defined benefits

The Board of Directors of 9 March 2017 (as well as previously the Board of Directors of 19 March 2009 and the Supervisory Board of 30 September 2008) authorised the inclusion of Mr Dominique Marcel in a pension plan combining defined contributions and defined benefits.

As Chairman and Chief Executive Officer, Mr Dominique Marcel is covered by a Group supplemental pension plan for Group Executive Management. This comprises a defined-benefit plan and a defined-contribution plan.

Dominique Marcel has already reached the maximum level of conditional rights under this plan. According to the terms of the pension regulations, the annual pension increases by 1% per year of seniority and is capped at 10% of the reference compensation. However, Dominique Marcel has more than ten years of seniority. Consequently, no increase in the conditional rights under the said pension plan will be granted to Dominique Marcel during the term of his new mandate .

In this context, the Board of Directors has decided to recognise the "freezing" of pension rights under the abovementioned plan as of 9 March 2017, by using the compensation granted for the 2015/2016 fiscal year as a reference.

The actuarial obligation at 30 September 2019 was €1,468 thousand.

Unemployment insurance of the Chairman and Chief Executive Officer

On 9 March 2017, the Board of Directors authorised the purchase of private unemployment insurance from the Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) for Mr Dominique Marcel, Chairman and Chief Executive Officer.

At 30 September 2019, expense stemming from the agreement amounted to €13 thousand.

B) not performed during the past fiscal year:

Furthermore, we were informed of the continued existence of the following agreements and commitments, already approved by the Shareholders' Meeting in prior fiscal years, that were not performed during the past fiscal year.

Renewal of the severance package due or likely to be paid to Mr Dominique Marcel in the event of the termination of his tenure as Chairman and Chief Executive Officer of Compagnie des Alpes

On 9 March 2017, upon the renewal of its term of office, the Board of Directors of Compagnie des Alpes (CDA) decided to renew the commitment made by the Company regarding the severance pay due or likely to be paid to CDA's Chairman and Chief Executive Officer in the event of the termination of his tenure.

Conditions for attribution and calculation are comparable to those that had been decided for the duration of his previous mandate but were restated by the Board of Directors to take into account changes in the provisions of the AFEP/MEDEF Code in this regard.

Severance pay may therefore be awarded to Mr Dominique Marcel by the Company under the following conditions:

(a) compensation may be paid in the event of forced departure from the Company, regardless of the form of such departure and in particular following the revocation or non-renewal of his position as Chairman and Chief Executive Officer, except in case of serious misconduct or gross negligence (as defined by the French Labour Code).

No compensation will be paid to Mr Dominique Marcel if he leaves the Company on his own initiative to perform new duties or changes position within the Group, or if he has the option to claim his pension rights at full rate, or in the case of serious misconduct or gross negligence;

(b) severance pay is subject to individual and Group performance criteria. These performance criteria shall be assessed on the date the tenure of corporate office is terminated:

- individual performance criteria: shall be met if, averaged over the previous three full fiscal years, the average bonus awarded by the Board to Mr Marcel exceeds 30% of the maximum bonus,
- group performance criteria: shall be met if, averaged over the previous three full fiscal years, and on the basis of the consolidated financial statements, the EBITDA margin is at least 20% like for like.

The Board may revise these performance criteria whenever a mandate is renewed;

(c) the amount of this severance pay shall be twice Mr Dominique Marcel's "basic annual salary".

The "basic annual salary" shall be his last gross basic annual salary, including the gross amount of the bonus paid to him for the most recent full fiscal year, and excluding the amount of benefits in kind, reimbursements for professional expenses and any financial instruments and stock options granted during that period.

Severance pay shall only be due after the CDA Board of Directors has ascertained that the above criteria have been met. It shall be deemed to include any compensation for unfair dismissal.

Agency agreement between Compagnie du Mont-Blanc SA (CMB) and Compagnie des Alpes (CDA) including CMB in the Group liability and property damage and business interruption insurance programme

On 19 October 2017, the Board of Directors of Compagnie des Alpes (CDA) granted authority to CDA to negotiate and take out liability and property damage and business interruption insurance in the name and on behalf of CMB and CMBR.

Including CMB in the Group insurance programmes leads to an economy of scale due to higher insurable volume (CMB accounts for around 10% of the total), in terms of capital for the property damage and business interruption insurance and in terms of revenue for the Group liability insurance.

CDA is not compensated for performing the mandate .

Neuilly-sur-Seine and Courbevoie, 29 January 2020

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

6

SHARE CAPITAL AND SHAREHOLDING

6.1 Share capital

At 30 September 2019, the share capital of Compagnie des Alpes amounted to €186,424,688.72. It is composed of 24,457,051 fully paid up shares with no nominal value.

These shares account for 100% of the capital and voting rights outstanding.

There are no outstanding founder's shares, no income-sharing certificates, no convertible or exchangeable bonds, no voting rights certificates or investment certificates. There are no double voting rights or preferred-dividend shares outstanding.

6.1.1 CHANGES IN THE COMPANY'S SHARE CAPITAL OVER THE PAST FIVE YEARS

In a decision dated 28 March 2019, the Chairman and Chief Executive Officer recognised the capital increase following the conclusion of Plan no. 20 through the creation of 43,780 new shares [1]. The share capital remained unchanged in the 2018/2019 fiscal year.

		Changes in share capital			
Date	Transaction type	Nominal value	Prime	Consecutive amounts of capital	Number of shares comprising the capital
30 September 2012	Share capital at end of fiscal year		–	184,379,151.40	24,188,697
18 March 2013	Full vesting of free shares	322,623.73	–	184,701,775.13	24,231,022
17 March 2014	Full vesting of free shares	328,752.24	–	185,030,527.37	24,274,151
14 March 2016	Full vesting of free shares	332,151.89	–	185,362,679.26	24,317,726
10 April 2017	Full vesting of free shares	340,689.13	–	**185,703,368.39**	**24,362,421**
18 March 2018	Full vesting of free shares	387,605.82	–	**186,090,974.21**	**24,413,271**
27 March 2019	Full vesting of free shares	333,714.51	–	**186,424,688.72**	**24,457,051**
30 September 2019	**Share capital at end of fiscal year**	–	–	**186,424,688.72**	**24,457,051**

(1) Combined with 6,170 treasury shares, the total number of shares granted amounts to 49,950 as stated in section 6.1.5.2.

6.1.2 TREASURY STOCK

At 30 September 2019, the Company owned 22,805 shares of treasury stock, with a book value of €561,990.

6.1.2.1 Share buyback

From 1 October 2018 to 30 September 2019, there were two successive share buyback programmes under the authorisations granted by the Shareholders' Meeting to allow the Company to buy back CDA shares, with total treasury stock limited to 10% of the share capital:

- the programme already in place during the preceding fiscal year, implemented on 17 May 2018 by the Board of Directors on the basis of the authorisation given to it by the Shareholders' Meeting of 8 March 2018;
- a new share buyback programme, implemented by the Board on 16 May 2019, pursuant to the new authorisation given to it by the Shareholders' Meeting of 7 March 2019.

The latter authorisation was granted to the Board of Directors for a new period of 18 months.

Pursuant to Articles 241-1 to 241-6 of the AMF general regulation and European regulation (EC) No. 596/2014 of 16 April 2014, supplemented with the Commission Delegated regulation (EU) 2016/1052 of 8 March 2016, this document outlines the goals and procedures of the programme, which are identical to those of the previous programme, namely:

- ensuring the market-making on the secondary market or the liquidity of the Compagnie des Alpes share by an investment service provider under a liquidity contract, in compliance with an AMF-recognised Ethics Charter;
- holding, selling or transferring the aforesaid shares by any means, especially through exchange or delivery of securities, particularly in the framework of acquisitions or the issuance of securities giving access to capital;
- attributing shares to employees and corporate officers of the Company, or of companies or groups to which the Company is related, under the conditions and in accordance with the procedures provided for in law, especially through income from Company acquisitions, stock options, the award of free shares, a Group or company savings scheme or an optional plan for an employee-employer savings partnership.

During the 2018/2019 fiscal year, the share buyback programme was used for the market-making of the share under the liquidity contract in force – see below.

6.1.2.2 Liquidity contract

The liquidity contract was granted to Oddo & Cie on 4 October 2016. It can be renewed by tacit consent for successive one-year periods.

This liquidity contract, compliant with the AMAFI Ethics Charter approved by the AMF with the decision dated 8 March 2011, is fully dedicated to the management of Compagnie des Alpes securities.

During the 2018/2019 fiscal year, 141,540 shares were purchased and 132,108 shares were sold.

6.1.2.3 Share awards to employees

In 2018/2019, the Company did not proceed with any share buybacks for free share awards to employees under performance plans.

By decision of the Chairman and Chief Executive Officer on 28 March 2019, the 6,170 treasury shares reported in the financial statements for the fiscal year ended 30 September 2018 were added to the total number of shares to be awarded to employees under Plan no. 20, which expired at midnight on 27 March 2019, as stated in section 6.1.5.2.

6.1.2.4 Annual summary of buybacks

The share buyback programme results, from 1 October 2018 to 30 September 2019, are illustrated below:

Position at 30 September 2019	
Percentage of treasury stock, held directly or indirectly	Not significant
Number of shares cancelled over the last 24 months	None
Number of shares in the portfolio (1)	22,805
Carrying amount of portfolio at 30 September 2019 *(in thousands of euros)*	562
Portfolio market value at 30 September 2019 *(in thousands of euros)* (2)	584

(1) Of which 22,805 shares allocated to the liquidity contract.
(2) On the basis of a stock price of €25.60 per share at 30 September 2019.

Accumulated gross transactions at 30 September 2019	**Purchases**	**Sales**	**Transfers**
Number of shares	141,540	132,108	–
Average transaction price *(in euros)*	24.94	24.82	–
Amounts *(in thousands of euros)*	3,530	3,278	–

It must be noted that the Company did not use derivative instruments.

6.1.3 AUTHORISATIONS TO INCREASE THE SHARE CAPITAL

All of the current authorisations regarding share capital increases are those given by the Extraordinary Shareholders' Meeting of 8 March 2018 for a duration of 26 months. All the current authorisations are therefore valid until 8 May 2020.

The powers conferred upon the Board of Directors for increasing share capital, and the use of those powers where applicable, are set out in the summary table below:

Purpose of the powers	Date of the ESM	Deadline	Maximum amount authorised	Utilisations	Unutilised authorisation balance at 30/09/2019
Authorisation to award performance shares to employees and Group corporate officers	8/03/2018 (17th resolution)	26 months (until 8/05/2020)	1% of the capital on the day of the award decision, in addition to a maximum of 7% of the capital for all outstanding free shares and stock options	28/03/2019	1% of the share capital on the day of the Board decision/ Balance of maximum amount: 6.50% (number of outstanding free shares representing 0.50% of the share capital)
Powers to increase the share capital with preferential subscription rights (issues reserved for shareholders)	8/03/2018 (18th resolution)	26 months (until 8/05/2020)	Shares: €92 million; Debt securities: €100 million	None	Shares: €92 million; Debt securities: €100 million
Powers to increase capital with elimination of preferential subscription rights, by public offering	8/03/2018 (19th resolution)	26 months (until 8/05/2020)	Shares: €45 million (with priority period) or €35 million (with no priority period); Debt securities: €100 million	None	Shares: €45 million (with priority period) or €35 million (without priority period) Debt securities: €100 million
Powers to increase capital without preferential subscription rights, by private placement offering	8/03/2018 (20th resolution)	26 months (until 8/05/2020)	Shares: powers as above, within a maximum of 20% of the share capital Debt securities: €100 million	None	Shares: powers as above, within a maximum of 20% of the share capital Debt securities: €100 million
Powers to increase the share capital without preferential subscription rights to pay contributions in kind with shares	8/03/2018 (21st resolution)	26 months (until 8/05/2020)	10% of the share capital (currently €18.6 million)	None	10% of share capital (currently €18.6 million)
Powers to increase the share capital through the incorporation of premiums, reserves, profits or other	8/03/2018 (22nd resolution)	26 months (until 8/05/2020)	Shares: €35 million	None	Shares: €35 million
Powers to increase the share capital through employee issue under the Group Employee savings plan	8/03/2018 (23rd resolution)	26 months (until 8/05/2020)	706,000 shares (2.9% of share capital, i.e. €5.4 million)	None	706,000 shares (2.9% of share capital, i.e. €5.4 million)
Total cash limit of all authorisations and powers combined	8/03/2018 (24th resolution)		Shares: €92 million; Debt securities: €200 million		Shares: €92 million; Debt securities: €200 million

The only authorisation used by the Board during the fiscal year is the one granted for awarding free Company shares (17th resolution), with 67,050 performance shares thus awarded under Plan no. 22 implemented on 25 April 2019.

6.1.4 POTENTIAL SHARE CAPITAL

At 30 September 2019, the potential share capital represented 0.50% of the share capital, in the form of 122,650 outstanding entitlements to free shares.

6.1.5 MANAGEMENT AND EMPLOYEE INTEREST IN THE SHARE CAPITAL OF COMPAGNIE DES ALPES

From fiscal year 2009/2010, the plans implemented by Compagnie des Alpes to build loyalty amongst senior executives and certain Group managers were limited to "performance share grants", excluding any issue of stock options.

Compagnie des Alpes' Executive corporate officers no longer wished to receive these awards as of the 2009/2010 fiscal year.

6.1.5.1 Stock options

On the date of publication of this annual report there were no outstanding stock options.

6.1.5.2 Performance shares

Performance shares awarded for the 2018/2019 fiscal year

Consequent to decisions of the Shareholders' Meeting of 8 March 2018, on 25 April 2019 Compagnie des Alpes implemented a new performance share plan (Plan no. 22), under which a total of 67,050 performance shares have been granted and distributed between 165 Group employees.

As with previous plans, shares will only be fully vested, in whole or in part, if the beneficiary remains at the Group (notwithstanding retirement) and has met a performance target after a two-year period.

For members of the Executive Committee, the shares initially awarded will be fully vested only:

(i) for half of the shares awarded, if the Group's financial targets, measured on the basis of ROCE growing over two years (2018/2019 and 2019/2020) relative to the previous two years, are achieved; and

(ii) for half of the shares awarded, if a qualitative performance condition, relating to the contribution to the Group's strategic objectives and to the implementation of the Business Plan of Compagnie des Alpes, assessed over two years (2018/2019 and 2019/2020), has been met.

For other recipients, free shares will be fully vested only if a qualitative performance condition has been met, relating to "the contribution of each beneficiary to the implementation of the Business Plan of Compagnie des Alpes and its managerial performance", over two years (2018/2019 and 2019/2020).

Assuming they are fully vested, these shares will then have to be held for at least one year by their beneficiaries.

These shares are recognised at fair value at the grant date, without subsequent revaluation. Fair value is determined by an actuarial calculation using the binomial options-pricing model, after taking into account the probability of the average time of participation of beneficiaries at the end of the vesting period. The resulting value per share is €25.37 for Plan no. 22.

Full vesting of performance shares granted under Plan no. 20

Following an assessment of the achievement of the performance criteria, 49,950 performance shares granted under Plan no. 20, implemented in 2017, were fully vested. The vesting of performance shares granted under Plan no. 20 not only required the beneficiaries to be part of the Group on the vesting date but was subject to the following performance criteria being met.

For members of the Executive Committee, the shares awarded were to be fully vested only:

(i) for half of the shares awarded, if the Group's financial targets, as defined in Chapter 5, Note 1.11 to the Consolidated Financial Statements, had been achieved, measured on the basis of ROCE growing over two years (cumulated ROCE 2016/2017 and 2017/2018) relative to the previous two years (cumulated ROCE 2014/2015 and 2015/2016); and

(ii) for half of the shares awarded, if a qualitative performance condition, relating to the contribution of each of the beneficiaries to the achievement of the Group's strategic objectives, assessed over two years (2016/2017 and 2017/2018), was met.

The Board of Directors, at its meeting of 24 January 2019, assessed the achievement of the financial performance criterion underlying the full vesting of performance shares granted to members of the Executive Committee. It found that the ROCE target had been met at 30 September 2018, so the award based on the achievement of Group targets was 100%. Following the assessment of the achievement of the qualitative performance criterion, for which the Chairman and Chief Executive Officer is responsible, the members of the Executive Committee were awarded a total of 10,200 shares, with the balance being written off.

For the other beneficiaries, full vesting was dependent on each beneficiary's contribution to the implementation of the corporate project and their managerial performance over the last two fiscal years. This contribution was assessed for each beneficiary by the Executive Management.

A total of 49,950 shares became fully vested for 159 senior executives and other members of the Group's management. From their vesting date, performance shares awarded under Plan no. 20 must be held for at least two years.

Performance Share Plans in force: background and position

(Table 10 of the AMF classification)

Outstanding plans are shown in Chapter 5 in Note 6.10 to the Consolidated Financial Statements.

The free shares granted within the Group are all Compagnie des Alpes shares.

A total of 122,650 rights to free shares remained in circulation on 30 September 2019. These shares will only be fully vested once the Board of Directors determines that the performance conditions have been achieved. They represent 0.50% of the share capital of Compagnie des Alpes.

With the exception of the plans described above, there are no other potentially dilutive instruments.

6.1.5.3 Stock options granted to or exercised by corporate officers during the fiscal year ended 30 September 2019

N/A.

6.1.5.4 Stock options granted to and exercised by the ten leading employees (excl. corporate officers) during the fiscal year ended 30 September 2019

N/A.

6.1.5.5 Performance shares granted to the ten leading employees (excl. corporate officers) during the fiscal year ended 30 September 2019

Grant of free CDA performance shares to the ten leading employees (excl. corporate officers)	Total number of shares granted	Unit value of share by method used for the consolidated financial statements (*in €*)	Plan no.
Free shares granted during the fiscal year by CDA to the ten leading employees of CDA and any other company in the free-share scope (ten largest initial grants – aggregate figure)	15,900	€25.37	22

6.2 Shareholder structure

6.2.1 CHANGE IN SHAREHOLDER STRUCTURE AND VOTING RIGHTS

	30/09/2017		30/09/2018		30/09/2019	
Shareholders	Number of shares	%	Number of shares	%	Number of shares	%
Caisse des Dépôts	9,615,579	39.47%	9,615,579	39.39%	9,615,579	39.32%
Sofival	2,110,806	8.66%	2,110,806	8.65%	2,110,806	8.63%
Crédit Agricole des Savoie Capital (1)	1,681,985	6.90%	1,681,985	6.89%	1,681,985	6.88%
Banque Populaire Auvergne Rhône-Alpes	1,204,473	4.94%	1,204,473	4.93%	1,204,473	4.92%
Caisse d'Épargne Rhône-Alpes	723,486	2.97%	723,486	2.96%	723,486	2.96%
Public and miscellaneous including:	9,026,092	37.05%	9,076,942	37.18%	9,120,722	37.29%
French UCITS incl.	1,780,131	7.31%	1,790,414	7.33%	1,663,441	6.80%
FCP CDA Actionnariat (employee shareholders' fund)	330,000	1.35%	329,500	1.35%	358,368	1.47%
Financial intermediaries outside France	4,452,951	18.28%	4,396,847	18.01%	4,447,319	18.18%
Individual shareholders	2,060,463	8.46%	2,059,209	8.43%	2,198,155	8.99%
Treasury stock (2)	15,963	0.06%	19,543	0.08%	22,805	0.09%
TOTAL	**24,362,421**	**100%**	**24,413,271**	**100%**	**24,457,051**	**100%**

(1) *See section 6.2.7 "Corporate officers' and senior managers' shareholdings and trading", which comprises information on the reallocation of shareholdings within the Crédit Agricole des Savoie Group.*

(2) *Non-voting shares:% of capital and theoretical voting rights. All other% given above relate to capital and actual voting rights.*

During the fiscal year, the primary-shareholder structure underwent no major change. Percentages increased slightly due to the capital increases following the acquisition of Plans no. 18 in 2017, no. 19 in 2018 and no. 20 in 2019.

Free float also remained stable.

In FY 2018/2019, the portion of the share capital held by French institutional investors fell significantly, while that of foreign institutional and individual shareholders rose. The portion held by individual shareholders (excluding employees) rose by 5.8% to 7.52% of the share capital.

To the Company's knowledge, except for Caisse des Dépôts, Sofival, and Crédit Agricole des Savoie Capital, there is no other shareholder, whether acting singly or in a concert party, which directly or indirectly holds more than 5% of the capital or voting rights.

6.2.2 ENTITIES OR PERSONS WITH CONTROLLING CAPACITY

The Caisse des Dépôts, being the reference shareholder with a 39.32% interest, declares that it controls Compagnie des Alpes and hence is considered a related party within the meaning of IAS 24. The financial statements of the CDA Group are fully consolidated in the consolidated financial statements of the Caisse des Dépôts.

Nevertheless, the composition of the Board of Directors follows the principles set out in Chapter 3, section 3.1.1.2 above, which, given the presence of a reference shareholder (Caisse des Dépôts), are intended to promote the democratic, collective representation of all shareholders and take adequate account of corporate interests, mainly through the appointment of at least four independent Directors.

The Caisse des Dépôts has only four seats out of a total of twelve on the Board, one out of three on the Appointments and Compensation Committee, one out of seven on the Strategy Committee, and one out of four on the Audit and Finance Committee.

The composition of each corporate body ensures the Company is not controlled in a detrimental way.

To the best of the Company's knowledge, there are no agreements or commitments binding one or more shareholders that could lead to a subsequent change of control.

6.2.3 SHAREHOLDERS' AGREEMENTS

To the best of the Company's knowledge, there are no shareholder agreements, preferred agreements, or any other type of contract whose execution could at a later date entail a change in ownership.

6.2.4 PORTION OF COMPANY SHARE CAPITAL THAT WAS PLEDGED OR IS SUBJECT TO OTHER RESTRICTIONS

To the best of the Company's knowledge, no CDA share was pledged or was subject to other restrictions at 30 September 2019.

6.2.5 DEVELOPMENT OF THE INDIVIDUAL SHAREHOLDER BASE

Created in September 2005, the Shareholders' Club is designed to disseminate information about the Group to Compagnie des Alpes shareholders. Club membership is free of charge and accessible to any shareholder owning at least one registered share.

It offers a number of services to members (CDA newsletter and invitations to meetings and conferences) and, provided the shareholder owns at least 200 shares at 30 September of the relevant year, provides special offers on ski lift passes or entry tickets for Group parks.

Further information on membership can be downloaded from the CDA website or obtained directly from the Company headquarters.

Compagnie des Alpes was also the first French midcap to create a Shareholders' Advisory Committee (see section 6.4.3 below).

6.2.6 EMPLOYEE SHAREHOLDERS

In 1995, Compagnie des Alpes set up a Group Employee savings plan with the aim of allowing CDA Group employees to benefit from growth in earnings through the rising share prices of their CDA stock. Accordingly under the Group Employee savings plan, employees may invest in a shareholders' investment fund, CDA Actionnariat, which is invested entirely in CDA shares.

The CDA Actionnariat employee investment fund held 358,368 shares, *i.e.* 1.47% of CDA share capital at 30 September 2019, a slight increase on the percentage held at the end of the previous fiscal year.

Besides, senior executives as well as certain other Group managers are eligible for bonus share plans implemented by CDA.

6.2.7 CORPORATE OFFICERS' AND SENIOR MANAGERS' SHAREHOLDINGS AND TRADING

Director shareholding in the share capital of the issuer

The number of shares owned by each Director is given in Chapter 3, section 3.1.1.2. The Compagnie des Alpes Corporate Governance Charter includes a stipulation that Directors must hold a minimum quota of shares, set out in Chapter 3, section 3.1.1.2.

Executive corporate officer shareholding in the share capital of the issuer

The number of shares owned by each executive corporate officer is given in Chapter 3, section 3.1.1.3.

Trading of Company shares by Directors and persons related to them, executive corporate officers and other managers referred to in the French Monetary and Financial Code

In the past fiscal year, to the Company's knowledge, no securities transaction referred to in Article L. 621-18-2 of the French Monetary and Financial Code and needing to be reported to the AMF (the French Financial Markets Authority) took place other than the disposal of 1,681,985 shares (*i.e.* 6.89% of the Company's share capital, representing the same number of voting rights) by the Board member Crédit Agricole des Savoie on 27 November 2018, as part of an internal reclassification operation conducted by its Group *via* its subsidiary Crédit Agricole des Savoie Développement, to the benefit of its subsidiary Crédit Agricole des Savoie Capital SASU.

The Corporate Governance Charter provides for abstention obligations during precise periods ("closed periods") prior to the publication of press releases on annual and half-yearly results, as well as on quarterly information.

The following disclosures concerning crossed thresholds were submitted to the Company and the AMF in the 2018/2019 fiscal year:

- on 27 November 2018, the stake directly held by Caisse de Crédit Agricole des Savoie fell below the regulatory threshold of 5% of the Company's share capital and voting rights;
- on 27 November 2018, the stake directly held by Crédit Agricole des Savoie Capital, a subsidiary of Caisse de Crédit Agricole des Savoie, exceeded the regulatory threshold of 5% of the Company's share capital and voting rights.

Thus, on 27 November 2018, Crédit Agricole des Savoie directly held 1,681,985 shares and as many voting rights, representing 6.89% of the Company's share capital and voting rights.

It should be noted that these transactions were conducted within the framework of the reallocation of Crédit Agricole des Savoie shareholdings within the Credit Agricole des Savoie Group.

6.2.8 POTENTIALLY KEY FACTORS IN THE EVENT OF A TAKEOVER BID

Potentially key factors in the event of a takeover bid for the Company's shares as referred to in Article L. 225-37-5 of the French Commercial Code are set out in this document as indicated below:

- Company's shareholder structure: Chapter 6, section 6.2.1;
- restrictions under the Company's by-laws on the use of voting rights and on share transfers or contractual clauses of which the Company is made aware in accordance with Article L. 233-11: Chapter 3, section 3.1.3.2 and Chapter 6, section 6.2.3;
- direct or indirect shareholdings in Company capital of which the Company is aware pursuant to Articles L. 233-7 and L. 233-12: Chapter 6, section 6.2.1;
- rules applicable to the appointment and replacement of Directors and to changes in Company by-laws: Chapter 3, section 3.1.1.2;
- powers of the Board of Directors, in particular for the issue and buyback of stock: Chapter 6, sections 6.1.2 and 6.1.3;
- agreements providing for severance pay for members of the Board of Directors and employees if they resign or are dismissed without valid and serious cause, or if their employment is terminated following a takeover bid: Chapter 3, section 3.3.1.1;
- concerning agreements reached by the Company that may be amended or terminated in the event of a change in control of the Company, three contracts or types of contracts that include an ownership clause have been identified:
  - the credit agreements renegotiated in 2017 include an ownership clause detailed (Chapter 5, Note 6.1. to the Consolidated Financial Statements), as well as certain bilateral credit lines,
  - the licensing agreement for use of the corporate names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts", which CDC has the right to terminate in the event that Compagnie des Alpes ceases to be a part of Groupe CDC,
  - certain concession agreements providing various types of clauses for change in proxy control (mainly related to the shareholding of Groupe Caisse des Dépôts), which require the prior approval of the authority granting the concession.

6.3 Stock-market information

6.3.1 CONTEXT

The Compagnie des Alpes IPO took place on 18 November 1994 with the share priced at €11.90 (adjusted for the 2: 1 stock split in 2007 and various trading transactions). Compagnie des Alpes' stock is listed in Segment B (Mid-caps) of Euronext.

It is listed on the CAC All-Tradable (formerly SBF 250), CAC Mid & Small (formerly CAC Mid & Small 190), and CAC Small (formerly CAC Small 90). The former CAC Mid 100, an index which included CDA, was replaced by the CAC Mid 60 which no longer included CDA.

Since 26 May 2010, CDA stock benefits from the "long-only" Deferred Settlement Service (*Service de Règlement Différé* – SRD), meaning shares are SRD-eligible upon purchase only.

This change in the SRD will increase the list of SRD-eligible stocks within specific technical parameters. This new arrangement allows investors to leverage their CDA shares.

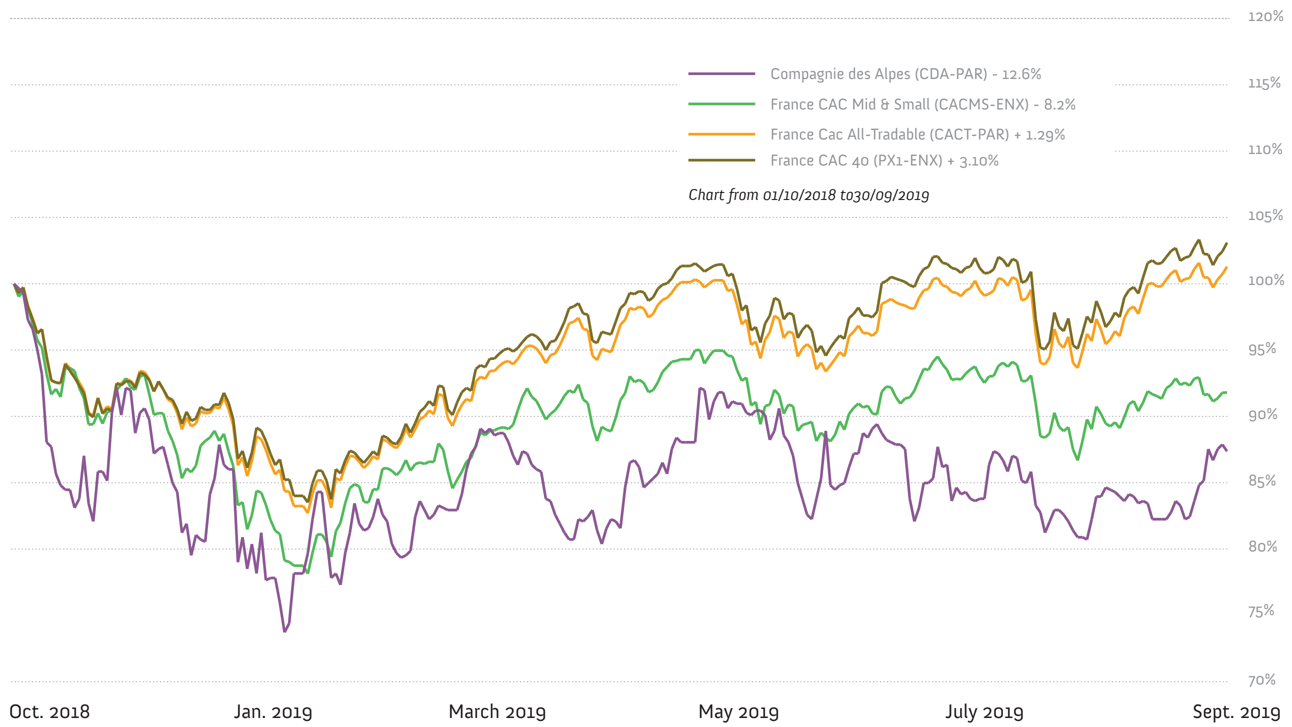
6.3.2 PERFORMANCE OF THE COMPANY'S STOCK DURING FY 2018/2019

After a 10.9% rise in FY 2017/2018 and a 58.5% rise in FY 2016/2017, the stock price fell by 12.6% in 2018/2019. It slid from €29.30 on 1 October 2018 to €25.60 on 30 September 2019. It recorded its year high on 1 October and its year low of €21.60 on 20 December 2018. Since that low, it steadily rose by more than 18% until the end of the fiscal year.

The average daily trading volume came to 9,423 shares per trading session. This volume excludes the transaction concerning the internal reclassification of the holding of Crédit Agricole des Savoie (1,682 million shares) on 27 November 2018. If that transaction had been taken into account, the average trading volume would have been 16,019 shares.

It should be recalled that it was 10,877 in 2017/2018, 13,150 in 2016/2017, 13,260 in 2015/2016, 16,160 in 2014/2015, de 14,000 in 2013/2014 and 8,000 in 2012/2013.

At the end of the fiscal year, on 30 September 2019, the Group's stock market capitalisation amounted to €626 million, compared to €712 million the previous year.



Financial services provider

Compagnie des Alpes has mandated CACEIS as its financial services provider. For the management of directly registered shares, please contact:

CACEIS Corporate Trust
14, rue Rouget de Lisle
92862 Issy-les-Moulineaux Cedex 09

Investment service provider acting as liquidity manager for the share buyback programme

On 1 October 2016, Compagnie des Alpes announced it had transferred the management of its liquidity contract to Oddo.

Oddo & Cie
12, bd de la Madeleine
75440 Paris Cedex 09

6.4 Disclosure policy

Compagnie des Alpes endeavours to disseminate financial information that is comprehensive, true, fair and transparent.

Disclosure of financial information is governed by laws and regulations that require all listed companies to provide a complete, accurate, true and fair view of their financial position.

Compagnie des Alpes makes a variety of periodical and permanent publications available to the public, participates in individual and institutional Shareholder Meetings, and responds promptly to all shareholder and investor requests.

These personalised interactions are made so as to fully comply with the rules promoting equal access to information. The Compagnie des Alpes share is also routinely monitored by five leading French analyst firms.

To step up its communication actions, the Company set up a new space for its shareholders: https://espace-actionnaires.compagniedesalpes.com/. This move is part and parcel of the Company's efforts to ensure, to the utmost extent, free-flowing and transparent communication of information to its shareholders.

6.4.1 DOCUMENTS MADE AVAILABLE TO THE PUBLIC

Compagnie des Alpes makes the disclosures and documents required by the regulations, and in particular regulated information, available to the public in French and/or English:

- Universal Registration Document/annual financial report;
- half-year financial report;
- quarterly revenue;
- press releases, which are published by the approved publishing service provider EchosWire, in accordance with the European Union Transparency Directive;
- notes of any corporate-finance transactions filed with the AMF.

The Company also makes the by-laws, the Corporate Governance Charter and other documents available to the public, such as:

- an illustrated brochure on the Group and its activities;
- a newsletter sent to all members of the Shareholders' Club and to those who request it;
- the Shareholders' Club guide.

These documents and information are available upon request from Group headquarters or may be read and downloaded in their complete versions from the Group website, www.compagniedesalpes.com.

6.4.2 PRESS RELEASES

The following information has been published since 1 October 2018:

18 October 2018

FY 2017/2018 revenue: +6.0%.

Good momentum from all activities and integration of Travelfactory.

- Ski areas: 3rd consecutive year of increase in skier days.
- Leisure parks: 5th consecutive year of growth in activity (+39% since 2013).
- Holdings and Supports: year marked by the acquisition of Travelfactory.

10 December 2018

FY 2017/2018 annual results: very good operational and financial performance.

Revenue up 3.1% on a comparable basis.

Operating margin targets achieved.

Strong growth in net income (Group share): +82.6% to €57.2 million.

Proposed dividend of €0.65 per share, up 30%.

17 January 2019

1st quarter of FY 2018/2019: a good 1st quarter driven by the good performance of Ski areas.

- Ski areas: the season is off to a dynamic start.
- Leisure parks: a quarter of consolidation.
- Holdings and Supports: new contracts in China and in Japan.

20 March 2019

Compagnie des Alpes acquires Familypark, the leading leisure park in Austria.

28 March 2019

Compagnie des Alpes diversifies and optimises its sources of financing by:

- issuing a new USPP of €65 million;
- setting up a NEU CP programme capped at €240 million.

18 April 2019

Revenue for the 1st half of FY 2018/2019: growth in business thanks to a good winter season for the Ski areas.

- Ski areas: another rise in sales.
- Leisure parks: acquisition of the first Austrian leisure park.
- Holdings and Supports: successful integration of Travelfactory.

21 May 2019

1st half of 2018/2019.

Solid business and encouraging results for the rest of the fiscal year.

18 July 2019

Revenue for the first nine months of FY 2018/2019 up 4.3%.

Confirmation of a good season for Ski areas and dynamic 3rd quarter sales for Leisure parks.

- Ski areas: confirmation of a good season marked by a further rise in the number of skier days.
- Leisure parks: a strong 3rd quarter boosted by the integration of Familypark.
- Holdings and Supports: business in line with expectations.

17 October 2019
FY 2018/2019 revenue: +6.6%.

Good season for Ski areas and very dynamic sales for Leisure parks.

- Ski areas: good season for all of the Group's Ski areas and 4th consecutive year of increase in skier days.
- Leisure parks: very good season thanks to strong organic growth in the 4th quarter and the acquisition of Familypark.
- Holdings and Supports.

21 October 2019
Appointment of Loïc Bonhoure as the Group's Acting Chief Executive Officer from 4 November 2019.

10 December 2019
Annual results for 2018/2019.
Significant growth in business activity and earnings.

Revenue up 6.6%, *i.e.* +4.2% on a comparable scope.

Operating margin targets achieved.

- EBITDA margin for Ski areas: 37.3% of revenue;
- EBITDA margin for leisure parks (excluding Futuroscope): 28.2% of revenue.

Net income (Group share) at a record €62.2 million.

Proposed dividend of €0.70 per share.

28 January 2020:
The municipalities of 2Alpes and Saint Christophe en Oisans announce that they will ask their municipal councils to vote on the choice of new operator for the future management of the ski area (see note 8.4 in the additional notes to the consolidated financial statements regarding post-closure events).

All of these press releases may be read and downloaded from the Company website, www.compagniedesalpes.com.

The Compagnie des Alpes website provides timely information for shareholders. Official documents and all press releases in French and English may be downloaded from the following web address: https://www.compagniedesalpes.com/en/finance#publications-communiques

6.4.3 SHAREHOLDERS' ADVISORY COMMITTEE

The Shareholders' Advisory Committee was formed in November 2005. Compagnie des Alpes was the first French midcap to create a Shareholders' Advisory Committee in order to enhance the Company's communication with its individual shareholders. The Committee, which meets two or three times per year, reflects the diversity of the individual shareholder base.

It is now composed of seven qualified, representative members. The list of members is available on the Company's website.

The Committee met twice during the fiscal year, on 21 November 2018 and on 17 February 2019. It provided input in various areas, among them the Letter to Shareholders, the Shareholders' Meetings, and also the regular contact regarding important CDA media topics.

6.4.4 INDIVIDUAL SHAREHOLDER CONTACT

Since early 2008, and on the recommendation of the Shareholders' Advisory Committee, Compagnie des Alpes has provided shareholders with a telephone number: + 33 (0)1 86 86 02 14.

Individual shareholders may call this number to obtain published information on Group activities and all practical information concerning their shares and related benefits.

6.4.5 PUBLIC MEETINGS

The Company regularly organises meetings to present the Group in Paris and other parts of France. The dates of these meetings are announced in advance on the Company's website.

By way of illustration, Compagnie des Alpes, in collaboration with F2iC, participated in meetings dedicated to individual shareholders on 25 October 2018 in Paris and on 8 October 2019 in Lyon.

6.4.6 2019/2020 EVENTS AND FINANCIAL CALENDAR

23 January
Q1 revenue.

5 March
Shareholders' Meeting.

23 April
Q2 revenue.

26 May
H1 results.

23 July
Q3 revenue.

22 October
Q4 revenue.

8 December
Annual results.


L'AIGUILLE ROUGE
226m

7

ADDITIONAL INFORMATION

7.1 Information on Compagnie des Alpes

7.1.1 GENERAL INFORMATION

Company name: Compagnie des Alpes.

Headquarters: 50-52 boulevard Haussmann, 75009 Paris.

Legal form: French société anonyme (joint-stock corporation), founded on 26 January 1989.

Share capital: €186,424,688.72.

Duration: 99 years from the date of registration, *i.e.* until 12 February 2088.

Registration: The Company is registered with the Paris Trade and Companies Registry (RCS) under number 349 577 908.

Business type: 7010 Z (Headquarters activities).

Place where legal documents may be consulted: headquarters.

LEI: 969500291N3GW457GG90.

Website: https://www.compagniedesalpes.com/fr

Headquarters telephone number: +33 (0)1 46 84 88 00.

Fiscal year: from 1 October to 30 September.

7.1.1.1 Corporate purpose (Article 2 of the by-laws)

Compagnie des Alpes has the following purposes, in France and abroad:

- the acquisition, holding, management, and divestiture of all forms of investment securities and all forms of shareholdings in all companies, both French and foreign, in whatever form they may be, and particularly those having operations in mountain tourism and the leisure sector;
- the shareholdings, direct or indirect, by the Company in any of the aforementioned operations, through the creation of new companies, transfers, subscription to new shares or purchase of existing shares or company rights, mergers, partnerships, or otherwise, and this whether in France or abroad;
- the provision of any services, especially to the benefit of any Group companies, especially any services that may be rendered by an active holding company to its subsidiaries, be they corporate, operational or specific;
- and generally, any commercial, financial, industrial, investment, or real estate operation, similar to or related directly or indirectly, in whole or in part, to the stated corporate purpose.

7.1.1.2 Rights attached to shares (Articles 6 and 8.4 of the by-laws)

All shares are of the same category and benefit from the same rights, including profit sharing and the division of assets upon liquidation. For Shareholders' Meetings, each share gives the right to one vote. Therefore, no shareholder enjoys double voting rights.

Unclaimed dividends and advances on dividends revert to the French government after five years.

7.1.1.3 Appropriation of earnings (Articles 21 and 22 of the by-laws)

Five percent of each year's net income, less losses carried forward (where applicable), is appropriated to the legal reserve; this appropriation ceases to be obligatory when the reserves rise to the level of one tenth of the share capital.

After the appropriation of the legal reserve, the Shareholders' Meeting, on the proposition of the Board of Directors, may appropriate amounts they choose, either to retained earnings or to one or more reserve accounts (optional, ordinary or extraordinary).

Income available for distribution is comprised of the net income for the year minus the losses carried forward and the amounts appropriated to reserves in application of the law or the by-laws, plus retained earnings.

After approval of the financial statements and recognition of the amount available for distribution, the Shareholders' Meeting may determine the part to be distributed in the form of dividends. The Shareholders' Meeting may further decide to distribute amounts to be sourced from available reserves, either to supply funds for dividends or to complete a dividend, or for the purpose of making an exceptional distribution. In this case, the decision will indicate the reserve accounts from which the funds will be taken. However, as a priority, dividends will be paid from the earnings available for distribution from the year under review.

The payment method for dividends is fixed by the Shareholders' Meeting, or otherwise by the Board of Directors.

The Shareholders' Meeting may grant to each shareholder, for all or a part of the dividend or partial payment of dividend to be paid, a choice between payment in the form of cash or in the form of shares.

7.2 Persons responsible for the Universal Registration Document

Person responsible for the Universal Registration Document and annual financial report

Dominique Marcel, Chairman and Chief Executive Officer

Statement by the person responsible for the Universal Registration Document and annual financial report

"I hereby certify that, to my knowledge, and a after taking all reasonable measures to that end, the information contained in this Universal Registration Document duly reflects reality and that no information is omitted that could affect its import.

I hereby certify that, to my knowledge, the financial statements have been drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position, and earnings of the Company and of the group of companies included in the consolidation. I also certify that the management report included in this Universal Registration Document gives a true picture of the business performance, earnings, and financial position of the Company and of the group of companies included in the consolidation, as well as a description of the major risks and uncertainties faced by those companies."

Disclosure managers

Denis Hermesse, Group Chief Financial Officer
50-52, boulevard Haussmann
75009 Paris
Tel.: +33 1 46 84 88 00

Investor contacts

Head of Financial Communication

Sandra Picard-Ramé,
Communication, Brand and Corporate Social Responsibility (CSR) Director
Tel. & Fax: +33 (0)1 46 84 88 53
e-mail:
sandra.picard@compagniedesalpes.fr

Alexis d'Argent,
Head of Financial Communication
Tel. & Fax: +33 (0)1 46 84 88 79
e-mail:
alexis.dargent@compagniedesalpes.fr

REFERENCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT

This reference table uses the headings included in Annexes I and II of the (EU) Delegated Regulation No. 2019/980 of the European Commission of 14 March 2019, and refers to the pages of the Universal Registration Document which contain the information on each of these headings.

Annexe I to (EU) Delegated Regulation 2019/980		Universal Registration Document	
		Chapter(s) / Section(s)	Page(s)
I	Persons responsible, information from third parties, expert reports and approval of the competent authority		
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II	Statutory Auditors of the financial statements		
1.	Name and address of the issuer's Statutory Auditors	5/5.3.2 note 8.5	163
2.	Statutory Auditors who have resigned, were dismissed, or who were not reappointed	N/A	N/A
III	Risk factors	2	31-41
IV	Information about Compagnie des Alpes		
1.	Registered name and trade name	7/7.1.1	198
2.	Place, registration number and legal entity identifier (LEI) of the issuer	7/7.1.1	198
3.	Founding date and duration of the issuer	7/7.1.1	198
4.	Company headquarters and legal form of issuer, legislation governing its activities, country of origin, address, telephone number and website	7/7.1.1	198
V	Overview of activities		
1.	Primary activities		
	1.1. Nature of operations carried out by the issuer and its primary activities	1/1.1	20-25
	1.2. Significant products or services launched on the market	N/A	N/A
2.	Main markets	1/1.1	20-25
3.	Significant events in its business development	N/A	N/A
4.	Strategy and objectives	1/1.2	25-28
5.	Level of dependency on patents and licenses; industrial, commercial, and financial contracts or new production procedures	N/A	N/A
6.	Competitive position	1/1.1	20-25
7.	Investments		
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This Universal Registration Document includes all elements of the Annual Financial Report referred to in Article L. 451-1-2 I of the Monetary and Financial Code and Article 222-3 of the AMF General Regulation.

The following reference table refers to the parts of the Universal Registration Document that correspond to the different headings of the Annual Financial Report.

REFERENCE TABLE OF THE MANAGEMENT REPORT

This Universal Registration Document contains the elements of the Management Report referred to in Articles L. 225-100 et seq. and L. 232-1 of the French Commercial Code, as well as the report on corporate governance pursuant to Articles L. 225-37 et seq. of the French Commercial Code.

The following reference table refers to the extracts of the Universal Registration Document corresponding to the Management Report.

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This Universal Registration Document contains the information required by Articles L. 225-102-1 and R. 225-105 of the French Commercial Code.

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50/52 boulevard Haussmann – 75009 Paris
Tel.: +33 1 46 84 88 00
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