

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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Unless stated otherwise, the amounts presented are in millions of euros, rounded to the nearest million. In general, the amounts presented in the consolidated financial statements and related notes are rounded to the nearest unit. This may result in a non-material difference between the sum of the rounded amounts and the reported total. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

Consolidated income statement

| <i>(€ in million)</i> | Notes | 1st semester 2021 | 1st semester 2022 |
|--|--------------|------------------------------|------------------------------|
| Revenue | 4 | 824 | 1,725 |
| Operating expense | 4 | (944) | (1,520) |
| Recurring EBITDA | 4 | (120) | 205 |
| Depreciation and amortization | | (118) | (107) |
| Recurring EBIT | | (239) | 99 |
| Share of net profit/(loss) of equity-investments | 5 | (213) | (27) |
| EBIT including share of net profit/(loss) of equity investments | | (451) | 72 |
| Other income and expenses | 6 | 585 | 25 |
| Operating (loss)/profit | | 134 | 97 |
| Net financial expense | 9 | (53) | (32) |
| Income tax | 10 | 3 | (25) |
| (Loss)/profit from continuing operations | | 84 | 40 |
| (Loss)/profit from discontinued operations | 3 | (14) | - |
| Net (loss)/profit of the period | | 69 | 40 |
| • Group share | | 67 | 32 |
| from continuing operations | | 81 | 32 |
| from discontinued operations | | (14) | - |
| • Minority interests | | 3 | 8 |
| from continuing operations | | 3 | 8 |
| from discontinued operations | | - | - |
| Basic earnings per share (in euros) | | | |
| Earnings per share from continuing operations | | 0.18 | (0.01) |
| Earnings per share from discontinued operations | | (0.05) | - |
| Basic earnings per share | | 0.12 | (0.01) |
| Diluted earnings per share (in euros) | | | |
| Diluted earnings per share from continuing operations | | 0.18 | (0.01) |
| Diluted earnings per share from discontinued operations | | (0.05) | - |
| Diluted earnings per share | 11 | 0.12 | (0.01) |

Consolidated statement of other comprehensive income

| <i>(€ in million)</i> | Notes | 1st semester 2021 | 1st semester 2022 |
|--|-------|----------------------|----------------------|
| Net profit of the period | | 69 | 40 |
| Currency translation adjustments | 11 | 82 | 207 |
| Effective portion of gains and losses on hedging instruments | 11 | 7 | 53 |
| Currency translation adjustments from discontinued operations | 11 | - | - |
| Items that may be reclassified subsequently to profit or loss | | 89 | 261 |
| Changes in the fair value of non-consolidated investments | 11 | (45) | 26 |
| Actuarial gains and losses on defined benefit plans | 11 | 3 | 6 |
| Items that will not be reclassified to profit or loss | | (42) | 32 |
| Other comprehensive income, net of tax | | 48 | 293 |
| Total comprehensive income of the period | | 117 | 334 |
| • Group share | | 113 | 310 |
| • Minority interests | | 3 | 24 |

Consolidated statement of financial position

Assets

| <i>(€ in million)</i> | Notes | Dec. 2021 (*) | June 2022 |
|--------------------------------------|-------|---------------|---------------|
| Goodwill | 7 | 2,053 | 2,130 |
| Other intangible assets | 7 | 3,112 | 3,203 |
| Property, plant and equipment | 7 | 230 | 235 |
| Right-of-use assets | 7 | 318 | 344 |
| Equity-accounted investments | 5 | 898 | 918 |
| Other non-current financial assets | 9 | 595 | 809 |
| Non-current financial assets | | 1,494 | 1,726 |
| Deferred tax assets | | 192 | 193 |
| Non-current contract assets | 4 | 289 | 307 |
| Other non-current assets | | 3 | 3 |
| Non-current assets | | 7,691 | 8,142 |
| Inventories | 4 | 9 | 11 |
| Trade receivables | 4 | 697 | 859 |
| Other current assets | 4 | 256 | 288 |
| Current financial assets | 9 | 45 | 32 |
| Cash and cash equivalents | 9 | 1,666 | 1,298 |
| Assets classified as held for sale | 3 | 406 | 417 |
| Current assets | | 3,079 | 2,904 |
| TOTAL ASSETS | | 10,769 | 11,046 |

(*) Restated amounts following the provisional purchase price allocation of the Lifestyle business of Ennismore Holding Limited acquired in 2021.

Equity and Liabilities

| <i>(€ in million)</i> | Notes | Dec. 2021 (*) | June 2022 |
|---|-------|---------------|---------------|
| Share capital | 11 | 786 | 789 |
| Additional paid-in capital and reserves | 11 | 2,412 | 2,756 |
| Net profit of the year | | 85 | 32 |
| Ordinary shareholders' equity | | 3,283 | 3,577 |
| Perpetual subordinated bonds | 11 | 1,000 | 1,000 |
| Shareholders' equity - Group share | | 4,283 | 4,577 |
| Minority interests | 11 | 315 | 313 |
| Shareholders' equity | | 4,597 | 4,890 |
| Non-current financial debt | 9 | 2,572 | 2,585 |
| Non-current lease liabilities | 9 | 263 | 291 |
| Deferred tax liabilities | | 561 | 574 |
| Non-current provisions | 8 | 63 | 64 |
| Pensions and other benefits | | 56 | 53 |
| Non-current contract liabilities | 4 | 23 | 32 |
| Non-current liabilities | | 3,537 | 3,599 |
| Current financial debt | 9 | 630 | 389 |
| Current lease liabilities | 9 | 90 | 89 |
| Current provisions | 8 | 282 | 284 |
| Trade payables | 4 | 441 | 467 |
| Other current liabilities | 4 | 559 | 593 |
| Current contract liabilities | 4 | 159 | 221 |
| Loyalty program liabilities | 4 | 180 | 234 |
| Liabilities classified as held for sale | 3 | 294 | 279 |
| Current liabilities | | 2,635 | 2,557 |
| TOTAL EQUITY AND LIABILITIES | | 10,769 | 11,046 |

(*) Restated amounts following the provisional purchase price allocation of the Lifestyle business of Ennismore Holding Limited acquired in 2021.

Consolidated statement of cash flows

| <i>(€ in million)</i> | Notes | 1st semester 2021 | 1st semester 2022 |
|---|--------------|------------------------------|------------------------------|
| Recurring EBITDA | 4 | (120) | 205 |
| Interests received / (paid) | 9 | (40) | (40) |
| Income tax paid | | (6) | (31) |
| Non-cash revenue and expense included in recurring EBITDA | | 29 | 15 |
| Dividends received | | - | 8 |
| Funds from (used in) operations | | (137) | 157 |
| Decrease / (increase) in working capital | 4 | (55) | (151) |
| Decrease / (increase) in contract assets and liabilities | 4 | (1) | 118 |
| Net cash flows from (used in) recurring operating activities | | (192) | 123 |
| Cash received / (paid) on non-recurring items | | (55) | (24) |
| Net cash flows from (used in) operating activities (A) | | (248) | 99 |
| Acquisition of subsidiaries, net of cash acquired | | (21) | (3) |
| Acquisition of property, plant and equipment and intangible assets | | (20) | (29) |
| Acquisition of equity-investments and non-current financial assets | | (212) | (108) |
| Loans granted to third parties | | (9) | (5) |
| Proceeds from disposal of subsidiaries, net of cash transferred | | 249 | 9 |
| Net cash from (used in) investing activities (B) | | (13) | (136) |
| Increase / (decrease) of rights granted over share capital | | (1) | (1) |
| Acquisition of minority interests | | - | (19) |
| Coupons on perpetual subordinated bonds | 11 | (35) | (35) |
| Dividends paid | | (1) | (8) |
| New loans issued | | 356 | 971 |
| Repayment of loans | | (815) | (1,222) |
| Repayment of lease liabilities | | (44) | (36) |
| Changes in other short-term financial debts | | (9) | (1) |
| Net cash flows from (used in) financing activities (C) | | (549) | (351) |
| Net change in cash and cash equivalents (D) = (A) + (B) + (C) | | (810) | (388) |
| Cash and cash equivalents at beginning of the period | | 2,419 | 1,658 |
| Net change in cash and cash equivalents | | (810) | (388) |
| Effect of changes in exchange rates on cash and cash equivalents | | (10) | 14 |
| Fair value restatement on cash and cash equivalents | | 15 | - |
| Reclassification of change in cash and cash equivalents from assets held for sale | | (9) | (4) |
| Cash and cash equivalents at end of the period | | 1,605 | 1,279 |

Consolidated statement of changes in equity

| (€ in million) | Number of shares | Share capital | Additional paid-in capital | Currency translation reserve | Retained earnings | Equity Group share | Minority interests | Total Equity |
|---------------------------------------|--------------------|---------------|----------------------------|------------------------------|-------------------|--------------------|--------------------|--------------|
| Balance at January 1, 2021 | 261,382,728 | 784 | 1,675 | (481) | 2,120 | 4,098 | 66 | 4,164 |
| Capital increase | 456,316 | 1 | 0 | - | (2) | (1) | (0) | 0 |
| Dividends paid | - | - | - | - | 0 | 0 | (1) | (1) |
| Share-based payments | - | - | - | - | 18 | 18 | - | 18 |
| Perpetual subordinated bonds | - | - | - | - | (35) | (35) | - | (35) |
| Effects of scope changes | - | - | - | - | 0 | 0 | 0 | 1 |
| Transactions with shareholders | 456,316 | 1 | 0 | - | (18) | (17) | (1) | (16) |
| Net profit of the period | - | - | - | - | 67 | 67 | 3 | 69 |
| Other comprehensive income | - | - | - | 81 | (34) | 47 | 1 | 48 |
| Total comprehensive income | - | - | - | 81 | 33 | 113 | 3 | 117 |
| Balance at June 30, 2021 | 261,839,044 | 786 | 1,675 | (400) | 2,134 | 4,195 | 69 | 4,264 |

| (€ in million) | Number of shares | Share capital | Additional paid-in capital | Currency translation reserve | Retained earnings | Equity Group share | Minority interests | Total Equity |
|--|--------------------|---------------|----------------------------|------------------------------|-------------------|--------------------|--------------------|--------------|
| Restated Balance at January 1, 2022 (*) | 261,856,268 | 786 | 1,675 | (229) | 2,051 | 4,283 | 315 | 4,597 |
| Capital increase | 1,139,946 | 3 | (0) | - | (3) | 0 | 0 | 0 |
| Change in treasury shares | - | - | - | - | (1) | (1) | - | (1) |
| Dividends paid | - | - | - | - | - | - | (8) | (8) |
| Share-based payments | - | - | - | - | 22 | 22 | - | 22 |
| Perpetual subordinated bonds | - | - | - | - | (35) | (35) | - | (35) |
| Effects of scope changes | - | - | - | - | (5) | (5) | (16) | (21) |
| Other movements | - | - | - | - | 3 | 3 | (1) | 2 |
| Transactions with shareholders | 1,139,946 | 3 | (0) | - | (19) | (16) | (25) | (41) |
| Net profit of the period | - | - | - | - | 32 | 32 | 8 | 40 |
| Other comprehensive income | - | - | - | 192 | 86 | 278 | 15 | 293 |
| Total comprehensive income | - | - | - | 192 | 118 | 310 | 24 | 334 |
| Balance at June 30, 2022 | 262,996,214 | 789 | 1,675 | (37) | 2,150 | 4,577 | 313 | 4,890 |

(*) Restated amounts following the provisional purchase price allocation of the Lifestyle business of Ennismore Holding Limited acquired in 2021.

Notes to the interim condensed consolidated financial statements

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Note 1. Basis of preparation

The interim condensed consolidated financial statements of Accor Group for the six months ended June 30, 2022, were approved for issue by the Board of Directors on July 27, 2022.

1.1. Accounting framework

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim financial reporting*. Accordingly, the interim financial report does not include all the information and disclosures required in an annual report and should be read in conjunction with the annual report for the year ended December 31, 2021.

The accounting policies applied are consistent with those of the previous financial year, except for the adoption of new standards and amendments effective at January 1, 2022 as set out below. The specific measurement principles applied in the interim reporting period are described in Note 4.5 for employee benefits and Note 10 for income tax.

1.2 Evolution of accounting framework

1.2.1 New standards and amendments

The application of the amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*, mandatory as at January 1, 2022, had no significant impact on the Group's interim consolidated financial statements. They clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract, such as direct labor costs, and an allocation of other costs directly related to fulfilling contracts.

The Group carries on the identification and the analysis of contracts affected by the final decision of the IFRS Interpretation Committee (“IFRS IC”) on configuration and customization costs associated with a Software as a Service (SaaS) cloud arrangement in order to assess the impact on its consolidated accounts. The contracts covered by this decision provide to the client access to software functionalities hosted on an infrastructure operated by an external provider via an internet connection. Configuration and customization costs must be recognized as operating expenses when the service is received. However, when the configuration and customization service does not constitute a separate service from the SaaS service, the payments are initially recognized as prepaid expenses, and subsequently recognized as operating expenses over the term of SaaS contract. Besides, the costs incurred for the creation of additional software code, distinct from the SaaS and controlled by the Group, should be recognized as intangible assets.

1.2.2 Future standards, amendments and interpretations

The Group has not applied any standards, amendments to standards or interpretations early applicable on January 1, 2022, regardless of whether they were adopted by the European Union.

1.3 Use of estimates and judgments

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at closing date, income and expenses of the period and accompanying disclosures. Management also needs to exercise judgement in applying the Group's accounting policies. Actual outcome may vary from these estimates, due to changes in facts and circumstances.

The estimates and assumptions used are reviewed on an on-going basis, based on historical experience and other factors considered to be decisive given the environment and circumstances.

The main areas that involved significant estimates and a high degree of judgment for the preparation of the interim condensed consolidated financial statements are:

- The useful lives of PP&E and intangible assets,
- The measurement at fair value of consideration transferred and intangible assets acquired in business combinations,
- The measurement of the recoverable value of goodwill and other non-current assets,
- The measurement of the recoverable value of equity-accounted investments,
- The assessment of lease term and measurement of lease liability,
- The measurement of variable considerations from contracts with hotel owners,
- The assessment of available future taxable profits over which deferred tax assets can be utilized,
- The measurement of the fair value of financial assets,
- The measurement of provisions.

1.4 Climate risks

In preparing its interim financial statements, the Group has considered the impact of climate change and the transition to a lower carbon economy. There has been no material impact on the 2022 interim consolidated financial reporting judgements and estimates arising from the management's considerations.

Management has established its business plan on a recovery assumption consistent with the macroeconomic trends from independent market studies. Those studies reflect a reduction in international travel on medium term, especially in business travel. Companies, committed to reduce carbon emissions, may have to diminish business travel of their employees.

In line with its strategy of reducing its greenhouse gas emissions to become carbon neutral by 2050, the Group issued Sustainability-Linked Bonds on November 18, 2021, whose coupons are linked to the greenhouse gas emissions reduction targets of the Group and its network. As at June 30, 2022, when determining the effective interest rate of the debt, Accor considered that the targets will be met.

Note 2. Significant events in the current period

2.1 Impacts of the Covid-19 health crisis

Impacts on Group's activities

The first half of 2022 recorded a significant rebound in the Group's activity after two years of health crisis, which had sharply impacted the travel and hospitality industry. This recovery is the result of the return of business travel and leisure domestic tourism, and the reopening of borders leading to an acceleration in the recovery of international travel. It is associated with a sharp rise in prices, driven by demand and amplified by inflation. The "RevPAR" (revenue per available room) of the hotels of our network is only down 11% with respect to 2019, compared with the 60% drop recorded in the first half of 2021. The hotel occupancy rate has increased steadily and reached 55% (compared with 34% in the first half of 2021). It increased from 47% in the first quarter to 62% in the second.

In the first half, consolidated revenue amounted to €1,725 million, up 109% compared to €824 million for the first semester of 2021. It is only down 10.5% from €1,926 million recorded in the first half of 2019, used as the reference year by the Group.

Cash management and going concern basis

As at June 30, 2022, Accor had a stable financial structure, with a net cash and cash equivalents position of €1,279 million, after the redemption of the two bonds of €60 million and CHF150 million, issued in 2014, and maturing in February and June 2022 respectively (see Note 9.2). The Group also has an undrawn credit facility for an amount of €1,200 million, maturing June 2025 (for 1,114 million) and June 2024 (for 86 million). The Group has decided not to renew its \$560 million credit facility maturing in May 2022.

Assuming, conservatively, a level of operating cash outflows equivalent to that of the last 12 months, the net cash and cash equivalents position of the Group is more than sufficient to cover at least 12 months of operations. At the date of authorization for issue of the interim condensed financial statements as at June 30, 2022, the Group concluded that there was no material uncertainty that might cast significant doubt on its ability to continue as going concern for, at least, the next 12 months.

Other impacts on the Group's interim condensed consolidated financial statements

Accor has reviewed the recoverable value of its non-current assets (see Note 7.3). No evidence has been identified that requires the Group to perform impairment tests on its goodwill and brands. An analysis was carried out, on a case-by-case basis, for hotel management contracts and equity-accounted investments, with no significant impact on the interim consolidated financial statements.

Furthermore, Accor has not identified either factors showing a significant change in the credit risk of its main customers since December 31, 2021, or facts and circumstances that would cast significant doubts on the recoverability of its deferred tax assets.

2.2. Conflict in Ukraine

The invasion of Ukraine by Russia in February 2022 has no significant impact for Accor. The Group operates 7 hotels in Ukraine, under management and franchise contracts, of which 5 were still open on June 30, 2022. Employees, their families, NGO and international media workers are currently staying at these hotels.

The Group has mobilized its teams in Poland, Hungary and Slovakia to welcome citizens fleeing Ukraine and set up solidarity action financing mechanisms through the All Heartist and Accor Solidarity funds.

On March 7, 2022, Accor suspended:

- Development and hotel openings planned in Russia,
- Partnerships set up with Russian companies as part of the ALL loyalty program,
- All contractual obligations relative to owners under international sanctions.

On June 30, 2022, the Group operated 57 hotels in Russia, representing around 1% of its global network.

2.3. Other significant events

Other significant events that occurred in the period are:

- The acquisition of Lido in February 2022 (see Note 3.1.1),
- The disposal of the subsidiary ResDiary in exchange for shares in Reef Technology Inc. in June 2022, followed by an additional acquisition of shares, bringing Accor's stake to 4.92% of the share capital of Reef Technology (see Note 3.1.2),
- The acquisition of the remaining 50% stake in Orient Express SAS in June 2022 (see Note 3.1.3).

Note 3. Group Structure

3.1 Scope consolidation changes

3.1.1 Acquisition in the period

On February 9, 2022, Accor acquired the company “Société d'Exploitation et de Gestion de Spectacles de Music Halls Internationaux” (SEGSMHI), whose main activity is to operate the theater “Le Lido” in Paris. This transaction allows the Group to extend its hospitality offer, especially for ALL program members.

The purchase price amounts to a symbolic €1. Based on the net asset acquired of €9 million, including the fair value of Lido brand (€3 million), the Group has recognized a provisional badwill for €9 million. The badwill is recorded within other income and expenses in the consolidated income statement and mainly reflects the future costs that the Group will incur to restructure and modernize the venue. The purchase price allocation will be finalized within the 12-month measurement period following the acquisition date.

This transaction resulted in a total cash inflow of €14 million (including the cash acquired) in the interim consolidated statement of cash flows.

3.1.2 Disposal in the period

On June 21, 2022, Accor sold 100% of its shares in ResDiary, the subsidiary specialized in table booking management optimization tools for restaurants, to Reef Technology Inc., in exchange for shares issued by the latter worth \$85 million (€81 million).

Reef Technology Inc. is a US-based leader in parking real estate and delivery kitchens. It optimizes and transforms open spaces into multi-purpose places that support the on-demand economy.

The net gain on disposal of ResDiary, recognized in other income and expenses in the consolidated income statement, amounts to €53 million. It is calculated as the difference between:

- on the one hand, the fair value of the shares sold for €81 million, decreased by the reclassification to profit and loss of cumulative exchange losses previously recognized in other comprehensive income for €(4) million, and
- on the other hand, the net assets of ResDiary, as recognized in the Group's financial statements at completion date, for €24 million.

Besides, Accor has subscribed to an increase in shares of Reef Technology Inc. for \$75 million (€71 million). Following these two transactions, Accor holds 4.92% of the company's share capital for a total investment of \$160 million (€152 million). This investment is recognized as a non-consolidated investment measured at fair value through other comprehensive income.

Those transactions resulted in a total cash outflow of €77 million (net of cash disposed) in the interim consolidated statement of cash flows.

3.1.3 Other transactions

Acquisition of Orient Express SAS non-controlling interests

On June 8, 2022, Accor, which owned 50%, plus one share, of the share capital of Orient Express SAS since 2018, acquired the remaining 50% stake owned by SNCF Voyageurs SA for €19 million, increasing its ownership to 100% of the share capital and voting rights of the company. This transaction enables the Group to gain flexibility in the development of this iconic brand.

This transaction has no impact on the control of the company, which has been fully consolidated since 2018 in the Group's financial statements. Being analyzed as a transaction with non-controlling interests, the difference between the purchase price of the remaining shares (€19 million) and the additional share of consolidated equity acquired (€16 million) has been recognized as a reduction in Equity - Group share.

This operation resulted in a total cash outflow of €19 million in the interim consolidated statement of cash flows.

Negotiations to dispose 10.8% interest in Ennismore

On June 21, 2022, Accor entered into exclusive negotiations to sell a 10.8% stake in its subsidiary Ennismore, the 66.67% owned Lifestyle hotel operator created through the merger with Ennismore Holdings Limited ("EHL") in October 2021, to a Qatari consortium for €185 million. The contemplated transaction includes, beforehand, the contribution to Ennismore of the Group's shareholdings in Rixos, a 70% owned hotel operator dedicated to "All-Inclusive" hotels in the Middle East, and Paris Society, a collection of upscale restaurants and high-end entertainment events. At completion date, Paris Society will be 93.5% owned by the Group after exercise of its option to acquire an additional stake of 45% providing control.

Upon completion, Ennismore will combine the Group's Lifestyle and Leisure activities. Accor is expected to retain a controlling stake of 62.2% in Ennismore, the remaining shares will be held by EHL and the new investors.

On June 30, 2022, Ennismore comprises a unique collective of world leading Lifestyle brands including 21c Museum Hotel, 25hours, Delano, Gleneagles, Hyde, Jo&Joe, Mama Shelter, Mondrian, Morgans Originals, SLS, SO/ and The Hoxton. The new group should include more than 130 hotels operating in nearly 40 countries, with more than 275 restaurants & bars.

Closing is expected to occur in the second half of 2022.

3.2 Assets held for sale and discontinued operations

As at June 30, 2022, assets and liabilities classified as held for sale were as follows:

| <i>(€ in million)</i> | Dec. 2021 | | June 2022 | |
|-----------------------|------------|-------------|------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| SCI Sequana | 402 | 294 | 416 | 279 |
| Others | 3 | - | 1 | 0 |
| Total | 406 | 294 | 417 | 279 |

Sale-and-lease back project of Group's head office

As at June 30, 2022, the SCI Sequana entity, which owns the Group's head office building located in Issy-Les-Moulineaux and associated financial debt, has been maintained as assets held for sale.

In a highly uncertain environment that affected all real estate transactions in Paris and the suburbs, the discussions initiated with potential investors in June 2020 were not conclusive yet but were pursued over the semester. The Group remains actively committed to its disposal plan. Accor considers that the completion of this project, which was delayed by circumstances that are beyond its control, is still highly probable and that the criteria required by IFRS 5 *Non-current assets held for sale and Discontinued operations* are still met.

As at June 30, 2022, the comparison between the carrying value of the disposal group of assets and its fair value less costs to sell did not show any impairment.

Note 4. Operating activities

4.1 Segment information

In accordance with IFRS 8 *Operating Segments*, the segment information is based on the Group's internal reporting that is provided to the Executive Committee, Chief Operating Decision Maker of the Group.

The reportable segments of Accor are as follows:

- **Five “Management & Franchise” segments** – The hotel management and franchise business consists in collecting fees from hotel owners. It also includes the commissions received on centralized purchases. Its performance is presented for the following five geographic areas:
 - Southern Europe (including France),
 - Northern Europe (including the United Kingdom and Germany),
 - Asia-Pacific which comprises the three hubs Southeast Asia, Greater China and Pacific,
 - Americas which gather North America, Central America & the Caribbean and South America,
 - India, Middle East, Africa and Turkey.
- **“Services to owners” segment** – It gathers all the services rendered by the Division Sales, Marketing, Distribution and Loyalty (sales, marketing and distribution, loyalty program) as well as shared services and reimbursement of costs incurred on behalf of hotel owners.
- **“Hotel assets & Other” segment** – It includes the activities that are not part of the Group's core business as hotel operator:
 - Hotel assets – this corresponds to the hotel owner-operator business (owned and leased hotels), comprising accommodation and F&B sales to guests as well as management of the asset portfolio (hotel design, construction, refurbishment and maintenance activities),
 - Three activities conducted in Asia-Pacific: AccorPlus (rewards cards program), Accor Vacation Club (timeshare business) and Strata (room distribution and management of hotels common areas),
 - And, since early 2021, the new activities developed by the Group, mainly through external growth transactions (digital services, private luxury home rentals, digital sales, hotel booking services and concierge services).

4.1.1 Revenue

| <i>(€ in million)</i> | 1st semester 2021 | 1st semester 2022 |
|-------------------------------------|------------------------------|------------------------------|
| Southern Europe | 41 | 115 |
| Northern Europe | 24 | 105 |
| Asia-Pacific | 43 | 58 |
| Americas | 31 | 81 |
| India, Middle East, Africa & Turkey | 24 | 75 |
| Management & Franchise | 163 | 434 |
| Services to owners | 383 | 842 |
| HotelServices | 545 | 1,276 |
| Hotel assets & Other | 281 | 462 |
| Holding/Intercos | (3) | (14) |
| Revenue | 824 | 1,725 |

Revenue in France amounted to €261 million in the first half of 2022.

4.1.2 EBITDA

| <i>(€ in million)</i> | 1st semester 2021 | 1st semester 2022 |
|-------------------------------------|------------------------------|------------------------------|
| Southern Europe | 24 | 87 |
| Northern Europe | 4 | 71 |
| Asia-Pacific | 21 | 30 |
| Americas | (6) | 52 |
| India, Middle East, Africa & Turkey | 11 | 57 |
| Management & Franchise | 55 | 297 |
| Services to owners | (133) | (89) |
| HotelServices | (78) | 208 |
| Hotel assets & Other | 25 | 58 |
| Holding/Intercos | (66) | (60) |
| EBITDA | (120) | 205 |

4.2 Operating expenses

| <i>(€ in million)</i> | 1st semester 2021 | 1st semester 2022 |
|--|------------------------------|------------------------------|
| Cost of goods sold | (25) | (33) |
| Personnel expenses | (376) | (483) |
| Personnel expenses recharged to owners | (192) | (418) |
| Variable property lease payments | (7) | (30) |
| Energy, maintenance and repairs | (20) | (29) |
| Taxes | (15) | (28) |
| Other operating expenses | (308) | (497) |
| Operating expenses | (944) | (1,520) |

Staff costs increase over the first half, under the combined effect of the business recovery, the reopening of hotels and the end of government support measures.

Personnel expenses incurred on behalf of hotel owners under hotel management contracts (and fully re-invoiced to them) mainly increased in North America reflecting the strong recovery in activity in this area with the reopening of almost all the hotels.

The increase in property lease payments, corresponding to the variable rents based on the performance of hotel assets operated under lease contracts, mainly concerns Brazil.

Other operating expenses, which mainly comprise marketing, advertising and promotion, distribution and IT costs, increase in line with the recovery in activity, even though the Group is pursuing its effort to contain costs. This line item also includes the costs incurred and fully re-invoiced under the accommodation management agreement for the Football World Cup in Qatar in November and December 2022.

4.3 Working capital

The working capital is composed as follows:

| <i>(€ in million)</i> | Dec. 2021 | June 2022 | Variation | Neutralization of non-cash items | Cash flow statement items |
|----------------------------|------------------|------------------|------------------|---|--|
| Inventories | 9 | 11 | 2 | 1 | 1 |
| Trade receivables | 697 | 859 | 161 | 11 | 150 |
| Other current assets | 256 | 288 | 32 | (4) | 36 |
| Current assets | 962 | 1,157 | 195 | 8 | 187 |
| Trade payables | 441 | 467 | 26 | (19) | 45 |
| Other current liabilities | 559 | 593 | 34 | 43 | (9) |
| Current liabilities | 1,000 | 1,060 | 60 | 24 | 36 |
| Working capital | (38) | 97 | 135 | (17) | 151 |

4.4 Contract assets and liabilities

Contract assets and liabilities are composed as follows:

| <i>(€ in million)</i> | Dec. 2021 | June 2022 | Variation | Neutralization of non-cash items | Cash flow statement items |
|--|------------------|------------------|------------------|---|--|
| Advance payments to hotel owners | 289 | 307 | 18 | 13 | 5 |
| Contract assets | 289 | 307 | 18 | 13 | 5 |
| Deferred income | 182 | 252 | 70 | (35) | 105 |
| Contract liabilities | 182 | 252 | 70 | (35) | 105 |
| Loyalty program liability | 180 | 234 | 54 | 36 | 18 |
| Net contract assets and liabilities | (73) | (179) | (106) | 12 | (118) |

The increase in contract liabilities compared to December 31, 2021, is mainly explained by advances received by Accor under the accommodation management agreement for the FIFA World Cup organized in Qatar in November and December 2022.

4.5 Employee benefits

4.5.1 Pensions and other benefits

Accounting policy

The post-employment and other long-term employee benefits obligation is calculated by projecting over a half-year period, the obligation as at 31 December of the previous financial year, taking into account the benefits paid and changes in plan assets. As at June 30, the actuarial assumptions used in the calculation of the employee benefits obligation are updated in the event of significant change over the period.

Following the increase in market interest rates over the semester of 2022, the Group updated the rates assumptions on post-employment benefits resulting in a €6 million decrease of post-employment benefits obligation recognized in other comprehensive income.

The main discount rates used are as follows:

| | Discount rate | |
|-------------|---------------|-----------|
| | Dec. 2021 | June 2022 |
| France | 0.9% - 2.0% | 2% - 3.2% |
| Switzerland | 0.3% | 2.3% |
| Canada | 2.8% - 3.0% | 5.0% |

4.5.2 Share-based payments

In the first half of 2022, personnel expenses included €22 million related to share-base payments.

New plan

On April 7, 2022, the Group granted 1,437,634 performance shares to some of its employees, subject to a three-year vesting period. At this date, the fair value of the performance share was €24.88, corresponding to the share price of €27.29 adjusted downwards to reflect the expected dividends forgone over the vesting period and the probability of meeting the market conditions.

The shares will vest provided the grantee remains within the Group until the end of the vesting period, and the following performance conditions are fulfilled:

- Non-market conditions (80% weighting): level of achievement of Group EBITDA (40%) and Recurring free cash flows (20%) compared to the budget over the years 2022 to 2024 and carbon reduction targets at the end of 2024 compared to 2019 (20%).
- Market condition (20% weighting): change in Accor's Total Shareholder Return (TSR) compared to a reference synthetic index composed of European and international hotel groups.

The total fair value of this plan amounts to €36 million and will be recognized on a straight-line basis over the vesting period under employee benefits expenses, with a corresponding adjustment to equity. The expense recognized over the first half amounted to €3 million.

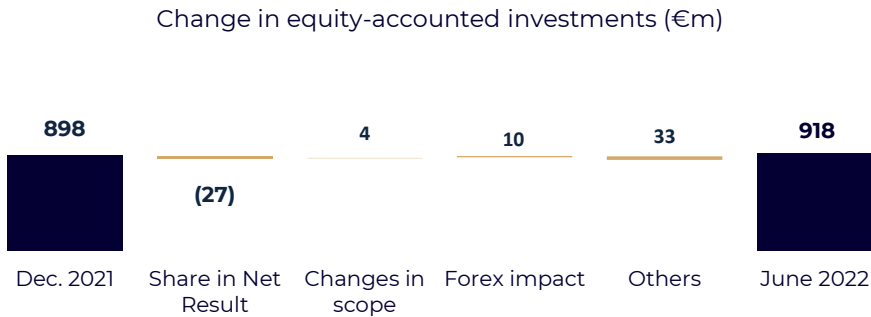
Note 5. Equity-accounted investments

5.1 Share of net results of equity-accounted investments

The main contributions of associates and joint ventures investments are as follows:

| <i>(€ in million)</i> | 1st semester 2021 | 1st semester 2022 |
|---|------------------------------|------------------------------|
| AccorInvest | (172) | (29) |
| Others | (36) | (1) |
| Associates | (208) | (30) |
| Joint ventures | (5) | 3 |
| Share of net results of equity-accounted investments | (213) | (27) |

5.2 Carrying value of equity-accounted investments



Other variations include a capital increase in the investment fund Kasada for €12million.

Note 6. Other income and expenses

| <i>(€ in million)</i> | 1st semester 2021 | 1st semester 2022 |
|---|------------------------------|------------------------------|
| Impairment losses | (23) | 1 |
| Restructuring costs | (17) | (26) |
| Gains and losses on disposal | 645 | 51 |
| Other non-recurring income and expenses | (20) | (1) |
| Other income and expenses | 585 | 25 |

In the first half of 2022, other income and expenses mainly include a €53 million gain recognized on the disposal of ResDiary (see Note 3.1.2) and restructuring costs for €(26) million.

In the comparative period, a €649 million gain was recognized on the partial disposal of Huazhu Group Ltd shares.

Note 7. Intangible assets and property, plant & equipment

7.1 Intangible assets

Changes in the carrying amount of intangible assets over the period were as follows:

| € in million | Goodwill | Trademarks | Contracts | Licences, software | Others | Total |
|------------------------------------|--------------|--------------|--------------|-----------------------|--------------|----------------|
| Gross value | | | | | | |
| At January 1, 2022 (*) | 2,645 | 2,264 | 1,402 | 365 | 254 | 6,930 |
| Business combinations | 2 | 3 | - | - | - | 6 |
| Additions | - | - | - | 10 | 24 | 34 |
| Disposals | (18) | - | - | (18) | (2) | (38) |
| Exchange differences | 102 | 91 | 60 | 2 | - | 255 |
| Others | - | - | (39) | 17 | (21) | (42) |
| At June 30, 2022 | 2,730 | 2,358 | 1,423 | 377 | 256 | 7,144 |
| Depreciation and impairment | | | | | | |
| At January 1, 2022 | (592) | (321) | (486) | (275) | (91) | (1,764) |
| Depreciation | - | - | (13) | (23) | (16) | (53) |
| Impairment loss | - | - | (1) | - | - | (1) |
| Disposals | - | - | - | 13 | 1 | 13 |
| Exchange differences | (8) | (13) | (23) | (2) | - | (46) |
| Others | - | (1) | 39 | 1 | - | 40 |
| At June 30, 2022 | (600) | (335) | (483) | (287) | (106) | (1,810) |
| Net book value | | | | | | |
| At January 1, 2022 (*) | 2,053 | 1,943 | 917 | 89 | 163 | 5,166 |
| At June 30, 2022 | 2,130 | 2,024 | 939 | 91 | 150 | 5,334 |

(*) Restated amounts following the provisional purchase price allocation of the Lifestyle business of Ennismore Holding Limited acquired in 2021.

Goodwill

As at June 30, 2022, the breakdown of goodwill is as follows:

| <i>(€ in million)</i> | Dec. 2021 (*) | Scope Variation | Exchange diff. & Others | June 2022 |
|--------------------------------------|----------------------|------------------------|------------------------------------|------------------|
| Management & Franchise | | | | |
| Northern Europe | 165 | - | 0 | 166 |
| Southern Europe | 170 | - | - | 170 |
| India, Middle East, Africa & Turkey | 285 | 2 | 21 | 307 |
| South East Asia | 288 | - | 22 | 309 |
| Greater China | 79 | - | 2 | 80 |
| Pacific | 93 | - | 3 | 97 |
| North/Central America, the Caribbean | 246 | - | 18 | 264 |
| South America | 66 | - | 11 | 77 |
| Hotel Assets & Other | 279 | (18) | 6 | 266 |
| Lifestyle | 383 | - | 11 | 394 |
| Net book value | 2,053 | (16) | 93 | 2,130 |

(*) Restated amounts following the provisional purchase price allocation of the Lifestyle business of Ennismore Holding Limited acquired in 2021.

In the first half of 2022, the Group recognized, on a provisional basis, the purchase price allocation of the Lifestyle business of Ennismore Holding Ltd (« EHL ») acquired on October 1, 2021. The goodwill, determined using the partial goodwill approach, amounts to €114 million and corresponds to the difference between:

- On the one hand, the consideration transferred for €218 million, corresponding to the fair value of the interests in Accor's Lifestyle activities transferred to EHL, and minority interests measured at their share in net assets for €51 million, and
- On the other hand, the net asset acquired of €155 million, mainly comprising brands for €105 million, management contracts with hotel owners for €96 million and deferred tax assets for €51 million.

In accordance with IFRS 3 *Business combinations*, the values resulting from the provisional purchase price allocation have been incorporated in the restated statement of financial position as at December 31, 2021. The impact of these allocations on amortization and related tax effects in the consolidated income statement for the year 2021 is not material. Therefore, the consolidated income statement, comprehensive income statement and cash flows statement have not been restated.

The disposal of ResDiary (see Note 3.1.2) led to the derecognition of the respective goodwill for €18 million.

7.2 Property, plant & equipment and right-of-use assets

Property, plant & equipment and right-of-use assets breakdown is as follows:

| <i>(€ in million)</i> | Land Buildings | Leasehold improvements | Equipment, furniture | Assets in progress | Right-of- use assets | Total |
|------------------------------------|---------------------------|-----------------------------------|---------------------------------|-------------------------------|---------------------------------|--------------|
| Gross value | | | | | | |
| At January 1, 2022 | 281 | 195 | 150 | 20 | 554 | 1,199 |
| Business combinations | - | 0 | 0 | 0 | 38 | 38 |
| Additions | 0 | 1 | 4 | 3 | 23 | 31 |
| Disposals | (0) | (0) | (1) | - | (36) | (37) |
| Exchange differences | 10 | 5 | 2 | 2 | 16 | 36 |
| Others | (1) | (11) | (1) | 0 | (4) | (17) |
| At June 30, 2022 | 291 | 189 | 154 | 25 | 591 | 1,250 |
| Depreciation and impairment | | | | | | |
| At January 1, 2022 | (172) | (152) | (88) | (4) | (236) | (652) |
| Depreciation | (3) | (6) | (5) | - | (40) | (53) |
| Impairment loss | - | - | - | - | - | - |
| Disposals | 0 | 0 | 1 | - | 32 | 33 |
| Exchange differences | (7) | (4) | (2) | (0) | (6) | (19) |
| Others | 5 | 14 | (2) | - | 3 | 19 |
| At June 30, 2022 | (177) | (148) | (96) | (4) | (247) | (672) |
| Net book value | | | | | | |
| At January 1, 2022 | 109 | 43 | 62 | 16 | 318 | 548 |
| At June 30, 2022 | 114 | 41 | 58 | 21 | 344 | 579 |

7.3 Impairment tests

In accordance with IAS 36 *Impairment of Assets*, Accor is required to assess, at each closing date, whether there is an indication that an asset may be impaired and, if so, estimates the recoverable value of this asset.

As at June 30, 2022, the Group's forecasts were updated based on the revised budget for the year 2022 and « RevPAR » (revenue per available room) trends by geography. These forecasts are based on a central scenario assuming a return to a level of "RevPAR" equivalent to that of 2019 in 2023, i.e. one year earlier than the assumption used for the impairment tests conducted in 2021. This recovery assumption is consistent with the external data available at the date on which the interim consolidated financial statements were authorized for issue.

The combined effect of the acceleration of the recovery and the increase in discount rates over the period did not show any evidence that requires the Group to perform impairment tests. Besides, for each CGU or group of CGUs, the tests carried out at year end 2021 showed that the recoverable value were substantially higher than their carrying values. On this basis, as at June 30, 2022, the CGUs and groups of CGUs to which goodwill and brands are allocated have not been tested for impairment.

Accor performed a review of its hotel management contracts and its equity-accounted investments. The Group performed impairment tests on a case-by-case basis when an impairment indicator or an indication that a previously recognized impairment no longer exist was identified as a result of this analysis.

As a result, the Group recognized net impairment reversal of €1 million on its hotel management contracts presented as other income and expenses in the consolidated income statement of the period (see Note 6).

Note 8. Provisions

Changes in provisions over the first half of 2022 can be analyzed as follows:

| <i>(€ in million)</i> | Dec. 2021 | Allowance | Reversal | | Exchange diff. & others | June 2022 |
|-----------------------------|------------------|-----------|--------------|----------------------|----------------------------|------------------|
| | | | Utilizations | Unused provisions | | |
| Litigation and others risks | 269 | 14 | (17) | (8) | 10 | 268 |
| Restructuring | 75 | 24 | (17) | (3) | 1 | 80 |
| Provisions | 344 | 38 | (35) | (11) | 11 | 348 |
| · of which non-current | 63 | 0 | (0) | (0) | 2 | 64 |
| · of which current | 282 | 38 | (35) | (11) | 9 | 284 |

As at June 30, 2022, provisions amounted to €348 million and mainly comprised a provision of €109 million covering the risks associated with guarantees given as part of AccorInvest disposal and a provision of €53 million related to the dividend withholding tax litigation (see Note 12.2).

Note 9. Financing and financial instruments

9.1 Net financial result

The net financial result is analyzed as follows:

| <i>(€ in million)</i> | 1st semester 2021 | 1st semester 2022 |
|--|----------------------|----------------------|
| Interests on bonds and bank borrowings | (40) | (40) |
| Interests on loans and securities | 1 | (5) |
| Interests on lease liabilities | (5) | (4) |
| Cost of net debt | (45) | (50) |
| Other financial income and expenses | (8) | 17 |
| Net financial result | (53) | (32) |

Other financial income and expenses of €17 million comprise exchange gains for €15 million.

9.2 Group net financial debt

9.2.1 Breakdown of net financial debt

As at June 30, 2022, the Group net financial debt amounts to €2,025 million and is analyzed as follows:

| <i>(€ in million)</i> | Dec. 2021 | | | June 2022 | | |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Curent | Non current | Total | Curent | Non current | Total |
| Bonds | 238 | 2,343 | 2,581 | 31 | 2,353 | 2,384 |
| Negotiable commercial papers (NEU CP) | 302 | - | 302 | 264 | - | 264 |
| Bank overdrafts | 8 | - | 8 | 19 | - | 19 |
| Other bank borrowings | 4 | 61 | 65 | 4 | 63 | 66 |
| Bonds and bank borrowings | 551 | 2,404 | 2,955 | 318 | 2,415 | 2,733 |
| Other financial debts | 51 | 167 | 218 | 37 | 170 | 206 |
| Derivative financial instruments | 29 | - | 29 | 35 | - | 35 |
| Gross financial debt | 630 | 2,572 | 3,202 | 389 | 2,585 | 2,974 |
| Lease liabilities | 90 | 263 | 353 | 89 | 291 | 380 |
| Total financial debt | 720 | 2,835 | 3,555 | 478 | 2,876 | 3,354 |
| Cash and cash equivalents | 1,666 | - | 1,666 | 1,298 | - | 1,298 |
| Other current financial assets | 37 | - | 37 | 23 | - | 23 |
| Derivative financial instruments | 8 | - | 8 | 9 | - | 9 |
| Financial assets | 1,711 | - | 1,711 | 1,330 | - | 1,330 |
| Net financial debt | (991) | 2,835 | 1,844 | (852) | 2,876 | 2,025 |

In the first half of 2022, changes in financial debt were as follows:

| (€ in million) | Dec. 2021 | Cash flows | Other changes | | | | | June 2022 |
|---------------------------------------|--------------|---------------|------------------|-------------------------|---------------|-----------|-----------|--------------|
| | | | Scope effects | Exchange differences | Fair value | Others | IFRS 5 | |
| Bonds | 2,581 | (208) | - | 4 | - | 7 | 0 | 2,384 |
| Negotiable commercial papers (NEU CP) | 302 | (37) | - | - | - | 0 | - | 264 |
| Bank borrowings | 73 | (6) | 0 | 11 | - | 4 | 3 | 85 |
| Other financial debts | 218 | (16) | 1 | 3 | - | (0) | - | 206 |
| Derivative financial instruments | 29 | - | - | - | (23) | 16 | 13 | 35 |
| Gross financial debt | 3,202 | (267) | 1 | 18 | (23) | 27 | 16 | 2,974 |
| Lease liabilities | 353 | (40) | 38 | 11 | - | 18 | - | 380 |
| Total debt | 3,555 | (307) | 39 | 29 | (23) | 45 | 16 | 3,354 |

In the period, Accor redeemed two bonds:

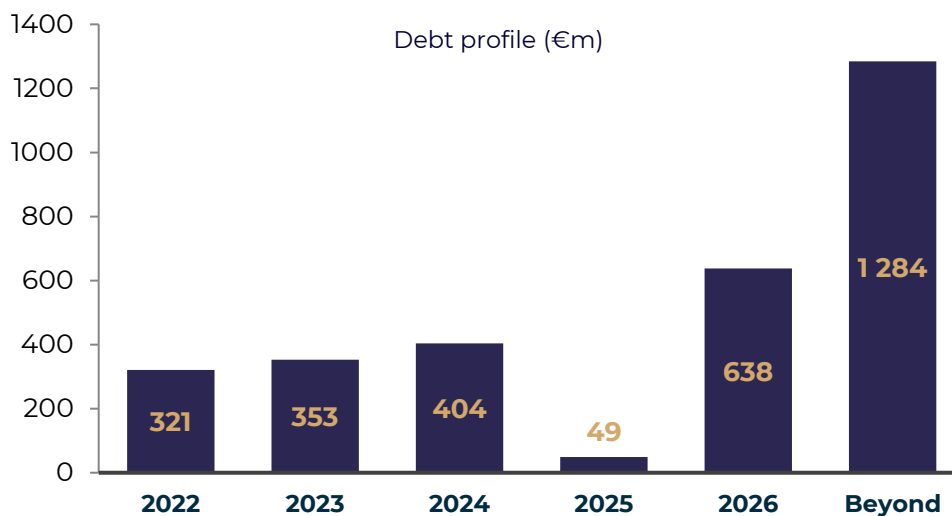
- The bond of €60 million issued in December 2014 and maturing in February,
- The bond of CHF 150 million issued in June 2014 and maturing in June.

Accor has a short-term financing program in the form of commercial papers (NEU CP) capped at €500 million. As at June 30, 2022, this program is drawn for €264 million, representing a decrease of €37 million compared to December 31, 2021.

As at June 30, 2022, the Group has one undrawn confirmed credit line for a €1,200 million, maturing in June 2025 (for €1,114 million) and in June 2024 (for €86 million). The €560 million credit line negotiated in May 2020, matured in May 2022.

9.2.2 Debt profile

The bonds and bank borrowings profile (corresponding to contractual undiscounted cash-flows) is one of the indicators used to assess the Group's liquidity position. As at June 30, 2022, maturities were as follows:



9.3 Non-current financial assets

| <i>(€ in million)</i> | Dec. 2021 | June 2022 |
|---|------------------|------------------|
| Long-term loans | 23 | 27 |
| Security deposits | 24 | 27 |
| Financial assets at amortized cost | 47 | 53 |
| Non-consolidated investments | 410 | 606 |
| Other non-current financial assets | 138 | 149 |
| Financial assets at fair value | 549 | 755 |
| Total | 595 | 809 |

The change in non-consolidated investments mainly relates to the acquisition of a 4.92% shareholding interest in Reef Technology Inc. for €152 million (see Note 3.1.2) and the change in fair value of Huazhu Group Ltd shares for €26 million, recognized in other comprehensive income.

Other non-current financial assets mainly consist of investments in convertible bonds (€41 million), units held in investment funds (€59 million) and the earn-out in relation to the disposal of the Lifestyle hotel assets portfolio to KNSA Hotels France (€49 million). In the period, the Group recognized a change in fair value of €10 million in financial income.

9.4 Financial instruments

9.4.1 Breakdown of financial assets and liabilities

| <i>(€ in million)</i> | By class of instrument | | | | Dec. 2021 |
|---------------------------------------|------------------------|---------------------------|------------------------|---------------------------------|--------------|
| | Amortized cost | Fair value through equity | Fair value through P&L | Derivatives qualified as hedges | |
| Long-term loans | 23 | - | - | - | 23 |
| Deposits | 24 | - | - | - | 24 |
| Non-consolidated investments | - | 410 | - | - | 410 |
| Other non-current financial assets | - | - | 138 | - | 138 |
| Trade receivables | 697 | - | - | - | 697 |
| Cash and cash equivalents | 1,526 | - | 139 | - | 1,666 |
| Other current financial assets | 37 | - | - | - | 37 |
| Derivative instruments | - | - | 8 | - | 8 |
| Financial assets | 2,307 | 410 | 286 | - | 3,004 |
| Bonds | 2,581 | - | - | - | 2,581 |
| Negotiable commercial papers (NEU CP) | 302 | - | - | - | 302 |
| Bank borrowings | 73 | - | - | - | 73 |
| Other financial debts | 218 | - | - | - | 218 |
| Trade payables | 441 | - | - | - | 441 |
| Derivative instruments | - | - | 4 | 25 | 29 |
| Financial liabilities | 3,615 | - | 4 | 25 | 3,643 |

| <i>(€ in million)</i> | By class of instrument | | | | June 2022 |
|---------------------------------------|------------------------|---------------------------|------------------------|---------------------------------|--------------|
| | Amortized cost | Fair value through equity | Fair value through P&L | Derivatives qualified as hedges | |
| Long-term loans | 27 | - | - | - | 27 |
| Deposits | 27 | - | - | - | 27 |
| Non-consolidated investments | - | 606 | - | - | 606 |
| Other non-current financial assets | - | - | 149 | - | 149 |
| Trade receivables | 859 | - | - | - | 859 |
| Cash and cash equivalents | 1,191 | - | 107 | - | 1,298 |
| Other current financial assets | 23 | - | - | - | 23 |
| Derivative instruments | - | - | 9 | - | 9 |
| Financial assets | 2,126 | 606 | 265 | - | 2,997 |
| Bonds | 2,384 | - | - | - | 2,384 |
| Negotiable commercial papers (NEU CP) | 264 | - | - | - | 264 |
| Bank borrowings | 85 | - | - | - | 85 |
| Other financial debts | 206 | - | - | - | 206 |
| Trade payables | 467 | - | - | - | 467 |
| Derivative instruments | - | - | 4 | 31 | 35 |
| Financial liabilities | 3,406 | - | 4 | 31 | 3,442 |

9.4.2 Fair value hierarchy

| <i>(€ in million)</i> | Dec. 2021 | Hierarchy | | |
|------------------------------------|------------|------------|-----------|------------|
| | Fair value | Level 1 | Level 2 | Level 3 |
| Non-consolidated investments | 410 | 33 | - | 377 |
| Other non-current financial assets | 138 | - | - | 138 |
| Mutual funds units | 139 | 139 | - | - |
| Derivative instruments - assets | 8 | - | 8 | - |
| Financial assets | 696 | 172 | 8 | 516 |
| Derivatives - liabilities | 29 | - | 29 | - |
| Financial liabilities | 29 | - | 29 | - |

| <i>(€ in million)</i> | June 2022 | Hierarchy | | |
|------------------------------------|------------|------------|-----------|------------|
| | Fair value | Level 1 | Level 2 | Level 3 |
| Non-consolidated investments | 606 | 418 | - | 188 |
| Other non-current financial assets | 149 | - | - | 149 |
| Mutual funds units | 107 | 107 | - | - |
| Derivative instruments - assets | 9 | - | 9 | - |
| Financial assets | 871 | 525 | 9 | 337 |
| Derivatives - liabilities | 35 | - | 35 | - |
| Financial liabilities | 35 | - | 35 | - |

Note 10. Income tax

Accounting policy

In the interim financial statements, the tax charge is calculated, for each tax jurisdiction in which the group operates, by applying to the interim period net income before "income tax" and "other income and expenses" the estimated effective annual tax rate.

The tax effects related to "other income and expenses" are recognized in the period in which these non-recurring events occur and are not considered in the calculation of the effective annual tax rate.

| <i>(€ in million)</i> | 1st semester 2021 | 1st semester 2022 |
|-----------------------|------------------------------|------------------------------|
| Current tax | 1 | (30) |
| Deferred tax | 2 | 5 |
| Income tax | 3 | (25) |

In the first half of 2022, the Group recognized an income tax expense for €(25) million.

The current income tax expense of €(30) million mainly includes:

- Income tax expense for €(37) million, mainly in Canada and Egypt,
- Reversals of provisions for tax risks for €7 million.

Over the comparative period, the current tax income of €1 million is the result of a tax charge of €(6) million, offset by a reversal of provisions for tax risks of €8 million.

Note 11. Shareholder's equity

11.1. Share capital

11.1.1 Shareholders

As at June 30, 2022, Jin Jiang is Accor's leading shareholder with 12.9% of the share capital corresponding to 16.9% of voting rights. Qatar Investment Authority (QIA) and Kingdom Holding Company (KHC), which became shareholders as part of FRHI Group acquisition in July 2016, respectively hold 11.2% and 6.3% of the Company's share capital, representing 17.2% and 9.6% of voting rights. Harris Associates owns 7.5% of the share capital and 5.8% of voting rights. Finally, Huazhu Group Ltd holds 3.9% of the share capital and 3.0% of voting rights.

11.1.2 Changes in share capital

Changes in the number of outstanding shares during the first semester 2022 are as follows:

| <i>In number of shares</i> | 2022 |
|---|--------------------|
| Number of issued shares at January 1, 2022 | 261,856,268 |
| Performance shares vested | 1,139,946 |
| Number of issued shares at June 30, 2022 | 262,996,214 |

11.1.3 Dividends distribution

No dividend paid over the period.

11.1.4 Perpetual subordinated notes

In the first half of 2022, interest payments on perpetual subordinated notes amounted to €35 million. These payments are analyzed as a profit distribution, directly deducted from equity.

11.1.5 Reserves

Items recognized directly in shareholders' equity Group share are as follows:

| <i>(€ in million)</i> | Dec. 2021 (*) | Change | June 2022 |
|--|----------------------|------------|------------------|
| Currency translation reserve | (229) | 192 | (37) |
| Changes in fair value of financial Instruments | (250) | 79 | (170) |
| · of which non-consolidated investments | (227) | 26 | (201) |
| · of which derivative instruments | (23) | 53 | 30 |
| Reserve for actuarial gains/losses | (97) | 6 | (90) |
| Share based payments | 339 | 22 | 361 |
| Retained earnings and others | 2,058 | (9) | 2,049 |
| Reserves - Group share | 1,822 | 291 | 2,113 |

(*) Restated amounts following the provisional purchase price allocation of the Lifestyle business of Ennismore Holding Limited acquired in 2021 (see Note 7.1).

11.2 Minority interests

As at June 30, 2022, minority interests breakdown is as follows:

| <i>€ in million</i> | Dec. 2021 (*) | Change | June 2022 |
|---------------------------|----------------------|------------|------------------|
| Ennismore | 253 | 14 | 267 |
| Rixos Hotels & Resorts | 17 | 5 | 21 |
| Orient Express | 16 | (16) | - |
| Other minority interests | 29 | (4) | 25 |
| Minority interests | 315 | (1) | 313 |

(*) Restated amounts following the provisional purchase price allocation of the Lifestyle business of Ennismore Holding Limited acquired in 2021 (see Note 7.1).

The change over the period is mainly explained by the reclassification of Orient Express's minority interests in Shareholders' equity - Group share following the acquisition of the remaining 50% stake in June 2022 (see Note 3.1.3).

Note 12. Unrecognized items and related parties

12.1 Litigations, contingent assets and liabilities

Précompte litigation

On May 12, 2022, the Court of Justice of the European Union (“CJEU”) ruled that the withholding tax infringed the European parent-subsidiary regime. This decision should force the Council of State to reject the appeal of the tax administration. If confirmed, the Group would not have to reimburse the amount of €307 million received in respect of the withholding tax paid over the period 1999-2004 and related late interests. Although this decision is favorable to the Group, the provision of €53 million has been maintained until the decision of the Council of State is final.

Tax audit

As part of the tax audit of the years 2016 to 2018, a departmental interlocution procedure was held on May 19, 2022, during which Accor SA had the opportunity to present its arguments. The Company is still awaiting a formal return from the tax authorities. The Group has maintained its provision for tax risks of €2 million, corresponding to its net exposure, after use of sponsorship tax credits and loss carried forward.

12.2 Subsequent events

No significant event occurred between the closing date and the date of authorization for issue of the interim condensed financial statements.

12.3 Related parties

On June 28, 2022, Accor entered into a new partnership with SASP Paris Saint Germain Football, whose owner is Qatar Sport Investment (QSI), a subsidiary of QIA, to become one of the official sponsors of Paris-Saint-Germain for the next four years from 2022/2023 season. Under this new partnership, ALL-Accor Live Limitless will now be visible on the sleeve of PSG’s training jersey. This collaboration aims to promote the ALL-Accor Live Limitless lifestyle loyalty program using Paris Saint-Germain assets all over the world and to offer unique and privileged experiences to ALL loyalty program members for four seasons until 2026.

The other transactions carried out during the first half of 2022 are of a similar nature as the transactions with related parties carried out during the financial year ended December 31, 2021.

AccorInvest, which is accounted for under the equity method, is the main client of the Group. Revenue with AccorInvest recognized in the first half of 2022 represent 8% of the total revenue of the Group. As at June 30, 2022, the gross value of receivables towards AccorInvest amounts to €214 million in the consolidated statement of financial position.