CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

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 the notes to the financial statements 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

(€ in million)	***Notes***	**2022**	**2023**
Revenue	*4*	**4,224**	**5,056**
Operating expense	*4*	(3,549)	(4,053)
EBITDA	*4*	**675**	**1,003**
Depreciation and amortization		(228)	(279)
EBIT		**447**	**723**
Share of net profit/(loss) of equity-investments	6	33	44
EBIT including share of net profit/(loss) of equity-investments		**480**	**768**
Other income and expenses	*7*	63	12
Operating profit		**543**	**779**
Net financial expense	*11*	(84)	(100)
Income tax	*12*	(76)	(39)
Profit from continuing operations		**384**	**640**
Profit from discontinued operations	*3*	43	10
Net profit of the year		**426**	**650**
• Group share		**402**	**633**
from continuing operations		359	623
from discontinued operations		43	10
• Minority interests		**25**	**17**
from continuing operations		25	17
from discontinued operations		-	-
Basic earnings per share (in euros)			
Earnings per share from continuing operations		1.23	2.19
Earnings per share from discontinued operations		0.16	0.04
Basic earnings per share	***13***	**1.40**	**2.23**
Diluted earnings per share (in euros)			
Diluted earnings per share from continuing operations		1.23	2.18
Diluted earnings per share from discontinued operations		0.16	0.04
Diluted earnings per share	***13***	**1.39**	**2.22**

Consolidated statement of other comprehensive income

(€ in million)	***Notes***	**2022**	**2023**
Net profit of the year		**426**	**650**
Currency translation adjustments	*13*	101	(42)
Effective portion of gains and losses on hedging instruments	*13*	69	(20)
Items that may be reclassified subsequently to profit or loss		**171**	**(62)**
Changes in the fair value of non-consolidated investments	*13*	142	53
Actuarial gains and losses on defined benefit plans	*13*	12	(3)
Items that will not be reclassified to profit or loss		**154**	**50**
Other comprehensive income, net of tax		**325**	**(12)**
Total comprehensive income of the year		**751**	**638**
• Group share		720	625
• Minority interests		31	13

Consolidated statement of financial position

Assets

(€ in million)	***Notes***	**Dec. 2022**	**Dec. 2023**
Goodwill	*8*	**2,282**	**2,340**
Other intangible assets	*8*	**3,128**	**3,156**
Property, plant & equipment	*8*	**305**	**416**
Right-of-use assets	*9*	**430**	**689**
Equity-accounted investments	*6*	1,012	988
Other non-current financial assets	*11*	438	310
Non-current financial assets		**1,450**	**1,298**
Deferred tax assets	*12*	193	229
Non-current contract assets	*4*	339	357
Other non-current assets		2	1
Non-current assets		**8,129**	**8,486**
Inventories	*4*	19	36
Trade receivables	*4*	794	824
Other current assets	*4*	403	434
Current financial assets	*11*	37	152
Cash and cash equivalents	*11*	1,643	1,283
Assets classified as held for sale	*3*	687	53
Current assets		**3,584**	**2,781**
TOTAL ASSETS		**11,713**	**11,267**

Equity and Liabilities

(€ in million)	***Notes***	**Dec. 2022**	**Dec. 2023**
Share capital	*13*	789	757
Additional paid-in capital and reserves	*13*	2,868	2,541
Net profit of the year		402	633
Ordinary shareholders' equity		**4,059**	**3,931**
Perpetual subordinated bonds	*13*	1,000	1,000
Shareholders' equity - Group share		**5,059**	**4,931**
Minority interests	*13*	397	380
Shareholders' equity	*13*	**5,456**	**5,311**
Non-current financial debt	*11*	2,261	1,887
Non-current lease liabilities	*9*	377	639
Deferred tax liabilities	*12*	540	491
Non-current provisions	*10*	79	31
Pensions and other benefits	*5*	47	52
Non-current contract liabilities	*4*	33	27
Non-current liabilities		**3,337**	**3,127**
Current financial debt	*11*	608	736
Current lease liabilities	*9*	92	110
Current provisions	*10*	165	99
Trade payables	*4*	489	515
Current liabilities	*4*	859	887
Current contract liabilities	*4*	193	152
Loyalty program liabilities	*11*	239	319
Liabilities associated with assets classified as held for sale	*3*	276	13
Current liabilities		**2,920**	**2,829**
TOTAL EQUITY AND LIABILITIES		**11,713**	**11,267**

Consolidated statement of cash flows

(€ in million)	***Notes***	**2022**	**2023**
EBITDA	*4*	675	1,003
Interests received / (paid)	*11*	(75)	(59)
Income tax paid		(65)	(144)
Non-cash revenue and expenses included in EBITDA		49	43
Funds from (used in) operations		**584**	**843**
Decrease / (increase) in working capital	*4*	18	(29)
Decrease / (increase) in contract assets and liabilities	*4*	39	12
Net cash flows from (used in) current operating activities		**640**	**826**
Cash received / (paid) on non-recurring items		(129)	(129)
Net cash flows used in operating activities of discontinued operations	*3*	-	(28)
Net cash flows from (used in) operating activities (A)		**511**	**669**
Acquisition of subsidiaries, net of cash acquired	*8*	(82)	(85)
Acquisition of property, plant and equipment and intangible assets	*8*	(111)	(254)
Acquisition of equity-investments and non-current financial assets		(133)	(84)
Loans granted to third parties		(17)	(55)
Proceeds from disposal of subsidiaries, net of cash transferred	*3*	7	106
Proceeds from disposal of equity-investments and non-current financial assets	*3*	158	371
Dividends received		20	18
Net cash flows from (used in) investing activities (B)		**(157)**	**16**
Increase / (decrease) of rights granted over share capital	*13*	2	-
Acquisition of minority interests	*3*	(19)	(24)
Disposal of minority interests	*3*	180	-
Share buyback programs	*13*	-	(401)
Issuance of perpetual subordinated bonds	*13*	-	495
Proceeds from issue of perpetual subordinated bonds	*13*	-	(501)
Coupons on perpetual subordinated bonds	*13*	(35)	(45)
Dividends paid		(12)	(297)
New loans issued	*11*	1,558	1,020
Repayment of loans	*11*	(1,977)	(1,179)
Repayment of lease liabilities	*9*	(73)	(100)
Changes in other short-term debts	*11*	(5)	(12)
Net cash flows from (used in) financing activities (C)		**(381)**	**(1,045)**
Net change in cash and cash equivalents (D) = (A) + (B) + (C)		**(27)**	**(359)**
Cash and cash equivalents at beginning of the period		**1,658**	**1,625**
Net change in cash and cash equivalents		(27)	(359)
Effect of changes in exchange rates on cash and cash equivalents		(8)	(15)
Reclassification of change in cash and cash equivalents from assets held for sale		1	29
Cash and cash equivalents at end of the period		**1,625**	**1,279**

Consolidated statement of changes in equity

(€ in million)	Number of shares	**Share capital**	**Additional paid-in capital**	**Currency translation reserve**	**Reserves**	**Equity Group share**	**Minority interests**	**Total Equity**
Balance as at Jan 1, 2022	**261,856,268**	**786**	**1,675**	**(229)**	**2,041**	**4,272**	**314**	**4,586**
Capital increase	1,175,526	4	0	-	(4)	0	(0)	(0)
Dividends paid	-	-	-	-	(0)	(0)	(8)	(9)
Share-based payments	-	-	-	-	43	43	-	43
Perpetual subordinated bonds	-	-	-	-	(35)	(35)	-	(35)
Effects of scope changes	-	-	-	-	94	94	49	143
Other movements	-	-	-	-	(36)	(36)	13	(24)
Transactions with shareholders	**1,175,526**	**4**	**0**	**-**	**63**	**66**	**53**	**119**
Net profit of the year	-	-	-	-	402	402	25	426
Other comprehensive income	-	-	-	95	223	319	6	325
Total comprehensive income	**-**	**-**	**-**	**95**	**625**	**720**	**31**	**751**
Balance as at Dec 31, 2022	**263,031,794**	**789**	**1,675**	**(133)**	**2,728**	**5,059**	**397**	**5,456**

(€ in million)	Number of shares	**Share capital**	**Additional paid-in capital**	**Currency translation reserve**	**Retained earnings**	**Equity Group share**	**Minority interests**	**Total Equity**
Balance as at Jan 1, 2023	**263,031,794**	**789**	**1,675**	**(133)**	**2,728**	**5,059**	**397**	**5,456**
Capital increase	1,898,784	6	(4)	-	(2)	-	0	0
Share buyback	(12,641,226)	(38)	(362)	-	(2)	(401)	-	(401)
Dividends paid	-	-	-	-	(277)	(277)	(16)	(293)
Share-based payments	-	-	-	-	38	38	-	38
Perpetual subordinated bonds	-	-	-	-	(43)	(43)	-	(43)
Effects of scope changes	-	-	-	-	(7)	(7)	(10)	(18)
Other movements	-	-	-	-	(63)	(63)	(4)	(67)
Transactions with shareholders	**(10,742,442)**	**(32)**	**(366)**	**-**	**(355)**	**(753)**	**(30)**	**(783)**
Net profit of the year	-	-	-	-	633	633	17	650
Other comprehensive income	-	-	-	(38)	31	(7)	(4)	(12)
Total comprehensive income	**-**	**-**	**-**	**(38)**	**663**	**625**	**13**	**638**
Balance as at Dec 31, 2023	**252,289,352**	**757**	**1,309**	**(171)**	**3,036**	**4,931**	**380**	**5,311**

Notes to the Consolidated Financial Statements

Note 1. Basis of preparation

The consolidated financial statements of Accor Group for the year ended December 31, 2023, were authorized for issue by the Board of Directors on February 21, 2024. They will be submitted to shareholders for final approval at the Annual General Meeting on May 31, 2024.

The consolidated financial statements comprise the financial statements of Accor SA ("the Company") and its subsidiaries (collectively "the Group") as well as the Group's interests in entities accounted for under the equity method (associates and joint ventures).

1.1 Accounting framework

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (« IASB ») and adopted by the European Union as at December 31, 2023. These standards are available on the European Commission's website (*).

New standards and amendments

As at December 31, 2023, the Group applied the same accounting policies and measurement methods as for the consolidated financial statements for the year ended December 31, 2022, except for changes required by new IFRS applicable from January 1, 2023.

<u>IFRS 17 *Insurance Contracts*</u>

The application of IFRS 17, mandatory from January 1, 2023, had no significant impact on the Group's consolidated financial statements. This new standard replaces IFRS 4 and applies to all insurance contracts, i.e., contracts under which the issuer accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

IFRS 17 applies to Comura's business. This subsidiary, specialized in reinsurance, covers notably property damages and third-party liability risks for half of the hotels of the network.

The Group also analyzed its hotel management contracts where a contractually agreed performance is provided to owners and concluded that these contracts do not contain any significant insurance coverage component. These guarantees must therefore be analyzed regarding the IFRS 15 revenue recognition requirements.

Revenue from reinsurance contracts and related expenses amounted both to €61 million in 2023.

(*) https://eur-lex.europa.eu/legal-content/FR/TXT/?uri=CELEX%3A02008R1126-20230101

Amendments to standards

The application of following amendments, mandatory from January 1, 2023, had no significant impact on the Group's consolidated financial statements:

- Amendment to IAS 1 *Disclosure of accounting policies* clarifies the information to be provided regarding "material" accounting policies, which are those that could influence the decisions that users make based on the financial statements.
- Amendment to IAS 8 *Definition of accounting estimates* clarifies how to distinguish changes in accounting policies from changes in accounting estimates as the accounting treatments are not the same.
- Amendments to IAS 12 *Deferred tax related to Assets and Liabilities arising from a Single Transaction* require to recognize a deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences (lease contracts and decommissioning obligations).
- The amendment to IAS 12 *International Tax Reform Pillar 2* introduces a temporary exception from accounting for deferred taxes arising from the implementation of the Pillar II model rules. This amendment follows the publication of the tax reform drawn up by the OECD, which aimed in particular to establish a 15% minimum tax rate in each jurisdiction where the Group operates.

  The Group has implemented a project to identify the impacts of this new tax reform mandatory in France from 2024. According to an initial assessment based 2022 CbCR ("Country by Country Reporting") data, the effective tax rates would be above 15% in most jurisdictions where the Group operates. The Group has identified approximately fifteen countries potentially affected by the introduction of Pillar 2. However, the internal reorganization implemented since January 2023 might modify this first list. The Group continues its efforts to refine the assessment and impacts of this reform.

Future standards, amendments, and interpretations

The Group has not applied any standards, amendments to standards or interpretations in advance as at January 1, 2023, regardless of whether they were or not adopted by the European Union.

The amendment to IAS 1 *Classification of liabilities as current or non-current,* mandatory from January 1, 2023, specifies that the classification as a current or non-current liability should be based on the rights, which exist at the end of the reporting period, to defer settlement for at least twelve months after the reporting date. This amendment should not have a significant impact on the Group's financial statements:

1.2 Foreign currency translation

The consolidated financial statements are presented in euros, which is the Company's functional currency.

Financial statements denominated in foreign currencies

The financial statements of consolidated companies are prepared in their functional currency, corresponding to the currency of the primary economic environment in which the company operates. The financial statements of foreign operations whose functional currency is not the euro are translated into euros as follows:

- Assets and liabilities are translated at the closing exchange rate,
- Income and expenses are translated at the average exchange rate of the period, unless the use of the average rate is inappropriate due to significant fluctuations in exchange rates,
- The resulting translation gains and losses are recognized in other comprehensive income on the line "Currency translation adjustments" and are recycled to profit or loss when all or part of the investment in the foreign operation is derecognized (i.e., when the Group no longer exercises control, joint control or significant influence over the company).

Foreign currency transactions

Transactions by Group companies that are denominated in a currency other than the company's functional currency are translated at the transaction date exchange rate. At closing date, the corresponding receivables and payables are translated using the closing exchange rate. The resulting unrealized foreign exchange gains and losses are recognized in financial income and expenses.

1.3 Use of estimates and judgments

The preparation of the 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 year 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 all other factors considered to be decisive given the environment and circumstances. The main areas that involved significant estimates and a high degree of judgement are:

- The useful lives of tangible 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 measurement of unexercised benefits granted to customers under the loyalty program ("breakage"),
- The assumptions used to determine obligations under pension plans and share-based payment plans,
- The assessment of available future taxable profits over which deferred tax assets can be utilized,
- The fair value measurement of financial assets,
- The measurement of provisions.

1.4 Climate risks

Accor estimates that climate change could have physical impacts by 2030-2050, particularly in extreme scenarios (temperature increase of 4°C). Some hotels could be threatened by flooding linked to rising water levels or severe heat waves leading to increase investing and operating costs.

Given its asset-light model, the Group holds few hotel assets located in high-risk areas, whose book value could be significantly affected by climate change. In addition, Accor has identified management contracts, recognized as intangible assets, for hotels located in areas potentially exposed to climate risks by 2030-2050, in a +4°C scenario. The analyses carried out by the Group concluded that there is an immaterial risk on the total fixed assets.

The Group is studying the risks and opportunities related to climate change that could affect its business. Business travel, could also be negatively affected in the medium term as most companies, committed to reduce carbon emissions may have to reduce the business trips of their employees. At the same time, the paradigm shift will also create multiple revenue opportunities in short-haul leisure travel and for more competitive low carbon hotels, in line with Accor's objectives.

The consequences of climate change on the Group's business, which depends on multiple external factors (business travel, air traffic, consumer choices, etc.) and the remediation plans implemented, remain difficult to foresee, particularly looking beyond 2030. For its five-year business plan used for the impairment tests of non-current assets, the Group adopted assumptions consistent with the macroeconomic trends resulting from independent market studies which reflected a reduction in international travel on medium term. In addition, Accor performed sensitivity analyses on the perpetuity growth rate, presented in Note 8.3.

Furthermore, the Group is accelerating its transition towards a more sustainable model to contribute to a global carbon neutrality by 2050. In line with this strategy, in November 2021, the Group issued Sustainability-Linked Bonds where the bond coupons are linked to the greenhouse gas emission reduction targets of the Group and its network (see note 11.3.2). As at December 31, 2023, when determining the effective interest rate of the debt, the Group considered that the targets will be met. In addition, when drawing up its business plan, the Group has estimated that it would not bear additional costs for the achievement of the objectives assigned to the hotels of its network.

In October 2023, Accor set up a new undrawn credit facility indexed to three environmental, social, and governance ("ESG") criteria, one of which relates to the greenhouse gas emission reduction targets of the Group and its network (see Note 11.3.2).

Finally, since 2022 the Group has introduced environmental criteria into the variable compensation of managers and some employees. For 2022 and 2023 fiscal years, the Group set up share-based payments plans for some of its employees and managers, whose performance criteria include carbon footprint reduction targets by the end of 2024. The achievement of these criteria was considered when assessing the charge relating to these plans (see Note 5).

Based on these elements, the judgments and estimates made by Management regarding the consequences of climate change and the transition to a low-carbon economy did not have a significant impact on the consolidated financial statements as at December 31, 2023.

Note 2. Significant events in the current year

2.1 New acceleration in activities

Group's activities

The year 2023 was marked by the continued growth of the Group's operating and financial performances, after a year 2022 characterized by the recovery of activity post Covid-19 pandemic. The performance of the hotel network now significantly exceeds the level of 2019 in all geographical areas and segments, notably driven by higher prices.

Europe, which experienced a post-crisis gradual rebound during the first quarter of 2022, benefited from the return of international travelers in early 2023, resulting in occupancy rates similar to pre-crisis levels, combined with higher prices than in 2019. Asia, after a late activity recovery at the end of 2022, benefited from a sustained growth thanks to a price momentum combined with a clear improvement in occupancy.

The RevPAR (Revenue Per Available Room) of the hotel network increased by 23% compared to 2022. The occupancy rate reached 66%.

Consolidated revenue amounted to €5,056 million in 2023, compared to €4,224 million in 2022 (see Note 4.1). It significantly exceeded the revenue of €4,049 million in 2019, which the Group used as a reference period in the context of the Covid-19 health crisis.

Cash management

As at December 31, 2023, Accor has a stable financial structure, with net cash and cash equivalent of €1,279 million.

In October 2023, the Group refinanced its €500 million hybrid bond issued in January 2019 (see Note 13.1.3). In December 2023, Accor entered into an agreement with a consortium of 13 banks to set up a new €1 billion credit facility. This new five-year credit line with two one-year extension options, exercisable in 2024 and 2025, replaces the €1.2 billion undrawn credit facility concluded in June 2018.

The Group's long-term credit ratings were favorably revised during the year by Standard & Poor's and Fitch Rating (See Note 11.3.3).

2.2 Change in the Group's organization

In a context of acceleration of its activity, the Group has changed its organization to meet the expectations of its customers more efficiently and effectively, addressing their needs and facing the challenges related to the transformation of its markets. Accor aims to specialize its teams, simplify, and industrialize its operational processes to accelerate its growth.

This change resulted in the setting up, on January 1st, 2023, of two independent divisions, with clearly identified expertise, ambitions and objectives:

- The "Premium, Midscale and Economy" division, organized by geographical area, which notably includes Ibis, Novotel, Mercure, Swissôtel, Mövenpick and Pullman brands,
- The "Luxury & Lifestyle" division, organized by brand, which brings together the Group's collection of Luxury brands such as Fairmont, Orient Express, Raffles, Sofitel, MGallery and Emblems as well as its Lifestyle activity carried by Ennismore.

This new organization led the Group to modify its internal reporting and, consequently, to review the identification of its operating segments (see Note 4) and the composition of its groups of cash-generating units (see Note 8.3).

2.3 Other significant events

Other key events of the financial year are summarized below:

- The acquisition of Momense Group (Note 3.1.1),
- The sale of SCI Sequana that owns the Group's head office (Note 3.1.2),
- The restructuring of the Group's stake in REEF Technology Inc. (Note 3.1.3),
- The sale of the Group's stake in Risma, the first hotel operator in Morocco (Note 3.1.3),
- The liquidation of the SPAC (Special Purpose Acquisition Company) Accor Acquisition Company (AAC) (Note 3.1.4),
- The disposal of the residual stake in H World Group Ltd (formerly Huazhu Group Ltd) (Note 3.1.4),
- The refinancing of the €500 million perpetual hybrid bond issued in January 2019 (Note 13.1.3), and
- The execution of a €400 million share buyback program (Note 13.1.4).

Note 3. Group Structure

3.1 Changes in the scope of consolidation

The list of the main consolidated companies as at December 31, 2023 is presented in Note 15.3.

Accounting policy

Basis of consolidation

Full consolidation method

Entities over which the Group exercises exclusive control, directly or indirectly, are fully consolidated. Control is deemed to exist when the Group is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power. In the hospitality industry, assessment of power relies on the ability to make all operational, financial and strategic management decisions. In practice, this means that the investor has the power to appoint the hotel's management and to approve the business plan. More specifically, for the case of managed hotels, Accor acts on behalf and for the benefit of the hotel owner and, as such, is considered as an agent for the owner.

All transactions between consolidated companies are eliminated, together with all intra-group profits (gains, dividends, etc.). Newly acquired subsidiaries are consolidated from the date when control is acquired.

Equity method (applied to associates and joint ventures)

Entities over which the Group exercises significant influence (associates) and arrangements whereby the Group shares joint control and has rights only to the net assets of the arrangement (joint ventures) are accounted for by the equity method.

Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or having joint control of those policies. If the Group holds 20% or more of the voting power of the investee, it is presumed to have significant influence. In some countries, Accor may choose to acquire a minority interest in a local company that is then used as a vehicle for developing hotel projects. In exchange for its investment, Accor may be granted the right to manage the hotels concerned. In most cases, Accor has a seat on the Board, allowing it to participate in decisions.

Joint control is the contractually agreed sharing of control of an arrangement between two or more partners, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The principles applicable to investments accounted for by the equity method are presented in Note 6.

Investments in non-consolidated companies

When the Group does not exercise control, joint control or significant influence over the financial and operating policy decisions of an investee, the investment is accounted for as a financial asset measured at fair value, as explained in Note 11.2. It is presented as an investment in non-consolidated companies under "Other non-current financial assets" in the statement of financial position.

Business combinations

Business combinations are accounted for using the acquisition method.

The acquisition price corresponds to the acquisition-date fair value of the consideration transferred to the vendor in exchange for control of the investee, including any contingent consideration. Goodwill arising from a business combination is measured as the difference between:

- The fair value of consideration transferred, increased by the amount of any non-controlling interest recognized and, if applicable, the fair value of any previously held interest in the acquiree, and
- The acquisition-date fair value of the assets acquired, and liabilities assumed.

In the case of a bargain purchase, the negative goodwill is recognized immediately as profit in the consolidated income statement.

In a business combination involving the acquisition of an interest of less than 100%, non-controlling interests in the acquiree are measured at either:

- Their proportionate share in the acquiree's identifiable net assets, leading to the recognition of a goodwill only for the share acquired ("partial goodwill" method); or
- Their fair value, leading to the recognition of the goodwill attributable to these non-controlling interests ("full goodwill" method).

Identifiable assets acquired and liabilities assumed are initially measured at their fair value at acquisition date. The accounting for the business combination is completed during a twelve-month measurement period following the acquisition date.

Contingent consideration is included in the acquisition price at its acquisition-date fair value, regardless of the probability that it will be paid. Adjustments to the provisional accounting for the business combination during the measurement period are recognized by adjusting goodwill when they relate to facts and circumstances that existed at the acquisition date. When this is not the case, and after the end of the measurement period, adjustments are recognized directly in the income statement.

When a business combination is achieved in stages, the previously held equity interest is remeasured at fair value at the acquisition date through profit or loss. The attributable other comprehensive income, if any, is fully reclassified to profit or loss. In order to determinate the goodwill, the acquisition price is increased with the fair value of previously held interest.

The costs directly related to the acquisition are recorded under "Other income and expenses" in the period in which they are incurred, except for the costs of issuing equity instruments.

Disposals resulting in a loss of control

If a transaction leads to a loss of exclusive control, the carrying amounts of the subsidiary's assets (including goodwill) and liabilities are derecognized, together with minority interests, and the disposal gain, or loss is recognized in the income statement. If the Group retains a residual interest in the subsidiary sold, the remaining investment is reclassified under "Investments in associates and joint ventures" or "Investments in non-consolidated companies" as appropriate and remeasured at fair value through profit or loss. The total gain or loss recognized on the date when control is lost corresponds to the sum of the gain or loss realized on the sold interest and the gain or loss arising from remeasurement at fair value of the residual interest.

3.1.1 Momense takeover

On October 12, 2023, the Group acquired an additional 63.38% stake in the Momense Group (Potel & Chabot) for €62 million. After this transaction, Accor became the sole shareholder of Momense, which has been integrated into the Group's Luxury & Lifestyle division.

Founded in 1820, Momense has developed incomparable know-how in organizing prestigious, tailor-made receptions and has become the leading caterer for major events in France and abroad through its two brands Potel & Chabot and Saint-Clair. Its offer covers three activities: receptions for large companies and private customers, major sporting and cultural events and management of exceptional venues. Accor will fully benefit from synergies resulting from this acquisition and from Momense's recognized know-how in catering and organization of high-end events.

The transaction qualifies as a business combination under IFRS 3 *Business Combinations* and is accounted for using the acquisition method. The goodwill amounts to €67 million based on:

- A transaction price for the 63.38% stake of €62 million,
- The fair value of the share previously held, so far accounted for using the equity method, of €30 million, whose revaluation generated a profit of €20 million recognized in other income and expenses in the income statement, and
- Net assets acquired of €26 million, including mainly property, plant and equipment and rights-of-use assets (€70 million), Potel & Chabot and Saint-Clair trademarks (€20 million), customer relationships (€10 million), cash (€15 million) and financial and lease liabilities (€57 million).

The purchase price allocation will be completed within the 12-month measurement period following the acquisition date.

The contribution of Momense to the Group's revenue and consolidated net income is €33 million and €1 million respectively. This acquisition resulted in a total cash outflow (net of cash acquired) of €46 million presented within cash flows investing activities in the consolidated statement of cash flows.

3.1.2 Disposal of SCI Sequana

On June 22, 2023, the Group sold 99% of its shares in SCI Sequana, which owns its head office building located in Issy-les-Moulineaux and the related bank debt, to The Valesco Group. The transaction was negotiated based on a value for the building of €460 million. Prior to this sale, SCI Sequana partially reimbursed its bank debt for €25 million, reducing it to €250 million.

The transaction structure included a 12-year leaseback agreement with an initial annual rent of €22 million. Accor also granted The Valesco Group a subordinated loan of €100 million, which is repayable no later than April 25, 2027. The contract includes a step-up clause that will be applied in the event of non-reimbursement before the end of June 2024. As a result, the Group expects a reimbursement within 12 months.

The Group applied the provisions of IFRS 16 *Leases* on sale and leaseback transactions to the disposal of SCI Sequana shares followed by a leaseback of the building, which limit the gain on disposal to the proportion of the gain that relates to the rights transferred to the buyer-lessor.

This transaction resulted in:

- The derecognition of assets and liabilities held for sale (see Note 3.2),
- The recognition of a right-of-use asset for €188 million and a lease liability of €211 million, and
- The recognition of a gain on disposal net of transaction costs of €45 million, recognized in other income and expenses in the income statement.

In the consolidated statement of cash flows, this transaction resulted in a cash inflow of €106 million in respect of the disposal of the subsidiary, presented within cash flows from investing activities, and a cash outflow of €25 million in respect of the early repayment of bank debt, presented within cash flows from financing activities.

3.1.3 Equity-accounted investment

Restructuring of REEF Technology Inc. participation

In June 2022, the Group acquired a 4.92% minority stake in REEF Technology Inc. (“REEF”), a US-based leader in parking real estate, close-to-the-customer service, especially relocated delivery kitchens. This investment was recognized as non-consolidated investments at fair value through other comprehensive income.

On May 31, 2023, the REEF group initiated an internal reorganization that led to the separation of the two activities of REEF and the creation of two entities REEF Proximity Aggregator (“Proximity”) and Parking Aggregator (“Parking”). Proximity provides proximity services developing technology solutions and providing operational capabilities that transform urban spaces into community hubs, connecting people to top-tier brands, goods, services, and experiences. Parking is dedicated to the management, rental, and operation of commercial or residential parking.

As a result of this reorganization, Accor exchanged its shares in REEF for a 19,8% stake in Proximity and 1,6% stake in Parking. Accor also invested $25 million (€23 million) in convertible bonds issued by REEF Proximity TopCo, a subsidiary of Proximity. The bonds have a 10-year maturity and are convertible, by Accor, into Proximity shares starting May 2025. If exercised, Accor would hold 38% of Proximity shares and voting rights.

This transaction resulted in:

- The derecognition of REEF shares for €74 million. Those shares were remeasured at fair value prior to the exchange transaction, resulting in a €74 million negative variation in other comprehensive income.
- The recognition of the shares in Proximity shares as equity-accounted investments for $38 million (€35 million),
- The recognition of the convertible bonds as financial assets measured at fair value through profit or loss for $65 million (€60 million),
- The recognition of the shares in Parking as non-consolidated investments measured at fair value through other comprehensive income for $2 million (€2 million).

This operation resulted in a cash outflow of €23 million presented within cash flows from investing activities in the consolidated statement of cash flows.

Disposal of Risma

On August 3, 2023, the Group sold its 33% stake in Risma, the first hotel operator listed in Morocco, to Mutris, a Moroccan investment company composed of private and institutional investors, at a price of MAD 130 per share for total of €58 million. The Group also sold the bonds issued by Risma for an amount of €8 million. This transaction has no impacts on the contractual agreements concluded between Accor and Risma.

This transaction resulted in:

- The derecognition of Risma shares and bonds for €45 million and €9 million respectively, and
- The recognition of a capital gain (net of transaction costs) of €12 million, presented in other income and expenses,

Besides, Accor acquired the remaining 22% stake held by Risma in its subsidiary "Accor Gestion Maroc", the management company for hotels operated under the Accor brands in Morocco, for MAD 174 million (€16 million). Accor now owns 100% of Accor Gestion Maroc. Being analyzed as a transaction with shareholders, the difference between the purchase price of the shares (€16 million) and the additional share of consolidated shareholders' equity acquired (€3 million) was recorded as a reduction in equity - Group share.

In the consolidated statement of cash flow, these operations resulted in a cash inflow of €66 million presented within cash flows from investing activities and a cash outflow of €(16) million presented within cash flow from financing activities.

3.1.4 Other transactions

Liquidation of the SPAC (Special Purpose Acquisition Company)

In April 2021, Accor incorporated the Accor Acquisition Company (AAC) vehicle, a « Special Purpose Acquisition Company » (SPAC), whose purpose was to complete one or several business combinations in services adjacent to hospitality. On June 1, 2021, AAC completed an Initial Public Offering, through the issuance of 30 million units, each comprising one market share and one market warrant, with a reference price of €10 per unit, on the Professional Segment of the regulated market of Euronext Paris. The proceeds of the public offering, the purpose of which was to finance the business combination, were deposited in an escrow account.

Accor owned 25.1% of the share capital of AAC for a total investment of €34 million. It comprised 6.8 million unlisted preferred shares and 2 million market shares subscribed under the same conditions as qualified investors, along with 3.5 million warrants exercisable over a five-year period starting from the completion date of the business combination.

On April 27, 2023, the Board of Directors of AAC resolved that the company has not completed an Initial Business Combination within the deadlines provided in its Articles of Association and decided to proceed with the early buy-back of all its market shares to be immediately cancelled by way of capital reduction. On June 2, 2023, all the 27,702,143 market shares were repurchased, at a unit price of €10, in accordance with the Articles of Association and the terms and conditions of the market shares. Accor received €20 million from the buy-back and became the majority shareholder of AAC. On June 27, 2023, the combined general meeting voted to dissolve the company and appointed Accor SA as liquidator.

In the Group's financial accounts, these operations result in:

- The derecognition of the equity-accounted investment in AAC (see Note 6),
- A cash inflow of €22 million (including the cash acquired), and
- The recognition of a €9 million expense comprising:
  - €2 million for Accor share in AAC losses until June 2, 2023, and
  - €7 million for the revaluation at fair value of AAC shares, presented within other income and expenses.

Disposal of residual stake in H World Group Ltd. (formerly Huazhu Group Ltd)

At the end of 2022, the Group decided to sell its entire stake in H World Group Ltd. Following the disposal of the 1.2% stake in the market between November 29, and December 31, 2022, the Group executed the disposal of its residual stake of 2.1% in January 2023 for $297 million (€277 million). In accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, those remaining shares, which had a net book value of €264 million as at December 31, 2022, were classified as assets held for sale (see Note 3.2).

The disposal of shares resulted in the reclassification to Group reserves of €(56) million of cumulative changes in fair value and €15 million of currency translation adjustments recognized in other comprehensive income, representing a total amount of €(41) million.

Following those transactions, Accor no longer holds shares in H World Group Ltd. These transactions contribute to the Group's asset light strategy and aim to finalize the value creation on the investment initiated in 2016. The accumulated gain on disposal since 2019 reached $1.2 billion (€1.1 billion) compared to an initial investment of $189 million (€173 million).

In addition, H World Group Ltd had a put option on its 28.1% stake in the Luxury and Upscale business of Accor in China, which expired in May 2023. The related debt of €62 million was written off against equity (see Note 11).

3.2 Assets or disposal groups held for sale and discontinued operations

Accounting policy

When the carrying amount of a non-current asset or disposal group is expected to be recovered principally through a sale transaction rather than through continuing use, it is presented separately in the consolidated statement of financial position under “Assets classified as held for sale”. Any related liabilities are also reported on a separate line item under “Liabilities associated with assets classified as held for sale”. For the reclassification to be made, the following criteria shall be met:

- The sale must be highly probable within a reasonable timeframe,
- Management must be committed to a plan to sell the asset (or disposal group), and
- The asset (or disposal group) must be available for immediate sale in its present condition.

Assets and liabilities held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation of the assets ceases when it is reclassified as held for sale.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations, or is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

The post-tax profit or loss of the discontinued operation and related disposal gains or losses are presented as a single amount on a separate line of the income statement, with restatement of the prior year as a comparative. Cash flows from discontinued operations are also reported separately in the consolidated statement of cash flows.

3.2.1 Assets held for sale

As at December 31, 2023, assets and liabilities classified as held for sale were as follows:

	Dec. 2022		**Dec. 2023**	
(€ in million)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Accor Vacation Club	-	-	29	13
SCI Sequana	422	276	-	-
H World Group Ltd	264	-	-	-
Others	1	-	24	-
Total	**687**	**276**	**53**	**13**

On January 30, 2024, Accor entered into an agreement with Travel + Leisure to sell Accor Vacation Club, its timeshare business in Australia, New Zealand and Indonesia on the basis of an enterprise value of AUD 78 million (€48 million). The agreement also includes an exclusive franchise agreement for Travel + Leisure's future new timeshares under the Accor brands in Asia Pacific, the Middle East, Africa and Turkey. This transaction is in line with the Group's "Asset Light" strategy and is expected to be completed by the end of the first quarter of 2024.

As the December 31, 2023, in accordance with IFRS 5 *non-current assets held for sale and discontinued operations*, those assets and liabilities are classified as assets held for sale. The comparison of the net book value of the group assets with the fair value less costs of disposal does not reveal any impairment loss.

The other items classified as assets held for sale for €24 million as at December 31, 2023 correspond to equity-accounted investments for which the Group has initiated a planned disposal.

In addition, as indicated above, the assets and liabilities of the SCI Sequana and H World Group Ltd shares were sold during the year (Note 3.1.2 and 3.1.4).

3.2.2 Discontinued operations

In 2023, the net income from discontinued operations amounts to €10 million. It corresponds to a reversal of the provision, net of costs incurred (after deferred tax), in relation to guarantees on assets given as part of the sale of AccorInvest in June 2018.

In the comparative year, the €43 million net result from discontinued operations corresponded to a net reversal of the provision related to the same guarantees, including a reversal of provision on risk related to assets for €30 million and the reversal of the provision related to tax risks for €14 million (net of compensation paid to AccorInvest).

Note 4. Operating activities

Note 4.1 Segment information

Accounting policy

In accordance with IFRS 8 *Operating segments*, the segment information presented below is based on the Group's internal reporting that is provided to the Executive Committee (defined as the Chief Operating Decision Maker) to assess operating performance and make decisions about resources allocation.

The Group has undergone a reorganization to capitalize on the transformation undertaken in recent years. Accor aims to consolidate its leadership positions, strengthen its know-how, accelerate its growth, and continue to improve its profitability.

Since January 1st, 2023, the Group's organization has been structured around two dedicated divisions, each comprising distinctive expertise. The aim is to further strengthen the excellence of each brand and improve their operational and financial performance:

- « **Premium, Midscale and Economy (Premium, Mid. & Eco.)** », comprising notably the Group's brands ibis, Novotel, Mercure, Swissôtel, Mövenpick and Pullman, covering 5,052 hotels (703,285 rooms) worldwide and more than 1,000 projects in development (171,000 rooms). This division has leadership positions in Europe, Latin America, Asia-Pacific and the Middle East. It focuses its strategy on accelerating its development notably through franchises, the rejuvenation of its brands and the industrialization of its operating model. It is structured around four regions:
  - Europe & North Africa (ENA),
  - Middle East, Asia-Pacific (MEA APAC),
  - Americas,
  - China.
- « **Luxury & Lifestyle** », bringing together the Group's luxury brands as well as its lifestyle entity, Ennismore, covering 532 hotels (118,233 rooms) worldwide and more than 250 projects in development (53,000 rooms). This division is committed to strengthening the identities of its iconic brands, selecting the best locations, and offering unique and innovative experiences. Luxury & Lifestyle is structured by brand around 4 pillars:
  - Raffles & Orient Express,
  - Fairmont,
  - Sofitel & MGallery & Emblems,
  - Ennismore.

Both divisions are supported by a Global Shared Platform that provides expertise and services, including Digital, Technology and Suppliers referencing to both divisions.

The Management Board is responsible for ensuring consistency and alignment between the two divisions, both in terms of strategic orientation and cross-functional performance levers within the Group.

This new organization led the Group to redefine its internal reporting reviewed by the Management Board (Chief Operating Decision Maker) and to review the identification of its operating segments accordingly. The Group has identified two segments: "Premium, Midscale & Economy" division and "Luxury & Lifestyle" division. Strategic decisions are taken, and resource allocations are determined based on this internal reporting.

For each division, the internal reporting presents information at a more granular level by typology of revenue:

- « **Management & Franchise** » – The hotel management and franchise business involve collecting fees from hotel owners and includes commissions received on centralized purchases.
- « **Services to Owners** », which gathers all the services rendered in terms of sales, marketing, distribution and loyalty program as well as shared services and reimbursement of costs incurred on behalf of hotel owners.
- « **Hotel Assets & Other** », which includes the activities that are not part of the Group's core business as hotel operator:
    - Hotel Assets – corresponding to the hotel owner-operator business (owned and leased hotels), including accommodation and F&B sales to guests as well as management of the asset portfolio,
    - Other activities – which includes:
        - The high-end catering and event management business carried out by Paris Society (acquired in 2022),
        - The organization of prestigious receptions and catering for major events carried out by Momense (Potel & Chabot), acquired in 2023,
        - The Accor Vacation Club (timeshare business) and Strata (room distribution and hotel common area management business) businesses carried out in Asia Pacific, as well as
        - The other businesses developed by the Group, primarily through external growth operations (Digital Services, Private luxury home rentals, Concierge services and performance halls operations with the Lido).

The comparative segment information presented for the exercise of 2022 has been restated to reflect the Group's new organization.

4.1.1 Revenue

(€ in million)	**2022**	**2023**
Management & Franchise	695	854
Services to owners	965	1,076
Hotel Assets & Other	970	1,030
Premium, Mid. & Eco.	**2,629**	**2,960**
Management & Franchise	357	446
Services to owners	1,178	1,359
Hotel Assets & Other	114	371
Luxury & Lifestyle	**1,649**	**2,175**
Holding & Intercos	(54)	(79)
Revenue	**4,224**	**5,056**

"Services to owners" revenue includes reimbursement of costs incurred on behalf of hotel owners for €1,239 million in 2023 (compared to €1,273 million in 2022), mainly related to luxury assets in North America. In 2022, this line item also included reimbursement costs incurred under the accommodation management agreement for the FIFA World Cup in Qatar in November and December 2022.

In 2023, revenue in France amounted to €1,027 million (compared to €627 million in 2022). This increase is explained by the improvement in activity combined with the full-year effect of the contribution of Paris Society acquired at the end of 2022 and the acquisition of Momense in October 2023.

The Management & Franchise revenue is composed as follows:

(€ in million)	**2022**	**2023**
ENA	427	512
MEA APAC	212	270
Americas	56	71
Premium, Mid. & Eco.	**695**	**854**
Luxury	261	326
Lifestyle	97	120
Luxury & Lifestyle	**357**	**446**
M&F Revenue	**1,052**	**1,300**

4.1.2 EBITDA

(€ in million)	**2022**	**2023**
Management & Franchise	513	611
Services to owners	(60)	24
Hotel Assets & Other	140	115
Premium, Mid. & Eco.	**593**	**750**
Management & Franchise	224	298
Services to owners	(16)	25
Hotel Assets & Other	(3)	30
Luxury & Lifestyle	**205**	**354**
Holding & Intercos	(123)	(101)
EBITDA	**675**	**1,003**

4.2 Revenue

Accounting policy

Revenue corresponds to the value of goods and services sold by the Group in the ordinary course of business. Revenues are primarily derived from management and franchise contracts with third-party hotel owners, as well as owned and leased hotels. The Group presents revenue net of sales, occupancy, and other taxes collected on behalf of local governmental taxing authorities.

Hotel management and franchise activities

As an asset-light group, the Group offers owners the right to operate their hotels under one of its network's brands (franchise contracts) and may also be entrusted with the management of hotels on their behalf (management contracts).

- Trademark royalty fees

These fees are invoiced to hotel owners for the use of the Group's brands granted to them. They are generally based on the hotel's Room revenue. The Group applies the sales-based royalty guidance on licenses of intellectual property, which allows the recognition of trademark royalty fees as the underlying hotel revenues occur.

- Management fees

Fees invoiced for hotel management generally consist of a base fee based on hotel's revenue and an incentive fee subject to hotel profitability.

The Group may provide a contractually agreed performance to hotel owners, generally during the first years of hotel operations. These variable considerations payable to owners are estimated using the most likely amount method, based on all reasonably available information and are recognized as a reduction of revenue over the contract term. At each reporting period, the Group revises its estimates of variable considerations and assesses whether the revenue recognized is highly probable.

Key money might be paid to incentivize hotel owners to enter management contracts. It constitutes a consideration payable to customers and is recognized as a reduction of revenue over the term of the contract.

Service To Owners

Service To Owners correspond to revenues from the Sales, Marketing, Distribution and Loyalty (SMDL) division, other services provided such as IT and technology services, shared services, as well as the reimbursement of costs incurred in relation to the management of the hotels.

- Sales, Marketing, Distribution fees

These fees cover hotel rooms distribution, access to the Group worldwide distribution and reservations systems (TARS), as well as actions of brand visibility and customer development. Fees are based on a percentage of room revenue or total revenue of the hotel. Those services represent distinct performance obligations which are satisfied over time as services are provided.

- Loyalty program

Accor manages the loyalty program on behalf of the Group's hotels. The loyalty program has one distinct performance obligation that consists of marketing and managing the program. Loyalty program fees invoiced to hotel owners are deferred and are recognized as revenue when the reward points and other advantages are redeemed. The amount of revenue recognized upon redemption is based on a blend of historical funding rates and is impacted by the estimate of the breakage for points that members will never redeem. Accor estimates breakage based on our historical experience and expectations of future member behavior. Determining breakage involves significant judgment, and Accor engages third-party actuaries to estimate the ultimate redemption ratios used in the breakage calculations. Changes to the expected ultimate redemption assumptions are reflected in the current period.

The Group is responsible for arranging the redemption of promotional awards, but it do not directly fulfill the award night obligation. Therefore, Accor is agent with respect to this performance obligation. Accordingly, revenue is presented net of the redemption cost paid to the hotels that provide the service to members.

- Reimbursed costs

Accor is entitled to be reimbursed for certain costs incurred on behalf of hotel owners. These costs primarily consist of payroll and related expenses where Accor is the employer of the staff at the properties.

As Accor has generally full discretion over how employee management services are provided, Accor is the principal. Therefore, the reimbursements are recognized over time within revenue for the reimbursement of costs incurred on behalf of owners. Staff costs incurred on behalf of owners are recognized within "Salaries and social security charges recharged to owners" in operating expenses.

Owned and leased hotels

It corresponds to all the revenues received from guests by owned and leased hotels. The services rendered (including room sales, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room sales, along the stay in the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

For most of the arrangements, Accor consider that the amount invoiced to clients corresponds directly with the value of service performed to date. Therefore, the Group elects the practical expedient to recognize revenue in the amount to which it has the right to invoice.

The disaggregation of revenue is outlined in the Note 4.1 above.

4.3 Operating expenses

(€ in million)	**2022**	**2023**
Cost of goods sold	(82)	(126)
Personnel expenses	(2,097)	(2,376)
Property variable lease payments	(91)	(135)
Non-property variable lease payments	(14)	(23)
Energy, maintenance and repairs	(63)	(77)
Taxes	(50)	(56)
Other operating expenses	(1,152)	(1,260)
Operating expenses	**(3,549)**	**(4,053)**

The increase in operating expenses in 2023 is mainly due to the full-year effect of Paris Society's activities (acquisition in November 2022) and an increase in marketing and distribution expenses linked to the rebound in activity.

Property variable lease payments corresponds to the variable lease payments based on the performance of hotel assets operated under lease contracts, mainly in Brazil, whose operating performance has significantly improved, and to a lesser extent in Turkey, and restaurants of Paris Society operated under leases or concession contracts.

Personnel expenses are disclosed in Note 5.2.

4.4 Working capital

The working capital can be analyzed as follows:

(€ in million)	**Dec. 2022**	**Dec. 2023**	**Variation**	**Neutralization of non-cash items**	**Cash flow statement items**
Inventories	19	36	17	15	2
Trade receivables	794	824	29	(1)	30
Other current assets	403	434	30	(9)	40
Current assets	**1,217**	**1,293**	**76**	**5**	**71**
Trade payables	489	515	26	17	10
Other current liabilities	859	887	28	(5)	33
Current liabilities	**1,348**	**1,402**	**54**	**12**	**42**
Working capital	**(131)**	**(109)**	**22**	**(7)**	**29**

4.4.1 Current assets

Accounting policy

Trade receivables are measured at amortized cost. They are impaired based on their expected lifetime credit losses, using the simplified approach under IFRS 9 *financial instruments*. When a credit event has been identified, the loss allowance is measured on an individual basis considering the risk profile of the counterparty, historical probabilities of default and estimated losses.

Trade receivables can be analyzed as follows:

(€ in million)	**Dec. 2022**	**Dec. 2023**
Gross value	945	965
Loss allowance	(151)	(141)
Trade receivables, net	**794**	**824**

The maturity of trade receivables (excluding accrued receivables) is presented in Note 11.3.4.

Other current assets breakdown as follows:

(€ in million)	**Dec. 2022**	**Dec. 2023**
Recoverable VAT	110	125
Income tax and other taxes receivables	33	39
Other receivables	229	215
Prepaid expenses	41	62
Gross value	**413**	**441**
Loss allowance	(10)	(7)
Other current assets, net	**403**	**434**

4.4.2 Current liabilities

Other current liabilities breakdown as follows:

(€ in million)	**Dec. 2022**	**Dec. 2023**
VAT payable	104	105
Wages salaries and payroll tax payables	241	269
Income tax and other tax payables	140	123
Other payables	374	389
Other current liabilities	**859**	**887**

4.5 Contract assets and liabilities

Accounting policy

In accordance with IFRS 15 *Revenue from Contracts with Customers*, the Group recognizes assets and liabilities on its contracts with customers:

- Contract assets represent a right for the Group to receive consideration in exchange for goods or services already transferred to a customer, when that right is conditioned on something other than the passage of time. They mainly include amounts paid to hotel owners to secure management and franchise contracts ("key moneys") and the value of payments under performance guarantees provided to hotel owners. They are subsequently recognized as a reduction to revenue over the life of the contract.
- Contract liabilities represent the Group's obligation to transfer goods or services, for which the customer has already paid a consideration, or when the amount is unconditionally due from the customer. They mainly correspond to loyalty fees invoiced to hotel owners that are deferred in the statement of financial position and, subsequently, recognized in revenue upon redemption or expiry of rewards points and other advantages (net of the amount to be paid to hotel owners and partners, who rendered the service). This category also comprises entrance fees that are invoiced upon signing of management and franchise contracts.

Contract assets and liabilities are as follows:

(€ in million)	**Dec. 2022**	**Dec. 2023**	**Variation**	**Neutralization of non-cash items**	**Cash flow statement items**
Key moneys and other payments to owners	339	357	18	0	18
Contract assets	**339**	**357**	**18**	**0**	**18**
Deferred income	225	179	(47)	4	(50)
Contract liabilities	**225**	**179**	**(47)**	**4**	**(50)**
Loyalty program liability	**239**	**319**	**80**	**(1)**	**81**
Net contract assets and liabilities	**(125)**	**(140)**	**(15)**	**(3)**	**(12)**

Note 5. Personnel expenses and employee benefits

5.1 Headcount

The Group's headcount is as follows:

	2022	2023
Average employees	17,334	19,198

It corresponds to the arithmetic average of the employees present in the Group at the end of each month. Employees recharged to hotel owners, as well as employees from equity investments are not included.

The increase in headcount is mainly due to the full-year effect of the integration of Paris Society's employees.

5.2 Personnel expenses

Accounting policy

Group employees are entitled to short-term benefits such as paid annual leave, paid sick leave, bonuses and profit-shares payable within twelve months of the end of the period in which the corresponding services are rendered. These benefits are recorded in current liabilities and expenses when the service is rendered by the employee.

Employees are also entitled to various long-term benefits, including:

- Post-employment benefits payable after the employee leaves the Group, such retirement termination benefits and pension benefits.
- Other long-term benefits payable during employment, such as long-service bonuses, loyalty bonuses and seniority bonuses.

Benefit plans depend on local legislation and on collective bargaining in force in each of the Group's countries. Post-employment benefits are broken down into two categories:

- Defined contribution plans, under which the Group pays periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. The Group has legal or constructive obligation to pay further contributions. These are recognized as expenses for the period to which they relate.
- Defined benefit plans, under which the Group guarantees a contractually future level of benefits. The Group's obligation is recognized as a liability in the consolidated statement of financial position.

Equity-settled long-term incentive plans have also been set up for executive officers and certain employees. The accounting treatment of these plans is presented in Note 5.4.

The personnel expenses are presented as follows:

(€ in million)	**2022**	**2023**
Salaries and social contributions	(986)	(1,162)
Salaries and social contributions recharged to owners	(1,068)	(1,175)
Share-based payments	(43)	(38)
Personnel expenses	**(2,097)**	**(2,376)**

The increase in salaries and social charges is mainly due to the integration of Paris Society (full-year effect) and Momense activities, as well as to the impact of inflation.

Personnel costs incurred on behalf of owners in connection with hotel management (and fully reimbursed to them) mainly concern hotel assets in North America. Their increase in 2023 reflects both the stabilization of the activity levels in this region and wage increases.

5.3 Pensions and other benefits

Accounting policy

The pensions liability corresponds to the present value of the projected benefit obligation less the fair value of plan assets in funds allocated to finance such benefits, if any. If plan assets exceed the projected benefit obligation, the surplus is recognized only if it represents future economic benefits that are available to the Group.

The projected benefit obligation is determined by independent actuaries using the projected unit credit method, based on actuarial assumptions such as increase in salaries, retirement age, mortality, employee turnover and discount rate. These assumptions take into account the macro-economic environment and other specific conditions in the various countries in which the Group operates.

The expense recorded in the consolidated income statement includes:

- Current service cost and past service cost resulting from a new plan, a plan amendment or a plan curtailment or settlement, recognized in operating expenses, and
- Net interest cost on defined benefit obligation and plan assets, recognized in net financial expense.

Actuarial gains and losses on post-employment benefit plans that arise from changes in actuarial assumptions and experience adjustments are recognized in the statement of comprehensive income.

Actuarial gains and losses on other long-term benefit plans are recognized immediately in profit or loss.

5.3.1 Pensions and other post-employment benefit obligations

(€ in million)	**Dec. 2022**	**Dec. 2023**
Pension plans	44	49
Other long-term benefits	3	3
Pension obligation and other benefits	**47**	**52**
Surplus on pension plans	2	1
Pensions asset	**2**	**1**
Net pension obligation	**45**	**51**
· of which net pension obligation	42	48
· of which other benefits	3	3

5.3.2 Description of the plans

The main post-employment defined benefit plans of the Group concern:

- **Pension plans:** the main pension plans are in France (39% of the obligation), in the United Kingdom (24%) and in Canada (23%). Pension benefit obligations are determined based on end-on-career salaries and number of years of service within the Group. They are funded by payments to external organizations that are legally separated from the Group. Pension rights are unvested and plan participants receive annuities.
- **Length-of-service awards** in France: these are lump sum benefits determined based on the number of years of service and annual salary upon retirement.
- **Supplementary pension plans** in France:
  - Defined benefit plan known as "article 39" (closed and frozen since December 31, 2019): this plan provides for the payment of periodic benefits to executive officers and senior executives whose final annual compensation represents more than five times the annual ceiling used for calculating social security contributions ("PASS"). The granting of this benefit is subject to the beneficiary completing his/her career with the Group.
  - Defined benefit plan with acquired rights pursuant to the provisions of Article L. 137-11-2 of the Social Security Code (in force since January 1, 2021): this plan provides for the payment of periodic benefits to executive officers and senior executives whose final annual compensation represents more than eight times the annual ceiling used for calculating social security contributions ("PASS").

5.3.3 Actuarial assumptions

The main actuarial assumptions used by the Group to estimate the obligation are as follows:

	Discount rate		**Salary growth rate**	
	Dec. 2022	**Dec. 2023**	**Dec. 2022**	**Dec. 2023**
France	2%(*) - 3.9%	2%(*) - 3.2%	3% - 4%	3% - 4%
Canada	5.0%	4.7%	2.8%	2.8%
Belgium	3.9%	3.2%	3.0%	3.0%
Switzerland	2.4%	2.0%	1.5%	1.5%
United Kingdom	4.8%	4.5%	n.a	n.a

(*) Rate used one of the supplementary pensions plans closed

The discount rate in each country is determined by reference to market yield on investment grade corporate bonds with maturities equivalent to the related employee benefits. If the local corporate bond market is not sufficiently liquid, the government bond rate is used.

5.3.4 Breakdown and changes in the pension obligations

As at December 31, 2023, pension obligations breakdown by country as follows:

(€ in million)	France	Canada	Belgium	United Kingdom	Others	**Total**
Present value of obligation	64	38	12	38	11	162
Fair value of plan assets	(35)	(29)	(8)	(39)	(5)	(116)
Asset ceiling	-	2	-	-	-	2
Net pension obligation	**29**	**11**	**3**	**(1)**	**6**	**48**

The change in the net obligation for pensions is as follows:

(€ in million)	**Present value of obligation**	**Fair value of plan assets**	**Asset ceiling**	**Net**
At December 31, 2022	**157**	**(117)**	**1**	**42**
Current service cost	5	-	-	5
Interest expense/(income)	7	(5)	-	2
Others	(1)	-	-	(1)
Total recognized in profit or loss	**11**	**(5)**	**-**	**6**
Actuarial (gains)/losses related to experience adjustments	4	-	-	4
Actuarial (gains)/losses related to changes in demographic assumptions	(0)	-	-	(0)
Actuarial (gains)/losses related to changes in financial assumptions	2	(2)	-	(1)
Change in asset ceiling (excluding net interest)	-	-	0	0
Actuarial (gains)/losses	**5**	**(2)**	**0**	**4**
Benefits paid	(12)	6	-	(7)
Exchange differences and others	(1)	3	-	2
At December 31, 2023	**162**	**(116)**	**2**	**48**

5.3.5 Plan assets

The Group's pension obligations are funded under insured plans or by external funds. The assets of insured plans are invested in investment funds in each of the countries concerned.

As at December 31, 2023, the breakdown of plan assets is as follows:

(€ in million)	United Kingdom	France	Canada	Belgium	Others	**Total**
Bonds	-	26	7	-	1	34
Shares	-	5	22	-	1	27
Insurance contracts	-	-	-	8	2	10
Liquidity	2	1	0	-	0	3
Real Estate	-	3	-	-	1	4
Others	37	-	-	-	0	38
Plan assets	**39**	**35**	**29**	**8**	**5**	**116**

The expected long-term return on plan assets is aligned with the discount rate.

5.3.6 Sensitivity analysis

As at December 31, 2023, the sensitivity of provisions for pensions to a change in discount rate is as follows:

(€ in million)	**Impact on obligation**
Impact of increase in discount rate by 0.5 pt	(4)
Impact of decrease in discount rate by 0.5 pt	5

5.3.7 Expected cash flows

The following table shows expected cash outflows for the coming years, without taking into account any cash inflows generated by plan assets:

(€ in million)	**2024**	**2025**	**Hereafter**	**Total**
Expected cash flows	10	9	80	**99**

5.4 Share-based payments

Accounting policy

Performance share plans

Performance share plans are set up regularly for executive officers and certain employees. The plans generally have a vesting period between two and four years and the shares vest only if the grantee is still employed by the Group on the vesting date.

The fair value of the employee benefit is determined by independent experts using the “Monte Carlo” model. It corresponds to the share price at grant date, less the present value of dividends not received during the vesting period, and a discount reflecting the estimated probability of the external performance conditions being fulfilled. The total cost of each plan is calculated at grant date and is not adjusted in subsequent periods.

Internal performance conditions (continued presence within the Group at vesting date and internal performance objectives) are not considered for the fair value calculations. However, they are taken into account for the purpose of estimating the number of shares that are likely to vest. This estimate is updated at each period end.

Stock option plans

No stock options have been granted since 2013. The plans set up in previous years included plans for which the only condition was the grantee’s continued presence within the Group at the exercise date and performance stock option plans.

The cost of these plans corresponds to the fair value of the options, determined using the Black & Scholes option-pricing model based on the plan’s characteristics and market data (such as the underlying share price and stock market volatility). The number of potentially exercisable options is reviewed at each period end.

Employee share plans

As part of its incentive policy, the Group may organize employee rights issues giving staff the opportunity to purchase Accor SA shares at a discount. The employee benefit corresponds to the difference between the price at which the shares are offered to employees and the Accor SA share price on the date the rights are exercised.

The cost of share-based payment plans is recognized in employee benefits expenses on a straight-line basis over the vesting period, with the corresponding liability recognized in:

- Shareholders’ equity for equity-settled plans.
- Employee benefit obligations for cash-settled plans, adjusted at each period end.

If the plan is not subject to any vesting conditions, the cost is fully recognized on the grant date. All ongoing plans as at December 31, 2023 were equity-settled plans. The dilutive effect of plans that have not yet vested is reflected in diluted earnings per share calculations.

In 2023, the expense in respect of share-based plans amounts to €38 million:

(€ in million)	**2022**	**2023**
2019 Plans	4	-
2020 Plans	12	2
2021 Plans	19	14
2022 Plans	9	12
2023 Plans	-	9
Total	**43**	**38**

The movements over the year are as follows:

(Number of shares)	**2022**	**2023**
Number of shares at beginning of the year	**4,664,858**	**4,820,564**
Shares granted	1,473,134	1,696,027
Shares cancelled or expired during the year	(141,902)	(195,652)
Shares vested during the year	(1,175,526)	(1,898,784)
Number of shares at end of the year	**4,820,564**	**4,422,155**

On May 17, 2023, the Group granted 1,556,152 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 €27.52, corresponding to a share price of €31.55 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 2023 to 2025 and carbon reduction targets at the end of 2025 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.

On October 26, 2023, the Group set up a plan of 139,875 performance shares with similar characteristics to the April plan, whose fair value was €25.40.

The fair value of these plans amounts to €46 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 in respect of these plans amounted to €9 million.

5.5 Compensation of key management personnel

The Executive Committee and the Board of Directors have respectively twenty-five members and thirteen members at December 31, 2023.

The compensation granted to the members of the Executive Committee is as follows:

(€ in million)	**2022**	**2023**
Short term employee benefits	24	32
Share-based payments	9	9
Post-employment benefits	5	5
Termination benefits	4	-
Total compensation	**42**	**46**

Members of the Board of Directors do not receive any compensation, they only receive attendance fees. The amount granted in 2023 was €1 million.

Note 6. Equity-accounted investments

Accounting policy

The consolidated financial statements include the Group's share of changes in the net assets of associates and joint ventures accounted for using the equity method. Investments in associates and joint ventures are initially recorded at cost in the consolidated statement of financial position and are subsequently adjusted at each period end to include the Group's share of their undistributed net profit.

In the following specific cases, the investment is initially recognized at fair value:

- Upon loss of control of an investee with a retained interest providing joint-control or significant influence,
- Upon gain of significant influence or joint control over a previously non-consolidated investment.

Goodwill arising on acquisition of associates and joint ventures is included in the carrying amount of the investment.

If the carrying amount of an investment is reduced to zero due to the cumulative losses of the associate or joint venture, the Group's share of any further losses is not recognized unless it has a legal or constructive obligation in relation to the investee's negative net assets. Investments in associates and joint ventures are tested for impairment when there is an indication that they may be impaired.

Entities accounted for under the equity method are an integral part of the Group's operations.

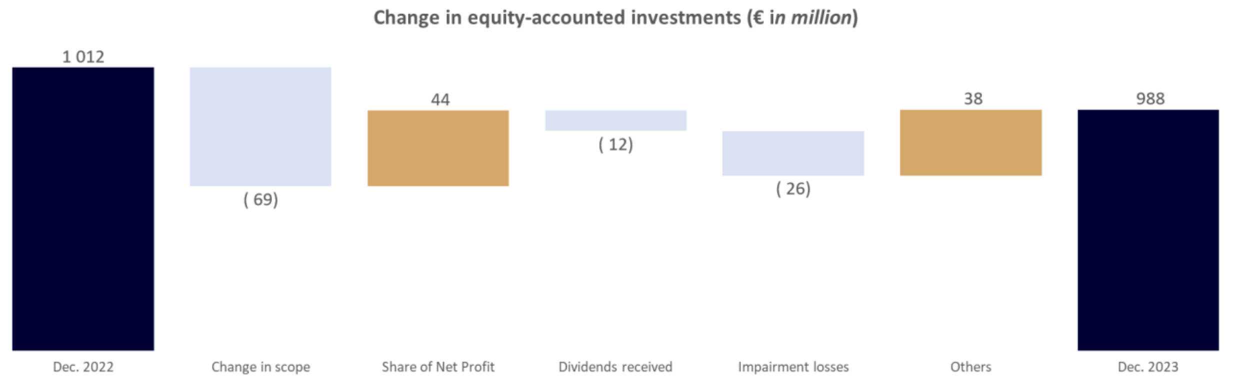
6.1 Share of net results of equity-accounted investments

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

(€ in million)	**2022**	**2023**
AccorInvest	14	20
Kasada	7	15
Others	1	(3)
Associates	**21**	**32**
Joint ventures	**13**	**12**
Share in net results of equity-accounted investments	**33**	**44**

6.2 Carrying value of equity-accounted investments

(€ in million)	Dec. 2022	Dec. 2023
AccorInvest	586	609
Kasada	73	115
Interglobe	37	33
Atton	34	30
Others	235	159
Associates	**966**	**947**
Joint ventures	**46**	**41**
Carrying value	**1,012**	**988**



The main changes in scope (see Note 3.1) relate to:

- The equity-accounted investment in REEF Proximity recognized in exchange for REEF Technology Inc. shares, previously accounted as non-consolidated investment for €35 million,
- The disposal of Risma shares for €(44) million,
- The derecognition of Accor Acquition Company (AAC) for €(27) million following the buy-back by AAC of its market shares prior to the winding-up of the company, and
- The reclassification of investments as assets held for sale (see Note 3.2.1).

As indicated in Note 8.3, the impairment tests carried out led to the recognition of impairment losses of €26 million.

Other changes include a capital increase in Kasada investment funds and the Group's share of other comprehensive income from equity-accounted investments.

6.3 Summarized financial information

Accor owns a 30.5% stake in AccorInvest, a hotel operator.

Key financial information of the entity on a 100% basis is as follows:

(€ in million)	**Déc. 2022**	**Déc. 2023**
Balance sheet		
Current assets	1,240	1,423
Non-current assets	6,474	5,755
Assets held for sale	6	453
Current liabilities	(1,503)	(1,674)
Non-current liabilities	(7,006)	(6,601)
Liabilities associated with assets held for sale	(2)	(41)
Net assets	**(791)**	**(685)**
Group's share in %	30.5%	30.5%
Group's share in net assets	(241)	(209)
Goodwill	827	818
Carrying amount of equity-accounted investment	**586**	**609**
Income statement		
Revenue	3,576	4,259
Net profit/(loss)	**45**	**65**
Other comprehensive income	80	(23)
Total comprehensive income	**125**	**42**

AccorInvest experienced a sustained rebound in activity in 2023, surpassing pre-pandemic levels, which significantly strengthened its profitability and its cash flow generation, and achieved a good level of liquidity.

Besides, the company has engaged an assets disposal plan of €1,7 billion by 2025 aimed at optimizing its financial structure by reducing its debt and improving the profitability of its asset portfolio. The Group does not expect AccorInvest assets disposal plan to have a significant impact on Accor and is supporting the execution of this plan to ensure the continuity of operations for hotels expected to be sold.

Simultaneously, AccorInvest initiated the renegotiation of its financial debt at the end of September 2023, ahead of its maturities in 2025. Accor, like all AccorInvest shareholders, is actively involved in the ongoing negotiations and remains confident in the ability of AccorInvest and its shareholders to successfully finalize the refinancing.

Revenue of AccorInvest recognized in 2023 represents 9% of the Group’s total revenue. As at December 31, 2023, the gross value of receivables towards AccorInvest amounted to 87 million in the consolidated balance sheet of the Group.

Note 7. Other income and expenses

Accounting policy

To facilitate assessment of the Group's underlying performance, unusual items of income and expenses that are material at Group level, and income and expense items which, by definition, do not contribute to the Group's operating performance, are presented separately in the income statement on the line "Other income and expenses". This caption is used primarily to report restructuring costs, impairment losses recognized following impairment tests, gains and losses on disposals of non-current assets as well as the impacts related to scope changes (transaction costs, gains and losses arising on disposals of assets and remeasurement of any previously hold interest).

(€ in million)	**2022**	**2023**
Impairment losses	61	37
Gains and losses on disposal	43	14
Restructuring costs	(38)	(1)
Other non-recurring income and expenses	(3)	(38)
Other income and expenses	**63**	**12**

In 2023, other income and expenses mainly include:

- A net impairment reversal for €37 million, of which €133 million reversal on brands and €(96) million impairment losses, mainly on hotel management contracts and equity-accounted investments,
- The gains on disposal of SCI Sequana and Risma shares and bonds for €45 million and €12 million respectively (see Notes 3.1.2 and 3.1.3), partially offset by a negative remeasurement to fair value of an earn-out receivable on the disposal of a leased assets portfolio completed in 2021,
- The remeasurement to fair value of the previously held equity-investment in Momense for €20 million (see Note 3.1.1), and
- Costs related to the Group reorganization for €(41) million.

In the comparative year, Accor booked an impairment reversal for €61 million, of which €51 million on equity-accounted investments, a €52 million gain on the disposal of ResDiary and restructuring costs for €(38) million.

Note 8. Intangible assets and property, plant and equipment

Accounting policy

Intangible assets

In accordance with IAS 38, *Intangible assets*, separately acquired intangible assets are measured initially at cost. Identifiable intangible assets acquired in a business combination are measured initially at fair value. After initial recognition, intangible assets are measured at cost less accumulated amortization and impairment losses.

Brands are generally considered as assets a with an indefinite useful life. The other intangible assets are generally amortized on a straight-line basis over their estimated useful life. Intangible assets are tested for impairment whenever there is an indication that they may be impaired and, at least once a year, for intangible assets with an indefinite useful life.

Software costs incurred during the development phase are capitalized as internally-generated intangible assets if the Group can demonstrate all of the following in accordance with IAS 38, *Intangible assets*: (i) its intention to complete the project and the availability of adequate technical, financial and other resources for this purpose, (ii) how the intangible asset will generate probable future economic benefits, and (iii) its ability to measure reliably the expenditure attributed to the intangible asset during its development. Configuration and customization costs associated with a SaaS service are recognized as intangible asset when costs incurred results in additional software code that are distinct from the SaaS and controlled by the Group.

Goodwill is initially recorded on business combinations. It is not amortized in subsequent periods but is tested for impairment at least once a year and as soon as there is an indication that it may be impaired. Goodwill is allocated to the cash generating units (CGU) that are expected to benefit from the synergies of the business combination.

Property, plant and equipment

Property, plant & equipment are measured initially at acquisition or production cost. For hotel assets that take a substantial period to get ready for their intended use ("qualifying assets" as defined in IAS 23 *Borrowing costs*), the initial cost includes borrowing costs that are directly attributed to these assets. After initial recognition, they are measured at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant & equipment are depreciated on a straight-line basis over their estimated useful lives, determined by the component's method, from the date when they are put in service, as follows:

	Economy Hotels	**Luxury Upscale and Midscale Hotels**
Buildings and related cost	35 years	50 years
Building improvements, fixtures and fittings	7 to 25 years	7 to 25 years
Equipment	5 to 15 years	5 to 15 years

In the case leasehold improvements are undertaken in a leased property asset, the depreciation period is aligned with the duration of the lease agreement of the underlying asset.

Useful lives are reviewed regularly and adjusted prospectively if necessary.

8.1 Intangible assets

Intangible assets can be analyzed as follows:

(€ in million)	Goodwill	Trademarks	Contracts	Licences, software	Others	Total
Gross value						
At January 1, 2022	**2,645**	**2,264**	**1,402**	**349**	**254**	**6,914**
Business combinations	183	3	-	2	-	189
Additions	-	-	-	40	34	75
Disposals	(18)	-	(1)	(18)	(2)	(39)
Exchange differences	62	66	20	1	-	149
Others	(4)	-	(60)	22	(31)	(73)
At December 31, 2022	**2,868**	**2,334**	**1,363**	**396**	**255**	**7,215**
At January 1, 2023	**2,868**	**2,334**	**1,363**	**396**	**255**	**7,215**
Business combinations	80	20	-	-	10	110
Additions	-	-	-	59	44	103
Disposals	-	-	(3)	(8)	(4)	(15)
Exchange differences	(29)	(13)	(38)	(1)	-	(81)
Others	-	-	(80)	27	(41)	(93)
Assets held for sale	(2)	(11)	-	-	-	(12)
At December 31, 2023	**2,917**	**2,330**	**1,243**	**473**	**263**	**7,226**
Depreciation and impairment						
At January 1, 2022	**(592)**	**(321)**	**(486)**	**(271)**	**(91)**	**(1,759)**
Depreciation	-	-	(43)	(45)	(31)	(119)
Impairment loss	-	6	19	-	(14)	10
Disposals	-	-	-	13	1	13
Exchange differences	3	(13)	(7)	-	-	(17)
Others	4	(1)	60	3	1	67
At December 31, 2022	**(585)**	**(329)**	**(457)**	**(300)**	**(133)**	**(1,805)**
At January 1, 2023	**(585)**	**(329)**	**(457)**	**(300)**	**(133)**	**(1,805)**
Depreciation	-	-	(50)	(58)	(30)	(138)
Impairment loss	-	133	(62)	-	-	71
Disposals	-	-	-	7	4	11
Exchange differences	6	(3)	16	1	-	20
Others	-	-	80	12	5	96
Assets held for sale	2	11	-	-	-	12
At December 31, 2023	**(578)**	**(188)**	**(473)**	**(338)**	**(154)**	**(1,731)**
Net Book Value						
At December 31,2022	2,282	2,005	905	96	121	5,410
At December 31, 2023	**2,340**	**2,142**	**770**	**135**	**109**	**5,495**

Goodwill

The Group's reorganization had an impact on the composition of cash-generating units (CGU) to which a goodwill was affected.

In accordance with IAS 36 *Impairment of assets,* when a reorganization affects the reporting structure and changes the composition of CGUs to which goodwill has been allocated, the goodwill shall be reallocated to the affected units. The standard also specifies that the group of CGUs to which the goodwill is affected shall:

a. represent the lowest level to which the goodwill is monitored for internal management purposes, and,
b. not be larger than an operational segment as defined by IFRS 8 *Operating Segments* before aggregation.

Following the Group's reorganization, the goodwill is now monitored separately within each division (Premium, Mid. & Eco. and Luxury & Lifestyle) by activity (Hotel Services and Hotel Assets & Other).

- Premium, Mid. & Eco. division: a breakdown per geographic areas of Hotel Services and Hotel Assets was established. The geographic areas generate cash flows that are largely independent of each other, allowing for a more granular allocation of goodwill. Regarding the other businesses, monitoring is carried out for each line of business.
- Luxury & Lifestyle division: the assets and cash flows by activity are differentiated and monitored at the level of each division of Luxury and Lifestyle.

On January 1st, 2023, the goodwill was reallocated between the groups of CGUs affected by the reorganization considering the relative value of each CGU group. This reallocation did not reveal any impairment loss.

As at December 31, 2023, the breakdown of goodwill is as follows:

(€ in million)	**Jan 1st, 2023**	**Acquisition**	**Exchange diff. & Others**	**Dec. 2023**
HotelServices ENA	797	-	2	799
HotelServices MEA APAC	436	-	(12)	424
HotelServices Americas	28	-	1	29
Hotel Assets & Other	249	-	(4)	244
Premium, Mid. & Eco.	**1,510**	**-**	**(14)**	**1,496**
HotelServices Lifestyle	389	-	(5)	384
HotelServices Luxury	194	-	(4)	189
Hotel Assets & Other Lifestyle	180	13	-	193
Hotel Assets & Other Luxury	10	67	-	77
Luxury & Lifestyle	**773**	**80**	**(9)**	**844**
Net book value	**2,282**	**80**	**(23)**	**2,340**

The main change related to the takeover of Momense (see Note 3.1.1) leading to the recognition of provisional goodwill of €67 million presented within "Hotel Assets and Other" of the Group's Luxury & Lifestyle division.

Furthermore, the Group finalized the purchase price allocation of Paris Society acquired on November 16, 2022. The goodwill, determined using the partial goodwill approach, amounts to €182 million. It corresponds to the difference between:

- The transaction price for the 46.9% stake of €84 million,
- The fair value of the share previously held, so far accounted for using the equity method, of €58 million,
- Minority interests measured at their proportionate share of the net assets acquired for €(9) million, and
- Negative net assets acquired of €(50) million, including mainly property, plant and equipment and rights of use (€194 million), cash (€16 million euros) and financial and lease liabilities (€260 million).

The impact of the purchase price allocation, as well as the amortization and related tax effects in the consolidated income statement of 2022 is not significant. As a result, the consolidated income statement, statement of other comprehensive income and statement of cash flows have not been restated.

Brands

The Group's brands are as follows:

	Dec. 2022	Dec. 2023		
(€ in million)	Net book value	Gross value	Impairment loss	Net book value
Fairmont	954	1,032	(18)	1,014
Swissôtel	170	286	(102)	184
Raffles	132	157	-	157
Mövenpick	123	155	(6)	149
Rixos	99	99	-	99
The Hoxton	80	81	-	81
Mantra	80	87	(10)	76
25hours	48	48	-	48
SLS	48	46	-	46
Mondrian	42	40	-	40
Orient-Express	40	40	-	40
Other trademarks	191	260	(52)	208
Brands	**2,005**	**2,330**	**(188)**	**2,142**

The change in 2023 is explained by a net reversal of impairment losses of €133 million, mainly on Fairmont and Mövenpick (see Note 8.3.1), the recognition of Potel & Chabot and Saint-Clair brands for €20 million following the takeover of Momense (see Note 3.1.1) and foreign currency effects of €(16) million.

Management contracts

They relate to management and franchise agreements with hotel owners recognized as part of business combinations, mainly in relation to FRHI Hotels & Resort (acquired in 2016), Mantra (2018) and Mövenpick (2019). In 2023, net reversal of impairment losses has been recognized for €62 million on management contracts (see Note 8.3).

8.2 Property, plant & equipment

Property, plant & equipment breakdown as follows:

(€ in million)	Lands, Buildings	Leasehold improvements	Equipment, furniture	Assets in progress	Total
Gross value					
At January 1, 2022	**281**	**195**	**150**	**20**	**645**
Business combinations	-	0	51	14	65
Additions	0	4	16	17	37
Disposals	(0)	(2)	(1)	-	(3)
Exchange differences	1	0	(0)	2	3
Others	12	(13)	(2)	(15)	(17)
At December 31, 2022	**294**	**184**	**214**	**38**	**730**
Business combinations	-	9	9	0	19
Additions	0	10	37	106	153
Disposals	(0)	(12)	(9)	-	(21)
Exchange differences	(8)	(5)	(4)	(0)	(17)
Others	(24)	21	20	(31)	(15)
Assets held for sale	(1)	(5)	-	-	(6)
At December 31, 2023	**261**	**203**	**268**	**112**	**844**
Depreciation and impairment					
At January 1, 2022	**(172)**	**(152)**	**(88)**	**(4)**	**(416)**
Depreciation	(7)	(11)	(12)	-	(30)
Impairment loss	(2)	(0)	-	2	(0)
Disposals	-	2	1	-	3
Exchange differences	(1)	0	(0)	(0)	(1)
Others	5	15	(1)	-	19
At December 31, 2022	**(177)**	**(146)**	**(101)**	**(2)**	**(426)**
Depreciation	(10)	(10)	(24)	0	(43)
Impairment loss	-	(0)	-	-	(0)
Disposals	0	11	5	-	16
Exchange differences	5	4	3	0	12
Others	26	(19)	0	(0)	7
Assets held for sale	1	4	-	-	5
At December 31, 2023	**(154)**	**(156)**	**(117)**	**(1)**	**(428)**
Net Book Value					
At December 31, 2022	118	37	114	36	305
At December 31, 2023	**107**	**47**	**151**	**111**	**416**

The increase in tangible assets is mainly explained by the costs incurred on Orient-Express and Paris Society assets, as well as the renovation works on the Lido performance hall.

8.3 Impairment tests

Accounting policy

The carrying amounts of property, plant & equipment, intangible assets and right-of-use assets are reviewed and tested for impairment when there is any indication that they may be impaired. These tests are performed at least once a year for goodwill and intangible assets for which the useful life cannot be determined.

Impairment tests

Each brand is usually tested for impairment separately. Goodwill is tested for impairment at the level of the cash-generating unit ("CGU") or group of CGUs to which it is allocated for internal management purposes. The impairment tests are followed within each division (Premium, Mid. & Eco. and Luxury & Lifestyle) through activity typology (Hotel Services and Hotel Assets & Other).

- Premium, Mid. & Eco. Division: a breakdown by geographic area through two segments of « Hotel Services » and « Hotel Assets ». For the other activities, the follow up is conducted through each business line.
- Luxury & Lifestyle Division: the assets « Hotel Services » and « Hotel Assets » are followed through two levels: Luxury and Lifestyle. For the other activities, the follow up is conducted through each business line.

The carrying amount of a CGU includes the carrying amount of the assets that are attributed to the CGU, including the right-of-use assets, but does not include the lease liabilities.

Management contracts are tested when the Group identifies an indicator of impairment loss or any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased.

Determination of recoverable value

The recoverable value of a group of CGUs, or a CGU, corresponds to the higher of its fair value less costs to sell and its value in use.

For all activities, except Hotel Assets, the recoverable value of the groups of CGUs are estimated using the value in use. Cash flow projections over five years are discounted at a rate corresponding to the year-end weighted average cost of capital. The projected perpetual growth rate reflects each country/region's economic outlook. Each calculation takes into account the specific features of the country or region concerned.

For Hotel Assets, recoverable value is first estimated using fair value calculated based on a standard EBITDA multiple. For hotel properties, this method is considered as the most appropriate approach for estimating fair value less costs of disposal, as it most closely reflects the amount that would be expected to be recovered through the sale of the asset. The method consists of calculating each hotel's average EBITDA for the last two years and applying a multiple based on the hotel's location and category. If the recoverable value is less than the carrying amount, the recoverable value is recalculated using the discounted cash flows method.

The recoverable value of brands is determined by applying royalty rates agreed with hotel owners on a five-year revenue projection on hotels managed by the Group.

Impairment loss measurement

If the recoverable value is less than the carrying amount, an impairment loss is recognized in the income statement in "non-current income and expenses". An impairment loss recognized on an asset other than goodwill may be reversed if there has been a change in circumstances indicating that the impairment loss might have decreased or no longer exists. If this is the case, the carrying amount of the asset is increased to its recoverable value. However, the increased carrying amount of an asset excluding goodwill, attributable to a reversal of an impairment loss, but it should not exceed the carrying amount of impairment losses that has been recognized in prior years.

In accordance with IAS 36 *Impairment of assets*, the Group carried out impairment tests on CGU or group of CGUs to which goodwill and intangible assets whose useful life cannot be determined (mainly brands).

The Group also reviewed its hotel management contracts and its equity-accounted investments and conducted impairment tests, on a case-by-case basis, based on a review of impairment indicators or on any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased.

8.3.1 Impairment tests results

As at December 31, 2023, the impairment tests conducted led the Group to recognize a net reversal of impairment of €37 million, which is presented within other income and expenses in the consolidated income statement (see Note 7). It includes:

- A net reversal of impairment of €133 million on brands, of which reversals for €137 million (mainly on Fairmont, Raffles and Mövenpick) and impairment losses for €(4) million (notably on Mantra and Peppers),
- An impairment loss of €(62) million on hotel management & franchise contracts,
- An impairment loss of €(8) million on right-of-use assets of the Hotel Assets activity, and
- An impairment loss of €(26) million on equity-accounted investments.

8.3.2 Methodology for impairment tests

The recoverable value of assets is determined based on the value-in-use derived from the discounted future cash flows estimated in the Group's five-year business plan. The latter reflects the Group's new strategic orientations, the latest RevPAR (Revenue Per Available Room) trends by geography as well as the surrounding economic conditions.

The revenue projections are based on one hand, on the 2024 budget prepared by the Group's entities, in line with "RevPAR" trends by geography and specific local conditions, and, on the other hand, on assumptions by geography retained by the Group over 2025-2028, consistently with macroeconomic trends from market studies prepared by independent firms, and on development perspectives of the Group's network.

The terminal value is calculated by extrapolating future cashflows beyond five years based on the normative inflation rate of the Euro zone consistently with the currency retained for the cash flow projections. As at December 31, 2023, the perpetuity growth rate used is 1.94%.

The discount rate used corresponds to the Group's weighted average cost of capital for its Management & Franchise and Hotel assets activities as at December 31, 2023, based on available market data at that date and considering the specific risks of each region. For other activities, the weighted average cost of capital is calculated using a specific industry beta.

The discount rates used for impairment tests on CGUs are detailed below:

	Discount rate
	Dec. 2023
Premium, Mid. & Eco. HS - ENA	+9.8%
Premium, Mid. & Eco. HS - MEA APAC	+11.7%
Premium, Mid. & Eco. HS - Americas	+12.8%
Premium, Mid. & Eco. HA - ENA	+10.0%
Premium, Mid. & Eco. HA - MEA APAC	+8.1%
Premium, Mid. & Eco. HA - Americas	+11.2%
Luxury & Lifestyle HS - Luxury	+10.7%
Luxury & Lifestyle HS - Lifestyle	+11.0%
Luxury & Lifestyle HA - Luxury	+11.1%
Luxury & Lifestyle HA & Other - Lifestyle	+8.5%

The discount rates used for impairment tests on the main brands are the followings:

	Discount rate
	Dec. 2023
Fairmont	+10.1%
Raffles	+11.2%
Swissotel	+12.2%
Mantra	+9.4%
Movenpick	+13.5%

Projections used for the impairment tests of brands are based on the RevPAR assumptions by geography retained by the Group in its business plan.

8.3.3 Sensitivity of recoverable values

The Group performed sensitivity analyses on the main assumptions used in the impairment tests (discount rate, perpetual growth rate, "RevPAR" revenue per available room).

No impairment of goodwill would have been recognized in the event of a reasonably possible change in the assumptions used in 2023.

The table below shows the additional impairment (-) or reversal (+) that would have been recognized if the following assumptions had changed:

(€ in million)	**Brands**	**Management contracts (*)**
Increase in discount rate and perpetual growth rate by 50 pt	(18)	(1)
Decrease in discount rate and perpetual growth rate by 50 pt	18	1
Increase in RevPar by 100 pt	10	1
Decrease in RevPar by 100 pt	(10)	(1)

(*) Sensitivity test performed when there is an indicator of impairment or an indication that an impairment loss may decrease.

Note 9. Leases

Accounting policy

Definition of a lease

A contract is, or contains, a lease when it conveys the right to use an underlying asset for a period of time, in exchange for consideration. At inception of a contract, the Group assesses whether it meets the two following cumulative conditions to be qualified as a lease: its execution involves the use of an identified asset, and it conveys the right to direct the use of that identified asset.

Leases are recognized on the Group's statement of financial position as follows:

- An asset representing the right to use the underlying asset over the lease term,
- A liability for the obligation to make lease payments.

Right-of-use asset

The right-of-use asset is initially measured at cost at the lease commencement date, i.e., the date at which the underlying asset is available for use by the Group. The cost of a right-of-use asset comprises:

- The initial amount of the lease liability recognized,
- Lease prepayments made to the lessor, less any lease incentives received,
- Initial direct costs incurred, and
- Estimated restoration costs of the underlying asset, when applicable.

The right-of-use asset is subsequently depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. It is subject to impairment tests in accordance with IAS 36, *Impairment of assets*.

Lease liability

The lease liability is initially measured at the present value of lease payments to be made over the lease term.

These lease payments comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable,
- Variable lease payments that are based on an index or a rate, and
- Payments of penalties for terminating the lease when the Group is reasonably certain to exercise the exit option at the lease commencement date.

The Group applies the practical expedient permitted by the standard allowing not to separate the lease component from other service components included in its lease agreements. Accordingly, all fixed payments provided for in the lease agreement, whatever their nature, are included in the lease liability.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the commencement date if the interest rate implicit in the lease is not readily determinable. It corresponds to the rate that the lessee would have to pay to borrow the necessary funds to obtain an asset of similar value in a similar economic environment, with similar terms and conditions. This rate is determined based on sovereign bond yields and credit spreads specific to the country in which the leased asset is located and contract maturity, adjusted for a duration factor in order to reflect the pattern of lease payments.

The lease liability is measured at amortized cost using the effective interest method. At each closing date, the lease liability is increased to reflect the accretion of interests and reduced by the lease payments made.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an option to extend or terminate the lease. In such a case, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded to the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

Determination of lease term

The lease term is defined as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. Management applies judgement to determine the lease term when lease contracts include renewal options. It considers all relevant factors that create an economic incentive to exercise the renewal option, such as the existence of leasehold improvements with a significant remaining value in its leased property assets. After the commencement date, the Group reassesses the lease term if there is a significant event or a change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (or to terminate) the lease.

Short-term leases and leases of low-value assets

The Group applies the recognition exemption for short-term leases (i.e., lease with a lease term of 12 months or less from the commencement date) and leases of low-value assets (mainly comprising IT equipment). Associated lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Variable leases

Some hotel properties leases contain contingent rent payments that are based on the hotel's performance, as defined by the agreement. These payment terms are common practices in the Hospitality industry. Variable lease payments are recognized in the income statement in the period in which the condition that triggers those payments occurs.

When variable leases include guaranteed amounts payable to the lessor, such guaranteed amounts are in-substance fixed payments and are included in the lease liability.

The Group mainly leases lands and buildings for its hotel properties and headquarters. The leases for hotels are typically made for a period from 15 to 20 years and may include a renewal option. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The Group also identified lease agreements on other assets such as car parks, restaurants and stores located in its hotels and vehicles.

In 2023, the right-of-use assets and corresponding lease liability are mainly impacted by the sale and lease back transaction of the Group head office (see Note 3.1).

Note 9.1 Right-of-use assets

The table below details the right-of-use assets by category of underlying assets:

	Right-of-use assets				
(€ in million)	**Buildings**	**Lands**	**Non-property assets**	**Vehicles**	**Total**
At December 31, 2022	**420**	**2**	**1**	**7**	**430**
Business combinations	78	-	1	-	78
Additions	285	-	8	6	299
Derecognitions	(6)	-	3	(2)	(5)
Depreciation expense	(94)	-	(3)	(3)	(99)
Impairment loss	(8)	-	-	-	(8)
Exchange differences	(5)	-	(0)	(0)	(5)
At December 31, 2023	**669**	**2**	**10**	**8**	**689**

Note 9.2 Lease liability

As at December 31, 2023, changes in the lease liability are analyzed as follows:

(€ in million)	
At December 31, 2022	**469**
Business combinations	69
Additions	320
Payment	(120)
Other derecognitions	(4)
Accretion of interest	20
Foreign exchange impacts	(5)
At December 31, 2023	**748**

The maturity analysis of lease payments (before discounting impact) is as follows:

(€ in million)	**2023**
Less than 1 year	128
1 to 5 years	382
More than 5 years	384
Total	**894**

Note 9.3 Amounts recognized in the income statement

In 2023, the following amounts were recognized in the consolidated income statement in relation to leases:

(€ in million)	**2022**	**2023**
Rent expense for variable lease payments	(91)	(135)
Non-property rents (o/w short duration and low value)	(3)	(23)
Rents concessions related to the health crisis	2	-
Depreciation expense and impairment of right-of-use assets	(79)	(99)
Interest expense on lease liabilities	(9)	(20)
Total	**(181)**	**(278)**

The variable lease payments relate to hotel properties leases that are based on the performance of the hotel, notably in Brazil.

The total cash outflow for leases in 2023 was €278 million of which:

- €100 million presented in cash flows from financing activities for the repayment of lease liability,
- €178 million presented in cash flows from operating activities for the payment of interests on lease liability (€20 million) and the payment for leases not recognized in the statement of financial position (€158 million).

Note 10. Provisions

Accounting policy

A provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, but whose amounts and maturity are uncertain. Provisions are determined based on the best estimate of the expenditure required to settle the obligation, in application of certain assumptions. Provisions are discounted when the effect of the time value of money is material.

Provisions for restructuring costs are recognized when the Group has a detailed formal plan for the restructuring and the main features have been announced raising a valid expectation in those affected at the closing date. Other provisions are intended to cover specifically identified risks and claims and litigation arising in the normal course of business.

Movements in provisions in 2023 can be analyzed as follows:

(€ in million)	**Dec. 2022**	Allowance	Reversal		Translation adjustments and other	**Dec. 2023**
			Utilizations	Unused provisions		
Litigation and other risks	171	33	(96)	(37)	4	74
Insurance liabilities	37	23	(18)	(0)	-	42
Restructuring	36	1	(22)	(2)	(0)	13
Provisions	**245**	**57**	**(136)**	**(39)**	**4**	**130**
· of which non-current	79	10	(54)	(2)	(3)	31
· of which current	165	46	(82)	(37)	7	99

The insurance liabilities are held by Comura, a subsidiary specializing in insurance, which covers notably property damages and third-party liability risks for half of the Group's hotel network.

The decrease in provisions for litigation and other risks mainly include:

- The reversal of the €53 million provision booked in 2020 in relation to the dividend withholding tax litigation (see Note 14.2),
- The reversal the €50 million provision covering the risks associated with guarantees provided as part of AccorInvest disposal (of which €28 million were utilized) (see Note 14.2).

The decrease in restructuring provisions is explained by a €(24) million reversal mainly related to the restructuring plan of the Lido and the transformation plan initiated by the Group.

Note 11. Financing and financial instruments

11.1 Net Financial result

Accounting policy

Cost of net debt includes interests paid on financial debts, gain and loss on derivates related to financial debt, as well as interests received on loans and income earned from cash and cash equivalents.

Other financial income and expenses mainly comprise the gains and losses arising from ineffective portion of hedging instruments, foreign exchange gains and losses, dividend income from non-consolidated companies, the change in fair value of financial assets measured at fair value through profit or loss, movements in financial provisions and costs on credit lines.

The net financial result is analyzed as follows:

(€ in million)	**Dec. 2022**	**Dec. 2023**
Interests on bonds and bank borrowings	(102)	(94)
Interests expenses on current accounts	(6)	(13)
Interests income on loans and securities	13	52
Interests on lease debt	(9)	(20)
Cost of net debt	(106)	(75)
Other financial income and expenses	22	(25)
Net financial result	**(84)**	**(100)**

Other financial income and expenses include the following items:

(€ in million)	**Dec. 2022**	**Dec. 2023**
Hedging	(4)	37
Exchange gains/(losses)	22	(58)
Change in fair value of non-current financial assets	6	(3)
Dividend income	7	6
Others financial expenses	(9)	(7)
Other financial income and expenses	**22**	**(25)**

11.2 Financial instruments

Accounting policy

Financial instruments are classified under the categories defined by IFRS 9 *Financial instruments*.

Financial Assets

The classification of financial assets is based on the nature of their contractual cash-flows as well as the Group's business model for managing the assets.

- Assets at amortized cost: these are financial assets held to collect contractual cash-flows that consist solely of payments of principal and interests at specified dates. They are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method. This category mainly includes cash, trade receivables, security deposits and loans to non-consolidated entities.
- Assets at fair value through other comprehensive income: these are equity instruments not held for trading, for which the Group had irrevocably elected at initial recognition, and on a line-by-line basis, to present changes in fair value in other comprehensive income. This category mainly comprises investments in non-consolidated companies. Derivative instruments that are designated as cash flow hedge are also classified in this category.
- Assets at fair value through profit or loss: these include equity instruments, for which the Group had not, when applicable, elected the option of fair value through other comprehensive income as well as all other financial assets qualified as debt instruments that are not included in either of the above categories (in particular, when they do not have a fixed maturity or cash flows that can be determined). This category mainly includes units in mutual funds, derivatives instruments that are designated as fair value hedge and other derivative instruments that are not eligible to hedge accounting.

Financial liabilities

- Financial liabilities at amortized cost: these are initially recognized at the fair value of the consideration transferred and are subsequently measured at amortized cost using the effective interest method. Transaction costs and premiums directly attributable to issuance of a financial liability are deducted from the initial fair value. Financial liabilities at amortized cost are amortized by the yield-to-maturity method over the life of the liability, based on the effective interest rate. This category consists primarily of bonds, drawdowns on bank lines of credit, bank overdrafts, trade payables and other payables.
- Financial liabilities at fair value through other comprehensive income: this category mainly comprises derivative instruments that are designated as cash flow hedge.
- Financial liabilities at fair value through profit or loss: these are financial liabilities held for trading. This category mainly corresponds to derivative instruments that are designated as fair value hedge and other derivative instruments that are not eligible to hedge accounting.

Put options on non-controlling interests

A commitment to buy the shares held by a minority shareholder (put option) results in the recognition of a debt for the discounted estimated purchase price. The counterpart of the debt is recognized as a reduction in shareholders' equity attributable to minority interests, up to the carrying amount of the minority interests, and shareholders' equity - Group share, for the balance. The debt is remeasured at the end of each reporting period to reflect changes in the option's exercise price, with a corresponding adjustment to shareholders' equity following the same allocation rules as for the initial recognition of the liability.

Convertible bonds (OCEANE)

In accordance with IAS 32 *Financial instruments: Presentation*, convertible bonds are analyzed as compound instruments that contain two elements: (i) a liability and (ii) an equity component for the embedded conversion option into shares, when it is settled through delivery of a fixed number of the Group's own equity instruments for a fixed amount of cash.

On initial recognition, the liability is measured by discounting the contractual stream of future cash flows (interests and repayment value) to the present value, using a market interest rate applicable to instruments of comparable features, but without the conversion option. The value of the conversion option is measured as the residual amount after deducting the fair value of the liability component from the bond's issue price. The option is recorded in equity under "Retained earnings". Issue costs are allocated between the two components in proportion to their respective values.

Subsequently, the liability is measured at amortized cost using the effective interest rate, comprising the interests, the conversion premium and the allocated share of costs. Thus, the carrying amount of the liability in the statement of financial position is increased, at each period, so that at maturity date, it is equal to its repayment value.

The equity component is not remeasured after initial recognition.

11.2.1 Net financial debt

As at December 31, 2023, the Group net financial debt amounts to €2,074 million and is analyzed as follows:

	Dec. 2022			Dec. 2023		
(€ in million)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Bonds	323	2,069	2,391	384	1,730	2,114
Negotiable commercial paper (NEU CP)	109	-	109	291	-	291
Bank overdraft	18	-	18	4	-	4
Other bank borrowings	19	119	139	31	90	121
Bonds and bank borrowings	**469**	**2,188**	**2,657**	**709**	**1,820**	**2,529**
Other financial debts	117	73	190	23	67	90
Derivative financial instruments	22	-	22	4	-	4
Gross financial debt	**608**	**2,261**	**2,869**	**736**	**1,887**	**2,623**
Lease liability	92	377	469	110	639	748
Total financial debt	**700**	**2,638**	**3,338**	**845**	**2,526**	**3,372**
Cash and cash equivalents	1,643	-	1,643	1,283	-	1,283
Other financial assets	23	-	23	-	-	-
Derivative financial instruments	14	-	14	14	-	14
Financial assets	**1,680**	**-**	**1,680**	**1,298**	**-**	**1,298**
Net financial debt	**(980)**	**2,638**	**1,658**	**(452)**	**2,526**	**2,074**

Changes in financial debt

In 2023, changes in financial debt were as follows:

			Other changes				
(€ in million)	**Dec. 2022**	**Cash flows**	Scope effects	Exchange differences	Fair value	Others	**Dec. 2023**
Bonds	2,391	(299)	-	-	-	22	2,114
Negotiable commercial paper (NEU CP)	109	182	-	-	-	-	291
Bank borrowings	157	(18)	3	(2)	-	14	125
Other financial debts	190	(57)	16	(2)	-	(56)	90
Derivative financial instruments	22	-	-	-	(1)	(17)	4
Gross financial debt	**2,869**	**(201)**	**23**	**(4)**	**(1)**	**(63)**	**2,624**
Lease liability	469	(120)	65	(5)	-	341	748
Total debt	**3,338**	**(322)**	**88**	**(9)**	**(1)**	**277**	**3,372**

Repayment of bonds

Over the year, Accor redeemed the remaining €295 million balance of the bond issued in September 2015 for €500 million and matured in September 2023. This bond had been partially redeemed for €205 million as part of the refinancing in November 2021.

Short-term financing

Accor has a short-term financing program in the form of negotiable commercial papers (NEU CP) capped at €500 million. As at December 31, 2023, this program is drawn for €291 million, representing an increase of €182 million compared to December 31, 2022.

Other financial debt

The change in other financial debt corresponds to the reversal of the €62 million liability in relation to the unexercised call option held by H World Group Ltd. after the expiration of the exercise period.

Breakdown of bonds

As at December 31, 2023, bonds break down as follows:

Nominal (in local currency)	Local currency	Nature	Date of issuance	Maturity	Interest rate (%) nominal (*)	Interest rate (%) effective (**)	Carrying amount Dec. 2022	Carrying amount Dec. 2023
295	EUR	Bond	09/15	09/23	3.625%	3.95%	296	-
357	EUR	Bond	01/17	01/24	2.50%	1.77%	365	365
600	EUR	Bond	02/19	02/26	3.00%	3.14%	606	609
500	EUR	OCEANE	12/20	12/27	0.70%	0.87%	454	463
700	EUR	Bond	11/21	11/28	2.375%	3.18%	671	676
Bonds borrowings							**2,391**	**2,114**

(*) applicable as at December 31, 2023.

(**) on the basis of a global effective rate since issue including an impact of step-up and step-down clauses.

11.2.2 Current financial assets

As at December 31, 2023, cash and cash equivalents break down as follows:

(€ in million)	Dec. 2022	Dec. 2023
Cash	784	486
Fixed-term deposits	476	359
Mutual funds units	382	438
Cash and cash equivalents	**1,643**	**1,283**

Other current financial assets amounted to €152 million as at December 31, 2023. They include short-term loans for €138 million, mainly the vendor loan granted to The Valesco group as part of the disposal of SCI Sequana shares (see Note 3.1.2), and derivatives instruments for €14 million.

11.2.3 Non-current financial assets

Accounting policy

Non-current loans and receivables are measured at amortized cost using the effective interest rate method. On initial recognition, a loss allowance is recognized for credit losses that result from default events that are possible within the next 12-months. In case of significant deterioration of the counterpart's credit risk since initial recognition, the initial loss allowance is completed to cover for credit losses expected over the remaining life of the exposure.

Non-consolidated equity investments are equity instruments initially recorded at cost, and subsequently measured at fair value. The Group generally elects to present changes in the fair value in other comprehensive income. The fair value reserves, thus accumulated, cannot be subsequently recycled in the income statement upon disposal. Only dividends received are recognized in financial result.

Other non-current financial assets correspond to debt instruments that do not meet the definition of a « basic lending arrangement » under IFRS 9 *financial instruments*, because they give rise to cash flows that are not solely payments of principal and interests. This category mainly comprises bonds convertible into shares subscribed by the Group and units held in investment funds. These financial assets are measured at fair value through profit or loss.

As at December 31, 2023, non-current financial assets break down as follows:

(€ in million)	**Dec. 2022**	**Dec. 2023**
Long term loans	38	72
Security deposits	30	15
Financial assets at amortized cost	**69**	**86**
Investments in non-consolidated companies	248	99
Other non-current financial assets	121	125
Financial assets at fair value	**369**	**224**
Total	**438**	**310**

The change in non-consolidated investments mainly corresponds to the derecognition of REEF Technology Inc. shares in exchange for the shares in REEF Proximity (see Note 3.1.3).

As at December 2023, other non-current assets mainly include convertible bonds (€72 million) and shares in investment funds (€54 million). The change in 2023 is mainly explained by the recognition of REEF Proximity's convertible bonds (see Note 3.1.3), partially offset by a negative remeasurement to fair value of an earn-out receivable on the disposal of a leased assets portfolio.

11.2.4 Derivative instruments

Accounting policy

Derivative financial instruments are used to hedge risks exposures, to which the Group is exposed in the frame of its activities, mainly changes in interest rates and exchange rates.

The accounting for fair value changes in derivative instruments depends on whether they are qualified as hedge accounting.

Derivative instruments designated as hedging instruments

Accor uses three types of hedges:

- Fair value hedges of recognized assets and liabilities in the statement of financial position: the hedged items are measured at fair value in the statement of financial position. Changes in fair value are recognized in the income statement and offset by the effective portion of changes in fair value of the derivative instruments.
- Cash flow hedges ("CFH"): the effective portion of the gain or loss on the derivative instruments is recognized in other comprehensive income and, subsequently, reclassified to profit or loss when the hedged item affects profit or loss. The ineffective portion of the gain or loss is recognized immediately in financial result.
- Hedge of a net investment in a foreign operation: the effective portion of the gain or loss on the hedging instrument is initially recognized in other comprehensive income and, subsequently, reclassified to profit or loss upon disposal of the investment, either on a full-basis, in case of loss of control, or up to the Group's share otherwise. The ineffective portion of the gain or loss is recognized immediately in financial result.

The Group uses the "cost of hedging" option permitted by IFRS 9 *Financial instruments,* allowing to limit the volatility in profit or loss resulting from forward points, currency basis spreads and the time value of options.

Hedge accounting is applied when, at the inception of the hedging relationship, there is a formal designation and documentation of the hedging relationship, and it meets all the hedge effectiveness requirements at inception and throughout the duration of the hedge.

Other derivative instruments

Other derivative instruments are measured at fair value, with changes in fair value recognized in financial result.

As at December 31, 2023, derivative instruments are only composed of interest rate hedges:

	Dec. 2022		Dec. 2023	
(€ in million)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Foreign currency hedges	14	22	14	4
Derivatives financial instruments	**14**	**22**	**14**	**4**

11.2.5 Breakdown of financial assets and liabilities

	By class of instrument				
(€ in million)	At amortized cost	Fair value through equity	Fair value through P&L	Derivatives qualified as hedges	**Dec. 2022**
Long term loans	38	-	-	-	38
Deposits	30	-	-	-	30
Investments in non-consolidated companies	-	248	-	-	248
Other non-current financial assets	-	-	121	-	121
Trade receivables	794	-	-	-	794
Cash and cash equivalents	1,261	-	382	-	1,643
Other financial assets	23	-	-	-	23
Derivative instruments	-	-	9	5	14
Assets classified as held for sale	-	264	-	-	264
Financial assets	**2,147**	**512**	**512**	**5**	**3,177**
Bonds	2,391	-	-	-	2,391
Negotiable commercial paper (NEU CP)	109	-	-	-	109
Bank borrowings	157	-	-	-	157
Other financial debt	190	-	-	-	190
Trade payables	489	-	-	-	489
Derivative instruments	-	-	8	14	22
Financial liabilities	**3,336**	**-**	**8**	**14**	**3,358**

	By class of instrument				
(€ in million)	At amortized cost	Fair value through equity	Fair value through P&L	Derivatives qualified as hedges	**Dec. 2023**
Long term loans	72	-	-	-	72
Deposits	15	-	-	-	15
Investments in non-consolidated companies	-	99	-	-	99
Other non-current financial assets	-	-	125	-	125
Trade receivables	824	-	-	-	824
Cash and cash equivalents	845	-	438	-	1,283
Short term loans	138	-	-	-	138
Derivative instruments	-	-	14	-	14
Financial assets	**1,893**	**99**	**578**	**-**	**2,569**
Bonds	2,114	-	-	-	2,114
Negotiable commercial paper (NEU CP)	291	-	-	-	291
Bank borrowings	125	-	-	-	125
Other financial debt	90	-	-	-	90
Trade payables	515	-	-	-	515
Derivative instruments	-	-	3	0	4
Financial liabilities	**3,134**	**-**	**3**	**0**	**3,138**

Derivative instruments documented in relation to hedging are reported under the column “Derivatives qualified as hedges”. Other derivative instruments are reported under “Fair value through P&L”.

11.2.6 Hierarchies at fair value

Accounting policy

IFRS 13 *Fair value* establishes a hierarchy of valuation techniques for financial instruments as follows:

- Level 1 - inputs based on quoted prices (unadjusted) in active markets for a similar instrument,
- Level 2 - valuation techniques using observable data in active markets for a similar instrument,
- Level 3 - valuation techniques primarily using non-observable inputs.

Valuation techniques used to determine the fair value of assets and liabilities measured at fair value in the statement of financial position are as follows:

	Dec. 2022	Hierarchy		
(€ in million)	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Investments in non-consolidated companies	248	36	-	212
Other non-current financial assets	121	-	-	121
Mutual funds units	382	382	-	-
Derivative instruments - assets	14	-	14	-
Assets classified as held for sale	264	264	-	-
Financial assets	**1,029**	**682**	**14**	**333**
Derivative instruments - liabilities	22	-	22	-
Financial liabilities	**22**	**-**	**22**	**-**

	Dec. 2023	Hierarchy		
(€ in million)	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Investments in non-consolidated companies	99	37	-	62
Other non-current financial assets	125	-	-	125
Mutual funds units	438	438	-	-
Derivative instruments - assets	14	-	14	-
Assets classified as held for sale	-	-	-	-
Financial assets	**677**	**475**	**14**	**187**
Derivative instruments - liabilities	4	-	4	-
Financial liabilities	**4**	**-**	**4**	**-**

No change in the fair value hierarchy has been carried out in the measurement of assets and liabilities at fair value over the year. The fair value of mutual fund units corresponds to the net asset values at closing date.

The fair value of investments in non-consolidated companies corresponds either to the share price (level 1) for shares listed on an active market, or to an estimate for non-listed shares determined using the most appropriate and specific financial criteria (level 3).

The fair value of derivatives is measured based on models commonly used by market participants to value these financial instruments using observable market data (level 2). The impact of the default risk of the counterparty (CVA) and the entity's own credit risk (DVA) is not material on the derivatives fair value.

The fair value of financial assets and liabilities recognized at amortized cost is equal to the carrying amount, except for bonds. The fair value of the bonds is determined based on quoted prices (level 1) and amounts to €2,103 million as at December 31, 2023.

11.3 Financial risk management

11.3.1 Foreign exchange risk

Bonds and bank borrowings by currency

The bonds and banking debt by Group currency after the use of derivatives (without commercial hedging) breaks down as follows:

	Before hedging			After hedging		
(€ in million)	**Amount**	**Rate**	**% of total debt**	**Amount**	**Rate**	**% of total debt**
Euro (EUR)	2,475	3%	98%	2,210	3%	87%
Australian dollar (AUD)	-	-	-	453	6%	18%
UAE dirham (AED)	-	-	-	125	1%	5%
Pound sterling (GBP)	-	-	-	95	1%	4%
US dollar (USD)	55	7%	2%	77	5%	3%
Canadian dollar (CAD)	-	-	-	(176)	(1)%	(7)%
Swiss franc (CHF)	-	-	-	(258)	2%	(10)%
Other currencies	-	-	-	4	35%	0%
Bonds and bank borrowings	**2,529**	**3%**	**100%**	**2,529**	**3%**	**100%**

The table above reports the currency translation of the Group's financings. They are established according to operational needs, whether in a lending or borrowing currency position.

Foreign currency hedging

As at December 31, 2023, characteristics of the foreign currency hedges are as follows:

	Dec. 2023								
(€ in million)	Hedging maturity	Accounting classification	AUD	USD	CHF	GBP	Others currencies	**Nominal**	**Fair value**
Currency swaps	< 1 an	Trading	11	18	(262)	26	54	(153)	9
Cross currency swaps	2028	CFH	424	-	-	-	-	424	(0)
Financing operations			**435**	**18**	**(262)**	**26**	**54**	**271**	**8**
Forward	< 1 an	Trading	17	23	12	19	40	111	1
Commercial operations			**17**	**23**	**12**	**19**	**40**	**111**	**1**
Trading operations	< 1 an	Trading	**-**	**(33)**	**-**	**48**	**(134)**	**(119)**	**2**
Total			**452**	**8**	**(250)**	**93**	**(40)**	**263**	**11**

Trading: Fair value for P&L

CFH: Cash-Flow Hedge

Sensitivity analysis

Accor's policy is to hedge financing positions in the statement of financial position. Hence, the sensitivity of the net result on foreign exchange risks over the balance sheet financing positions is not material.

Regarding commercial operations in the statement of financial position, exposures are mainly centralized at Accor SA level. The Group's policy is to invoice the fees to subsidiaries in their functional currency (with minor exceptions). As at December 31, 2023, most of the trade balances are hedged and the corresponding foreign currency derivatives are qualified as trading instruments.

11.3.2. Interest rate risk

Bonds and bank borrowings by interest rate

	Current		Non-current		Dec. 2023	
(€ in million)	Fixed	Variable	Fixed	Variable	**Fixed**	**Variable**
Bonds and bank borrowings	705	4	1,775	45	2,480	49
Cash and cash equivalents	(845)	(438)	-	-	(845)	(438)
Net exposure	(140)	(434)	1,775	45	**1,635**	**(389)**

As at December 31, 2023, 98% of bonds and bank borrowings were at fixed rate, with an average rate of 2.9%, and 2% were at a variable rate, with an average rate of 8.1%. The fixed rate debt is denominated primarily in euro.

Interest rate hedging

As at December 31, 2023, the Group does not hold any interest rate hedging.

Risk of non-compliance with environmental, social and governance objectives

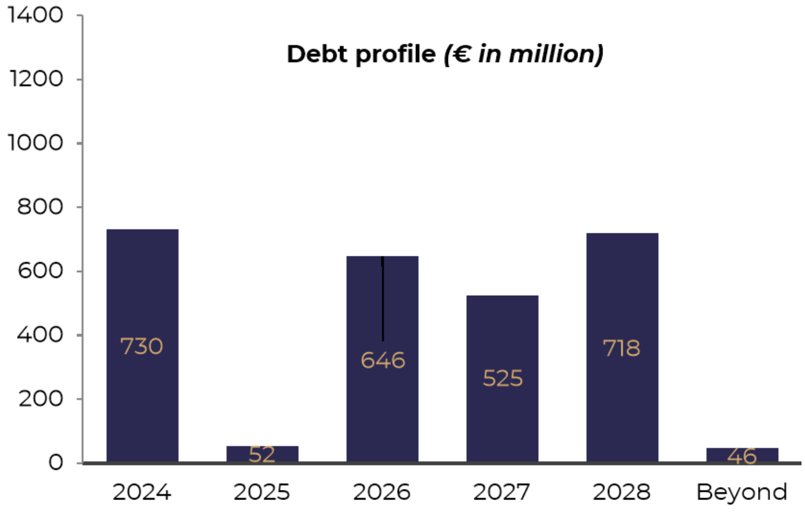
In 2021, Accor issued a bond indexed to the Group's sustainable development objectives (Sustainability-Linked Bond) for €700 million, with a 2.375% coupon, maturing in November 2028. Issued pursuant to the Sustainability-Linked Bond Framework, these bonds are indexed to the two Group's greenhouse gas emission reduction targets of 25.2% for Scopes 1 and 2 and 15.0% for Scope 3 by 2025 compared to 2019. In the event of non-compliance with these targets, the Group is exposed to a 12.5bps step-up per target on coupons from 2026 over the residual term of the debt. As at December 31, 2023, Accor considered that these objectives will be achieved for the determination of the effective rate of the bonds.

Accor holds an undrawn credit line that is indexed to the Group's sustainable development objectives, the fight against food waste and the promotion of gender diversity. In the case of no compliance, the Group is exposed to an increase of its margin to 0.83bp per objective starting in 2024.

11.3.3 Liquidity risk

Debt profile

The bonds and bank borrowings profile (corresponding to contractual nominal and interests included) is one of the indicators used to assess the Group's liquidity position. As at December 31, 2023, maturities were as follows:



Credit lines

In December 2023, the Group has signed a new undrawn confirmed credit line for €1,000 million for five years with a two-year extension period, exercisable in 2024 and 2025. This line replaces the undrawn credit line of €1,200 million concluded in June 2018.

Covenants

There is no early repayment clause that would be triggered following a deterioration in the Group's rating. However, part of the bonds and bank borrowings (€1,650 million out of the €2,529 million) is subject to an early repayment clause in the event of a change of control (in case 50% of Accor SA's voting rights are acquired by a third party) along with a downgrade of the rating to "Non-Investment Grade".

The €1,000 million undrawn credit line does not contain any early repayment clause, but is subject to retaining its "Investment Grade" rating.

Last, no cross-default clause, by which default on one debt can lead to default on another debt, is included in the financing contracts negotiated by Accor. Only cross acceleration clauses exist, these clauses can only be triggered if the cross acceleration relates to financial debts of the same nature and for a significant amount.

Ratings

The credit rating agencies Standard & Poor's and Fitch rating have attributed the below long-term ratings:

	Long-term rating	Outlook	Last review
Standard & Poor's	BBB-	Stable	September 12, 2023
Fitch Rating	BBB-	Stable	April 5, 2023

11.3.4 Credit and counterparty risk

The Group is likely to be exposed to a concentration of counterparty risks related to trade receivables, cash, investments and derivatives.

The business relationship between Accor and hotel owners is formalized through services contracts. Accor considers that the concentration of counterparty risks related to its trade receivables is limited given the number of clients, their geographical dispersion, the nature of the services provided and the frequency of invoicing of the services (usually monthly). As at December 31, 2023, the maximum counterparty risk value on trade receivables is the net book value.

The maturity of trade receivables (excluding accrued receivable of €267 million) is as follows:

		Receivables due			
(€ in million)	**Receivables not yet due**	**Less than 90 days**	**Between 90 and 180 days**	**More than 180 days**	**Total**
Gross receivables	253	205	70	170	**698**
Provisions	(10)	(7)	(11)	(113)	**(141)**
Net receivables	**243**	**198**	**59**	**57**	**556**

Financial investments are diversified. They relate to first rank securities and are negotiated with first rank banks. The Group subscribes over-the-counter derivatives with first-class banks under agreements to offset the amounts due and received in the event of default by one of the contracting parties. In the Group's financial statements, these derivatives are not compensated.

Note 12. Income tax

Accounting Policy

Income tax expense (or benefit) includes both current and deferred tax expense.

Deferred taxes are recognized using the liability method on temporary differences between the carrying amount of assets and liabilities and their tax base. They are measured using the tax rates enacted or substantively enacted by the end of the reporting period that are expected to apply to the period when the asset is realized, or the liability is settled. The effects of changes in tax rates (and tax laws) are recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive items, for the period in which the rate change is announced.

Deferred tax assets are recognized for the carry forward of unused tax losses and unused tax credit only to the extent that they can be utilized against future taxable profits. The recoverability of deferred tax assets is reviewed periodically by taxable entity. Based on the results of the review, previously recognized deferred tax assets may be derecognized. The recoverability of deferred tax assets is assessed based on business plans prepared the Group companies, taking into account projected taxable profits (usually over a five-year period), past experience and local legal and tax environment.

The Group recognizes deferred taxes on the temporary differences resulting from the assets and liabilities recognized in relation to its lease agreements. On initial recognition, there is no temporary difference as the values of the asset equals the value of the liability. Subsequently, a deferred tax is recognized for the net amount of taxable and deductible temporary differences.

The tax assessed on the value added by the business (“CVAE”) is included in the income tax for the year.

The Group applies the IFRIC 23 guidance for income tax:

- A liability is recognized in the consolidated statement of financial position when a tax risk arising from positions taken by the Group, or one of its subsidiaries, is considered as probable, assuming that the tax authorities have full knowledge of all relevant information when making their examination,
- The Group determines the level, which is the more relevant, to assess a tax risk considering the specific facts and circumstances and the nature of the risk considered,
- When applicable, the liability recognized corresponds to the amount expected to be paid, and is measured using the method, which reflects the Group’s best estimate of the underlying risk.

12.1 Income tax in consolidated income statement

12.1.1 Income tax expense

(€ in million)	**2022**	**2023**
Current tax	(117)	(141)
Deferred tax	41	102
Income Tax	**(76)**	**(39)**

The Group recognized an income tax expense for €(39) million.

The current income tax expense of €(141) million mainly includes:

- Income tax expenses for €(163) million,
- Reversal of provisions for tax risks for €22 million.

The €102 million deferred tax income mainly includes the recognition of deferred tax assets in France, reflecting the improvement of future taxable profits over the next five years, in line with the business assumptions retained in the Group's business plan.

In 2022, the expense of €(76) million included a €(124) million income tax expense, a €41 million deferred tax recognition, mainly in the United States and Netherlands and a €7 million reversal of provisions for tax risks.

12.1.2 Income tax expense analysis

(€ in million)		**2022**	**2023**
Profit from continuing operations before tax		**459**	**679**
Share of profit/(loss) of equity investments		(33)	(44)
Impact of amortization and impairment		(134)	(61)
Dividends		(1)	32
Others		(18)	(32)
Profit taxed at standard rate	(a)	**274**	**573**
Standard tax rate in France	(b)	**+25.8%**	**+25.8%**
Theoretical tax at standard French tax rate	(c) = (a) x (b)	**(71)**	**(148)**
. Differences in foreign tax rates		10	3
. Unrecognized tax losses for the year		(30)	(20)
. Utilization / recognition of tax losses carryforward		39	124
. Net charges to/reversals of provisions for tax risks		7	22
. Company value-added contribution (CVAE)		(4)	(4)
. Changes in tax rates		1	1
. Other items		(28)	(17)
Total effects on tax at standard French tax rate	(d)	**(5)**	**109**
Income/(Expense) tax	(e) = (c) + (d)	**(76)**	**(39)**

As at December 31, 2023, the income tax rate in France is at 25.83%, including the French "Contribution sociale de solidarité" tax of 3.3% based on the standard tax rate of 25%.

12.2 Deferred taxes

The main sources of deferred tax assets and liabilities are as follows:

(€ in million)	**Dec. 2022**	**Dec. 2023**
Intangible assets	(482)	(451)
Property, plant and equipment	(4)	(18)
Recognized tax losses	92	147
Provision for employee benefits	28	25
Provision for risks and contingencies	17	(8)
Impairment losses	6	23
Others	(4)	18
Total net deferred tax	**(347)**	**(262)**
· Deferred tax assets	193	229
· Deferred tax liabilities	(540)	(491)

Deferred taxes liabilities on intangible assets mainly relate to assets recognized as part of Group's various acquisitions.

Deferred tax assets on tax losses mainly relate to France (€73 million) and the United States (€40 million).

12.3 Unrecognized deferred tax

As at December 31, 2023, unrecognized deferred tax assets amount to €717 million (compared to €835 million as at December 31, 2022). They mainly relate to evergreen tax losses carryforwards in France (€310 million), Luxembourg (€72 million) and Belgium (€70 million).

Unrecognized deferred tax assets will expire in the following periods if unused:

(€ in million)	Deductible temporary differences	Tax losses carry forwards	**Total**
From 2023 to 2026	4	34	38
2027 and beyond	14	24	38
Evergreen	126	515	641
Total	**144**	**573**	**717**

Note 13. Shareholders' Equity and Earning per share

Accounting policy

Shareholders' equity is attributable to two categories of owners: owners of the parent (Accor SA shareholders) and owners of non-controlling interests (minority interests).

Transactions with minority interests

Transactions with minority interests leading to a change in a parent's ownership interest in a subsidiary that does not result in the parent losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners). If an additional interest is acquired in a controlled company, the difference between the purchase price of the shares and the additional share of net assets acquired is recognized in shareholders' equity, Group share. The carrying amount of the subsidiary's assets and liabilities, including goodwill, is unchanged.

Equity instruments

The classification in shareholders' equity depends on the specific analysis of the characteristics of each instrument issued by the Group. An instrument is classified as an equity instrument if it does not include any contractual obligation to pay cash or another financial asset to the holder. In particular, an instrument whose redemption is at the Group's initiative and whose remuneration is subject to the payment of a dividend is classified as equity.

13.1 Share capital

13.1.1 Changes in share capital

As at 31 December 2023, Accor SA's share capital was made up of 252,289,352 shares with a par value of €3 each, each fully paid. Changes in the number of outstanding shares during 2023 were as follows:

In number of shares	**2023**
Number of issued shares at January 1, 2023	**263,031,794**
Performance shares vested	1,898,784
Shares cancelled	(12,641,226)
Number of issued shares at December 31, 2023	**252,289,352**

13.1.2 Distribution of dividends

On May 25, 2023, Accor SA paid a dividend of €1.05 per share (€0.71 for 2022 financial year results and €0.34 as an exceptional dividend) in the form of a cash payment of €277 million.

13.1.3 Perpetual subordinated notes

In October 2023, Accor refinanced the €500 million hybrid bond issued in January 2019. This operation consisted of:

- The issuance of perpetual hybrid bonds amounting to €500 million, with a coupon of 7.25%, and
- The repurchase of a perpetual hybrid bond (coupon of 4.375%) for €442 million. Following the terms and conditions of these bonds, the Group exercised its option to repurchase the remaining bond of €58 million.

In 2023, the bond holders compensation amounted to €45 million. It is analyzed as a distribution of profits, recognized as a reduction in shareholders' equity.

13.1.4 Share buy-back program

On October 10, 2023, Accor launched a share buyback program, which was fully completed on December 20, 2023. Following this transaction, the Group repurchased 12,641,226 treasury shares at an average price of €31.64 per share, for a total of €400 million. These shares were cancelled as part of a capital reduction. This program is in line with the Group's commitment to return approximately €3 billion to its shareholders over 2023-2027.

13.1.5 Consolidated reserves

Items recognized directly in shareholders' equity Group share are the followings:

	Dec. 2022	Change	**Dec. 2023**
Currency translation reserve	(133)	(38)	(171)
Changes in fair value of financial Instruments	(39)	34	(5)
· of which non-consolidated investments	(85)	53	(31)
· of which derivative instruments	46	(20)	26
Reserve for actuarial gains/losses	(83)	(3)	(86)
Share based payments	383	38	421
Retained earnings and others	2,467	239	2,707
Reserves - Group share	**2,595**	**270**	**2,865**

The €53 million variation in reserves on fair value changes on non-consolidated investments included the reclassification of the negative cumulative change in fair value following the partial disposal of shares in H World Group Ltd for €(56) million (see Note 3.1.4).

13.1.6 Currency translation reserve

The currency translation reserve breaks down as follows:

	2022	Change	**2023**
British sterling (GBP)	(145)	39	(107)
Brazilian real (BRL)	(92)	(55)	(147)
United States dollar (USD)	254	(177)	78
Chinese yuan (CNY)	(39)	(15)	(54)
Canadian dollar (CAD)	(26)	6	(20)
Australian dollar (AUD)	(19)	30	11
Indian rupee (INR)	(73)	7	(65)
Other currencies	8	123	131
Currency translation reserve	**(131)**	**(42)**	**(173)**
• of which Group share	(133)	(38)	(171)
• of which minority interests	2	(4)	(2)

The €42 million negative change in 2023 is mainly driven by the depreciation of the US dollar (€177 million) and Brazilian real (€55 million) and the appreciation of the pound sterling (€39 million) and Australian dollar (€30 million).

The euro closing rates used to translate foreign operations were as follows:

	GBP	**BRL**	**USD**	**CNY**	**CAD**	**AUD**	**INR**
December 2022	0.8803	5.4834	1.0622	7.4198	1.4433	1.5857	87.9579
December 2023	0.8666	5.3624	1.1023	7.8640	1.4639	1.6197	91.6280

13.2 Minority interests

13.2.1 Breakdown of minority interests

Minority interests break down as follows:

(€ in million)	**Dec. 2022**	Change	**Dec. 2023**
Ennismore	309	(12)	297
Rixos Hotels & Resorts	68	13	81
Paris Society subsidiaries	(9)	(15)	(24)
Other minority interests	29	(2)	26
Minority interests	**397**	**(17)**	**380**

13.3 Earnings per share

Accounting policy

Basic earnings per share are calculated by dividing net profit Group share, less interest paid to holders of subordinated notes, by the weighted average number of shares outstanding during the year.

Diluted earnings per share are determined by adjusting the weighted average number of shares for the effects of all potentially dilutive instruments (stock options and performance shares). Instrument shares are treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations – Group share.

Earnings per share are calculated as follows:

(€ in million)	Continued activities	Discontinued activities	**2022**	Continued activities	Discontinued activities	**2023**
Net profit - Group share	359	43	**402**	623	10	**633**
Coupons on hybrid bonds	(35)	-	(35)	(45)	-	(45)
Adjusted Net profit - Group share	**324**	**43**	**367**	**578**	**10**	**588**
Weighted average number of ordinary shares	262,531,151	262,531,151	262,531,151	264,055,787	264,055,787	264,055,787
Fully diluted weighted average number of shares	263,019,122	263,019,122	263,019,122	265,238,783	265,238,783	265,238,783
Earnings per share *(in euros)*	**1.23**	**0.16**	**1.40**	**2.19**	**0.04**	**2.23**
Diluted earnings per share *(in euros)*	**1.23**	**0.16**	**1.39**	**2.18**	**0.04**	**2.22**

As at December 31, 2023, the weighted average number of ordinary shares is computed as follows:

Outstanding shares	**252,289,352**
Effect of share issued	(770,891)
Cancellation of shares	12,537,326
Weighted average number of ordinary shares	**264,055,787**
Number of dilutive potential shares	1,182,996
Fully diluted weighted average number of shares	**265,238,783**

Note 14. Unrecognized items

14.1 Off-Balance Sheet commitments

Accounting policy

Commitments given and received by the Group correspond to outstanding contractual obligations that are conditional upon the satisfaction of future conditions or the completion of future transactions. As at December 31, 2023, to the best of the Group's knowledge, there were no commitments likely to have a material effect on the Group's current or future situation other than those disclosed in this note.

14.1.1 Commitments given

The undiscounted commitments given as at December 31, 2023 breakdown is as follows:

(€ in million)	< 1 year	1 to 5 years	> 5 years	**Total**
Commitments given on hotel contracts	66	202	68	336
Lease commitments	2	7	11	20
Investment commitments	81	52	-	133
Bank guarantees and letters of credit	18	35	16	70
Others operating commitments	10	28	3	41
Commitments related to operational activities	**178**	**324**	**98**	**599**
Bank guarantees on lease contracts	34	186	257	477
Shares subscription commitments	3	0	40	43
Other securities and warranties	0	-	1	1
Commitments related to perimeter	**37**	**186**	**299**	**522**
Subscription commitment towards funds	-	-	7	7
Commitments related to financial investments	**-**	**-**	**7**	**7**
Commitments given	**215**	**510**	**403**	**1,128**

Commitments given on hotel contracts mainly relate to "key money" to be paid to secure agreements with hotel owners and performance guarantees granted to hotel owners under management contracts.

14.1.2 Commitments received

The undiscounted off-balance sheet commitments received as at December 31, 2023 breakdown is as follows:

(€ in million)	< 1 year	1 to 5 years	> 5 years	**Total**
Counter-guarantees received from associates	-	165	124	289
Bank guarantees received from customers	3	1	0	4
Letters of credit received	1	-	-	1
Others	-	3	-	3
Commitments received	**4**	**168**	**125**	**297**

14.2 Litigations, contingent assets, and liabilities

Accounting policy

A contingent asset or liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are not within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent assets and liabilities are not recognized in the statement of financial position but are disclosed in the notes to the financial statements.

During the normal course of business, the Group may be exposed to claims, litigation, and legal proceedings. All known outstanding claims, litigation and legal proceedings involving Accor SA or any Group company were reviewed at the date on which the consolidated financial statements were authorized for issue, and all necessary provisions were booked to cover the estimated risks. To the best of Management's knowledge, there are no contingent liabilities that could have a material adverse effect on the Group's financial position or business.

Litigation on dividend withholding tax

Since 2022, the Group has taken legal actions to obtain the repayment of the "précompte" dividend withholding tax paid in respect of 1999-2001 and 2002-2004 financial years.

Regarding the 2002-2024 period, the Group has recognized a provision of €53 million to deal with the risk of refunding part of the €307 million reimbursed by the French State following the favorable decision of the Administrative Court of Appeal of Versailles on July 7, 2020.

On May 27, 2023, following the decision of the Court of Justice of the European Union (CJEU) dated May 12, 2022, the French Supreme Court confirmed that the "précompte" was infringing the European parent subsidiary regime. However, the French Supreme Court did not conclude on the definitive "précompte" amount attributed to the Group and referred to the Versailles Court of Appeal to settle this claim. Pending a new decision, on April 21, 2023, the Division of Major Enterprises (DGE) asked Accor to refund the amount of €53 million.

On January 9, 2024, the Administrative Court of Appeal of Versailles issued a decision confirming the decision of the Council of State and the Group appealed to the Council of State.

In 2023, Accor has recognized the payment to the DGE and reversed the provision of €53 million. The decision of the Administrative Court of Appeal of Versailles has no impact in the Group's income statement.

Furthermore, this decision confirms that the reimbursement of "précompte" received in 2020 for €307 million for the period 2002-2004 is acquired by the Group in the amount of €254 million, which corresponds to the income recognized in the consolidated financial statements for the year 2020.

As a reminder, regarding the "précompte" for the 1999-2001 period, following the decision of the French Supreme Court on December 10, 2012, requiring Accor to refund €185 million, the Group brought against an action for State liability and continue to assert its rights.

14.3 Subsequent Events

On January 30, 2024, Accor signed an agreement with Travel + Leisure to sell its timeshare business in Australia, New Zealand and Indonesia, Accor Vacation Club, for an enterprise value of AUD 78 million (€48 million) (see Note 3.2.1).

Note 15. Other information

15.1 Related parties

Companies that exercise significant influence over Accor

As at December 31, 2023, the companies Qatar Investment Authority (QIA) and Kingdom Holding Company of Saudi Arabia (KHC), who became shareholders following the acquisition of FRHI Hotels & Resorts in 2016, exercise significant influence over Accor SA. In virtue of the agreements signed at the time of this transaction, QIA has two seats on the Board of Directors and KHC has one.

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. This collaboration aims to promote the ALL-Accor Live Limitless 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.

Subsidiaries, joint ventures and associates

Transactions between the Company and its subsidiaries, joint ventures and associates are concluded in the normal course of business operations. The transactions with subsidiaries are eliminated in the Group's consolidated financial statements.

When appropriate, the main transactions with joint ventures and associates are mentioned directly in the related notes (see Notes 3.1.3 and 6).

Members of the Executive Committee and the Board of Directors

Transactions with members of the Executive Committee and Board of Directors are presented in Note 5. All transactions with companies in which a member of the Executive Committee or the Board of Directors holds material voting rights are conducted in the normal course of business on arm's length terms and are not material.

15.2 Fees paid to auditors

The table below shows the total fees billed by the auditors recognized in the Group's consolidated income statement for the financial years 2022 and 2023:

	2022			2023		
(€ in million)	**PwC**	**EY**	**Total**	**PwC**	**EY**	**Total**
Fees related to certification of accounts						
Issuer	1.6	1.5	3.1	2.0	1.4	3.4
Fully consolidated subsidiaries	1.7	1.2	2.9	1.9	1.8	3.7
Subtotal	**3.3**	**2.8**	**6.0**	**4.0**	**3.1**	**7.1**
Fees for services other than certification of accounts						
Services required by laws and regulations	-	0.2	0.2	0.2	-	0.2
Due diligence services	0.6	-	0.6	-	-	-
Tax services (*)	0.2	0.6	0.8	0.1	1.1	1.2
Other services (**)	1.0	-	1.0	7.3	0.2	7.5
Subtotal	**1.8**	**0.8**	**2.5**	**7.6**	**1.3**	**8.9**
Total	**5.0**	**3.5**	**8.6**	**11.6**	**4.4**	**16.0**

(*) Tax services mainly related to compliance assignments performed for foreign subsidiaries

(**) Services mainly related to assignments performed in France and abroad by members of respective auditors' networks

15.3 Main consolidated companies

As at December 31, 2023 the Group consolidates under the appropriate method all of its subsidiaries.

To the best of the Group's knowledge, there are no material restrictions on Accor's ability to have access to the assets of the subsidiaries controlled by the Group.

The fully consolidated subsidiaries and the main equity-accounted investments of the Group are presented below. The other entities are individually not material.

Main consolidated companies	Countries	Method	%	Main consolidated companies	Countries	Method	%
Americas				**Americas**			
ACCORHOTELS ARGENTINA S.A	ARGENTINA	FC	100%	ACCOR HOTELES SA DE CV	MEXICO	FC	100%
FAIRMONT MY (BARBADOS)	BARBADOS	FC	100%	ACCORHOTELS PERU SA	PERU	FC	100%
FAIRMONT DUBAI HOLDINGS LTD	BERMUDA	FC	100%	ACCOR MANAGEMENT US INC	UNITED STATES	FC	100%
FAIRMONT HOTELS LIMITED	BERMUDA	FC	100%	HERITAGE BENEFITS COMPANY LLC	UNITED STATES	FC	100%
HOTELARIA ACCOR BRASIL SA	BRAZIL	FC	100%	FRHI REAL ESTATE HOLDING (US) INC.	UNITED STATES	FC	100%
L.E.B.S.P.E. EMPREENDIMENTOS E PARTICIPAÇÕES LTDA.	BRAZIL	FC	100%	FAIRMONT US MANAGEMENT LP	UNITED STATES	FC	100%
ACCOR INVESTIMENTOS E PARTICIPAÇÕES LTDA.	BRAZIL	FC	100%	ACCOR HOTELS & RESORTS (MARYLAND) LLC	UNITED STATES	FC	100%
ACCOR LUXURY BRAZIL S.A.	BRAZIL	FC	100%	FHP MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
ACCOR MANAGEMENT CANADA INC	CANADA	FC	100%	FHP COCOA MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
ACCOR CANADA INC	CANADA	FC	100%	FHP SP (U.S.) MANAGEMENT COMPANY, LLC	UNITED STATES	FC	100%
ACCOR CANADA HOLDINGS INC.	CANADA	FC	100%	SCP SCOTTSDALE PRINCESS PARTNERSHIP	UNITED STATES	FC	100%
3985784 CANADA INC.	CANADA	FC	100%	FHR AUSTIN HOTEL MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
6081541 CANADA INC.	CANADA	FC	100%	FHR CLAREMONT HOTEL MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
4229452 CANADA INC.	CANADA	FC	100%	FHR DALLAS HOTEL MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
FHP (CANADA) MANAGEMENT COMPANY INC.	CANADA	FC	100%	FHR GDM HOTEL MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
CP HOTELS MANAGEMENT	CANADA	FC	100%	FHR WASHINGTON DC OPERATIONS LLC	UNITED STATES	FC	100%
CANADIAN PACIFIC EXPRESS & TRANSPORT LTD.	CANADA	FC	100%	FHR SEATTLE OPERATIONS LLC	UNITED STATES	FC	100%
FRHI REAL ESTATE HOLDING INC.	CANADA	FC	100%	FHR SAN FRANCISCO OPERATIONS LLC	UNITED STATES	FC	100%
FHR PROPERTIES INC.	CANADA	FC	100%	COPLEY PLAZA HOTEL OPERATING COMPANY LLC	UNITED STATES	FC	100%
FHR WHISTLER OPERATIONS CORPORATION	CANADA	FC	100%	SONOMA MISSION INN MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
FHR LAKE LOUISE OPERATIONS CORPORATION	CANADA	FC	100%	KEA LANI LLC	UNITED STATES	FC	100%
FHR JASPER OPERATIONS CORPORATION	CANADA	FC	100%	FHR (ML) OPERATING COMPANY LLC	UNITED STATES	FC	100%
FHR BANFFOPERATIONS CORPORATION	CANADA	FC	100%	SWISSOTEL EMPLOYMENT SERVICES L.L.C.	UNITED STATES	FC	100%
CANMORE LAUNDRY FACILITY OPERATIONS LIMITED	CANADA	FC	100%	THE CHICAGO HOTEL MANAGEMENT SERVICES COMPANY LLC	UNITED STATES	FC	100%
FHR LCF OPERATIONS CORPORATION	CANADA	FC	100%	FHR PITTSBURGH MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
FHR RYH OPERATIONS CORPORATION	CANADA	FC	100%	FHR CENTURY PLAZA HOTEL MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
FHR QEH OPERATIONS CORPORATION	CANADA	FC	100%	DC SOFITEL, LLC	UNITED STATES	FC	100%
MANOIR RICHELIEU LTD./LTEE.	CANADA	FC	100%	NORMANDIE LLC	UNITED STATES	FC	100%
ACCOR FRANCHISING CANADA INC	CANADA	FC	100%	LA LIBERTE LLC	UNITED STATES	FC	100%
FHP SP LIMITED PARTNERSHIP	CANADA	FC	100%	LA TOURAINE LLC	UNITED STATES	FC	100%
ACCOR PME FRANCHISING CANADA INC.	CANADA	FC	100%	LOS ANGELES MAISON INC	UNITED STATES	FC	100%
ACCORHOTELS CHILE SPA	CHILE	FC	100%	ACCOR FRANCHISING US LLC	UNITED STATES	FC	100%
A3 SPA	CHILE	EM	20%	FHP TELLURIDE MANAGEMENT COMPANY LLC	UNITED STATES	FC	100%
SOCIEDAD ANONIMA DE GESTION HOTELERA DE COLOMBIA - SOGECOL SA	COLOMBIA	FC	100%	FHR ESJ OPERATIONS LLC	UNITED STATES	FC	100%
COLOMBIA IBIS	COLOMBIA	FC	72%	FHP GS HOLDINGS LLC	UNITED STATES	FC	100%
SUN CARIBE	CUBA	FC	100%	Back Bay Hotel Operating Company LLC	UNITED STATES	FC	100%
SI HOTELERA DE MEXICO JUR	MEXICO	FC	100%	ROE Management US Inc	UNITED STATES	FC	100%
FHR MEXICO MANAGEMENT COMPANY, S,A, DE C.V.	MEXICO	FC	100%	ACCOR PME FRANCHISING US INC	UNITED STATES	FC	100%
FHMK, S.A. DE C.V.	MEXICO	FC	100%	ACCOR PME US INC.	UNITED STATES	FC	100%
ADMINISTRADORA DE VACACIONES FHP, S.A. DE C.V.	MEXICO	FC	100%	REEF Proximity	UNITED STATES	EM	20%

Main consolidated companies	Countries	Method	%
Europe			
ACCOR HOTELBETRIEBS GMBH	AUSTRIA	FC	100%
ACCOR HOTELS BELGIUM S.A.	BELGIUM	FC	100%
CIWLT S.A.	BELGIUM	FC	100%
ACCOR ASIA S.A.	BELGIUM	FC	100%
SWISSOTEL ESTONIA	ESTONIA	FC	100%
ACCOR SA	FRANCE	FC	100%
ACCOR AFRIQUE SUPPORT HS	FRANCE	FC	100%
ACTIMOS	FRANCE	FC	100%
COURTAGE D'ASSURANCE HOTELLERIE (HIB)	FRANCE	FC	100%
AH FLEET SERVICES	FRANCE	FC	100%
SFPIE JUR	FRANCE	FC	100%
STE DE PARTICIPATION DE L'ILE DE FRANCE HI	FRANCE	FC	100%
IBL	FRANCE	FC	100%
CHAMMANS FINANCE	FRANCE	FC	100%
ACCOR LUXURY & LIFESTYLE	FRANCE	FC	100%
IBIS BUDGET	FRANCE	FC	98%
SOCIETE DE MANAGEMENT INTERMARQUES	FRANCE	FC	100%
SOCIETE HOTELIERE DE MONTPARNASSE (SHDM)	FRANCE	FC	100%
ACADEMIE FRANCE	FRANCE	FC	100%
MARGOT PREMIUM HOTELS	FRANCE	FC	100%
SNC MANAGEMENT HOTELS PULLMAN	FRANCE	FC	100%
SNC ROISSYPOLE MANAGEMENT HOTELS	FRANCE	FC	100%
STE HOT EXPLOITATION MARSEILLE	FRANCE	FC	100%
SNC TOUR EIFFEL PULLMAN	FRANCE	FC	100%
SH DEFENSE GRANDE ARCHE	FRANCE	FC	100%
SH DEFENSE GRANDE ARCHE MERCURE	FRANCE	FC	100%
ACCORHOTELS DEUTSCHLAND GMBH	GERMANY	FC	100%
ACCOR PURCHASING SOLUTIONS GMBH (APS)	GERMANY	FC	100%
LEISURE HOTELS - HOTEL AND TOURISTIC ENTERPRISES SA	GREECE	FC	100%
ACCOR HOTELSERVICES MAGYAORSZAG KFT.	HUNGARY	FC	100%
ACCOR ISRAEL	ISRAEL	FC	100%
ACCORHOTELS ITALIA S.R.L.	ITALY	FC	100%
TRENO	ITALY	FC	100%
Greater China			
AAPC SHANGHAI CO LTD	CHINA	FC	72%
AAPC HONG KONG CO LTD	CHINA	FC	100%
AAPC HOTEL MANAGEMENT LIMITED	CHINA	FC	72%
India, Middle East, Africa & Turkey			
ACCOR HOTELS ALGERIE	ALGERIA	FC	100%
ACCOR HOTEL SAE	EGYPT	FC	100%
EL GEZIRAH HOTELS TOURISM CY	EGYPT	FC	100%
MH&R MANAGEMENT (EGYPT) SAE	EGYPT	FC	100%
SOFITEL MGT CIE MIDDLE EAST	FRANCE	FC	100%
MH&R MANAGEMENT GHANA LTD.	GHANA	FC	100%
AAPC INDIA HOTEL MANAGEMENT PRIVATE HS	INDIA	FC	51%
FHR HOTELS & RESORTS (INDIA) PRIVATE LIMITED	INDIA	FC	100%
EHIS - FORMULE 1 HS	INDIA	FC	100%
MH&R MANAGEMENT INDIA	INDIA	FC	100%
INTERGLOBE HOTELS	INDIA	EM	40%
ACCOR GESTION MAROC	MOROCCO	FC	100%
MH&R MANAGEMENT MORROCCO LLC	MOROCCO	FC	100%
ACCOR AFRIQUE SERVICES	MOROCCO	FC	100%
BELLE RIVIERE HOTEL (BRH)	MAURITIUS	FC	100%

Main consolidated companies	Countries	Method	%
Europe			
KAZAKH MANAGEMENT HOTEL COMPANY	KAZAKHSTAN	FC	100%
FRHI HOTELS & RESORTS S.A.R.L.	LUXEMBOURG	FC	100%
COMURA	LUXEMBOURG	FC	100%
ACCORINVEST GROUP	LUXEMBOURG	EM	30%
MALTA HOTELS	MALTA	FC	100%
ACCOR HOTELS SERVICES NETHERLANDS BV	NETHERLANDS	FC	100%
ACCOR TREASURY NEDERLAND BV	NETHERLANDS	FC	100%
NOVOTEL FINANCE BV	NETHERLANDS	FC	100%
ACCOR SERVICES POLAND	POLAND	FC	100%
ACCORHOTELS PORTUGAL, S.A.	PORTUGAL	FC	100%
ACCOR HOTEIS E SERVICOS (AHS)	PORTUGAL	FC	100%
REAL ESTATE HOTEL COMPANY SRL	ROMANIA	FC	100%
ACCOR HOTELSERVICES MAGYARORSZAG KFT BUDAPESTA - SUCURSALA BUCURESTI	ROMANIA	FC	100%
RUSSIAN MANAGEMENT HOTEL COMPANY LLC	RUSSIA	FC	100%
SAMHOTEL	RUSSIA	FC	100%
YARHOTEL	RUSSIA	FC	100%
KALINHOTEL	RUSSIA	FC	100%
MOSHOTEL	RUSSIA	FC	100%
ACCORHOTELS & COMMUNITY SERVICES SPAIN, S.L.	SPAIN	FC	100%
ACCOR AHS AB	SWEDEN	FC	100%
ACCORHOTELS SWITZERLAND	SWITZERLAND	FC	100%
SWISSOTEL MANAGEMENT GMBH	SWITZERLAND	FC	100%
SWISSOTEL HOLDING AG	SWITZERLAND	FC	100%
ACCOR SUISSE SA	SWITZERLAND	FC	100%
FRHI HOTELS & RESORTS (SWITZERLAND) GMBH	SWITZERLAND	FC	100%
FRS HOTEL GROUP (SWITZERLAND) GMBH	SWITZERLAND	FC	100%
SWISSOTEL (RUSSIA) GMBH	SWITZERLAND	FC	100%
MOVENPICK HOTELS & RESORTS MANAGEMENT AG	SWITZERLAND	FC	100%
MP INVEST AG	SWITZERLAND	FC	100%
UKRAINIAN MANAGEMENT HOTEL COMPANY	UKRAINE	FC	100%
ACCOR UK	UNITED KINGDOM	FC	100%
ACCOR HOTELSERVICES UK LIMITED	UNITED KINGDOM	FC	100%
Greater China			
AAPC HOTEL SERVICES LIMITED	CHINA	FC	100%
AAPC HOTEL SERVICE LIMITED SHANGHAI HS	CHINA	FC	100%
India, Middle East, Africa & Turkey			
Kasada hospitality fund LP	MAURITIUS	EM	30%
ACCOR MANAGEMENT CONSULTING AND SPORTS EVENTS LLC	QATAR	FC	100%
SAUDI FRENCH COMPANY HOTEL MGT	SAUDI ARABIA	FC	100%
STE DAKAROISE HOSPITALITY SA	SENEGAL	FC	100%
DEVKOM SOUTH AFRICA	SOUTH AFRICA	FC	100%
MANTIS AFRICA	SOUTH AFRICA	FC	55%
TUNISIA HOTELS & RESORTS SA	TUNISIA	FC	100%
MOVENPICK MAN TUNISIA SARL	TUNISIA	FC	100%
TAMARIS TURIZM TRY	TURKEY	FC	100%
SOFITEL MGT CIE MIDDLE EAST	UNITED ARAB EMIRATES	FC	100%
ACCOR EMOA MOYEN ORIENT	UNITED ARAB EMIRATES	FC	100%
FHR GULF MANAGEMENT FZ-LLC	UNITED ARAB EMIRATES	FC	100%
ACCORHOTELS MIDDLE EAST AND AFRICA FZ-LLC	UNITED ARAB EMIRATES	FC	100%
MH&R MANAGEMENT FZ-LLC - MEA CENTRAL HOLDING & HS	UNITED ARAB EMIRATES	FC	100%

South-East Asia			
ACCOR PLUS	AUSTRALIA	FC	100%
PT AAPC INDONESIA	INDONESIA	FC	100%
PT FRS HOTELS INDONESIA	INDONESIA	FC	100%
AAPC JAPAN K.K.	JAPAN	FC	100%
AAPC (MALDIVES) PRIVATE LIMITED	MALDIVES	FC	100%
FRS HOTEL GROUP (PHILIPPINES), INC.	PHILIPPINES	FC	100%
FRHI RENTAL MANAGEMENT (PHILIPPINES), INC.	PHILIPPINES	FC	100%
S & P, INC.	PHILIPPINES	FC	100%
AAPC SINGAPORE PTE LTD	SINGAPORE	FC	100%
AAPC ASIA PTE LTD	SINGAPORE	FC	100%
AHDF PTE LTD	SINGAPORE	FC	100%
AAPC EXPERIENCE PTE LTD	SINGAPORE	FC	100%
RAFFLES INTERNATIONAL LIMITED	SINGAPORE	FC	100%
FRHI HOTELS & RESORTS (SINGAPORE) PTE LTD	SINGAPORE	FC	100%
FRHI HOLDINGS (SING) PTE. LTD.	SINGAPORE	FC	100%
RESORTS INTERNATIONAL (1997) PTE LTD.	SINGAPORE	FC	100%
GOURMET EXPERIENCE PTE LTD	SINGAPORE	FC	100%
AA KOREA HOTEL MANAGEMENT CO. LTD.	SOUTH KOREA	FC	51%
MH&R MAN (THAILAND) LIMITED	THAILAND	FC	100%
AAPC (THAILAND) LIMITED	THAILAND	FC	100%
ACCOR LUXURY (THAILAND) LIMITED	THAILAND	FC	100%
RAFFLES (THAILAND) LIMITED	THAILAND	FC	100%

Lifestyle Business			
TRIBE HOTEL GROUP PTY LTD	AUSTRALIA	FC	100%
ENNISMORE PACIFIC PTY LTD	AUSTRALIA	FC	62%
LARGO DO BOTICÁRIO EMPREENDIMENTOS E PARTICIPAÇÕES S.A.	BRAZIL	FC	100%
Ennismore Hotel Management (Shanghai)	CHINA	FC	62%
RIXOS HOSPITALITY EGYPT S.A.E.	EGYPT	FC	22%
ORIENT-EXPRESS	FRANCE	FC	100%
SOLUXURY FRANCE	FRANCE	FC	100%
OE MANAGEMENT COMPANY	FRANCE	FC	100%
Ennismore France SAS	FRANCE	FC	62%
MAMA SHELTER FRANCE HS	FRANCE	FC	62%
42 POINCARE	FRANCE	FC	62%
59 POINCARE	FRANCE	FC	62%
ALL INC PROD	FRANCE	FC	62%
B.P.S	FRANCE	FC	62%
BAL DE LA MARINE	FRANCE	FC	62%
BEAURESTO	FRANCE	FC	62%
BRA MEGEVE	FRANCE	FC	62%
C.T.A.M	FRANCE	FC	62%
CADAPA	FRANCE	FC	62%
CITADELLE VAUBAN	FRANCE	FC	62%
ESPACE SAINT-LAZARE	FRANCE	FC	62%
ESPACE YOYO	FRANCE	FC	62%
EVENTIS AND CO	FRANCE	FC	62%
GIGI RIGOLATTO BEACH CLUB L.L.C	FRANCE	FC	62%
GIRAFE	FRANCE	FC	62%
GOURCUFF SOCIETY HOTELS	FRANCE	FC	62%
GUMERY	FRANCE	FC	62%
HLE	FRANCE	FC	62%
HOTEL ABBAYE	FRANCE	FC	62%
Italie EVENT	FRANCE	FC	62%
LA CABOCHE	FRANCE	FC	62%
LA SUITE GIRAFE	FRANCE	FC	62%
LE BILLOT ETOILE	FRANCE	FC	62%
LE DERNIER ETAGE	FRANCE	FC	62%
LE MADAM	FRANCE	FC	62%
LE PIAF SAINT TROPEZ	FRANCE	FC	62%
LE ROOFTOP DES CHAMPS ELYSEES	FRANCE	FC	62%
LE ROOFTOP DES TERRASSES	FRANCE	FC	62%
LE TOIT DU NEUVIEME	FRANCE	FC	62%
LES HARAS DES VAUX DE CERNAY	FRANCE	FC	62%
LES PAVILLONS DES ETANGS	FRANCE	FC	62%
MAISON RUSSE SAINT TROPEZ	FRANCE	FC	62%
MEGEVE HOLDING	FRANCE	FC	62%
MGP	FRANCE	FC	62%
MONTAIGNE INVEST	FRANCE	FC	62%
MUN RESTAURANT J1 LLC	FRANCE	FC	62%
NOCTIS EVENT	FRANCE	FC	62%
PARIS SOCIETY CONSULTING	FRANCE	FC	62%
PARIS SOCIETY GESTION	FRANCE	FC	62%
Paris Society International Holding LTD	FRANCE	FC	62%
PSO EVENT	FRANCE	FC	62%
PSO FINANCE IT	FRANCE	FC	62%
PSO RESTAURANT	FRANCE	FC	62%
PSO RH PAIE	FRANCE	FC	62%
RASPOUTINE SAINT TROPEZ	FRANCE	FC	62%
RBC MEGEVE	FRANCE	FC	62%
RIVER SOCIETY	FRANCE	FC	62%
S.T.R	FRANCE	FC	62%
SOCIETE D'EXPLOITATION 3 ROYAL	FRANCE	FC	62%
SOCIETE D'EXPLOITATION BAGATELLE EVENTS	FRANCE	FC	62%
SOCIETE D'EXPLOITATION DE L'AUDITORIUM	FRANCE	FC	62%
SOCIETE D'EXPLOITATION DU STUDIO	FRANCE	FC	62%
SOCIETE D'EXPLOITATION EVENEMENTIEL	FRANCE	FC	62%
SOCIETE D'EXPLOITATION QUAI ALEXANDRE	FRANCE	FC	62%
SOCIETE DU PAVILLON DES BOTANISTES	FRANCE	FC	62%
SOCIETE DU TROIS CLICHY	FRANCE	FC	62%
TERMINAL 7	FRANCE	FC	62%
TOKYO EXPLOITATION	FRANCE	FC	62%
WILSON EXPLOITATION	FRANCE	FC	62%
RAFFLES FRANCE	FRANCE	FC	100%
SOCIETE D'EXPLOITATION PARIS MORLAND	FRANCE	FC	62%
Ennismore Germany Gmbh	GERMANY	FC	62%
Ennismore HK Ltd	HONG KONG	FC	62%
RIXOS	NETHERLANDS	FC	44%
ENNISMORE MEXICO	MEXICO	FC	62%
Ennismore QA LLC	QATAR	FC	62%
AH NEW LIFESTYLE RUSSIA	RUSSIA	FC	62%
ENNISMORE ARABIA FOR HOTEL SERVICES	SAUDI ARABIA	FC	62%
Ennismore Asia Pte Ltd	SINGAPORE	FC	62%
AH NEW LIFESTYLE MEA	UNITED ARAB EMIRATES	FC	62%
RIXOS CONSULTANCY FZE	UNITED ARAB EMIRATES	FC	44%
Ennismore Restaurants Limited	UNITED KINGDOM	FC	62%
Ennismore Holding Ltd	UNITED KINGDOM	FC	62%
Ennismore Lifestyle Group Limited	UNITED KINGDOM	FC	62%
Ennismore Hotel Management UK Ltd	UNITED KINGDOM	FC	62%
ENNISMORE INTERNATIONAL MANAGEMENT LIMITED	UNITED KINGDOM	FC	62%
ENNISMORE MA NEWCO 2018 LIMITED	UNITED KINGDOM	FC	62%
ENNISMORE INTERNATIONAL USA HOLDINGS LIMITED	UNITED KINGDOM	FC	62%
21C MUSEUM HOTELS	UNITED STATES	FC	53%
MORGANS ACQUISITION LLC	UNITED STATES	FC	62%
FAENA HOTELS & RESORT (MARYLAND) LLC	UNITED STATES	FC	100%
FH MIAMI OPERATIONS	UNITED STATES	FC	62%
SBE ENT HOLDINGS LLC	UNITED STATES	FC	62%
MHG HOLDCO LLC	UNITED STATES	FC	62%
SBERG MANAGEMENT LLC	UNITED STATES	FC	62%
SBE LICENSING LLC	UNITED STATES	FC	62%
SBE HOTEL GROUP LLC	UNITED STATES	FC	62%
SBE CALL CENTER MANAGEMENT LLC	UNITED STATES	FC	62%
801 SMA LESSEE LLC	UNITED STATES	FC	62%
DAKOTA DEVELOPMENT COMPANY	UNITED STATES	FC	62%

PARIS SOCIETY INTERNATIONAL INVESTMENT LLC	FRANCE	FC	62%
PARK CITY	FRANCE	FC	62%
PH1	FRANCE	FC	62%
PONTHIEU ARTOIS	FRANCE	FC	62%
PSMA	FRANCE	FC	62%
PSO ACHAT	FRANCE	FC	62%
Other activities			
JOHN PAUL CANADA	CANADA	FC	100%
D-EDGE CHINA	CHINA	FC	100%
P. et C. Catering Managt. Co	CHINA	FC	100%
D-EDGE ESPANA	FRANCE	FC	100%
VERYCHIC SAS	FRANCE	FC	100%
Verychic Travels SLU	FRANCE	FC	100%
D-EDGE	FRANCE	FC	100%
GEKKO	FRANCE	FC	100%
GEKKO TECHNOLOGY	FRANCE	FC	100%
TELDAR TRAVEL	FRANCE	FC	100%
HOTEL CORPORATE SYSTEM	FRANCE	FC	100%
GORDON BEDBANK	FRANCE	FC	100%
AIR CORPORATE SYSTEM	FRANCE	FC	100%
TELDAR TRAVEL ESPANA	FRANCE	FC	100%
TELDAR Portugal	FRANCE	FC	100%
TELDAR TRAVEL LIMITED	FRANCE	FC	100%
Other activities			
TELDAR TRAVEL NETHERLANDS	FRANCE	FC	100%
TELDAR TRAVEL ITALIA	FRANCE	FC	100%
JOHN PAUL FRANCE	FRANCE	FC	100%
JOHN PAUL GROUPE	FRANCE	FC	100%
RESA EVENTS	FRANCE	FC	100%
SEGSMHI S.A. (LIDO)	FRANCE	FC	100%
Financière Louis SAS	FRANCE	FC	100%
Potel et Chabot SAS	FRANCE	FC	100%
International Prestige Events	FRANCE	FC	100%
Saint-Clair Dauphine SAS	FRANCE	FC	100%
Soc. d'exploitation du pavillon Gabriel SAS	FRANCE	FC	100%
Pacific			
ACCOR CASINO INVESTMENTS PTY LIMITED	AUSTRALIA	FC	100%
AAPC PROPERTIES PTY LIMITED	AUSTRALIA	FC	100%
AAPC LIMITED	AUSTRALIA	FC	100%
AAPC DEVELOPMENT SERVICES PTY LIMITED	AUSTRALIA	FC	100%
AAPC (RS) PTY LIMITED	AUSTRALIA	FC	100%
AAPC HOTELS PTY LIMITED	AUSTRALIA	FC	100%
AUSTRALIA ASIA PACIFIC HOTELS LIMITED	AUSTRALIA	FC	100%
ACCOR RESORTS MANAGEMENT PTY LIMITED	AUSTRALIA	FC	100%
AAPC PROPERTIES OPERATIONS (DH) PTY LIMITED	AUSTRALIA	FC	100%
AAPC PROPERTIES OPERATIONS (SWS) PTY LIMITED	AUSTRALIA	FC	100%
AAPC PROPERTIES OPERATIONS (ECONOMY) PTY LIMITED	AUSTRALIA	FC	100%
QP HOTELS PTY LIMITED	AUSTRALIA	FC	100%
INITIAL NOMINEES PTY. LTD.	AUSTRALIA	FC	100%
QI AUSTRALIA PTY LIMITED	AUSTRALIA	FC	100%
QP MNGNT PTY LIMITED	AUSTRALIA	FC	100%
MERIBELLE PTY LTD	AUSTRALIA	FC	100%
AAPC DISTRIBUTION SERVICES PTY LIMITED	AUSTRALIA	FC	100%
AAPC AUSTRALIA PTY LIMITED	AUSTRALIA	FC	100%
AAPC PROPERTIES (WA) PTY LIMITED	AUSTRALIA	FC	100%
AAPC PROPERTIES (F1) PTY LIMITED	AUSTRALIA	FC	100%
HOTELS HOLDINGS TRUST	AUSTRALIA	FC	100%
AAPC PROPERTIES (TW) PTY LIMITED	AUSTRALIA	FC	100%
NS MANAGEMENT SERVICES PTY LIMITED	AUSTRALIA	FC	100%
AAPC MANAGEMENT SERVICES PTY LIMITED	AUSTRALIA	FC	100%
ALL SEASONS PTY LIMITED	AUSTRALIA	FC	100%

MORGANS GROUP LLC	UNITED STATES	FC	62%
MORGANS HOTEL GROUP MANAGEMENT LLC	UNITED STATES	FC	62%
MAMA SHELTER US NEW	UNITED STATES	FC	62%
Ennismore Holding US Inc	UNITED STATES	FC	62%
ENNISMORE INTERNATIONAL USA INC	UNITED STATES	FC	62%
HUDSON LEASCO LLC	UNITED STATES	FC	62%
Other activities			
Saint-Clair Le Traiteur SAS	FRANCE	FC	100%
SHIPPING HOLDCO	FRANCE	FC	100%
Potel et Chabot Asia Limited	HONG KONG	FC	100%
D-EDGE ITALIA	ITALY	FC	100%
D-EDGE JAPAN	JAPAN	FC	100%
JOHN PAUL LUXEMBOURG	LUXEMBOURG	FC	100%
Potel et Chabot Doha Services LLC	QATAR	FC	49%
JOHN PAUL PORTUGAL	PORTUGAL	FC	100%
D-EDGE HOSPITALITY SOLUTIONS PTE LTD	SINGAPORE	FC	100%
ACCOR GLOBAL RESERVATION CENTRE SLU	SPAIN	FC	100%
OFS Concierge Services LLC (USA)	UNITED KINGDOM	FC	100%
onefinestay USA LLC (USA)	UNITED KINGDOM	FC	100%
onefinestay NY LLC (USA)	UNITED KINGDOM	FC	100%
Branch: onefinestay St. Martin (France)	UNITED KINGDOM	FC	100%
Branch: onefinestay St. Barts (France)	UNITED KINGDOM	FC	100%
Brummell LLC (USA)	UNITED KINGDOM	FC	100%
Other activities			
Brummell (CA) LLC (USA)	UNITED KINGDOM	FC	100%
Brummell Galleries LLC (USA)	UNITED KINGDOM	FC	100%
Ferrers LLC (USA)	UNITED KINGDOM	FC	100%
Ferrers (CA) LLC (USA)	UNITED KINGDOM	FC	100%
Ferrers Galleries LLC (USA)	UNITED KINGDOM	FC	100%
JOHN PAUL HOLDING UK	UNITED KINGDOM	FC	100%
JOHN PAUL UK	UNITED KINGDOM	FC	100%
Potel et Chabot Ltd	UNITED KINGDOM	FC	100%
D-EDGE USA	UNITED STATES	FC	100%
JOHN PAUL USA	UNITED STATES	FC	100%
Pacific			
PEPPERS LEISURE PTY LTD TB *	AUSTRALIA	FC	100%
SAVILLE HOTEL GROUP PTY LTD*	AUSTRALIA	FC	100%
SAVILLE HOTEL GROUP PTY LTD	AUSTRALIA	FC	100%
WEST END APARTMENTS MANAGEMENT PTY. LTD.	AUSTRALIA	FC	100%
PEPPERS LEISURE PROPRIETARY LIMITED	AUSTRALIA	FC	100%
TOURISM, HOTELS & LEISURE PROPRIETARY LIMITED	AUSTRALIA	FC	100%
MANTRA GROUP HOLDINGS II PTY LTD	AUSTRALIA	FC	100%
MANTRA GROUP LIMITED	AUSTRALIA	FC	100%
MANTRA IP PTY LTD	AUSTRALIA	FC	100%
GLOBAL VOYAGER GROUP ADMIN PTY LTD	AUSTRALIA	FC	100%
MANTRA HOSPITALITY ADMIN PTY LTD	AUSTRALIA	FC	100%
MANTRA MANAGEMENT PTY LTD	AUSTRALIA	FC	100%
MANTRA RESORTS GROUP PTY LTD	AUSTRALIA	FC	100%
LORNE RESORT APARTMENTS LIMITED	AUSTRALIA	FC	100%
BREAKFREE RESORTS (VICTORIA) PTY LTD	AUSTRALIA	FC	100%
PEPPERS BROADBEACH PTY LTD	AUSTRALIA	FC	100%
AGREEDTO PTY LTD	AUSTRALIA	FC	100%
BARONDENE PTY LTD	AUSTRALIA	FC	100%
BEACHBOURNE PTY LTD	AUSTRALIA	FC	100%
CASTLEGALE PTY LTD	AUSTRALIA	FC	100%
SANDMOON PTY LTD	AUSTRALIA	FC	100%
CAPITAL TOWER APARTMENTS CANBERRA PTY LTD	AUSTRALIA	FC	100%
MANTRA LEISURE RESORTS PTY LTD	AUSTRALIA	FC	100%
MANTRA RESORTS AUSTRALIA PTY LTD	AUSTRALIA	FC	100%
MANTRA ETTALONG (NSW) PTY LTD	AUSTRALIA	FC	100%

AAPC LOUNGE SERVICES UK LIMITED	AUSTRALIA	FC	100%	MANTRA HOTELS & RESORTS AUSTRALIA PTY LTD	AUSTRALIA	FC	100%
AAPC SERVICES PTE LTD	AUSTRALIA	FC	100%	MANTRA AUSTRALIA (NSW) PTY LTD	AUSTRALIA	FC	100%
MIRVAC HOTELS PAYROLL	AUSTRALIA	FC	100%	MANTRA GROUP OPERATIONS PTY LTD	AUSTRALIA	FC	100%
MIRVAC MANAGEMENT LIMITED	AUSTRALIA	FC	100%	SAMARAD PTY LTD	AUSTRALIA	FC	100%
MIRVAC HOTELS AUSTRALIA	AUSTRALIA	FC	100%	MANTRA RESORTS LETTING PTY LTD	AUSTRALIA	FC	100%
AAPC LOUNGE SERVICES INC	AUSTRALIA	FC	100%	SAMARAD LETTING PTY LTD	AUSTRALIA	FC	100%
A.P.V.C. NOMINEES PTY LIMITED	AUSTRALIA	FC	100%	BRK ASSET HOLDINGS PROPRIETARY LIMITED	AUSTRALIA	FC	100%
A.P.V.C. LTD	AUSTRALIA	FC	100%	BRK (NSW) PTY LTD	AUSTRALIA	FC	100%
A.P.V.C. HOLDINGS PTY LIMITED	AUSTRALIA	FC	100%	BRK RESORTS PTY LTD	AUSTRALIA	FC	100%
A.P.V.C. NEW ZEALAND LIMITED	AUSTRALIA	FC	100%	MANTRA MLR GROUP PTY LTD	AUSTRALIA	FC	100%
PT APVC INDONESIA	AUSTRALIA	FC	100%	SA MANTRA PROPERTY MANAGEMENT PTY LTD	AUSTRALIA	FC	100%
ACCOR AUSTRALIA & NEW ZEALAND HOSPITALITY PTY LIMITED	AUSTRALIA	FC	100%	SUNLEISURE HOTELS & RESORTS PTY LTD	AUSTRALIA	FC	100%
MIRVAC PROJECTS	AUSTRALIA	FC	100%	SUNLEISURE OPERATIONS PTY LTD	AUSTRALIA	FC	100%
ACCOR AUSTRALIA & NEW ZEALAND HOSPITALITY PTY LIMITED (NEW ZEALAND BRANCH)	AUSTRALIA	FC	100%	A&R HOSPITALITY SERVICES PTY LIMITED	AUSTRALIA	FC	100%
AS HOTEL I PTY LTD	AUSTRALIA	FC	100%	PT MGHM INDONESIA (INDONESIAN ENTITY)	AUSTRALIA	FC	100%
AS HOTEL II PTY LTD	AUSTRALIA	FC	100%	MG ASIA PACIFIC PTY LTD	AUSTRALIA	FC	100%
AS HOTEL GROUP PTY LTD	AUSTRALIA	FC	100%	ALMMS LLC	AUSTRALIA	FC	100%
PACIFIC APARTMENTS FROME STREET PTY LTD	AUSTRALIA	FC	100%	MG HOTELS NORTH PACIFIC LLC	AUSTRALIA	FC	100%
PACIFIC INTERNATIONAL APARTMENT & HOTEL GROUP PTY LIMITED	AUSTRALIA	FC	100%	MG NORTH PACIFIC HOLDINGS PTY LTD	AUSTRALIA	FC	100%
LERINA HOLDINGS PTY LTD	AUSTRALIA	FC	100%	MANTRA GROUP PROPERTY MANAGEMENT PTY LTD	AUSTRALIA	FC	100%
PACIFIC INTERNATIONAL APARTMENTS EXHIBITION STREET PTY LIMITED	AUSTRALIA	FC	100%	ACCOR LUXURY AUSTRALIA	AUSTRALIA	FC	100%
PACIFIC INTERNATIONAL HOTEL BANKSTOWN PTY LTD	AUSTRALIA	FC	100%	COMPAGNIE HOTELIERE DU PACIFIQUE	FRENCH POLYNESIA	FC	100%
PACIFIC SUITES ADELAIDE PTY LIMITED	AUSTRALIA	FC	100%	MARARA	FRENCH POLYNESIA	FC	100%
PACIFIC SUITES MELBOURNE PTY LIMITED	AUSTRALIA	FC	100%	SAFARI CLUB SUPPORT HS	FRENCH POLYNESIA	FC	100%
PACIFIC INTERNATIONAL SUITES PARRAMATTA PTY LTD	AUSTRALIA	FC	100%	SA MOTU	FRENCH POLYNESIA	FC	100%
Pacific				**Pacific**			
PACIFIC INTERNATIONAL APARTMENTS PARRAMATTA PTY LTD	AUSTRALIA	FC	100%	STARTOM HOSPITALITY	FRENCH POLYNESIA	FC	100%
KENT STREET SUITES PTY LTD	AUSTRALIA	FC	100%	AAPC PME NZF LIMITED	NEW ZEALAND	FC	100%
PACIFIC INTERNATIONAL SUITES PERTH PTY LIMITED	AUSTRALIA	FC	100%	AAPC PROPERTIES PTY LIMITED (NEW ZEALAND BRANCH)	NEW ZEALAND	FC	100%
THE PARK AT MELBOURNE (AUSTRALIA) PTY. LTD.	AUSTRALIA	FC	100%	MIRVAC HOTELS NZ BRANCH	NEW ZEALAND	FC	100%
PACIFIC INTERNATIONAL HOTELS (ASIA PACIFIC) PTY LTD	AUSTRALIA	FC	100%	MANTRA RESORTS AUSTRALIA PTY LTD (NEW ZEALAND BRANCH)	NEW ZEALAND	FC	100%
THL AIRPORT HOTEL MELBOURNE PTY LIMITED	AUSTRALIA	FC	100%	MANTRA HOTELS & RESORTS AUSTRALIA PTY LTD (NEW ZEALAND BRANCH)	NEW ZEALAND	FC	100%
PACIFIC INTERNATIONAL APARTMENTS SYDNEY CITY PTY LIMITED	AUSTRALIA	FC	100%	BREAKFREE RESORTS NZ LIMITED (NEW ZEALAND ENTITY)	NEW ZEALAND	FC	100%
SAVILLE HOTEL GROUP PTY LTD*	AUSTRALIA	FC	100%	AAPC NZ (LUXURY)	NEW ZEALAND	FC	100%

FC: Fully Consolidated

EM: accounted for by the Equity Method

The percentages correspond to the Group's percentage of interest