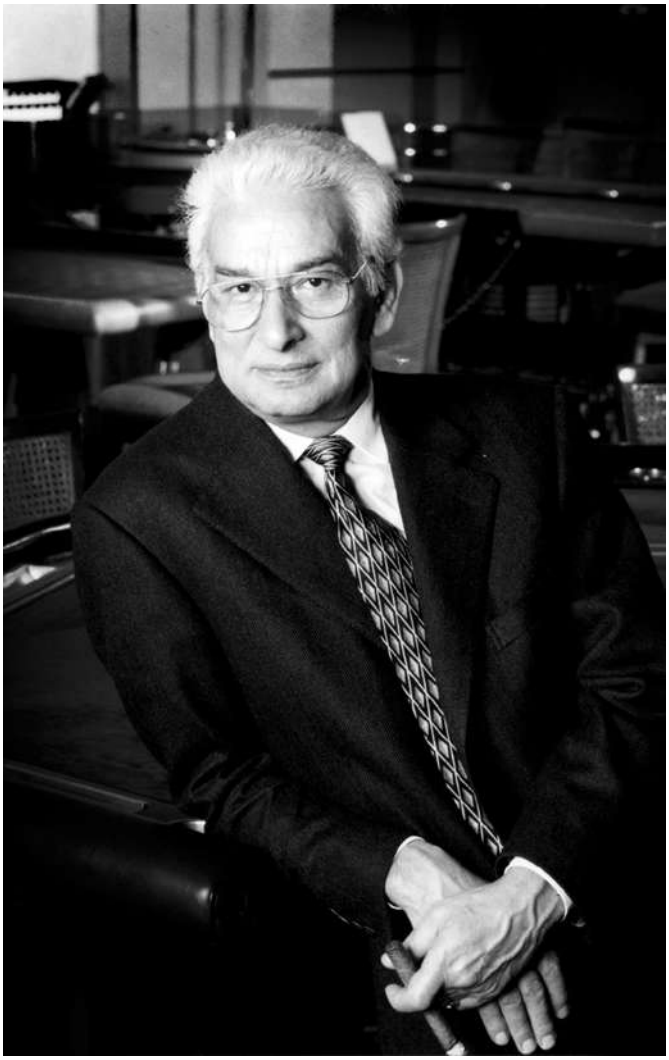
GROUPE PARTOUCHE

2019 FINANCIAL REPORT

A WORD FROM THE FOUNDER
2019 FINANCIAL REPORT



A WORD FROM THE FOUNDER

Dear friends,

Our company is continuing its recovery in a disconcerting and paradoxical economic environment, given the contrast between social movements on the one hand and a national economy which seems to be showing signs of becoming stronger.

Several major events have marked the past financial year.

First, the opening, in November 2018, of the new Pornic casino. Built a few hundred metres from its previous location, it has opened up a whole new local gaming landscape. This new venue has allowed us to completely transform the experience we offer, with a games room that is three times as big, including a terrace which is particularly appreciated. But also the magnificent space for shows and other events. The success that this new venue enjoyed from day one has fully vindicated the ambitious renovation plan we have undertaken over the past few years, which will carry on running its course.

Two months later, the La Roche-Posay casino opened its doors to the public with new, completely revamped spaces. Once again, capacity has been increased and an event and show-hall, which truly lives up to its promise, rounds out our customer offering. The growth we have achieved as a result confirms that this renovation made perfect sense.

In the spring, the much-anticipated reopening of the Aix-en-Provence casino took place after two years' work. Rebranded Pasino Grand, this venue which is not only grandiose in scale, but also in terms of the innovations it embraces, marked a fresh step in the way we perceive what we do. After the PleinAir de La Ciotat, the new concept of this Pasino Grand, designed as an immersive multimedia environment, once again shows the lead we have over our competition. With a novel restaurant concept in the form of a huge, ultra-high-quality buffet, and its particularly innovative customer journey and experience, have all been thought out to make each visit unforgettable.

On a different note, in June, the French courts decided not to pursue the unfounded suppositions of the French gaming police in the case initiated one year previously at Casino 3.14 in Cannes. The examining magistrate not only ordered the case to be totally dismissed, but also for that decision to be published: an event which is sufficiently rare to be worthy of note.

This calmer legal situation, which we had anticipated, meant that we could immediately set about refinancing our debt with our lenders with a view to exiting the Safeguard Plan, which ultimately occurred in November.

I am happy that this has been brought about, so that we can now once again pursue our development with serenity.

We will focus our efforts on continuing to upgrade our venues so as to reinforce the position we have enjoyed as leader and precursor for such a long time. The business we're in still gives us inspiration and I hope to be able to share our dreams with many, many people.

Isidore Partouche

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PERSONS RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Fabrice Paire – Chairman of the Executive Board.

1.2 CERTIFYING STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

"Having taken all reasonable care to ensure that such is the case, I certify that, to the best of my knowledge, all the information contained in the Universal Registration Document is consistent with the facts and contains no omission likely to affect its import.

To the best of my knowledge, I certify that the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the company's assets, financial position and profit or loss, as well as those of all consolidated companies, and that the information in the management report (see 'Reconciliation Table' on page 226 of this document) presents a true and fair view of the development of the business, results and financial position and those of all consolidated companies, as well as describing the main risks and uncertainties to which they are exposed.

I have obtained a letter from the Statutory Auditors certifying that they have completed their tasks, indicating that they have verified the information concerning the financial position and financial statements set out in this document and that they have read the document in full."

Paris, 24 February 2020

Fabrice Paire

Chairman of the Executive Board

02

AUDITORS

2.1 STATUTORY AUDITORS

IDENTITY OF THE STATUTORY AUDITORS	PROFESSIONAL BODY	DATE OF LAST RENEWAL	DATE OF FIRST APPOINTMENT	END OF TERM
PRINCIPAL				
MCR Walter France 232 avenue du Prado 13008 Marseille, France	Independent member of the Walter France network	Ordinary Shareholders' Meeting of 6 April 2016	Ordinary Shareholders' Meeting of 24 April 2007	Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 October 2021
PRINCIPAL				
France Audit Expertise 1 boulevard Saint-Germain 75005 Paris, France		Ordinary Shareholders' Meeting of 6 April 2016	Ordinary Shareholders' Meeting of 20 April 2010	Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 October 2021
SECONDARY				
Orfis Walter France Le Palais d'Hiver 149 boulevard de Stalingrad 69100 Villeurbanne, France	Independent member of the Walter France network	Ordinary Shareholders' Meeting of 6 April 2016	Ordinary Shareholders' Meeting of 24 April 2007	Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 October 2021
SECONDARY				
M. Christophe Carassus 32 rue de Paradis 75010 Paris, France			Ordinary Shareholders' Meeting of 6 April 2016	Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending 31 October 2021

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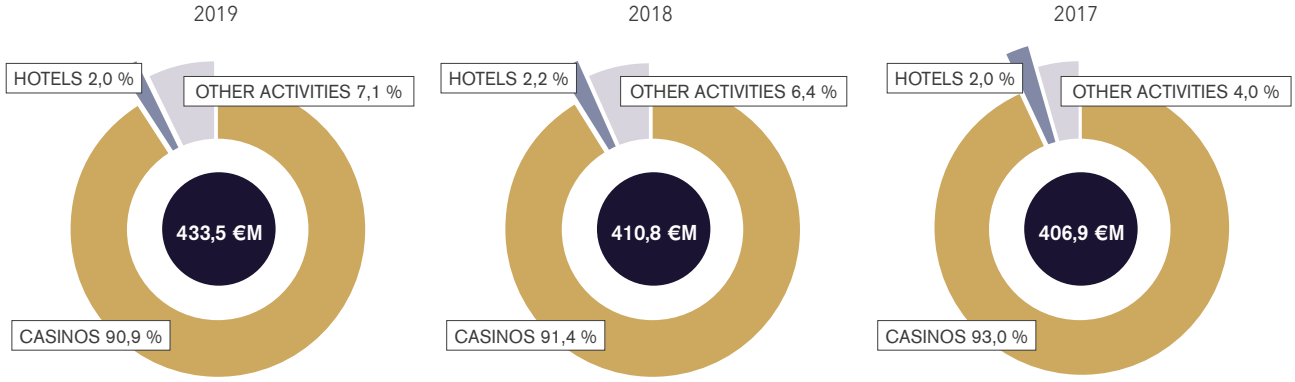
SELECTED FINANCIAL INFORMATION

The tables below present extracts of the Group's consolidated balance sheet and income statement for the financial years ended 31 October 2017, 2018 and 2019, prepared in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union.

BUSINESS ACTIVITY

BREAKDOWN OF TURNOVER



Under IFRS 8 Operating Segments, division data is presented based on the internal reporting used by management to assess the performance of the Group's different divisions. The Group is managed as three divisions:

- the "Casino" division, which comprises gaming, catering and entertainment;
- the "Hotel" division, which comprises accommodation and hospitality services;
- the Group's "Other activities", which mainly comprise the business of Groupe Partouche SA, the Group's parent company, and all the other secondary businesses (holding companies, thermal baths, real estate companies and all activities that contribute to organising and operating gaming on media such as TV and Internet in France).

CASINOS €000 AT 31 OCTOBER	2019	2018	2017
Gross Gaming Revenue from table games	127 504	114 552	109 642
Gross Gaming Revenue from sports betting	18 458	15 759	10 075
Gross Gaming Revenue from slot machines	526 700	508 421	519 068
TOTAL GROSS GAMING REVENUE	**672 661**	**638 732**	**638 784**
Levies	334 603	318 057	317 978
As % of GGR	49,7 %	49,8 %	49,8 %
NET GAMING REVENUE	**338 058**	**320 675**	**320 807**
Number of casinos	42	43	43
o/w Number of casinos in France	38	39	39
Number of slot machines in France	5 108	5 113	5 112

"Gross Gaming Revenue" (GGR) corresponds to income from the various games operated after payment of player wins. This sum is debited from "Levies" (State, municipalities, CSG and CRDS social security contributions).

After levies, "Gross Gaming Revenue" becomes "Net Gaming Revenue", i.e. a component of turnover. See Section 6.1.1 for information on the types of games operated and levies.

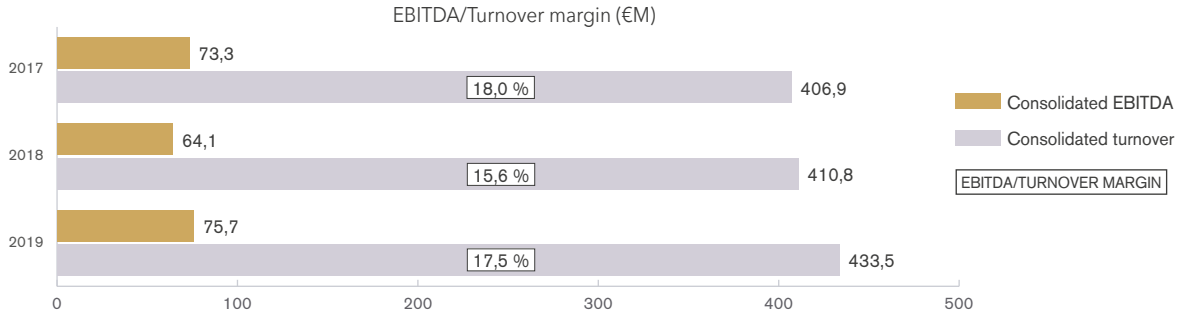
HOTELS AT 31 OCTOBER	2019	2018	2017
Number of hotels*	13	13	12
Number of rooms	747	726	726
Occupancy rate	61,84 %	66,12 %	63,11 %

** Only includes hotels operated during the financial year.*

PROFITABILITY

INCOME STATEMENT €000 AT 31 OCTOBER (EXCEPT DATA PER SHARE)	2019	2018	2017
Turnover	433 493	410 844	406 885
Current operating profit	33 377	26 647	36 358
Operating profit	31 922	20 907	46 512
Total net profit	**25 017**	**12 593**	**45 542**
o/w Group share	18 635	6 233	37 430
Net earnings per share attributable to the Group	1.94	0,65	3,89
Dividend distributed per share	-	-	(0,31)

EBITDA €000 AT 31 OCTOBER	2019	2018	2017
Consolidated EBITDA	75 666	64 141	73 318
As % of turnover	17,5 %	15,6 %	18,0 %



BALANCE SHEET AND FINANCIAL STRUCTURE

ASSETS €000 AT 31 OCTOBER	2019	2018	2017
Non-current assets	545 699	553 618	530 292
Current assets	174 344	168 487	168 191
TOTAL ASSETS	**720 042**	**722 105**	**698 583**

LIABILITIES AND EQUITY €000 AT 31 OCTOBER	2019	2018	2017
Equity attributable to the Group	367 993	349 068	343 409
Minority interests	23 923	22 859	24 509
Total equity	391 916	371 926	367 918
Total non-current liabilities	173 416	184 922	178 274
Total current liabilities	154 710	165 257	152 391
TOTAL LIABILITIES AND EQUITY	**720 042**	**722 105**	**698 583**

CASH LESS GAMING LEVIES

€000 AT 31 OCTOBER	2019	2018	2017
Cash and cash equivalents (assets)	119 131	109 932	116 406
- Gaming levies	(32 569)	(30 239)	(30 708)
= CASH LESS GAMING LEVIES	**86 562**	**79 694**	**85 698**

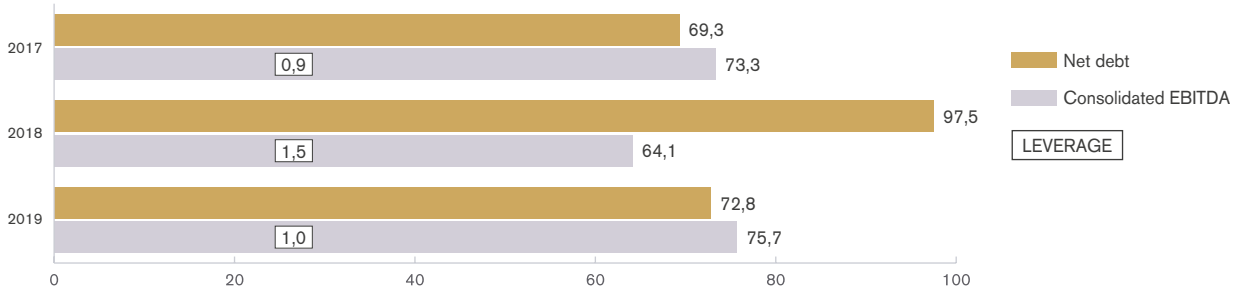
DEBT AND RATIOS

€000 AT 31 OCTOBER	2019	2018	2017
Equity	391 916	371 926	367 918
Consolidated EBITDA	75 666	64 141	73 318
Gross debt	159 346	177 169	155 037
Available cash less gaming levies*	86 562	79 694	85 698
Net debt	72 784	97 475	69 339
Net debt to equity ("gearing") ratio	0,2	0,3	0,2
Net debt to consolidated EBITDA ("leverage") ratio	1,0x	1,5x	0,9x

** See Section 20.2.1, Note 9.2.*

NET DEBT / EQUITY (€M)

NET DEBT / EBITDA (€M)



CASH FLOW

CASH FLOW €000 AT 31 OCTOBER	2019	2018	2017
Cash flow from/(used in) operating activities	72 483	49 336	65 728
Cash flow from/(used in) investing activities	(39 294)	(65 448)	(58 087)
Cash flow from/(used in) financing activities	(24 523)	9 090	(41 521)
CLOSING CASH POSITION	**119 112**	**109 918**	**116 390**

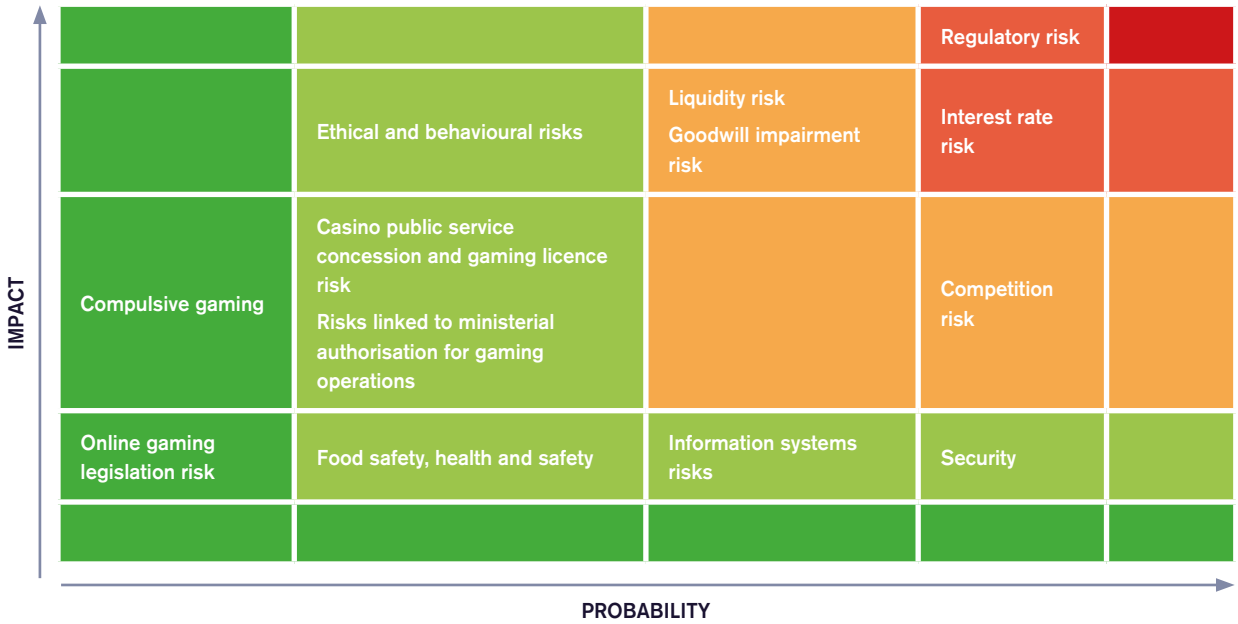
04

RISK FACTORS

Before purchasing Groupe Partouche shares, investors are encouraged to review all the information found in this Universal Registration Document, including the risk factors described in this section.

The Company carried out a review of the risks that could have a significant negative impact on the Group and its business activity, financial position and results, and that are important when making investment decisions. At the date of this Universal Registration Document, the Company is not aware of any significant risks other than those set out in this section. However, investors are advised that the list of risks set out below is not exhaustive and other risks not identified at the date of this Universal Registration Document, or not identified as likely to have a material negative impact on the Group and its business activity, financial position and results, could or may come to exist or occur.

Risks are broken down into three categories. Within each category, the most significant risks based on the assessment undertaken by the Company are set out according to their potential impact and probability of occurrence.



RISK RANKING

RISK CATEGORY	RISK FACTOR	NON-FINANCIAL RISKS
LEGAL AND REGULATORY RISKS	Regulatory risk	
	Casino public service concession and gaming licence risk	
	Risks linked to ministerial authorisation for gaming operations	
	Online gaming legislation risk	
BUSINESS RISK	Ethical and behavioural risks	✔
	Compulsive gaming	✔
	Competition risk	
	Security	
	Food safety, health and safety	✔
	Information systems risks	
FINANCIAL RISKS	Liquidity risk	
	Interest rate risk	
	Goodwill impairment risk	

4.1 LEGAL AND REGULATORY RISKS

4.1.1 REGULATORY RISK

RISK DESCRIPTION

As is the case for all heavily regulated industries, changes in regulations applying either to casinos or to establishments open to the public ("ERPs") – regarding, in particular, safety of people, cash handling and the safety of the security firms transporting money – could lead to the Group's incurring additional costs; this could have an adverse effect on the Group's turnover or results.

As shown in Section 6.1.1 of this report, the casino industry is subject to extensive regulation. Tax rules applicable to the sector play a key role in determining the Group's profitability: over half of the Group's gross gaming revenue generated in France is paid over to the State and local councils. The Group thus remains exposed to any adverse changes in taxation *(cf. rise in taxes on casinos by way of increases in social security contributions [CRDS and CSG] – such as the rise in the CSG rate from 9.5% to 11.2% since 1 January 2018)*.

Certain changes in regulation applying to casinos or establishments open to the public could have a significantly negative impact on the Group's business and results.

RISK MANAGEMENT

The Group carefully monitors potential changes in regulations applying to casinos through an industry body, Syndicat des casinos modernes de France (SCMF).

4.1.2 CASINO PUBLIC SERVICE CONCESSION AND GAMING LICENCE RISK

RISK DESCRIPTION

The industry in which the Group operates is subject to extensive regulation *(cf. Section 6.1.1.)*. Opening a casino is subject to rules applicable to public service concessions, such as those referred to in Articles L.1410-2, L.1410-3 and L.1411-1 and seq. of the General Local Authorities Code.

The agreement with the local authority in question results in the signing of a set of specifications, an essential prerequisite to securing ministerial authorisation to conduct gaming activities.

See Section 6.1.1 (e) for concession expiry dates of the Group's casinos.

Continued operation of casinos run by the Group is contingent upon these public service concessions being renewed. Pursuant to the Sapin Act, the local authority must extend an invitation to tender to more than one company when the concession comes up for renewal. The companies thus invited to tender submit competing proposals and, if successful, take over the operation of the casino.

Under such circumstances, the renewal of the public service concession agreement (specifications for operating casino activities) can generate increased expenses for the subsidiaries concerned. When a concession is renewed, the proposal made by the candidate entity can lead to an increase in the levy raised by the local authority and/or an increase in contractual commitments (to develop tourism and community life, for example) made to the local authority, which may therefore adversely affect its future results.

During the life of the concession, the directors of the Group's casinos are duty-bound to strictly comply with the specifications and gaming regulations.

The casinos' commitments under these specifications can result in capital expenditure of varying amounts: besides simple improvements to existing premises, operators can be obliged to construct new buildings *(see Section 5.2.3 "Major investments either scheduled or arising from firm commitments made by the Group's executive committees")*.

The specifications can only be amended through riders negotiated with the local authority concerned in its capacity as delegating party. In view of the changes in economic, financial or technological circumstances with which the Group may have to deal and the measures it may consequently need to take with short notice, the particular characteristics of public service concessions are likely to hinder the Group's ability to adapt itself or its business accordingly; this could have an adverse effect on the Group's results.

Under the rules that apply to public contracts, local authorities can, at any time and subject to the judge's control, unilaterally cancel any public service concession, on the grounds of public interest. In the event of a local authority exercising its right of cancellation, the Group is entitled to compensation of its entire losses, the subsequent setting of the amount of which is also subject to the administrative judge's control.

As delegating parties, local authorities can also withdraw concessions, mainly following a concessionaire's serious breach of its legal or contractual obligations and, more specifically, a breach of the specifications of public service concession agreements.

Thus, a breach of the provisions of the specifications can lead to penalties, ranging from a partial and temporary suspension of gaming, to the operating authorisation being withdrawn, which may, where applicable, be accompanied by other penalties; the main risk that operators are exposed to is the sudden termination of their business operations.

Should the Group lose a public service concession, it would have a substantial negative impact on the Group's business, results, financial position and future prospects, depending on the importance of the sites where the risk occurred.

RISK MANAGEMENT

Casino managers and specialised departments of the parent company work together ahead of time to ensure that casinos comply with all contractual requirements and that public service concessions are renewed.

4.1.3 RISKS LINKED TO MINISTERIAL AUTHORISATION FOR GAMING OPERATIONS

RISK DESCRIPTION

To conduct gaming activities, the concessionaire responsible for meeting the agreed specifications must secure ministerial authorisation. Such authorisation is issued by the French Minister of the Interior, who is advised by the Advisory Committee on Gaming, to which applicants must submit a report including the opinion of the prefect concerned and a detailed investigation by the Central Racing and Gaming Department.

The gaming licence is granted through a ministerial resolution, which sets forth the number of table games, electronic versions of these games and slot machines authorised that the casino is allowed to operate. Authorisation is generally given for five years and may not in any event exceed the expiry date stated in the specifications.

Authorisation may be revoked in whole or in part, or suspended for a maximum of four months, in the event of a breach of regulations governing the gaming industry or failure to comply with the specifications.

RISK MANAGEMENT

Casino management committees are organised in such a way as to ensure that establishments comply with regulations applicable to the gaming industry.

Internal audits undertaken by Groupe Partouche are designed to safeguard against this type of risk and mitigate it where necessary.

4.1.4 ONLINE GAMING LEGISLATION RISK

RISK DESCRIPTION

Online casino games other than poker are prohibited in France. The introduction of legally sanctioned online slot machines or roulette tables would be likely to adversely affect numbers of visitors to the Group's casinos and, consequently, its business, results, financial position or future prospects.

RISK MANAGEMENT

The Group carefully monitors potential changes in regulations applying to casinos through an industry body, Syndicat des casinos modernes de France (SCMF).

4.2 RISKS ARISING FROM OPERATIONS

4.2.1 ETHICAL AND BEHAVIOURAL RISKS

RISK DESCRIPTION

The Group's main activity involves handling large sums of money. This can, in some circumstances, lead to staff or outside persons committing fraudulent acts.

The casino business must be able to deal with the risks of embezzlement and cheating. Furthermore, since 1991, casinos have been subject to anti-money laundering and counter-terrorist financing regulations (known as "AML/FT").

Money laundering would involve unfairly or fraudulently using gaming transactions or technology to disguise the illicit origin of funds derived from criminal activities or linked to terrorism. In France, money laundering is neither organised nor conducted on a large scale in the gaming industry, in the first place due to the laws and regulations governing casinos (ministerial accreditation required for the managers in charge of establishments, the management committees and casino employees; gaming authorisations subject to time limitations and the approval of the Interior Ministry following its submission of the dossier for the opinion of the Advisory Committee on Gaming).

Furthermore, to guard against fraudulent and criminal activities, money laundering and terrorist financing, Act 2017-257 of 28 February 2017 (Article L.323-3 of the French Internal Security Code) stipulates that any change in ownership of the share capital or in the direct or indirect control of a company operating a casino must be authorised in advance by the Minister of the Interior, whenever such a change would allow a natural or legal person to:

- acquire control of that company, within the meaning of Article L. 233-3 of the French Commercial Code;
- exceed one third, one half or two thirds direct or indirect ownership of the share capital or voting rights;
- undertake a transaction resulting in de facto control of the company, notably by granting substantial loans or guarantees.

Failure to abide by the regulation relating to the fight against money laundering and the financing of terrorism can lead to administrative and legal sanctions and have an adverse effect on the business of the subsidiary concerned and, more widely, on that of the Group, its results, its financial position or its future prospects.

RISK MANAGEMENT

Casinos respond to these risks by implementing strict procedures, most of which are imposed by regulatory texts (methods to proceed with counting from tables and slot machines, highly developed video protection systems that can record up to 28 days of footage covering all games, cash registers, safes and counting rooms). It should be noted that all employees involved in the gaming sector are subject to a preliminary police background check before being granted ministerial approval, and carry out their work under the permanent supervision of a member of the executive committee.

Regarding AML/FT, dissuasive measures towards clients are in place, including checks at entrances to games rooms, consistently recording exchanges and gains at the cashier station when they exceed €2,000 per gaming session, and ongoing monitoring by specially designated agents of the Ministry of the Interior. In the event of suspected money laundering, individual casinos are required to notify Tracfin, the national anti-money laundering unit, of the person's identity.

4.2.2 COMPULSIVE GAMING

RISK DESCRIPTION

Excessive gaming can cause some people to develop symptoms commonly associated with compulsive gaming, and they may be driven to commit more financial resources than would be considered reasonable. This behaviour is harmful to these individuals, as they no longer enjoy gaming in moderation and can put themselves and their families at risk. It is also harmful to the casino as it indirectly affects the brand image.

In France, casinos are the only operators to have instituted systematic checks on entry to gaming rooms. These checks are carried out by personnel authorised by the French Interior Ministry; they serve to identify and formally prohibit access by children under the age of 18, persons banned by the French Minister of the Interior and individuals who have voluntarily asked to be prevented from entering.

The applicable regulations in force allow anyone to voluntarily ask to be banned from gaming rooms by submitting a request to the French Interior Ministry, which will issue a three-year ban on access to gaming rooms, renewable by tacit agreement.

Nevertheless, while the Group may not be able to fully gauge the effects of the trend in compulsive gaming among its casino clients, it cannot rule out the possibility that this trend could directly or indirectly lead to its business, results, financial position or future prospects being significantly and negatively impacted (notably through the adoption of public health and safety measures).

RISK MANAGEMENT

To ensure gaming remains a pleasure and a pastime to be enjoyed in moderation, the Group has for a long time been

promoting "responsible gaming" within its establishments, an initiative that it is currently developing in partnership with Adictel (the first interactive platform providing prevention services and help to dependent players).

Groupe Partouche is therefore keen to give the staff members who have contact with gaming clients continuing training, with the aim of providing clients with information, giving help to those in difficulty as well as someone in whom they can confide. Within 90 days of assuming duties, all gaming staff undergo training to detect people who have issues with gaming. Furthermore, posters and leaflets are placed at appropriate locations in casinos to remind clients of the dangers of excessive gaming and the options available to them for assistance (Freephone number, consultation with a psychologist, voluntary limitation of access to gaming rooms, etc.).

4.2.3 COMPETITION RISK

RISK DESCRIPTION

The Group competes directly with other companies' gaming offers (such as Française des Jeux's lottery and horse race betting), online gaming *(see Section 4.1.4)*, and destination competition (Monaco, Las Vegas). Moreover, in certain areas, the Group strongly competes with other casinos; this is notably the case in coastal areas, where there are a number of casinos. The Group's casinos most exposed to this competition include the casinos in Cannes, Juan-les-Pins, Nice, Hyères, Bandol, La Ciotat, Cabourg and Le Havre.

Another potential competition risk occurs where a competitor establishes a new casino in one of the Group's casino catchment areas. The extent of this risk depends on the location and size of the new casino, but it must still be assessed by a mandatory impact study, as is the case every time a new casino is established; since the Order of 31 December 2014 *(Article 4)*, the reasoned opinion of the regional prefect has been required.

For example, in the Var, the opening of the Seyne-sur-Mer casino in July 2012 followed by the Sanary-sur-Mer casino in August 2018 have heavily impacted the Bandol and Hyères casinos.

For example, the 2013 opening of Larmor Plage casinos in the Morbihan region and Fort-Mahon in the Somme markedly impacted the results of the La Trinité-sur-Mer and Berck casinos. The opening of the Vannes casino made it definitively impossible to achieve a balanced operation of the La Trinité-sur-Mer casino, which was closed at the end of June 2015.

The risk is greatest in cases where a new casino is established in a large town, within the framework of Act 88-13 of 5 January 1988, when a catchment area that has historically included a conurbation of more than 500,000 inhabitants suddenly finds itself deprived. This was notably the case for the casinos of Andernos and Arcachon when the Bordeaux casino was created in May 2002.

This risk of market saturation in certain geographic areas is however tempered by the regulatory authorities' assessment of the already high absolute number of casinos in France. Nevertheless, both the still possible setting up of casinos in the Group's catchment areas and the growth of new activities, such as online gaming (authorised in France in 2010, but limited to poker and sports betting), could have a substantial negative impact on the Group's business, results, financial position and future prospects.

On this subject, the media has regularly reported on plans to open a new casino in Marseille. If these plans were to succeed, there would be consequences for business in nearby casinos.

RISK MANAGEMENT

The Group has always pursued a policy of being competitive through creativity and innovation, with the aim of constantly refreshing customers' casino experience.

4.2.4 SECURITY

RISK DESCRIPTION

In spite of the Group's numerous safety systems and mechanisms, they may experience failures or be totally or partially circumvented.

In practical terms, as a casino operator, Groupe Partouche is exposed to the specific risk of heists.

Such events can have multiple impacts: loss of confidence, stress, injury, death of customers or employees, damage to premises or equipment, and decline or shutdown in business.

Such consequences could have a significantly negative impact on the Group's business, results, financial position or future prospects..

RISK MANAGEMENT

Our casinos have both technical and human resources which together ensure the security of people and goods. The terms under which they are activated are naturally linked to the unique character of the casino business, their size and their configuration.

Some of the security measures that have been implemented at the Group's establishments are listed below:

- CCTV cameras cover all areas of the establishments that may need monitoring, such as car parks, entrances, the main hall, games rooms, safe deposit vaults, cash registers,

game tables and slot machines. Should an incident occur, the control room guard can alert security and the games room managers, and if necessary the police or fire brigade;

- a traditional surveillance system of volumetric radars connected to a central desk which detects the presence of an intruder in the establishment during closing hours;
- installing vaults and secure money boxes, with information displayed to the public at the cash registers, can significantly reduce aggravated burglaries. By taking such measures, no keys can be handed over to criminals because the only people that have the keys are those who collect the funds. Only a nominal amount of cash is kept in cash registers and safe deposit boxes to cover frequent transactions (such as currency exchanges and cash payments);
- a computerised access control system operated by badges is used to record the movement of staff and visitors in the buildings;
- security officers are stationed at entrances to prevent unauthorised entry to the establishments, and during closing hours, dog handlers guard the establishments when necessary.

Staff also receive training concerning the risk of heists, which are often traumatic events, so that they are prepared to be able to manage such situations both at a psychological level and in terms of understanding their own emotional and physical capabilities.

Since 2012, the Group's establishments have upgraded their security systems in terms of both procedures and equipment, particularly by installing a high-tech property protection system named «Smart Water». This system has been installed in many of the casino's sensitive areas and sprays a colourless, indelible liquid on potential criminals. The chemical marker used, also known as artificial DNA, remains detectable on skin for at least six months and indefinitely on any other surface by means of specific equipment used by forensic identification teams, thus enabling police officers to easily identify delinquents and produce evidence before the courts.

4.2.5 FOOD SAFETY; HEALTH AND SAFETY

A) FOOD SAFETY AND HYGIENE

RISK DESCRIPTION

Owing to its highly developed activity as an operator in the restaurant sector, Groupe Partouche is committed to ensuring a high level of food safety. The Company's main concern is of course to ensure the satisfaction and loyalty of its customers.

There are two clearly identified risks:

- the risk of a customer or employee experiencing food-poisoning;
- a breach (product traceability, regulatory non-compliance, unsatisfactory analysis, etc.) coming to light during an inspection by regulatory authorities such as the Departmental Directorate for Public Health and Consumer Protection (DDPP).

The materialisation of these risks can have multiple impacts, including a loss of customer confidence, employee arrests following injury or sickness, or even litigation, official publications that are unfavourable for the establishment concerned and fines.

The establishment in question could be ordered to close, which have a negative impact on its reputation and profitability.

Such closures, especially if they should recur or go on for an extended period of time, could have a significant negative impact on the Group's business, results, financial position, standing or future prospects.

RISK MANAGEMENT

In order to guard against these risks, all Groupe Partouche's establishments have entered into contracts with Mérieux NutriSciences, an outside approved firm tasked with improving food safety and quality. To this end, Mérieux NutriSciences provides consulting, training, analysis and audit services on an ongoing basis. In cooperation with Mérieux NutriSciences, Groupe Partouche has developed a system of ongoing procedures, traceability and alerts based on the HACCP (Hazard Analysis and Critical Control Point) principles. In 2014, Groupe Partouche also put in place a Group-specific sanitary control plan that brings together all the documentation required to comply with food safety regulations in force.

To further increase traceability, Groupe Partouche has equipped all its kitchens with the traQ'food system, in partnership with Mérieux Nutrisciences. traQ'food is an innovative digital traceability solution that aims to simplify the entire HACCP approach and maintain the documentation and records required by the EU's Food Safety Management System (FSMS). It helps improve food safety, ensure that collected data is secure and save time for staff.

To strengthen our drive to adopt a preventive approach, all our establishments have been interviewed on the basis of Afnor standard V01-015, "Hygiene checks at commercial catering establishments", in connection with a potential audit by the Departmental Directorate for Public Health and Consumer Protection (DDPP).

In addition, Groupe Partouche began working with Convergence Achats, a buying group specialising in liquid and food purchasing for food service establishments. Launched by Groupe Flo and Disneyland, Convergence Achats, owned by Bertrand group and Disney, represents over €300 million of purchases per annum on behalf of its customers.

It helps us select suppliers and products with purchasing solutions that range from sourcing to restaurant supply, making it possible to truly customise their approach to fit our needs.

Given these advantages, it made perfect sense for our two companies to work together to provide better service to our subsidiaries while also bolstering our strategy along two main lines: making better purchasing decisions by relying on experts in each type of market and reinforcing traceability by only working with suppliers whose safety processes are all clearly identified. This approach is in line with our hygiene control plan.

B) HEALTH AND SAFETY

RISK DESCRIPTION

In the event of a breach of the regulation concerning fire and panic prevention in the ERPs (establishments open to the public), or ease of access for the disabled, the relevant regulatory authority can call upon the establishment to make improvements or have work done, or even close.

Identified risks include the risk of fire, intoxication, customers or employees falling, and problems moving around in or evacuating establishments.

Such risks can have multiple impacts: accident, stress, injury, death of customers or employees, damage to premises or equipment, and decline or shutdown in business.

Such events, especially if they should recur or go on for an extended period of time, could have a significant negative impact on the Group's business, results, financial position, standing or future prospects.

RISK MANAGEMENT

As are all businesses who play host to the general public (known as "ERPs" in France), Groupe Partouche is duty-bound to guarantee the highest level of safety to its customers and employees. The Group's establishments therefore apply all health and safety instructions regarding, in particular, the risks of accident, health hazards, fire and environmental impairment, while assessing workplace-related risks as part of a preventive approach.

The Group's establishments are also regularly inspected by the commissions of health and safety, such as Apave and Bureau Veritas, who verify, in particular:

- fire and panic prevention within the Group's ERPs;
- ease of access for people with disabilities.

4.2.6 INFORMATION SYSTEMS RISKS

RISK DESCRIPTION

For several years now, Groupe Partouche has been investing in new technology to improve its organisational performance and bring its customers the best of what digital technology has to offer. While such technology projects have built-in security measures, they are becoming ever more complex. Modernising its business in this way means the Group is more exposed to the risk of fraud, cyberattack, IT malfunctions, power outages and telecommunications breakdowns. Furthermore, stricter rules on the protection of personal data and gaming regulation increase the risk of regulatory non-compliance.

An IT incident or cyberattack could adversely affect the Group's business through damage to or the loss or disclosure of personal, strategic or confidential information, or by making it impossible to carry out day-to-day activities required to manage run the Group's establishments. In spite of the Group's investments in maintaining and protecting its infrastructure, an IT incident or cyberattack could disrupt the Group's business and have adverse financial, operational or reputational consequences.

RISK MANAGEMENT

The Group's IT systems are organised according to the principle of computer rooms distributed across its various establishments, with each computer room equipped with systems to ensure continuity of power supply and regular data backups.

Aware of the increasingly important role of information technology within its business, in 2019 Groupe Partouche called on outside experts to assess its security arrangements and draw up a continuous improvement roadmap.

Groupe Partouche has decided to set up a cybersecurity unit to anticipate and respond to incidents. The unit, to be established in 2020, will be overseen by an Information Systems Security Manager reporting to the Management Committee. In keeping with the importance it attaches to its history and human capital, the Group sees cybersecurity as a social driver facilitating the development of new skills and promoting social cohesion and shared values. The threats inherent in digital technology are not confined to the workplace: they affect everyone. That being the case, the emphasis is on raising awareness of digital hygiene and helping employees adopt best practice in this area, which is of benefit not only at work but also at home. Cybersecurity is now an integral, long-term part of Groupe Partouche's operations, ensuring that the Group can enjoy all the power and benefits offered by digital technology while maintaining the resilience of its business and keeping its customers safe.

4.3 FINANCIAL RISKS

4.3.1 LIQUIDITY RISK

RISK DESCRIPTION

Liquidity risk is the risk of the Group having insufficient liquidity to meet its financial commitments. In particular, it incorporates the risk of liabilities becoming due earlier than expected and the risk of the Group not being able to access the financing or refinancing it needs to maintain its day-to-day operations and investments at satisfactory terms.

RISK MANAGEMENT

This risk is examined by the Finance Department using, in particular, financial reporting based on actual cash flows, supplemented by a provisional cash flow budget.

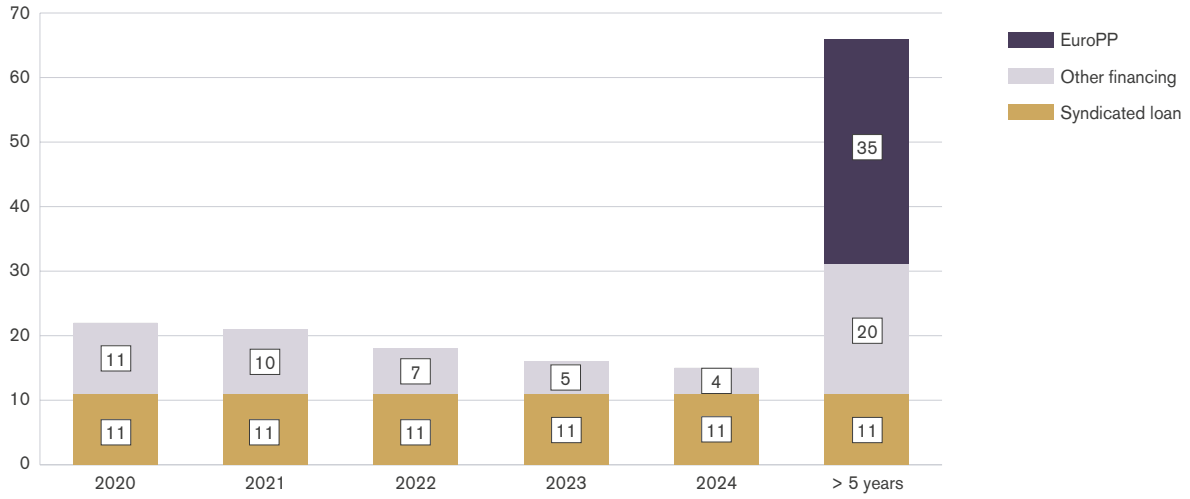
At 31 October 2019, the Group's cash position net of levies stood at €86.6m, of which €9.2mwas invested in money market funds and other immediately available investments.

Groupe Partouche also has a signed cash pooling agreement with all of its subsidiaries. This agreement provides a strong incentive to subsidiaries to invest their cash surpluses with Groupe Partouche SA to obtain a rate of return on cash that is higher than the market rates. Groupe Partouche SA can thereby ensure that the cash requirements of certain subsidiaries are met and can invest the cash surpluses in an optimal manner. This management is handled by the Group's Finance Department.

For the two Swiss casinos, Meyrin and Crans-Montana, the country's legal constraints prohibit the transfer of cash except for dividend distributions. Consequently, they invest their surplus cash themselves.

At 31 October 2019, the restated amount of the Group's bonds, bank loans and finance leases totalled €156.2m .

The following chart shows the maturity of the Group's financial debt at 31 October 2019.



The Group's bank loans and bonds include commitments and financial covenants which, if not met, could lead to outstanding amounts under the facility in question becoming repayable early. At 31 October 2019, the Group met all its commitments and its required leverage ratio. Its leverage ratio is 1.0x, well below the authorised maximum of 2.5x.

4.3.2 INTEREST RATE RISK

RISK DESCRIPTION

At 31 October 2019, the Group's debt consisted of a mix of floating-rate debt (the new syndicated loan taken out by Groupe Partouche SA and a credit line for the Aix-en-Provence casino) and fixed-rate debt (all other debt, including the bond). None of the Group's debts are hedged against interest rate risk.

LIABILITIES €000 AT 31 OCTOBER 2019	TOTAL	< 1 YEAR		1 TO 5 YEARS		> 5 YEARS	
		Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Bond	35 000					35 000	
Syndicated loan	65 000	-	10 833	-	43 334	-	10 833
Bank borrowings	42 151	9 683	889	18 030	3 555	5 327	4 667
Restated capital lease	14 057	867	-	3 680	-	9 510	-
Bank overdrafts	19	-	19	-	-	-	-
Interest accrued on loans	98	-	98	-	-	-	-
Other borrowings	3 021	260	-	1 130	-	1 631	-
TOTAL	**159 346**	**10 810**	**11 839**	**22 840**	**46 889**	**51 468**	**15 500**

ASSETS €000 AT 31 OCTOBER 2019	TOTAL	< 1 YEAR		1 TO 5 YEARS		> 5 YEARS	
		Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
Cash (net of gaming levies)	77 392	20 000	57 392	-	-	-	-
Investments	9 170	7 725	1 445	-	-	-	-
TOTAL	**86 562**	**27 725**	**58 837**	**-**	**-**	**-**	**-**
NET POSITION BEFORE HEDGING AT 31 OCTOBER 2019	**72 784**	**(16 915)**	**(46 998)**	**22 840**	**46 889**	**51 468**	**15 500**
Interest rate hedging	-	-	-	-	-	-	-
NET POSITION AFTER HEDGING AT 31 OCTOBER 2019	**72 784**	**(16 915)**	**(46 998)**	**22 840**	**46 889**	**51 468**	**15 500**

RISK MANAGEMENT

Exposure to interest rate risk is reassessed by the Group's management, assisted, inter alia, by the Treasurer, notably if there is any significant change in the interest rate market and/or the Group's debt. The interest rate hedging policy is designed to protect future cash flows and reduce any volatility in financial expenses. The Finance Department implements the favoured solutions centrally. All interest rate hedging instruments put in place to manage interest rate risks, notably including interest rate swaps, forward rate agreements (FRAs) and interest rate options (caps and collars), correspond to identified risks related to the Company's future financial flows; the Group does not enter into any speculative positions.

Analysis of sensitivity of net debt to interest rate risk: a 1% increase in the interest rate applied to the net amount exposed to potential fluctuations in the variable interest rate, namely €15.4m, would have an effect on consolidated financial items of €154k.

4.3.3 GOODWILL IMPAIRMENT RISK

RISK DESCRIPTION

Please refer to Section 20.2.1, Note 6.1 to the consolidated financial statements.

In application of IAS 36, the Company carries out goodwill impairment tests annually or more frequently if there is any indication of identified impairment in value.

The impairment tests performed by the Group in application of IAS 36 consist of comparing the recoverable values of the cash generating units (CGUs) with the net carrying amount of the corresponding assets, including goodwill.

The recoverable value of a CGU is determined as the higher of the value in use and the fair value (less disposal costs).

Sensitivity to interest rate changes

Sensitivity tests of realisable value based on reasonably possible changes of a key assumption were carried out, and more specifically, sensitivity tests to changes of 0.5 points of the discount rate and the growth rate to infinity. They did not reveal any situations in which the realisable value of the main CGUs would become lower than their carrying amount, with the exception of the CGUs mentioned below:

CGU	IMPACT IN €M OF A CHANGE IN			
	DISCOUNT RATE		PERPETUAL GROWTH RATE	
	+1/2 point	-1/2 point	+1/2 point	-1/2 point
Casino d'Andernos	(0,20)	0,30	0,27	(0,17)
Casino de La Grande-Motte	(1,60)	2,28	1,82	(1,21)
Casino de Val-André	(0,19)	0,35	0,30	(0,15)
SEGR Le Laurent	(0,31)	0,38	0,31	(0,26)

The figures shown reflect the results of sensitivity tests, with the understanding that:

- a negative impact reflects an additional impairment charge, taking into account the change in the recoverable amount of the CGU against its carrying amount;
- a positive impact reflects a positive change in the recoverable amount of the CGU.

Sensitivity to changes in turnover and EBITDA

The Group carries out an analysis of the sensitivity of recoverable amounts to reasonably possible changes in assumptions impacting certain parameters of the budget forecasts used: turnover and EBITDA.

At 31 October 2019, the results are presented below for those CGUs designated in the preceding section:

CGU	IMPACT IN €M OF A CHANGE IN			
	TURNOVER		EBITDA	
	+1,5 %	-1,5 %	+2 %	-2 %
Casino d'Andernos	0,10	(0,04)	0,12	(0,07)
Casino de La Grande-Motte	0,60	(0,25)	0,62	(0,27)
SEGR Le Laurent	0,05	(0,05)	0,06	(0,06)

The figures shown reflect the results of sensitivity tests, with the understanding that:

- a negative impact reflects an additional impairment charge, taking into account the change in the recoverable amount of the CGU against its carrying amount;
- a positive impact reflects a positive change in the recoverable amount of the CGU.

Considering, on the one hand, the total net amount of goodwill (€230,280k) with regard to the Company's consolidated shareholders' equity (€391,916k) and, on the other hand, the difficulties with which the Group's business sector was confronted over the last few years, it cannot be ruled out that, if there should be another adverse context in the future, the Company may have to carry out more impairments of goodwill. Such impairments could have a significant negative impact on the Group's business, its financial position, its results or outlook.

05

INFORMATION ABOUT THE ISSUER

5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1 HISTORY

1973 - 1990: DEVELOPMENT IN ADVERSITY, THANKS TO GENUINE KNOW-HOW

Arriving in 1973 in France from Algeria, where he was a Philips representative, Mr. Isidore Partouche bought, with the help of his brothers and sisters, the Saint-Amand-les-Eaux casino, together with its spa and mineral water source.

The popularity of the casino was restored thanks to a family-oriented marketing strategy. This enabled Isidore Partouche to embark upon a growth strategy for his business; he acquired casinos in the north of France (Le Touquet in 1976, Forges-les-Eaux in 1986, Dieppe in 1988, Fécamp, Bagnoles and Vichy in 1989); in 1982, he created a casino in Calais.

At this time, gaming was limited to traditional games, which were not very profitable for the casinos. This however did not deter Isidore Partouche, who, convinced of the need to develop the gaming activity and with a clear vision, continued growing his business, even selling his spring water operations to keep his casinos.

1991 - 1995: INCREASED PROFITS AND STOCK EXCHANGE LISTING

Group profits substantially increased through the progressive introduction of slot machines in all of its establishments. In 1991, the group took over the Le Lyon Vert casino in La Tour de Salvagny and its subsidiaries the St-Galmier and Juan-les-Pins casinos.

The Group's growth continued with the reopening of the Berck casino (1991) and the Royat casino (1992), and the purchase of the casinos of Aix-en-Provence, La Ciotat and Palavas (1994).

To establish its professional standing, Groupe Partouche was the first group of integrated casinos in France to launch an initial public offering (IPO). On 29 March 1995, Groupe Partouche SA was listed on the Paris stock exchange's Second Marché, through a capital increase. The funds thus raised enabled the group to consolidate the companies it had acquired in France and to grow its business, notably abroad.

1995 - 2005: DIVERSIFICATION AND EXTERNAL GROWTH

Strengthened by this newly gained standing and swelling profits, the Group started diversifying its business activities and locations.

Hotels are added to Groupe Partouche's array of assets, with the purchase in 1997 of a 4-star hotel, now the Méridien-Garden Beach hotel, the opening in 2000 of the Hilton de la Cité Internationale de Lyon and of the Aquabella hotel in Aix-en-Provence, and the acquisition in 2001 of the Savoy (now 3.14) in Cannes.

And in September 1995, the first casino located outside France joined the group, with the acquisition of the prestigious casino of the Belgian resort of Knokke-le-Zoute. New establishments followed with the creation in 1996, in partnership with Club Méditerranée, of a casino in Agadir, Morocco, the casino of Djerba in Tunisia in 1998, in the form of a Pasino, original concept combining an entertainment complex and a gaming facility, and in 1999 the casino of San Roque in Andalusia.

In the meantime, the Group continued growing its core business of casinos in France, with the addition of the Cabourg and Beaulieu-sur-Mer casinos in 1997, the Carlton Casino Club in Cannes in 1998, the transfer of the licence to allow the re-opening of the prestigious Palm Beach casino, and the casino of Lyon in 1999.

The Group also concentrated its efforts on developing the very concept of the casino. Following on from its experiment in Djerba, it opened a second Pasino, in 2001, in Aix-en-Provence.

The first of a new generation of casinos was a great success and went on to be ranked number two in France. In 2003, the St-Amand-les-Eaux casino changed location and was transformed into a Pasino, thirty years after its acquisition.

In 2002, the Group made the largest purchase of its history. Between January and April, thanks to a successful counter-offer it succeeded in purchasing the Compagnie Européenne de Casinos, thus acquiring twenty-two additional casinos: eighteen in France and four outside France.

At the same time, new establishments were opened: Meyrin in Switzerland in 2003 and the Palais de la Méditerranée in Nice in 2004.

Then in 2005, the Group undertook a second external growth operation with the acquisition of Groupe de Divonne, comprising five casinos, including the Divonne-les-Bains casino, the apotheosis of a period of good fortune when the market reached maturity.

2006 - 2013: NEW TECHNOLOGIES AND A DIFFICULT CONTEXT

In April 2006, Groupe Partouche set up a new subsidiary, Partouche Interactive, to develop games through the use of remote communication, such as television, mobile phones and the internet, which quickly obtained an online gaming licence from the Government of Gibraltar.

Following this, major changes were made to the regulations that govern the gaming industry. In 2007, new gaming regulations began to be introduced, including the possibility of having a mix of gaming activities and the removal of stamp duty on the entrance fee of traditional gaming facilities. In November of the year, identity controls at the entrance became mandatory for French casinos. Then, in 2008, the smoking ban was introduced, another measure that had a very dissuasive effect on client numbers.

The economic crisis also made itself felt through falling client numbers, as well as a clientele with less money to spend. Groupe Partouche therefore focused its efforts on optimising its operations.

At the same time, the Group intends to stay on the cutting edge of the industry; from the beginnings of the tests conducted on Texas Hold'em Poker in Aix-en-Provence, up to the success of Partouche Poker Tour, Partouche was becoming a major force in poker. In 2009, the Group was the first to launch its Megapot, a jackpot linking 200 slot machines in more than 45 establishments. Lastly, in 2010, the Group obtained an online poker gaming licence as part of the legal institution of remote gaming in France. In September, the Main Event of the Partouche Poker Tour Season 3 beat all records, playing host to 764 players, including the major international stars of the game, at its Casino du Palm Beach, in Cannes. The Prizepool, comprising the total sum of players' wins, was nearly €5.7m. 2011's edition confirmed the great success of this tournament.

2011 witnessed the deployment of the Pcash solution (Partouche Cashless), a proprietary system which will eventually bring to an end the use of chips in slot machines.

Finally, in the scope of a reserved capital increase, amounting to €30.6m, conferring 12.52% of Groupe Partouche SA's share capital to the group Butler Capital Partners, the latter became a minority but proactive partner in May 2011.

In 2012, Groupe Partouche once again faced a challenging economic climate (with the decline of Gross Gaming Revenue in France leading to a significant deterioration in the Group's operating profitability). Faced with declining activity in the Interactive Division, mainly caused by the unsuitable business model of French online poker, the area in which the Group's subsidiary Partouche Gaming France operates, in September 2012 Groupe Partouche announced a strategic reorientation of the Group's poker activities and its online poker website www.partouche.fr.

Construction was completed at the Pasino in La Grande-Motte, and the new establishment opened its doors on 10 July 2012.

2013 saw lower revenue affecting the entire casino sector; Groupe Partouche continued adapting to this situation by concentrating its financial and human resources on its historical core businesses, and discontinued its online poker business in France.

Nevertheless, Groupe Partouche remains a driving force behind innovation in its profession. Following Casino War's test period in Aix-en-Provence, the game was expanded throughout the rest of France. Sic Bo, an Asian dice game, was tested at Forges-les-Eaux, and the well-loved classic bingo was launched at the Pasino d'Aix-en-Provence in early 2014. As part of the shift toward new products awaited by the clientele, a large number of electronic English roulette wheels have been rolled out at the Group's casinos. Moreover, Group Partouche remains the only operator in France with a multi-site jackpot: the millionaire-making Megapot, with more than 200 interconnected slot machines at the Group's casinos which let players take home exceptional winnings.

Lastly, as it was constantly exposed to the potential risk related to non-compliance with a covenant for the syndicated loan, which could have triggered the immediate mandatory repayment of the principal owed, Groupe Partouche entered into negotiations with the bank syndicate in June 2013 and, in the absence of an agreement, on 30 September 2013 the Groupe Partouche SA holding company obtained the initiation of a Safeguard Procedure (procédure de sauvegarde) from the Paris Commercial Court.

2014: A PIVOTAL YEAR

As early as March 2014, the Safeguard Plan put forward by Groupe Partouche SA, including in particular the phased repayment of the syndicated loan over almost nine years, was unanimously adopted by the committee members of credit institutions and their equivalents and by the Group's key suppliers. This plan was agreed by the Paris Commercial Court under a ruling dated 29 September 2014, bringing to an end the Safeguard Procedure (procédure de sauvegarde) that had begun a year earlier.

The Group also sold off a number of assets in financial year 2014 (the casinos in Hauteville, Knokke and Dinant and the Lyon Hilton hotel), part of the proceeds of which was allocated to the early repayment of the syndicated loan.

2015 - 2019: ONGOING RECOVERY

In 2015, Groupe Partouche's financial structure returned to a very sound position, thanks to the combination of cash flow generated by its activities, controlled investments and asset

disposals, part of the proceeds of which went toward the early repayment of the syndicated loan.

Groupe Partouche can now focus fully on revitalising its business while continuing to work on improving its financial structure.

In 2019, the Groupe Partouche SA holding company refinanced its debt by setting up a syndicated loan and issuing a EuroPP bond. This transaction notably allowed it to prepay its syndicated loan governed by the Safeguard Plan and to close that complex chapter by ending this plan three years early. Following these operations, the Group's financial structure returned to a very sound position.

Emphasis is also put on the renovation of the Group's casinos through a significant volume of investments.

5.1.2 COMPANY NAME

The name of the Company is Groupe Partouche – Ticker "GP".

5.1.3 COMMERCIAL REGISTER

The Company is registered in the Paris register of commerce and companies under number 588 801 464.

Its NAF code is 7010Z.

5.1.4 DATE OF INCORPORATION AND TERM OF THE COMPANY

Groupe Partouche, which was initially called SA Compagnie Fermière des Eaux et Boues de Saint-Amand, was formed, by a deed received by Maître Cartigny, Notary at Valenciennes, on 18 March 1903.

The term of the Company, initially set at 60 years, was last extended by the Extraordinary Shareholders' Meeting of 27 April 1994 to 26 April 2058, except in the event of it being wound up before that date or having its term extended as provided by the Articles of Association *(see Section 21)*.

5.1.5 REGISTERED OFFICE, FINANCIAL YEAR, LEGAL FORM AND APPLICABLE LEGISLATION

The registered office is located at 141 bis, rue de Saussure, 75017 Paris, France.

Its telephone number is +33 (0)1 47 64 33 45 and its fax number is +33 (0)1 47 64 19 20.

The Company is a French *Société Anonyme* with an Executive Board and a Supervisory Board. The Company is under the jurisdiction of French legislation.

Its legal and accounting documents may be consulted at the registered office.

The financial year commences on 1 November and ends on 31 October of the following year.

5.2 INVESTMENTS

5.2.1 PRINCIPAL INVESTMENTS MADE IN THE COURSE OF THE LAST THREE FINANCIAL YEARS

2017 INVESTMENTS

Cash used in investing activities came to €58.1m, compared with €43.8m in the previous financial year. It chiefly consisted of:

- a net cash outflow of €7.2m on acquisitions of consolidated investments, primarily relating to the acquisition of minority interests in the La Roche-Posay and Agon Coutainville casinos (-€3.0m) and the acquisition of SEGR Le Laurent (-€4.2m);
- the impact of other changes in the scope of consolidation, which generated €11.7m in cash through the sale of Cannes Balnéaire;
- a net cash outflow of €64.0m on acquisitions of tangible fixed assets, including an outflow of €53.0m in the casino sector, consisting in particular of – in addition to the acquisition of slot machines and other electronic equipment, and replacement investments – the completion of the PleinAir de La Ciotat casino, the acquisition the Crans-Montana car parks, improvements to accommodate the Cannes casino in Hotel 3.14, and the launch of renovation work at various subsidiaries.

2018 INVESTMENTS

Net cash used in investing activities totalled €65.4m (compared with €58.1m the previous financial year), notably including a €65.1m outflow for purchases of tangible fixed assets, including in particular €21.1m for slot machines and other electronic equipment, replacement investments, and, for construction projects, completion of the new Pornic casino and continued renovation work at the Aix-en-Provence casino.

2019 INVESTMENTS

Cash used in investing activities came to €39.3m (compared with €65.4m in the previous financial year); it chiefly consisted of:

- a net cash outflow of €55.1m on acquisitions of property, plant and equipment, spread across all Group subsidiaries and including in particular an outflow of €13.4m for renovation works on the Aix-en-Provence and Royat casinos, the completion of the new Pornic casino, and the acquisition of slot machines and other electronic equipment;
- sale proceeds of €2.9m from consolidated companies, related to the sale of the 49% minority interest held by Groupe Partouche in Palm Beach Cannes Côte d'Azur and to the collection of receivables arising from sales completed during previous financial years;
- an inflow of €10.7m from repayments received on loans, mainly corresponding to the €10.5m repayment by Palm Beach Cannes Côte d'Azur of its current account, prior to Groupe Partouche's sale of its minority interest in this company.

5.2.2 MAJOR INVESTMENTS IN PROGRESS

Fixed assets under construction, which had a net value of €3.7m at the financial year-end, mainly related to renovation work on the Royat casino for €2.2m, the Annemasse casino for €0.4m and the Hyères casino for €0.3m.

5.2.3 MAJOR INVESTMENTS EITHER SCHEDULED OR ARISING FROM FIRM COMMITMENTS MADE BY THE GROUP'S EXECUTIVE BODIES

Major capital expenditure arising from commitments under the local authority's specifications comprises:

A) RENOVATION WORK ON THE ROYAT CASINO

The Royat casino obtained its building permit on 14 April 2017. The estimated total for the work amounts to approximately €8.4m and the delivery of the building is planned for September 2020.

B) RENOVATION WORK ON THE HYÈRES CASINO

In the context of the renewal of its public service concessions, Hyères is renovating its hotel, auditorium and the former gaming room, which will be transformed into a restaurant, for an estimated total amount of €6.0m. The work is due to be completed in 2023.

C) RENOVATION WORK ON THE AQUABELLA HOTEL

The Aquabella hotel obtained a building permit on 15 May 2018. The works include the renovation of the common areas, reception halls, outdoor spaces, restaurant and kitchen; and the creation of four suites in its belvedere. The estimated total for the work amounts to approximately €3.5m and the overall completion of the work is planned for March 2021.

D) OTHER INVESTMENTS

The other significant investments planned by the Group relate to existing casinos and hotels and mainly concern:

- renovation works on the Annemasse casino, amounting to a total of €8.9m, are due to start in November 2020 and end a year later;
- the construction of an outside games area at the Pasino Grand d'Aix-en-Provence, with a provisional budget of €1.7m, is scheduled for December 2020;
- refurbishment of the La Tour de Salvagny casino, with work starting in January 2021.

5.2.4 DIVESTMENT PROGRAMME

Groupe Partouche has no further divestment obligations to meet.

5.2.5 RELATIONS BETWEEN INVESTMENTS AND FINANCING ACTIVITIES

The Group has total freedom with regard to its investment decisions and sources of funding with the exception of the following point.

In the context of the Groupe Partouche SA holding company's refinancing operation, the Company pledged that it and its subsidiaries will only enter into external growth transactions with companies operating in the Group's business sector and situated in the European Union, the United Kingdom or Switzerland.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BUSINESS OVERVIEW

6.1 MAIN ACTIVITIES AND NOTABLE CHANGES IN 2019

MAIN ACTIVITIES

Historically, Groupe Partouche's main business has been operating casinos, some of which include hotels.

Breakdown of turnover by business area

BREAKDOWN OF TURNOVER €000 AT 31 OCTOBER	2019	%	2018	%	2017	%
Casinos	394 128	90,9 %	375 341	91,4 %	379 100	93,2 %
Hotels	8 519	2,0 %	8 995	2,2 %	9 834	2,4 %
Other	30 846	7,1 %	26 507	6,4 %	17 950	4,4 %
TOTAL TURNOVER	**433 493**	**100,0 %**	**410 844**	**100,0 %**	**406 885**	**100,0 %**

Breakdown of turnover by geographic areas

BREAKDOWN OF TURNOVER €000 AT 31 OCTOBER	2019	%	2018	%	2017	%
France	354 972	81,9 %	339 142	82,5 %	340 506	83,7 %
Eurozone (excluding France)	38 608	8,9 %	32 727	8,0 %	24 071	5,9 %
Non-eurozone	39 913	9,2 %	38 975	9,5 %	42 307	10,4 %
TOTAL	**433 493**	**100,0 %**	**410 844**	**100,0 %**	**406 885**	**100,0 %**

From the outset Groupe Partouche has been a major casino operator in France; it has also developed a presence outside France, mainly in Belgium and Switzerland.

6.1.1 CASINOS

Casinos are Group Partouche's core business.

In addition to catering and entertainment, the casinos develop mainly in the gaming industry. This industry is subject to stringent government regulations, particularly in order to prevent risks to public and social order, especially with respect to health protection and the safety of minors.

In France, a casino is defined by regulations as an establishment encompassing three distinct activities – entertainment, catering and gaming – under a single management, with no option for gaming or entertainment to be leased out. Prior to 31 December 2014, none of the three activities could be leased out.

A) LEGAL AND REGULATORY FRAMEWORK

In France, the gaming industry is subject to a general principle of prohibition, as currently stipulated in Article L.320-1 of the French Internal Security Code, pursuant to Ordinance 2019-1015 of 2 October 2019, with exemptions by law covering betting on sports and horse races, lotteries governed by exclusive rights, video game competitions, casinos and – on a trial basis until 31 December 2022 – gaming clubs in Paris.

Casino activities are governed by the Ministry of the Interior and the Budget Minister. Gaming authorisations are subject to approval by the Minister of the Interior.

Derived from the Act of 15 June 1907, the legislation and regulations applicable to casinos are codified in the French Internal Security Code, as regards questions of administrative police (Articles L.321-1 et seq.) and in the General Local Authorities Code, as regards levies on gaming revenue (Articles L.2333-54 et seq.).

Various texts set out in the French Civil Code, French Social Security Code, French Electoral Code and French Tourism Code as well as other non-codified texts also apply to casinos, chief among them the Order of 14 May 2007 on the regulation of casino games, which sets out the conditions for the submission and processing of gaming authorisation applications, the terms under which casinos are run and operated, the rules governing games, and surveillance and inspection principles; the Order of 29 October 2010 on the collection, recovery and supervision of levies on casino games; and the Order of 23 December 1959 on gaming staff.

Lastly, the French Monetary and Financial Code specifies the obligations of legal representatives and directors responsible for casinos with regards to the prevention of money laundering and terrorist financing (Articles L.561-2 et seq.).

The law allows casinos to be opened in seaside and health resorts and thermal spas, prior to 3 March 2009, in towns or cities where a casino was regularly operated at that date, in tourist resorts (the reform brought in by the Act of 14 April 2006 simplified and updated the rules on official tourist resorts by combining the six previous official categories into a single "tourist resort" category (station de tourisme).

Act 88-13 of 5 January 1988 allowed casinos to be opened in official tourist municipalities and official tourist towns/cities and resorts constituting the main town or city in a conurbation with more than 500,000 inhabitants and contributing more than 40%, together with other local authorities as the case may be, to the operation of a "national centre for dramatic arts" (centre dramatique national), a national theatre, a national orchestra or an opera house regularly staging at least 20 opera performances per season.

Licences to operate casinos are granted by the Minister of the Interior, acting on the advice of the local council of the area in which the casino is to operate, following a public inquiry and on the basis of specifications drawn up by the local council. The latter then grants the operator a business concession after checking that the conditions of the tender procedure defined in Act 93-122 of 29 January 1993 (the "Sapin Act") have been met, and following an opinion from the Gaming Advisory Committee (Commission consultative des jeux de cercles et de casinos). These licences are temporary in nature; their validity period, which may not exceed the period laid down in each casino's specifications, is generally limited to five years.

The Gaming Advisory Committee established by the French Ministry of the Interior has 11 members, including nine senior civil servants representing a number of ministries (Interior, Finance, Budget and Health) and two mayors appointed by the Minister of the Interior at the proposal of the association of elected representatives of tourist areas. It is chaired by a special councillor of the French Council of State.

Its remit is confined to primary applications for gaming authorisation renewals, applications to increase the number of authorised gaming tables and applications to increase the number of authorised slot machines where this exceeds the threshold of 500 machines.

The Order of 29 July 2009 on the regulation of casino gaming sets out criteria under which slot machines may be authorised; the first gaming table entitles the casino to 50 slot machines, with each subsequent table entitling it to 25 additional machines. This reform was a major step forward for casinos in gaining greater control over the definition of their gaming offering. It means the gaming offering can now be tailored to the specific characteristics of the local market and customers' wishes without any need to embark on a cumbersome administrative procedure requiring an opinion from the Gaming Advisory Committee at the end of a four-or five-month application processing period. Changes once a casino is already authorised are now agreed by the Ministry of the Interior following notification procedures with a short processing period, allowing operators to respond more quickly to market trends.

A number of additional changes to the regulations were introduced under the same reform movement. Since the publication of the Order of 6 December 2013, casino managers have had the right to set the opening and closing times of gaming rooms and games, within the limits set by each casino's operating permit and in compliance with its specifications. This provision allows casinos to better match their offering of table games to customer demand (with the priority on opening tables during peak periods only), and thus to make productivity gains and optimise casino workforce management.

On 30 December 2014, a change was made to simplify adjustments to the nature of games by allowing casinos to freely choose which games they wish to operate from a list of authorised games, subjecting to declaring them in advance to the Ministry of the Interior. Previously, requests for these types of adjustments had to be submitted to the Gaming Advisory Committee.

The gaming licence, which is formalised by an order issued by the Minister of the Interior, sets out the number and type of

authorised table games, electronic versions of these games, and slot machines; the period of authorisation; minimum bets; and the opening and closing times of gaming rooms.

The slot machine market has also undergone a number of technical developments, now possible thanks to the latest regulatory changes, such as multi-game and multi-denomination slot machines, as well as "community" games that are of greater interest to a new generation of gamers. It should be noted that slot machines are legally required to pay out at least 85% of their takings, and that only French supply and maintenance companies with experience in electronics and licensed by the Ministry of the Interior are authorised to supply and maintain such machines and adjust their settings. Such companies are required to inspect the entire portfolio of slot machines three times a year.

Gaming licences may be withdrawn by the Ministry of the Interior in the event of failure to comply with specifications or with the laws and regulations governing gaming in a casino.

At each casino, a manager and an executive committee approved by the Ministry of the Interior ensure that games are fair and lawfully operated at all times, in compliance with applicable regulations. These senior executives – approved by the Ministry of the Interior – are also required to comply with all clauses in the casino's operating requirements, which are formally agreed with the local authority.

Gaming staff, personnel responsible for access control, inspectors responsible for security and video protection operators must be licensed by the Ministry of the Interior before taking up their duties. Within 90 days of assuming duties, they must undergo training to detect people who have issues with gaming.

Access to gaming rooms is only granted following systematic checks to identify and deny admission to persons under the age of 18 and those banned by the Minister of the Interior.

Games liable to be authorised in casinos are those defined by decree and set out in Article D.321-13 of the French Internal Security Code. There are four categories of game:

TABLE GAMES PLAYED AGAINST THE HOUSE

These mainly include:

- "Boule",
- American, English or French roulette,
- Casino War,
- Punto Banco,
- Blackjack,
- Stud Poker,
- Texas Hold'em Poker;

TABLE GAMES PLAYED AGAINST OTHER PLAYERS

These mainly include:

- Texas Hold'em Poker,
- Omaha Poker 4 high,
- Bingo;

ELECTRONIC VERSIONS OF TABLE GAMES

- Roulette,
- Blackjack,
- Texas Hold'em Poker.

SLOT MACHINES

A slot machine is legally defined as a gaming device that, upon using monetised stakes, automatically triggers a system resulting in the display of a random combination of symbols used to establish potential winnings, with a return to player rate of no less than 85%, as set by decree.

The law also specifies that the operation of slot machines is only authorised in casino gaming rooms, and that slot machines may be linked together to build up a progressive jackpot. This system may connect machines located in different establishments.

GROUPE PARTOUCHE INNOVATIONS

Leveraging its extensive experience in the gaming sector, Groupe Partouche stays abreast of the latest technological advances to round out its offerings.

For instance, the Group's smart card gaming system now offers the option of ticketed games. All forms of payment are thus accepted by the Group's machines (cash, cards, tickets and chips). The unique feature offered by Groupe Partouche is the option of combining two payment methods (cards and tickets).

Drawing on its pioneering role in wide-area progressive (WAP) systems – Groupe Partouche was France's first casino operator to offer a multi-site jackpot under the name "Megapot" – the Group has continued to expand upon this concept to meet the demands of its customers. Along these lines, Groupe Partouche has introduced a second multi-site jackpot called "Megapok", dedicated to poker.

Groupe Partouche is still the only operator in France able to offer its customers a multi-site jackpot, resulting in sizable winnings of up to several million euros for an initial bet of no more than three euros.

Smart card technology now powers a broad range of offerings made available to the Group's customers.

Groupe Partouche is working to forge partnerships with major gaming equipment manufacturers (Scientific Games, Merkur, Alfastreet, Konami, Aristocrat, Aruze and Novomatic) that will enable it to offer its customers exclusive access to new machines, prior to their nationwide release.

Groupe Partouche works closely with research and development laboratories operated by major automatic gaming equipment brands to suggest new product concepts and improve the functionality of slot machines.

From time to time, Groupe Partouche also takes part in tests of new games to help the authorities ensure their integrity and fairness.

B) LEVIES ON GROSS GAMING REVENUE

A sliding-scale levy is applied to gross gaming revenue, which represents the total amount of money left by players at gaming tables and slot machines after deducting a statutory 25% tax allowance; an additional 5% allowance for investments in hotel and thermal spa facilities may be applied in certain cases.

It should be noted that, in the matter of high-quality artistic productions, the additional allowance that was applicable has been replaced since financial year 2015-2016, by a tax credit whose underlying principles are set forth in Article L.2333-55-3 of the General Local Authorities Code. The aim is to enhance the security of the system, which now falls within the scope of the regulation and is compatible with the domestic market.

The new tax credit approach for high-quality artistic productions significantly reduces the time periods for reimbursement compared to the previous situation. The introduction of a decision support system using a points-based scale makes it possible to assess the production eligibility criteria objectively.

The time required to process rebate requests in respect of this tax credit and for the authorities to make a decision is significantly reduced due to the elimination of the inter-ministerial committee provided for under Article 5 of Decree 97-663 of 29 May 1997 and the decentralisation of the procedure for managing the scheme.

The scale for the sliding-scale levies, which had not changed since 1986, was revised during the year ended 31 October 2009, with the changes to be applied retroactively over the whole of the financial year to take into account inflation.

During the financial year ended 31 October 2010, a reform in the way gaming levies are calculated, eagerly awaited by the industry for several years, was introduced through the addition of new provisions to the Online Gaming Act of 12 May 2010 (Article 55). The reform means that the base on which the levy on table games is calculated is no longer the same as that for slot machines (Article L. 2333-54 of the French Local Authorities Code). This is a departure from the previous method of calculating the levy on the aggregate of gross gaming revenue from table games and slot machines. This use of distinct bases on which the levy is calculated for table games and slot machines means that casinos will pay a lower levy rate on table game revenue.

New tax measures were introduced by the promulgation on 30 December 2014 of Act 2014-1655 of 29 December 2014 (the Amending Budget Act for 2014). This Budget Act removed the following:

- the principle of the «applicable levy» repealing Article L. 2333-57 of the General Local Authorities Code;
- the 0.5% fixed-percentage levy on gross gaming revenue from table games and the 2% fixed-percentage levy on slot machines by repealing Article 50 of Law No. 90-1168 of 29 December 1990, the 1991 Budget Act.

In addition, it has transposed into the General Local Authorities Code, in Article L.2333-56, a sliding-scale levy on gross gaming revenue after deduction of a 25% tax allowance, and where appropriate an allowance "for hotel or spa acquisition, equipment and maintenance costs". The sliding-scale levy rate applicable to each of the shares was set by decree, with a minimum of 6% and a maximum of 83.5% (instead of the previous limits of 10% and 80%).

To calculate the levy on table games, apart from electronically operated ones, a coefficient of 93.5% is applied to the amount of gross gaming revenue.

Another decree regarding provisions for levies on gaming revenue defers the time limit for monthly payment of levies to that laid down for the tax on turnover, instead of the fifth day of the month.

It should be noted that local councils undertaking activities to promote tourism can apply a levy on casinos' gross gaming revenue, using the same tax base as the state-imposed levy. Under no circumstances may this levy, which is applied in accordance with each casino's specifications, exceed 15%.

Furthermore, 10% of the state-imposed levy is paid over to each local council of an area in which a casino is located.

Where the combined total of the state and local council levies exceeds 83.5% of total gross gaming revenue, the state levy rate is reduced such that the combined total of both levies is 83.5%.

Furthermore, since the introduction of the Act of 12 May 2010 opening up online gaming to competition and regulation, a portion of the levies raised on online table games, not exceeding €10,150,000, is paid over to local councils within whose geographical boundaries are one or more casinos open to the public, in proportion to those casinos' gross gaming revenue.

The current scale for the sliding-scale levy payable to the state based on casinos' gross gaming revenue, in accordance with Act 2014-1654 of 29 December 2014 (the Amending Budget Act for 2014), is as follows:

Gross gaming revenue

6% up to	-	to	100 000
16% from	100 001	to	200 000
25% from	200 001	to	500 000
37% from	500 001	to	1 000 000
47% from	1 000 001	to	1 500 000
58% from	1 500 001	to	4 700 000
63.3% from	4 700 001	to	7 800 000
67.6% from	7 800 001	to	11 000 000
72% from	11 000 001	to	14 000 000
83.5% above	14 000 000		

Since 1996, a 3% CRDS (Contribution to the Repayment of Social Debt) tax has been levied on gross gaming revenue, followed in 1997 by a 3.4% CSG (General Social Contribution) levy on gross gaming revenue from slot machines.

In January 1998 the CSG levy was increased to 7.5% and calculated on a reduced base of 68% of gross gaming revenue from slot machines. With effect from 1 January 2005, the CSG levy increased by two percentage points to 9.5%.

The CSG levy increased by 1.7 percentage points with effect from 1 January 2018, bringing this contribution to 11.2% on 68% of gross revenue from slot machines and 13.7% on all winnings greater than or equal to €1,500.

This contribution is collected and checked under the same rules and subject to the same guarantees, privileges and penalties as the levy provided for by Article 50 of the 1991 Budget Act (Act 90-1168 of 29 December 1990).

Casino games – Groupe Partouche SA's core business – are exempt from value-added tax (VAT).

C) CASINO LOCATIONS

At 31 October 2019, Groupe Partouche operated a total of 42 casinos via its directly or indirectly owned subsidiaries; 38 of these are located in France and four in other countries.

The Group generated 78.0% of its turnover from gaming, which remains its core business. Groupe Partouche's 42 casinos are spread throughout France and abroad as follows:

FRANCE - REGIONS	MUNICIPALITY IN WHICH THE CASINO IS LOCATED
HAUTS DE FRANCE*	SAINT-AMAND-LES-EAUX, CALAIS, LE TOUQUET PARIS PLAGE, BERCK-SUR-MER
NORMANDIE	FORGES-LES-EAUX, DIEPPE, LE HAVRE, CABOURG, AGON-COUTAINVILLE
BRETAGNE	PLÉNEUF-VAL-ANDRÉ, PLOUESCAT
PAYS DE LA LOIRE	PORNICHET, PORNIC
NOUVELLE AQUITAINE	LA TREMBLADE, LA ROCHE-POSAY, ANDERNOS, ARCACHON, SALIES-DE-BÉARN
GRAND EST	CONTREXÉVILLE, PLOMBIÈRES-LES-BAINS
AUVERGNE-RHÔNE-ALPES	ÉVAUX-LES-BAINS, VICHY, ROYAT, LYON, LA TOUR DE SALVAGNY, SAINT-GALMIER, DIVONNE-LES-BAINS, ANNEMASSE
OCCITANIE	PALAVAS-LES-FLOTS, LA GRANDE-MOTTE
PROVENCE-ALPES-CÔTE D'AZUR	GRÉOUX-LES-BAINS, AIX-EN-PROVENCE, LA CIOTAT, BANDOL, HYÈRES, CANNES, JUAN-LES-PINS, NICE

COUNTRIES OUTSIDE FRANCE	MUNICIPALITY IN WHICH THE CASINO IS LOCATED
BELGIUM	OSTENDE
TUNISIA	DJERBA
SWITZERLAND	MEYRIN, CRANS-MONTANA

** The Boulogne-sur-Mer casino's public service concession expired on 27 June 2019.*

D) CONCESSIONS TO OPERATE CASINOS

Concessions to operate casinos never exceed 20 years in France. At 31 October 2019, Groupe Partouche had 38 casinos in France with a concession contract and a ministerial authorisation for gaming operations.

The tender process is public (under the Sapin Act) and other casino operators are allowed to bid.

E) CONCESSIONS EXPIRING

FINANCIAL YEAR	NUMBER OF CONCESSIONS TO BE RENEWED
2020	2
2021	3
2022	5
2023	3
2024	1
2025	1
2026	2
2027	2
2028	5
2029	3
2031	1
2032	2
2034	3
2035	1
2036	1
2037	1
2038	2
OVERALL TOTAL	38

F) ANCILLARY OPERATIONS

The Group's casinos generate a portion of their turnover from complementary business areas, such as catering and entertainment; beyond the regulatory obligation resulting from the definition of a casino, these are regarded as a prime means of receiving and entertaining customers under optimum conditions. Some of the larger casinos, such as Saint-Amand-les-Eaux, Forges-les-Eaux and Divonne-les-Bains, have integrated hotel accommodation affording greater hospitality.

Most casinos provide private reception areas, whose size and style vary widely according to purpose, along with customised high-quality entertainment to enliven receptions. Lastly, the presence in some resorts of spas provides customers with "relaxation and well-being" solutions, including well-being and beauty treatments as well as themed spa cures.

At 31 October 2019, the Group operated:

- **10 hotels from 3* to 5*** with almost 420 rooms;
- **80 restaurants:** diners, gourmet restaurants, theme restaurants;
- **5 health spas and 2 golf courses.**

Amongst their other activities, the following casinos also offer one hotel or more:

- Casino de Forges-les-Eaux (3 hotels);
- Casino de Saint-Amand-les-Eaux;
- Casino du Havre;
- Casino de Divonne-les-Bains;
- Casino du Lyon Vert à La Tour de Salvagny;
- Casino de Hyères;
- Casino de Dieppe;
- Casino de Salies-de-Béarn.

6.1.2 HOTELS

Apart from hotels tied with casinos, the Group currently owns seven independent hotels rated from 3* to 4*L with a total of almost 330 rooms. Revenue from these hotels accounts for the Group's entire turnover in the hotel sector.

These hotels are as follows:

- Hôtel 3.14 in Cannes (closed for works throughout the financial year);
- The Aquabella hotel in Aix-en-Provence;
- The Cosmos hotel and the Grand Hôtel du Parc in Contrexéville;
- The Georges hotel in Pléneuf-Val-André (the hotel business was let out under a trading lease with effect from 1 June 2015);
- Casino de La Trinité-sur-Mer (after the casino business was wound up in June 2015, the hotel business was let out under a trading lease with effect from 1 November 2015);
- The 3.14 Green hotel in Auron.

6.1.3 OTHER BUSINESSES

INTERACTIVE DIVISION

A) DEVELOPMENT

In April 2006, Groupe Partouche created Partouche Interactive, a subsidiary specialising in the development of games using new technology platforms such as interactive television, mobile phones and the internet.

Following its subsidiary Partouche Interactive's announcement in a press release dated 14 September 2012 that it would be refocusing its strategy and the discontinuation of its French online gaming operations on 17 June 2013, Groupe Partouche continues to refocus its online and TV gaming business through its Partouche Images and Afrigambling subsidiaries.

In March 2014 the government added an article to the Consumer Affairs Act (Hamon Act) to prohibit free gaming with advances of refundable bets. This resulted in Partouche Images having to close down all its TV and online gaming operations in France. It was then decided to refocus the business of Partouche Images

on the two core businesses in which it has developed unique know-how and unrivalled experience, on an international basis:

- Developing an interactive TV programme offer;
- Developing a mobile TV gaming offering (SMS/web app/USSD) for Africa.

These two offerings are now being actively marketed:

- In Africa, Afrigambling entered into an exclusive agreement with Senegal and Mali covering lotteries broadcast live on television. In 2019, Afrigambling also entered into agreements with two new countries: Guinea-Conakry and Cameroon. Discussions are in progress with a number of other countries. In addition, Afrigambling entered into partnerships with payment terminal manufacturers and developed the interfaces of these terminals in order to enable participation in cash games;
- On an international level, Partouche Interactive entered into an exclusive agreement with a leading global cruise company relating to an interactive television casino gaming solution found in every cabin in all the company's ships. To date, two cruise liners have been equipped with Partouche's gaming solution.

B) COMPANIES

Through its subsidiaries, Partouche Interactive offers and markets, directly or via its subsidiaries, solutions and services designed for the web, mobile phones and interactive television. Key subsidiaries are as follows:

- **Partouche Technologies** provides a wide range of software solutions developed using various web and mobile programming languages, mainly intended for the Group's various establishments;
- **Partouche Images** offers an array of interactive game shows associated with an online gaming offering;
- **Afrigambling** is tasked with marketing gaming solutions and lotteries developed by Partouche Images in Africa;
- **Partouche Productions** produces televised programmes and events;
- **Partouche Tournois**, which organised logistics for poker tournaments, is no longer active;
- **Quarisma** is an interactive platform dedicated to the real-time management of quality services between customers and casino operators;
- **Appolonia (Caskno)** manages casino information systems as well as data communication hardware and networks;
- **Partouche Interactive Holdings Gibraltar** is a holding company that is now dormant;
- **Partouche Gaming France** held an online poker licence in France. The company began operations on 6 July 2010 and ceased trading on 17 June 2013.

6.2 STRATEGY

Over the past few years, Groupe Partouche has reoriented and refocused its business activities around its core casino operating business.

Consequently, it decided to sell some of its hotel operations, which were managed by international brands including those in Lyon and Juan-les-Pins.

At present, all hotels operated by the Group are done so directly and serve as tools to complement its casino business.

The Group thus concentrated its human, technical and financial resources on its gaming establishments.

For the past 47 years, this has been done in strict compliance with the numerous and complex regulatory and legal provisions that shape the modern casino business.

In particular, a major shift required the redesign of casino spaces, with the emergence of a new gaming segment since the early 2010s, namely digital forms of traditional table games.

This segment of casino gaming in France demonstrated its success by exceeding the volume of business activity generated by table games for this season, and also represented slightly more than a tenth of the volume of business generated by slot machines.

The quality of the hardware, design and ergonomics of this equipment helped to attract new customers, but considerable floor space is required to accommodate these terminals.

Furthermore, a major investment campaign focusing on the renovation and expansion of establishment facilities has been in progress for several years, and will continue over the next three years.

The goal is to ensure the best possible conditions for the gaming offering to develop and satisfy the high expectations of discerning customers in the spaces they visit for entertainment experiences.

As part of this redesign programme, Groupe Partouche is determined to reinvent its casinos and revitalise the gaming experience by bringing something "extra" to the gaming experience.

This was achieved by rolling out various immersive and projection mapping experiences, with the crowning moment taking place at the Pasino Grand d'Aix-en-Provence, where, in collaboration with Canadian multimedia studio Moment Factory, the casino was reimagined using immersive environment designs and creations.

This followed the daring decision to develop the first outdoor casino at PleinAir in La Ciotat. This establishment introduced a new dimension to the customer experience, as demonstrated by the exceptional increase in its attendance and business activity.

Of course, it is the day-to-day commitment of the Group's staff that ensures the best possible welcome to players,

through continuous discussions regarding site management, improvement of processes and employee training.

Managing client relations is therefore a key element in the running of our establishments and an ongoing source of improvement for our staff, especially so that all marketing and human resources policies can be implemented effectively. This is true for all our establishments, which are led by highly autonomous managers.

Groupe Partouche's success is underpinned by the implementation of around 50 local strategies, which are specific yet shared and tested within the Group. These strategies are designed to ensure that we exemplify a welcoming, dynamic and committed casino operator Group for both our customers and staff.

6.3 MAIN MARKETS

6.3.1 FRENCH GAMING MARKET

THE CASINO SECTOR

In financial year 2018-2019, gross gaming revenue (GGR) for the French casino sector as a whole totalled €2,418.4m, up 4.9%. GGR from slot machines totalled €2,027m, equating to 83.8% of total GGR, up 4.3%. A 3.2% year-on-year decrease in GGR was recorded for table games, while electronic games saw a 21.0% rise in GGR.

France's casino sector consists of 202 authorised casinos, more than two-thirds of which are operated by groups. The main market players are as follows:

NAMES OF GROUPS IN FRANCE	NUMBER OF CASINOS OPERATED	ACTUAL 2019 GROSS GAMING REVENUE (IN €M)
GROUPE PARTOUCHE SA	**38**	**560,9**
GROUPE JOA	32	315,0
GROUPE BARRIÈRE SAS	26	719,8
GROUPE TRANCHANT	16	202,5
GROUPE AREVIAN	12	44,0
GROUPE VIKINGS	11	75,1
GROUPE COGIT	8	88,4
GROUPE KASINOS BRETAGNE	6	50,6
SMCFC	2	42,0

Source: Statistical report on the 2018-2019 season, Central Racing and Gaming Department. At 31 October 2019.

6.3.2 SWISS GAMING MARKET

Switzerland has a total of 21 casinos. Eight of them are operated under a Type A concession (Type A or large casinos), while the remaining 13 hold a Type B concession (Type B casinos).

The difference between Type A and Type B concessions stems from a restriction imposed on Type B casinos capping the latters' slot machine wagers at CHF 25. The way Type A and Type B casinos are taxed also differs. Type B casinos pay 60% of their casino tax to the Old age and survivors' insurance (AVS) system and 40% to the local canton authorities.

WITH EFFECT FROM 1 JANUARY 2019	SWITZERLAND - MAIN DIFFERENCES BETWEEN TYPE-A CASINOS AND TYPE-B CASINOS	
	TYPE-B CASINO	TYPE-A CASINO
Bets at slot machines	Limited to CHF 25	Unlimited
Casino tax	60% goes to the Old age and survivors' insurance (AVS) system and 40% to the local canton authorities	100% paid to the Old age and survivors' insurance (AVS) system

Swiss casinos offer games of chance in the form of both table games and slot machines. Slot machines can be linked to form a jackpot. In order to award a licence in respect of a slot machine or a jackpot system, the Swiss Gaming Commission (CFMJ) must be in possession of an assessment report prepared by an authorised certification firm.

CHF 000	CALENDAR YEAR 2018	CALENDAR YEAR 2017	CHANGE
Gross gaming revenue	703 599	680 810	3,34 %
Casino taxes	332 426	317 660	4,64 %
Net gaming revenue	371 173	363 150	2,21 %

(Source: 2018 CFMJ report)

The new legislation on gaming was the main development in financial year 2018. Swiss citizens voted in a referendum on 10 June 2018 to decide whether to throw out the new law introduced by Parliament in 2017. The Swiss Gaming Commission (CFMJ) was delighted with the outcome, since the new gaming law was backed by a majority of 72.9% of votes cast. The new law retains a lion's share of the proven regulations governing the operation of casinos and lifts the ban on internet gaming. Casinos are now able to apply for an extension to their concession allowing them to offer casinos games online. Gross gaming revenue rose 3.3% in 2018. This impressive increase was the product of two trends working in opposite directions. The opening of two casinos in the Principality of Liechtenstein caused revenue from the Bad Ragaz and St Gallen casinos to fall, while the closure of the Campione casino had a positive impact on the Mendrisio and Lugano casinos. The new Act, together with its accompanying ordinances, entered force on 1 January 2019.

6.3.3 BELGIAN GAMING MARKET

The regulatory authority in Belgium is the Belgian Gaming Commission, which falls under the Ministry of Justice.

A. BRICKS-AND-MORTAR CASINOS

Licensed games consist of roulette, blackjack, all forms of poker (table games), and slot machines.

The Belgian market consists of nine casinos (Knokke, Ostend, Blankenberge, Middelkerke, Brussels, Chaudfontaine, Spa, Namur and Dinant).

Groupe Partouche owns one casino in Belgium, at Ostend.

During the 2018-2019 financial year, table games contributed €4.3m to gross gaming revenue (down €0.17m year-on-year) and slot machines €9.6m (down €0.31m year-on-year).

We no longer receive figures from other casino operators in Belgium.

B. ONLINE CASINOS

In Belgium, licences to operate online casinos (Type A+ licences) are only granted to casinos holding a Type A licence. There are nine such licences in Belgium.

In Ostend, since February 2013, an A+ licence has been operated under the name www.bwin.be, as part of a joint operation between the Ostend casino, CKO Betting and GVC Services Limited (which operates the Bwin trade name). The www.bwin.be website offers an online casino (under the Ostend casino A+ licence) and sports betting (under the CKO Betting F+ licence).

During financial year 2018-2019 as defined above, the website made a contribution of €32.5m to GGR (up €6.6m year-on-year), comprised of €3.9m for the casino and poker offering (Ostend casino) and €2.7m from sports betting (CKO Betting).

We do not receive figures from other online operators in Belgium.

C. GAMING LEVIES IN BELGIUM

Gaming levies fall under the authority of the Belgian regions, namely Flanders for the Ostend casino.

There are three types of levies in Flanders, all based on GGR.

Levies on GGR for table games

Range:	0 - 865 000	33 %
Range:	> 865 000	44 %

Levies on GGR from slot machines

Range:	0 - 1 199 999	20 %
Range:	1 200 000 - 2 449 999	25 %
Range:	2 450 000 - 3 699 999	30 %
Range:	3 700 000 - 6 149 999	35 %
Range:	6 150 000 - 8 649 999	40 %
Range:	8 650 000 - 12 349 999	45 %
Range:	> 12 350 000	50 %

Levies on online GGR (common to both regions)

Range:	From €1	11 %

Levies are calculated per calendar year.

Following a court ruling, online GGR is no longer subject to VAT at the 21% rate with effect from 21 May 2018.

6.4 EXCEPTIONAL EVENTS AFFECTING BUSINESS AND MARKETS

Between 2008 and 2010, several developments affected the French casino sector:

- a ban on smoking at casinos in 2008;
- the 2008 financial crisis;

the introduction of new games, such as poker tournaments, which offset these factors to a very limited extent.

The legalisation of online gaming in 2010 did not have a major impact on the bricks-and-mortar casino market.

The slowdown in the market between 2010 and 2014 was caused by the knock-on effects of the financial crisis, as this had a major impact on customers' purchasing power.

After bottoming out at gross gaming revenue of €2.1bn, the market began expanding again from 2014 thanks to:

- strong growth in table games (up 17% p.a.) with the ramp-up in electronic table games;
- moderate growth in slot machine revenues (up 1% p.a.);
- an enhanced client experience with major infrastructure investments.

6.5 ISSUER'S DEGREE OF DEPENDENCY

There is no significant dependency on licences, industrial, commercial or financial contracts, or production procedures. In order to build and operate their casinos, casino operators in France enter into municipal service agreements with a maximum renewable term of 20 years.

Please refer to Section 4.1.2 "Casino public service concession and gaming licence risk" and Section 4.1.3 "Risks linked to ministerial authorisation for gaming operations".

6.6 EVIDENCE ON WHICH THE STATEMENT OF COMPETITIVE POSITION IS BASED

Please refer to Section 6.3, which sets out the Group's position with regard to its competitors and the sources used.


PASINO GRAND

07

ORGANISATIONAL STRUCTURE

7.1 INTERNAL ORGANISATION OF THE GROUP

Groupe Partouche SA is a holding company for a group of leisure industry companies that focus on operating casinos, hotels, restaurants, dancehalls and bars. As the Group's parent company, its shares are traded on Compartment B of the Euronext stock exchange in Paris. Groupe Partouche SA, which does not directly operate the establishments of the Group, fulfils a guidance role, ensuring that its consolidated companies benefit from its knowledge, resources and skills, particularly in terms of human and technical resources. Upon their requests, it provides its consolidated companies with a package of services defined under a head office services agreement. These services notably cover intellectual services in the areas of strategic planning, marketing, communication, business development, administration, legal affairs, finance and information technology.

The remuneration paid by each of Groupe Partouche's subsidiaries is calculated on the basis of a margined share of the expenses incurred by them, in terms of human and technical resources, which is allocated in relation to the turnover generated by each of the subsidiaries bound by the head office services agreement.

For the financial year ended 31 October 2019, the total amount received under head office services agreements was €9,912k excluding VAT.

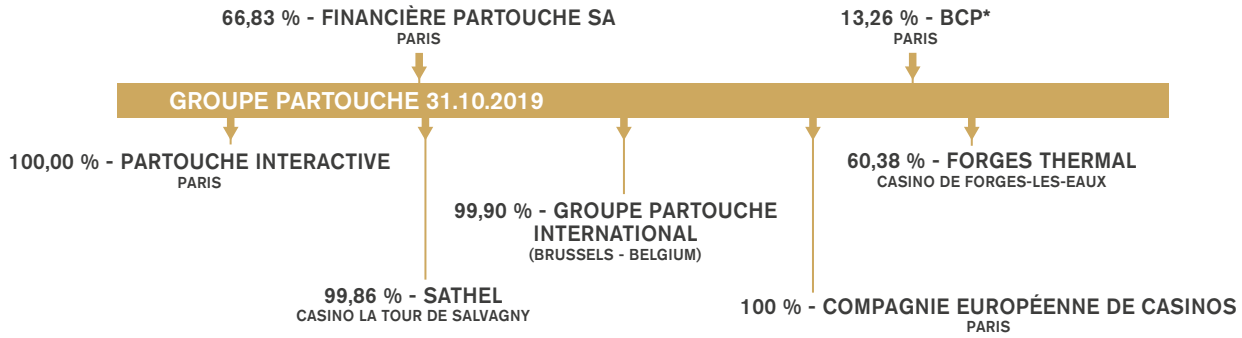
Furthermore, Groupe Partouche SA maintains a parent-subsidiary relationship with each of the consolidated companies, for which the main related elements for the year ended 31 October 2019 are centralised cash management and the administration of a French tax consolidation structure.

As the Group's holding company, which does not have any independent operating activity of its own, Groupe Partouche SA has substantial fixed assets with €627m in net value, essentially attributable to investments in the Group's subsidiaries. The other significant portion comprises receivables of €136m, net of provisions, mainly relating to the Group's subsidiaries.

Groupe Partouche SA's liabilities and equity comprise €438m in equity, €279m in the current accounts of the subsidiaries and €65m in bank debt.

7.2 GROUP STRUCTURE

In order to provide a graphical representation of the entire group of consolidated companies, on the following pages we present the organisation chart of Group companies.



** BCP holds 1,200,399 shares through FCPR France Private Equity III and 76,621 shares through Butler Capital Partners SA, representing holdings in Groupe Partouche SA of 12.47% and 0.79%, respectively.*

GROUPE PARTOUCHE 31.10.2019

99,90 % - GROUPE PARTOUCHE INTERNATIONAL

(BRUSSELS - BELGIUM)

- 100,00 % — **STÉ DU CASINO DE DJERBA** — Casino de Djerba (Tunisia)
- 99,00 % — **CASINO NUEVO SAN ROQUE** — Casino de San Roque (Spain)
- 99,90 % — **CASINO DE CHAUDFONTAINE** — Chaudfontaine (Belgium)*

60,38 % - FORGES THERMAL

CASINO FORGES-LES-EAUX

- 20,00 % — **ÉLYSÉE PALACE HÔTEL** — Vichy — 79,68 %
- 17,24 % — **CHM** — Vichy — 76,63 %
- 20,00 % — **ÉLYSÉE PALACE EXPANSION** — Vichy — 79,68 %
- **SOCIÉTÉ DE L'ÉLYSÉE PALACE** — Vichy — 99,97 %
- 98,71 % — **CASINO DE DIVONNE** — Casino Divonne-les-Bains
- 100,00 % — **CASINO D'ANNEMASSE** — Casino Annemasse
- 0,04 % — **SCI L'ARVE** — Annemasse — 99,96 %
- 57,00 % — **CASINO CRANS-MONTANA** — Casino Crans-Montana (Suisse)
- **SOCIÉTÉ DE L'HÔTEL ET DU GOLF DE DIVONNE** — Divonne-les-Bains — 100,00 %

100 % - PARTOUCHE INTERACTIVE

PARIS

- 95,07 % — **QUARISMA** — Paris
- 75,43 % — **PARTOUCHE PRODUCTIONS** — Paris
- 100,00 % — **PARTOUCHE TECHNOLOGIES** — Tours
- 88,66 % — **PARTOUCHE IMAGES** — Paris
- 100,00 % — **PARTOUCHE TOURNOIS** — Paris
- 100,00 % — **WORLD SERIES OF BACKGAMMON** — Londres
- 70,00 % — **APPOLONIA** — Antibes
- 100,00 % — **PARTOUCHE INTERACTIVE HOLDINGS** — Gibraltar
- 100,00 % — **PARTOUCHE BET** — France
- 88,66 % — **AFRIGAMBLING** — Paris
- 100,00 % — **PARTOUCHE STUDIO** — Tours

KEY

CASINOS

OTHER ENTITIES

* *0,10% owned by Belcasinos*

SOCIÉTÉ TOURISTIQUE DE LA TRINITÉ
La Trinité-sur-Mer — 100,00 %

STÉ DU GRAND CASINO DE LYON
Casino Lyon — 100,00 %

CANNES CENTRE CROISETTE CASINO 3.14
Casino Cannes — 100,00 %

- **3.14 HÔTEL** — Cannes — 100,00 %
- **KIOUSK** — Cannes — 100,00 %
- **PLAGE 3.14** — Cannes — 100,00 %
- **3.14 GREEN** — Cannes — 100,00 %

STÉ DU CASINO DE SAINT-AMAND
Casino Saint-Amand-les-Eaux — 100,00 %

LE TOUQUET'S
Casino Calais — 90,10 %

SAS NUMA
Paris — 100,00 %

STÉ DU CASINO DU TOUQUET
Casino Le Touquet — 99,53 %

- **BARATEM** — Le Touquet — 99,72 %

JEAN METZ
Casino Berck-sur-Mer — 100,00 %

SACBM
Casino Dieppe — 100,00 %

STÉ DU CASINO DE CABOURG
Casino Cabourg — 100,00 %

HOLDING IMMOBILIÈRE DE LYON
Lyon — 97,25 %

CASINO DU HAVRE
Casino Le Havre — 100,00 %

SCI RUE ROYALE
Paris — 99,99 %

PARTOUCHE IMMOBILIER
Paris — 100,00 %

SCI FONCIÈRE VITTEL ET CONTREX
Contrexéville — 100,00 %

HÔTEL COSMOS
Hôtel Contrexéville — 100,00 %

STÉ EXPL. CASINO ET HÔTELS
Casino Contrexéville — 100,00 %

- **GRAND HÔTEL DU PARC** — Hôtel Contrexéville — 100,00 %

SCI LES THERMES
Aix-en-Provence — 99,99 %

- **HÔTEL AQUABELLA** — Hôtel Aix-en-Provence — 99,80 %
- **SARL THERM'PARK** — Aix-en-Provence — 100,00 %
- **CENTRE BALNÉOTHÉRAPIE AIX** — Aix-en-Provence — 99,94 % (0,06 %)

CASINO DE LA TREMBLADE
Casino La Tremblade — 99,89 %

- **SCI LA TREMBLADE** — La Tremblade — 99,00 % (1,00 %)

PARTOUCHE SPECTACLES
Paris — 100,00 %

GROUPEMENT CASINOS
Paris — 100,00 %

SCI PIETRA PORNIC
Paris — 99,99 %

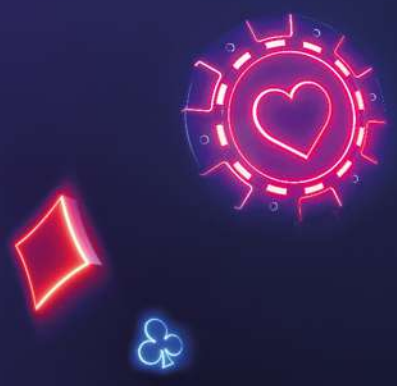
SCI PIETRA ST-AMAND
Paris — 99,00 %

SEGR LE LAURENT
Paris — 100,00 %

CLUB PARTOUCHE PARIS
Paris — 100,00 %

CLUB PARTOUCHE CAPITALE
Paris — 100,00 %

SCI GREEN AURON
Auron — 90,00 %



GROUPE PARTOUCHE 31.10.2019

99,86 % - SATHEL

CASINO LA TOUR DE SALVAGNY

98,09 % — **STÉ DU CASINO DE ROYAT** — Casino de Royat — 1,91 %

61,99 % — **STÉ DU CASINO DU GRAND CAFÉ** — Casino Vichy

61,07 % — **SCMAT** — Casino Aix-en-Provence — 38,63 %

CASINO PLEINAIR — Casino La Ciotat — 99,96 % — 0,02 %

100,00 % — **SEK** — Juan-les-Pins

STÉ DE L'EDEN BEACH CASINO — Casino Juan-les-Pins — 98,34 % — 1,44 %

1,00 % — **SCI HÔTEL GARDEN PINÈDE** — Juan-les-Pins — 99,00 %

90,91 % — **CASINO DE PALAVAS** — Casino Palavas-les-Flots — 9,09 %

90,00 % — **SCI PALAVAS INVESTISSEMENT** — Palavas-les-Flots — 10,00 %

99,84 % — **STÉ DU CASINO LE LION BLANC** — Casino Saint-Galmier — 0,16 %

LE MIAMI — Casino Andernos — 99,98 %

CASINO DE COUTAINVILLE — Casino Coutainville — 100,00 %

STÉ DU CASINO D'ARCACHON — Casino Arcachon — 100,00 %

LUDICA — Paris — 100,00 %

99,99 % — **GRAND CASINO DE BANDOL** — Casino Bandol

95,24 % — **CASINO DE LA GRANDE-MOTTE** — Casino La Grande-Motte — 4,74 %

CIE DÉVT TOURISME HYÉROIS — Casino Hyères — 99,90 %

CASINO DU PALAIS DE LA MÉDITERRANÉE — Casino Nice — 100,00 %

CPLXE CCIAL DE LA ROCHE-POSAY — Casino La Roche-Posay — 100,00 %

SCI GAFA — La Roche-Posay — 100,00 %

SARL HÔTEL DU CHÂTEAU — La Roche-Posay — 100,00 %

SCI PARC DE POSAY — La Roche-Posay — 100,00 %

100 % - COMPAGNIE EUROPÉENNE DE CASINOS

PARIS

- 100,00 % — **PLOMBINOISE DE CASINO** — Casino Plombières
- 100,00 % — **CASINO DE PORNIC** — Casino Pornic
- 1,00 % — **SCI LES MOUETTES** — Pornic — 99,00 %
- 100,00 % — **CASINO DE SALIES-DE-BÉARN** — Casino Salies-de-Béarn
- 100,00 % — **CASINO D'ÉVAUX-LES-BAINS** — Casino Évaux-les-Bains
- 100,00 % — **CASINO DE PORNICHET** — Casino Pornichet
- 100,00 % — **SOC. EXPL. CASINO LA ROTONDE** — Casino Val-André
  - 100,00 % — **SINOCA** — Hôtel Val-André
  - 1,00 % — **SCI JMB** — Val-André — 99,00 %
- 100,00 % — **GRD CASINO DE GRÉOUX** — Casino Gréoux-les-Bains
- 99,99 % — **SCI RÉSIDENCE LES JARRES** — Gréoux-les-Bains — 0,01 %
- 96,99 % — **DÉVT DE LA BAIE DE KERNIC** — Casino Plouescat

- 99,99 % — **BELCASINOS** — Bruxelles (Belgium)
  - **VZW** — (Belgium) — 100,00 %
  - **NV CASINO KURSAAL OSTENDE** — Casino de Ostende (Belgium) — 99,98 %
  - 1,00 % — **CKO BETTING** — Ostende (Belgium) — 99,00 %
- 40,00 % — **CASINO LAC MEYRIN** — Casino Meyrin (Switzerland)
- **INTERNATIONAL GAMBLING SYSTEMS** — (Belgium) — 19,00 %

KEY

CASINOS

OTHER ENTITIES

08

PROPERTY, PLANT AND EQUIPMENT

8.1 EXISTING OR PLANNED MAJOR ITEMS OF PROPERTY AND EQUIPMENT

The Group's property and equipment, consisting mainly of buildings and slot machines, is virtually entirely dedicated to use in the operation of casinos and hotels. These assets' utilisation rate is close to 100%.

The Group holds the property ownership, directly or under long leases or building leases, of 26 out of the 42 casinos at the end of financial year 2019, and rents the buildings of the remaining 16 under classic commercial leases or local authority occupancy agreements. It also owns 17 hotels compared with the 13 the Group operated at the end of financial year 2019.

At the close of financial year 2019, the Group's main real estate assets, based on floor space, were as follows:

ESTABLISHMENT	LEGAL STATUS	FLOOR SPACE
Aix-en-Provence casino	Long lease agreement	9 907 m²
Hotel 3.14 in Cannes	Full ownership	3 445 m²
Contrexéville casino and hotel	Full ownership	13 398 m²
Divonne-les-Bains casino, hotel and golf course	Full ownership	16 399 m²
Forges-les-Eaux casino and hotel	Full ownership	34 273 m²
La Grande-Motte casino	Full ownership	8 248 m²
Lyon Vert casino and hotel	Full ownership	12 243 m²
St-Amand-les-Eaux casino and hotel	Long lease agreement	10 584 m²
Pleinair de La Ciotat casino	Full ownership	2 693 m²

At 31 October 2019, Groupe Partouche had 5,108 slot machines installed in France and 617 machines installed abroad, as well as 997 electronic English roulette wheels installed in France and 22 wheels installed abroad.

In view of the market's maturity and the amendment of the regulations concerning the installation of slot machines *(see Section 6.1.1.a "Legal and regulatory framework")*, the number of slot machines is not expected to develop significantly. Nevertheless, electronic English roulette wheels achieved considerable success among gaming clients and enjoyed remarkable growth.

The planned tangible fixed assets are detailed in Sections 5.2.2 "Major investments in progress" and 5.2.3 "Major investments either scheduled or arising from firm commitments made by the Group's executive bodies".

8.2 STATUS AND VALUATION OF THE PROPERTY PORTFOLIO

With regard to its fully owned property assets, in 2005 Groupe Partouche commissioned a real estate expert to provide the Group with a summary estimate of its properties located in France; the estimate is based primarily on applying market values to premises considered "occupied", except those that are commonly known to be vacant. This study was completed at the end of 2005 and has since been updated, most recently in December 2011. This latest update was included in Groupe Partouche's 2012 Reference Document.

Since this latest update, no further updates have been made and information on the valuation of the property portfolio is no longer provided.

8.3 PROPERTY ASSET OWNERSHIP POLICY AND DIVESTMENT PROGRAMME

The Group's investment policy in the past has been aimed at maintaining an ongoing offering of competitive products while at the same time seeking opportunities for external growth.

The inclusion in the Group of the Compagnie Européenne de Casinos (CEC) establishments in 2002 and those of Groupe de Divonne in 2005 went hand-in-hand with sales of casinos, particularly those of the Société Française de Casinos (Gruissan, Châtelguyon, Port-la-Nouvelle and Agadir) and of the casino at Saint-Julien-en-Genevois, since these establishments were of lesser strategic value from the standpoint of the Group's territorial coverage.

The same thinking underlay early divestments from non-strategic activities, such as the thermal spa establishments at Vittel and Contrexéville and the minority interest in SFCMC (Société Fermière du Casino Municipal de Cannes).

Today, the investment policy of the Group is being reshaped according to the following major thrusts:

- a halt to the establishment of new casinos with the sole aim of increasing territorial coverage;
- renovation of the operating portfolio, entailing works on existing facilities or the creation of new facilities.

Regarding disinvestment, Groupe Partouche has no further obligations to meet.

8.4 EXISTENCE OF ASSETS USED BY THE GROUP BELONGING TO SENIOR EXECUTIVES OR THEIR FAMILY

Significant assets operated by the Group and are held by Financière Partouche SA, the holding company owned by the senior executives and their family:

- a property complex housing the premises of the Le Touquet casino;
- a property complex housing Appolonia's registered office in Antibes (France);
- a property complex housing Groupe Partouche SA's head office in rue de Saussure, Paris (France).

8.5 ENVIRONMENTAL CONSTRAINTS LIKELY TO HAVE AN IMPACT ON THE UTILISATION OF THESE PROPERTY ASSETS

There are no environmental constraints likely to have a significant impact on the utilisation of property assets, given the nature of the service activities related to these property assets.

09

REVIEW OF FINANCIAL POSITION AND RESULTS

9.1 GROUP FINANCIAL POSITION AND PERFORMANCE

Pursuant to Article 28 of Regulation (EC) 809/2004, the following information is referenced in this document:

- The Group's financial position and results for the financial year ended 31 October 2017 prepared in accordance with IFRS/IAS as adopted by the European Union, shown on pages 51 et seq. of the Company's Reference Document, registered with the AMF on 22 February 2018 under No. D.18-0067;
- The Group's financial position and results for the financial year ended 31 October 2018 prepared in accordance with IFRS/IAS as adopted by the European Union, shown on pages 46 et seq. of the Company's Reference Document, registered with the AMF on 20 February 2019 under No. D.19-0062.

Both of the Reference Documents referred to above are available on the websites of the Company (www.partouche.com) and the Autorité des Marchés Financiers (www.amf-france.org).

9.1.1 MAIN CHANGES IN CONSOLIDATION SCOPE AND BUSINESS ACTIVITIES

Financing

At end October 2019, Groupe Partouche took out a six-year amortising syndicated refinancing loan from a consortium of six banks, as well as a six-year revolving credit facility, for a total amount of €80m. At the same time, Groupe Partouche issued a €35m seven-year Euro PP bond to a well-known European institutional investor. The revolving credit facility remained undrawn at the financial year-end.

The proceeds of these transactions were used to refinance the existing syndicated loan (with a residual principal amount of €78.4m, expiring on 15 December 2022) covered by the Safeguard Plan and other bank borrowings of the Groupe Partouche SA holding company.

As well as lengthening the average maturity of its debt and lowering finance costs, these transactions enabled the Group to obtain confirmation from the Paris Commercial Court on 4 November 2019 (after the balance sheet date) of the fulfilment and end of the Safeguard Plan three years ahead of schedule.

Consolidation scope

The only change in the scope of consolidation was the deconsolidation of three companies recognised as equity-accounted associates following disposal of the Group's 49% minority stake in Palm Beach Cannes Côte d'Azur, which in turn owns Cannes Balnéaire.

Boulogne-sur-Mer public service concession

The Boulogne-sur-Mer casino's public service concession expired on 27 June 2019. As a result, annual turnover was €1,423k lower than in the previous financial year.

9.1.2 GROUP POSITION AND ACTIVITY IN THE FINANCIAL YEAR ENDED 31 OCTOBER 2019

GROUP ACTIVITY

In the financial year ended 31 October 2019, Groupe Partouche generated consolidated turnover of €433.5m, compared with €410.8m in 2018, up 5.5%.

€M	2019	2018	CHANGE
First quarter	116,6	113,9	2,4 %
Second quarter	105,3	97,5	8,0 %
Third quarter	104,9	99,9	5,0 %
Fourth quarter	106,7	99,6	7,1 %
Consolidated total turnover	**433,5**	**410,8**	**5,5 %**

The following table shows a breakdown of turnover.

SUMMARY OF TURNOVER

€M		2019	2018	CHANGE	% CHANGE
	France	99,4	89,2	10,3	11,5 %
	Other countries	46,6	41,2	5,4	13,1 %
GGR FROM TABLE GAMES		146,0	130,3	15,7	12,0 %
% OF ACTUAL GGR		21,7 %	20,4 %		
	France	461,5	446,2	15,3	3,4 %
	Other countries	65,2	62,2	3,0	4,8 %
GROSS REVENUE FROM SLOT MACHINES		526,7	508,4	18,3	3,6 %
% OF ACTUAL GGR		78,3 %	79,6 %		
	France	560,9	535,4	25,6	4,8 %
	Other countries	111,7	103,4	8,4	8,1 %
GROSS GAMING REVENUE (TOTAL)		672,7	638,7	33,9	5,3 %
	France	296,5	281,3	15,2	5,4 %
	Other countries	38,1	36,7	1,4	3,7 %
GROUP LEVIES		334,6	318,1	16,5	5,2 %
	France	52,9 %	52,6 %		
	Other countries	34,1 %	35,5 %		
LEVY RATE		49,7 %	49,8 %		
	France	264,4	254,0	10,4	4,1 %
	Other countries*	73,7	66,7	7,0	10,5 %
NET GAMING REVENUE (NGR)		338,1	320,7	17,4	5,4 %

€M		2019	2018	CHANGE	% CHANGE
	France	94,0	88,3	5,7	6,5 %
	Other countries	4,8	5,0	(0,2)	(3,9) %
TURNOVER EXCLUDING NGR**		98,8	93,3	5,5	5,9 %
	France	(3,4)	(3,2)	(0,2)	(7,7 %)
	Other countries				
LOYALTY PROGRAMME		(3,4)	(3,2)	(0,2)	
	France	355,0	339,1	15,8	4,7 %
	Other countries	78,5	71,7	6,8	9,5 %
TURNOVER		433,5	410,8	22,6	5,5 %

** NGR of €16.4m (compared with €13.8m in 2018) from Belgian subsidiary CKO Betting is included in NGR from other countries.*
*** Excluding impact of the loyalty programme.*

GROUP GGR

GGR increased over the financial year to reach €672.7m, compared with €638.7m in 2018. It was boosted by growth in GGR from slot machines (up 3.6%), GGR from electronic versions of table games in France (up 28.6%) and online gaming and sports betting in Belgium (up 25.4%).

GAMING BUSINESS IN FRANCE

GGR in France came to €560.9m compared with €535.4m in the previous financial year, up 4.8% or €25.6m.

This trend was fuelled by a 3.5% increase in casino attendance in the year. After declining in 2018 (down 1.2%), GGR from slot machines recovered (up 3.4% at €461.5m). Strong performance in GGR from table games (up 11.5% at €99.4m) was directly correlated with strong growth in electronic versions (up 28.6% at €53.1m), which for the first time accounted for the majority of total revenue from table games (53.4%).

An analysis of this overall trend reveals the following contributory factors:

- The Pornic casino has been very successful since its change of location at end November 2018: its GGR was up 60.3% in financial year 2019, an increase of €5.8m;
- The PleinAir de La Ciotat casino continued to grow strongly, with GGR up 15.9% in the second full financial year in its new configuration;
- Conversely, the Bandol casino was adversely affected by competition from the Sanary-sur-Mer casino, which opened in August 2018, with its GGR declining 15.7%;
- Lastly, the Boulogne casino ceased its business at end-June after its public service concession was not renewed.

The total number of slot machines operated in French casinos held steady, standing at 5,108 at the financial year-end, compared with 5,113 in 2018, while there were a total of 997 electronic English roulette wheels at the year-end, compared with 900 at end 2018.

GAMING BUSINESS OUTSIDE FRANCE

GGR generated outside France grew by 8.1% (€8.4m) on the basis of online GGR (casino and sports betting), broken down as follows:

€M	2019	2018	CHANGE	%
GGR: "bricks and mortar" casinos	79,2	77,4	1,8	2,3 %
GGR: online and sports betting	32,5	25,9	6,6	25,4 %
GGR outside France	**111,7**	**103,4**	**8,4**	**8,1 %**

GGR from "bricks-and-mortar" casinos recovered after declining for two consecutive years, up 2.3% mainly due to favourable foreign exchange effects over the period: total GGR from the two Swiss casinos in Meyrin and Crans-Montana was down CHF 0.5m (0.7%), which translated into a €1.9m (3.0%) increase.

Online GGR (casino and sports betting in Belgium) once again rose, up 25.4%.

NET GAMING REVENUE

Levies on GGR by the State and municipalities were up 5.2% at €334.6m (in France and abroad), with the taxation rate falling slightly to 49.7%, helped by the low rate of levies on online gaming and sports betting in Belgium. The increase in the CSG levy affected the full year, whereas it had affected only ten months in 2018, cutting turnover by €0.7m.

Net gaming revenue for the Group as a whole came in at €338.1m, up 5.4% from 2018.

TURNOVER EXCLUDING NET GAMING REVENUE (EXCLUDING IMPACT OF LOYALTY PROGRAMME)

Turnover excluding net gaming revenue rose by 5.9% (€5.5m), broken down as follows:

AT 31 OCTOBER, €M	2019	2018	CHANGE	%
Casinos	75,9	71,7	4,2	5,9 %
Hotels	8,5	9,0	(0,5)	(5,3 %)
Other	14,4	12,7	1,7	13,8 %
Turnover excluding NGR	**98,8**	**93,3**	**5,5**	**5,9 %**

Revenue from ancillary casino activities – primarily foodservice – grew significantly, up €4.2m. Performance was particularly strong at the Group's casinos in Aix-en-Provence (up 61.0%), where capacity and average spend have both increased since renovation work was completed, and Pornic (up 64.3%), which has taken full advantage of its new location.

The 5.3% decline in hotel revenue was mainly due to renovation work on two of the four floors of the Aquabella (Aix-en-Provence) in the early part of the year and a decline in business at the Cosmos hotel (Contrexéville).

Lastly, the increase in the "Other" division was mainly driven by growth in sales of merchandise by Appolonia (up €1.3m) and the opening of Hotel 3.14's business in Cannes following renovation work (up €1.0m).

TURNOVER

The nationwide customer loyalty programme accounted for in accordance with IFRIC 13, had a negative impact on total turnover for the financial year of €3.4m (negative impact of €3.2m year-on-year).

Taking into account all of the above factors, the Group's consolidated total turnover grew significantly by 5.5% (up €22.6m) to €433.5m.

CONSOLIDATED RESULTS

Current operating profit/Performance by division

The Group returned to growth in financial year 2019. Current operating profit (COP) rose €6.7m to €33.4m, mainly as a result of the Casino division *(see Presentation of performance by division in Note 4.1 of Section 20.2.1 "Consolidated financial statements")*.

The Casino division posted an €6.1m increase in COP to €38.4m. Business grew in this division, with turnover up €18.6m (4.9%), mitigated by the unfavourable effect of the rise in the CSG levy, limited to the first two months of the year (reducing turnover by €0.7m) but boosted by favourable EUR/CHF foreign exchange effects (adding €1.4m). Operating expenses rose €12.5m, consisting primarily of:

- €3.2m reflecting the higher costs of operating the Ostend casino's online gaming licence with the growth in this business;
- a €2.6m increase in depreciation, amortisation and impairment of fixed assets as a result of the major ongoing casino renovation programme, including a total of €1.5m in respect of the Aix-en-Provence, Pornic and La Roche-Posay sites.

The Hotel division's COP was stable, down €1.3m, in spite of a decline in business at the two establishments making up the division, thanks to strict cost control.

Lastly, COP in the "Other" division improved €0.6m to -€3.7m.

Current operating profit/Analysis by expense items

When considering the breakdown of operating expenses (up €15.9m), the following should be taken into account:

- the innovative renovation in Aix-en-Provence and the change of location of the Pornic casino, which saw their operating expenses increase €3.4m and €3.9m respectively;
- the new structure of Casino 3.14 in Cannes, which saw its operating expenses decline €3.1m;
- successful organisational optimisation at the Forges and La Ciotat casinos, lowering their operating expenses.

Purchases and external expenses recorded a significant increase of €9.5m, €5.5m of which was attributable to rapidly rising subcontracting expenses and online business operating costs (casino games and sports betting). Purchases of goods by Appolonia also increased €1.2m.

Taxes and duties other than on income moved 4.6% lower from €17.0m in 2018 to €16.2m in 2019.

Employee expenses picked up slightly, rising +0.8% to €176.8m. This includes the "Macron bonus" (impact: -€0.4m), a €1.5m increase associated with the two companies referred to above (Aix-en-Provence and Pornic) and the net impact of the withdrawal of the CICE tax credit for competitiveness and employment and its replacement by a reduction in social security contributions.

The significant €4.0m (9.9%) increase in fixed asset depreciation, amortisation and impairment reflects the Group's policy of investing substantially in its casinos over the past few years, notably in Aix-en-Provence, Pornic and La Roche-Posay in financial year 2019.

Other net current operating expense came to €6.5m, up €1.8m compared with the previous financial year, which was chiefly attributable to unfavourable movements in provisions and the occurrence in 2018 of non-recurring income related to the casino business (€1.5m).

Non-current operating profit

Non-current operating profit amounted to net loss of €1.5m, compared with €5.7m in 2018. This takes into account the following changes:

- a significant increase in other non-current operating income and expenses (€2.3m, compared with €1.1m a year earlier), mainly as a result of the following:
  - non-recurring costs relating to renovation work at the Aix-en-Provence casino, the closure of operations at the Boulogne-sur-Mer casino and the temporary shutdown at Hotel 3.14 in Cannes,
  - non-recurring fees and expenses incurred in refinancing Groupe Partouche,
  - partially offset by the margin achieved through progress against the property development plan for the former operating premises of the La Grand-Motte casino;
- a €3.1m gain on the disposal of consolidated investments following the disposal of three equity-accounted associates connected with Palm Beach Cannes Côte d'Azur/Cannes Balnéaire;
- goodwill impairment of €2.2m, compared with €4.7m in 2018, mainly affecting the SEGR Le Laurent restaurant, whose business was adversely affected by the "Yellow Vests" movement and increased competition.

Operating profit

Taking into account these items, operating profit for the financial year came to €31.9m, compared with €20.9m in 2018.

The Group posted net financial income of €0.1m, compared with a net financial expense of €1.4m in 2018, thanks to a lower cost of financial debt (down €0.4m year on year) and, above all, financial income of €1.1m paid to Groupe Partouche SA under the terms of a court order to repay an outstanding debt.

Profit before tax was €32.0m compared with €19.5m in 2018.

Income tax expense (including the CVAE tax) amounted to €6.7m compared with €4.6m in 2018. This includes €3.7m in CVAE tax and €3.0m in corporate income tax (including deferred taxes). The latter item, mitigated by the capitalisation of residual tax loss carryforwards recognised by the Groupe Partouche consolidated tax group, increased €1.7m on the back of strong performance in the year.

As a result, profit after tax was €25.3m compared with €14.9m in 2018.

The share in losses from equity-accounted associates derived from Palm Beach Cannes Côte d'Azur and its subsidiaries (including Cannes Balnéaire) totalled €0.3m compared with €2.3m in 2018, following the sale of the Group's minority interest on 19 June 2019.

Accordingly, net profit grew significantly to double the level achieved in 2018, going from €12.6m in 2018 to €25.0m in 2019. Net profit attributable to equity holders of the Group came in at €18.6m, three times the amount for the previous financial year (€6.2m).

BALANCE SHEET

Notable changes in consolidated balance sheet assets were as follows:

- An decrease in non-current assets of €7.9m, mainly due to:
  - a €10.4m decrease in "Other non-current financial assets" following repayment of the current account advance owed to Groupe Partouche by Palm Beach Cannes Côte d'Azur, in connection with the disposal of the Group's equity-accounted associates;
  - a €2.2m reduction in goodwill, mainly as a result of impairment losses on the SEGR Le Laurent restaurant;
  - a €1.3m reduction in the outstanding amount of the non-current CICE tax credit receivable for companies included in the consolidated tax group;
  - a total net increase of €6.3m in tangible fixed assets, mainly consisting of investments (+€53.3m), depreciation charges (-€43.6m) and scrapping of assets in connection with renovation work mainly affecting Aix-en-Provence, La Roche-Posay, Royat, SCI Les Thermes and Appolonia;
- An increase in current assets (€5.9m), mainly due to:
  - a €9.2m cash saving thanks to strong business growth, in spite of investment over the period;
  - a reduction in current receivables from the French state.

The Group's equity including minority interests increased by €20.0m to €391.9m after €25.0m in net profit for the financial year.

Financial debt declined €18.0m. This was firstly a result of repayments against the syndicated loan under the Safeguard Plan:

- the €20.1m annual instalment under the Safeguard Plan, paid in December 2018;
- a €5.7m compulsory early repayment in June 2019 linked to the disposal of shares in Palm Beach Cannes Côte d'Azur.

The reduction in financial debt was also a result of the refinancing of the Group's bank debt.

With the aim of refinancing all its bank debt, and more specifically the syndicated loan taken out on 25 September 2005 under the Safeguard Plan (approved in a ruling by the Paris Commercial Court on 29 September 2014 and amended by the Paris Commercial Court in a ruling of 2 November 2016, revised on 8 December 2016), at end October 2019, the consolidating company Groupe Partouche SA:

- issued a seven-year bond in the form of a Euro PP private placement (maturing 24 October 2026) to a well-known institutional investor, for a par value of €35m;
- took out a new syndicated loan from a consortium of six French banks for a total amount of €80m. This includes a €65m refinancing loan and a €15m revolving credit facility intended in particular to finance the Group's programme to renovate its portfolio of casinos. The final repayment date for both these facilities is 18 October 2025. It should be noted that the revolving credit facility remained undrawn at the financial year-end.

These transactions enabled the Group to lengthen the average maturity of its debt, lower its finance costs and fulfil its Safeguard Plan ahead of schedule.

It should also be noted that two new loans were taken out to support subsidiaries' capital expenditure in the amount of €6.6m (the net balance of new amounts borrowed and repayments in the financial year).

The Group's financial structure can be analysed as follows:

€M AT 31 OCTOBER	2019	2018
Equity	391,9	371,9
Consolidated EBITDA	75,7	64,1
Gross debt*	159,3	177,2
Cash less gaming levies	86,6	79,7
Net debt	72,8	97,5
Net debt / Equity (gearing)	0,2	0,3
Net debt / Consolidated EBITDA (leverage)	1,0x	1,5x

** Gross debt includes bonds, bank borrowings and restated capital leases, accrued interest, miscellaneous borrowings and financial debt, banking facilities and financial instruments.*

RECENT EVENTS AND OUTLOOK

End of the Safeguard Plan

After completing its bank and bond refinancing, on 24 October 2019 Groupe Partouche repaid all amounts due under the syndicated loan covered by the Safeguard Plan. The Paris Commercial Court was therefore able to confirm (in a ruling issued on 4 November 2019) the fulfilment and end of the Safeguard Plan three years ahead of schedule. Groupe Partouche scrupulously abided by the stipulations of the Safeguard Plan throughout its period of fulfilment.

Operations

The Royat casino is undergoing major renovation work to refocus its main activity of gaming around customers by making significant improvements to the user experience. The work, which began in November 2018, should be completed in September 2020.

Following the renovation of all rooms, work at the Aquabella hotel is now focusing on its common areas, reception rooms, restaurant and terrace and the construction of four suites in its belvedere. The work is due to be completed by March 2021.

Under the terms of renewal of its public service concession, Hyères is renovating its hotel, auditorium and former gaming room, which will be converted into a restaurant. The work is expected to be completed in 2023.

To complete its major renovation, which has met with great success, the Pasino Grand d'Aix-en-Provence will be building an outdoor games area. Work is scheduled to begin in September 2020.

Casino refurbishments are also planned at Annemasse and La Tour Salvagny in financial year 2019/2020.

Renovation of the Group's casino network will therefore continue during the 2019/2020 financial year. Groupe Partouche will focus in particular on monitoring these construction projects and the adaptation measures needed to protect the Group's operating profitability.

With its renovated and high-performing casinos, the Group will be able to capitalise on the favourable development of its economic environment.

ACTIVITY OF SUBSIDIARIES

GROSS GAMING REVENUE BY ENTITY			
€000 AT 31 OCTOBER	2019	2018	2017
CASINO-MEYRIN (Switzerland)	51 107	49 784	53 496
CASINO-AIX EN PROVENCE	44 892	43 479	46 050
CASINO-LE LYON VERT	43 382	41 086	40 273
CASINO-SAINT-AMAND	42 368	38 547	38 264
CASINO-DIVONNE	37 543	36 036	36 775
CASINO-LYON (PHARAON)	37 538	35 477	34 151
CASINO-FORGES	33 541	31 733	32 459
CASINO-LA GRANDE-MOTTE	28 750	26 557	27 203
CASINO-OSTENDE (Belgium)	27 940	24 539	20 946
CASINO-ANNEMASSE	23 775	23 312	24 035
CASINO-LA CIOTAT	19 289	16 637	10 662
CKO BETTING OOSTENDE (Belgium)	18 458	15 759	10 075
CASINO-PORNICHET	17 022	17 330	17 941
CASINO-NICE	16 017	16 118	15 809
CASINO-HYÈRES	15 618	15 234	16 430
CASINO-LE HAVRE	15 555	14 040	14 545
CASINO-PORNIC	15 483	9 657	9 475
CASINO-LA ROCHE-POSAY	14 486	13 614	14 137
CASINO-PALAVAS	13 707	13 139	12 749
CASINO-CRANS-MONTANA (Switzerland)	13 012	12 464	13 541
CASINO-ROYAT	11 897	10 869	11 107
CASINO-SAINT-GALMIER	10 445	10 321	10 652
CASINO VICHY GRAND CAFÉ	10 030	10 196	10 429
CASINO-JUAN-LES-PINS	9 915	10 120	11 172
CASINO-BANDOL	9 070	10 761	11 515
CASINO 3.14	8 997	11 200	13 547
CASINO-DIEPPE	8 203	7 025	7 955
CASINO-PLOUESCAT	7 386	7 130	7 344
CASINO-CABOURG	6 700	6 252	6 049
CASINO-CALAIS	6 244	6 205	6 500
CASINO-AGON COUTAINVILLE	5 352	4 988	4 745
CASINO-BERCK	5 305	5 173	5 224
CASINO-VAL-ANDRÉ	4 831	4 792	4 998
CASINO-PLOMBIÈRES	4 806	4 068	4 232
CASINO-ANDERNOS	4 803	4 637	4 710
CASINO-BOULOGNE	4 637	7 053	7 244
CASINO-GRÉOUX-LES-BAINS	4 234	4 172	3 860
CASINO-ARCACHON	4 176	4 086	3 819

GROSS GAMING REVENUE BY ENTITY			
€000 AT 31 OCTOBER	2019	2018	2017
CASINO-CONTREXÉVILLE	3 987	3 746	3 503
CASINO-TOUQUET	3 415	3 447	3 713
CASINO-LA TREMBLADE	3 021	2 726	2 613
CASINO-ÉVAUX	2 717	2 649	2 384
CASINO-SALIES	1 784	1 750	1 809
CASINO-DJERBA (Tunisia)	1 222	825	644
CASINO-VICHY-4 CHEMINS	-	-	-
CASINO-CHAUDFONTAINE (LOISIRS)	-	-	-
CASINO-LA TRINITÉ	-	-	-
TOTAL GGR	**672 661**	**638 732**	**638 784**

TURNOVER BY ENTITY			
€000 AT 31 OCTOBER	2019	2018	2017
CASINO-MEYRIN	27 818	27 667	30 501
CASINO-DIVONNE	25 661	25 937	26 633
CASINO-SAINT-AMAND	25 423	23 611	23 341
CASINO-FORGES	24 723	23 194	23 610
CASINO-LE LYON VERT	24 243	22 883	22 522
CASINO-OSTENDE	22 181	18 890	15 337
CASINO-AIX-EN-PROVENCE	21 404	19 933	22 478
CASINO-LYON (PHARAON)	17 063	16 253	15 764
CASINO-LA GRANDE-MOTTE	15 872	14 812	15 194
CASINO-LE HAVRE	11 241	10 340	10 556
CASINO-ANNEMASSE	11 059	10 943	11 286
CASINO-CRANS-MONTANA	10 505	10 079	10 934
CASINO-PORNICHET	10 137	10 235	10 425
CASINO-PORNIC	10 026	6 660	6 625
CASINO-LA CIOTAT	9 773	8 808	6 389
CASINO-NICE	8 837	8 849	8 977
CASINO-HYÈRES	8 572	8 240	8 819
CASINO-LA ROCHE-POSAY	7 910	7 292	7 644
CASINO-PALAVAS	7 031	6 816	6 681
CASINO-ROYAT	6 925	6 404	6 638
CASINO-DIEPPE	6 602	5 285	5 469
CASINO VICHY GRAND CAFÉ	6 165	6 219	6 355
CASINO-CABOURG	5 951	5 810	5 404
CASINO-BANDOL	5 715	5 920	6 144
CASINO-SAINT-GALMIER	5 704	5 722	5 868
CASINO-JUAN-LES-PINS	5 102	5 166	5 750

TURNOVER BY ENTITY			
€000 AT 31 OCTOBER	2019	2018	2017
CASINO 3.14	5 027	6 191	7 285
CASINO-PLOUESCAT	4 496	4 338	4 378
CASINO-VAL-ANDRÉ	4 077	4 039	4 163
CASINO-CALAIS	3 573	3 588	3 735
CASINO-PLOMBIÈRES	3 516	2 979	2 988
CASINO-TOUQUET	3 335	3 435	3 320
CASINO-BERCK	3 220	3 105	3 112
CASINO-BOULOGNE	3 081	4 504	4 649
CASINO-ANDERNOS	3 032	2 980	2 976
CASINO-AGON COUTAINVILLE	2 937	2 763	2 688
CASINO-GRÉOUX-LES-BAINS	2 885	2 776	2 548
CASINO-ARCACHON	2 832	2 738	2 635
CASINO-CONTREXÉVILLE	2 683	2 514	2 356
CASINO-SALIES	2 228	2 336	2 285
CASINO-LA TREMBLADE	2 057	1 914	1 912
CASINO-ÉVAUX	1 916	1 901	1 809
CASINO-DJERBA	1 590	1 230	872
CASINO-LA TRINITÉ	-	43	48
CASINO-VICHY-4 CHEMINS	-	-	-
CLUB PARTOUCHE PARIS	-	-	-
CLUB PARTOUCHE CAPITALE	-	-	-
CASINO-SAN ROQUE	-	-	-
TOTAL CASINOS	394 128	375 341	379 100
HOTEL-AIX-AQUABELLA	6 866	7 228	6 711
HOTEL-CONTREX-COSMOS	1 542	1 687	1 790
HOTEL-VAL-ANDRÉ-SINOCA	44	13	42
GREEN 3.14	38	33	-
HOTEL-LYON-HIL	24	23	23
HOTEL-CANNES-3.14	5	12	1 258
HOTEL-CONTREX-GD HÔTEL DU PARC	-	-	10
TOTAL HOTELS	8 519	8 995	9 834
CKO BETTING OSTENDE	16 426	13 838	8 734
SEGR LE LAURENT	5 158	5 958	4 076
APPOLONIA	2 823	1 558	1 642
PLAGE 3.14	2 776	1 818	-
THERMES-AIX -CBAP (spa resort)	2 532	2 273	1 758
BARATEM	424	427	428

TURNOVER BY ENTITY			
€000 AT 31 OCTOBER	2019	2018	2017
GROUPE PARTOUCHE	207	285	185
SARL THERM'PARK	204	184	144
PASINO BET (formerly P. Gaming)	147	-	-
PARTOUCHE IMAGES	56	34	38
SCI RUE ROYALE	46	51	51
AFRIGAMBLING (ex PI AFRIQUE)	20	19	25
PARTOUCHE IMMOBILIER	18	25	33
PARTOUCHE TECHNOLOGIE	9	39	2
SCI FONCIÈRE DE VITTEL ET CONTREXÉVILLE	-	1	2
CANNES BALNÉAIRE	-	-	803
PARTOUCHE SPECTACLE	-	-	27
BELCASINOS	-	-	-
ELYSÉE PALACE (EPSA)	-	-	-
INTERNATIONAL GAMBLING SYSTEMS	-	-	-
PARTOUCHE BETTING LTD	-	-	-
CHM	-	-	-
PARTOUCHE TOURNOIS	-	-	-
PI HOLDINGS	-	-	-
PARTOUCHE PRODUCTION	-	-	-
PARTOUCHE INTERACTIVE	-	-	-
WS BACKGAMMON	-	-	-
SCI PIETRA PORNIC	-	-	-
SCI GREEN AURON	-	-	-
PARTOUCHE STUDIO	-	-	-
TOTAL – OTHER	30 846	26 508	17 950
TOTAL TURNOVER	433 493	410 844	406 885

9.2 COMPANY FINANCIAL POSITION AND PERFORMANCE (PARENT COMPANY FINANCIAL STATEMENTS)

The 12-month period under review, which ran from 1 November 2018 to 31 October 2019, was covered by the execution of the Groupe Partouche SA Safeguard Plan, approved in a ruling by the Paris Commercial Court on 29 September 2014, and by the amended plan approved by the Paris Commercial Court on 2 November 2016 (revised on 8 December 2016).

The key highlights of this financial year were as follows:

- refinancing of the Group's bank debt, as set out in Section 9.1.1;
- recapitalisation of Cannes Centre Croisette for an amount of €26.0m and of SCI Pietra Pornic for an amount of €2.0m, through the capitalisation of receivables;
- disposal of Groupe Partouche's 49% minority interest in Palm Beach Cannes Côte d'Azur.

Turnover for the financial year came to €11.6m, mainly consisting of fees paid by subsidiaries, for €9.9m.

Operating income totalled €13.1m compared with €13.3m in 2018, and operating expenses were €20.5m compared with €20.8m in 2018.

The company sustained an operating loss of €7.4m, compared with an operating loss of €7.5m in 2018.

Financial income totalled €37.4m, including €7.9m in dividends paid by subsidiaries (€11.4m in 2018), and financial expenses decreased from €12.8m in 2018 to €43.3m in 2019.

The company posted net financial loss of €5.9m, compared with a net income of €1.2m in 2018. Financial income and expenses were affected, in particular, by changes in provisions and reversals of provisions for investments and receivables mainly relating to the recapitalisation of Cannes Centre Croisette, as well as certain specific local circumstances (non-renewal of the public service concession for the Boulogne-sur-Mer casino, decline in business at the SEGR Le Laurent restaurant, etc.).

The reduction in interest expenses of €0.8m mainly corresponds to savings following the repayments of the syndicated loan.

The company posted net exceptional income of €0.5m, compared with a net expense of €0.1m in 2018 (there were no significant component transactions).

Under its tax consolidation agreement, the company recognised a Group tax expense of €1.7m in respect of the financial year ended 31 October 2019 and a tax saving of €13.6m (neutralisation of subsidiary taxes).

In light of the above items, the company posted a net loss for the year of €0.8m, compared with net profit of €5.8m in 2018.

Net fixed assets totalled €655.7m, down €10.1m, and current assets came to €168.3m, up €3.7m, mainly due to the increase of cash investments (€5.5m).

With respect to equity and liabilities, equity decreased by €0.8m to €438.2m, due to net loss for the year (€0.8m).

The "Bond" item increased €35.0m and bank borrowings and debt decreased €59.1m year on year as a result of the company refinancing all its debt.

The principal amount outstanding on bank debt at 31 October 2019 was €65.1m.

The "Other liabilities" item increased €18.2m, mainly due to an increase in intercompany current account liabilities with subsidiaries.

9.3 PROPOSED APPROPRIATION OF INCOME FOR FINANCIAL YEAR 2019

NET PROFIT TO 31 OCTOBER 2019 (€)	(784 548)
Legal reserve	-
Retained earnings	(784 548)
After appropriation, retained earnings will amount to:	**154 759 651**

A dividend of €3.0m, to be charged to retained earnings, will be proposed at the Shareholders' Meeting to be held on 1 April 2020.

10

CASH AND CAPITAL RESOURCES

10.1 INFORMATION CONCERNING THE GROUP'S EQUITY

Please refer to Note 11 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2019.

Please refer to Note 11 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2018.

Please refer to Note 11 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2017.

10.2 SOURCES, AMOUNTS AND A NARRATIVE DESCRIPTION OF THE GROUP'S CONSOLIDATED CASH FLOWS

Please refer to Note 13 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2019.

Please refer to Note 13 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2018.

Please refer to Note 13 of Section 20.2.1 of the Group's consolidated financial statements for financial year 2017.

10.3 FINANCING STRUCTURE AND CASH RESOURCES; INFORMATION REGARDING ANY RESTRICTIONS ON THE USE OF CAPITAL RESOURCES THAT HAVE MATERIALLY AFFECTED, OR COULD MATERIALLY AFFECT, DIRECTLY OR INDIRECTLY, THE COMPANY'S OPERATIONS

10.3.1 FINANCIAL STRUCTURE, CASH FLOWS

Please refer to Note 9.3 of Section 20.2.1 related to bank debt and to Note 9.2 of Section 20.2.1 relating to cash and cash equivalents for financial year 2019.

Please refer to Note 9.3 of Section 20.2.1 related to bank debt and to Note 9.2 of Section 20.2.1 relating to cash and cash equivalents for financial year 2018.

Please refer to Note 9.3 of Section 20.2.1 related to bank debt and to Note 9.2 of Section 20.2.1 relating to cash and cash equivalents for financial year 2017.

10.3.2 CASH POOLING AGREEMENT

Groupe Partouche has a signed cash pooling agreement with all of its subsidiaries.

This agreement provides a strong incentive to subsidiaries to invest their cash surpluses with Groupe Partouche SA to obtain a rate of return on cash that is higher than the market rates. Groupe Partouche SA can thereby ensure that the cash requirements of certain subsidiaries are met and can invest the cash surpluses in an optimal manner. This management is handled by the Finance Department.

This organisation thus allows a certain measure of independence to be achieved in the cash management of subsidiaries.

It should be noted that the Swiss casinos (Meyrin and Crans-Montana), in light of applicable regulations, invest their cash surpluses themselves.

10.3.3 RESTRICTIONS ON THE TRANSFER OF FUNDS FROM ABROAD

For the two Swiss casinos owned by the Group, Meyrin and Crans-Montana, the country's legal constraints prohibit the transfer of funds except for dividend distributions.

10.4 INFORMATION REGARDING THE ANTICIPATED SOURCES OF FUNDS NEEDED TO FULFIL COMMITMENTS REFERRED TO IN ITEMS 5.2.3 AND 8.1

Please refer to Section 4.3.1 "Liquidity risks" and Section 5.2.5 "Relations between investments and financing activities".

11

RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

Groupe Partouche invests in innovative projects through Partouche Interactive and its subsidiaries.

Partouche Images, whose activities in France were discontinued due to changes in the law, transferred its businesses abroad. This company continues to provide dynamic, interactive systems for broadcasting and enabling participation in games made available both on television and online.

Partouche Images already has its own unique system that allows real-time interaction with a TV game show using a smartphone, a tablet or a computer.

Appolonia and Partouche Technologies focus their efforts on designing and developing applications, information systems and electronic products dedicated to use in casinos and the smooth running of the Group's companies (virtual slot machine chip system to replace physical chips, various digital games, management software, etc.) and customer offering.

12

TREND INFORMATION

Groupe Partouche has not communicated about activity trends since the end of the financial year ended 31 October 2019.

Quarterly financial information for the quarter ended 31 January 2020 will be published in the evening of Wednesday, 11 March 2020.

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COMPANY PROJECTIONS AND TARGETS

Groupe Partouche does not provide any information that may be qualified as a forecast or estimate of earnings.

14

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.1 INFORMATION ON MANAGEMENT BODIES

14.1.1 SUPERVISORY BOARD

BOARD MEMBER IDENTITY, DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP**
PATRICK PARTOUCHE BORN ON 13 JUNE 1964 IN ORAN (ALGERIA 44,964 shares held 0.47% of the share capital	Co-opted to replace Isidore Partouche by decision of the Supervisory Board at its meeting held on 18 March 2011, approved by the Shareholders' Meeting held on 29 April 2011	31 October 2019*	Chairman of the Supervisory Board	Chairman of the Executive Board of Financière Partouche SA	**Director:** Ispar Holding SA (Fribourg) **Chairman and member of the Executive Committee:** Mereal Biometrics SAS **Chairman:** Groupe Partouche Bahamas Limited (Bahamas)

FUNCTIONS AND MANDATES HELD WITHIN THE GROUP**

IN FRANCE:
Chairman of the Supervisory Board of Groupe Partouche SA (with Executive Board and Supervisory Board)
Chairman of the Executive Board of Financière Partouche SA (with Executive Board and Supervisory Board)
Chairman of the Board of Directors, Director: Partouche Interactive SA (Paris)
Chairman: Partouche Immobilier SAS (Paris)
Deputy General Manager: Compagnie Européenne de Casinos SAS (Paris)
Deputy General Manager and Director: Eden Beach Casino SA (Juan-les-Pins)
Director: Casino de Saint-Amand SAS (Saint-Amand-les-Eaux), Le Touquet's (Calais) SAS, Société du Casino et des Bains de Mer SAS (Dieppe), Société d'exploitation du Casino de Contrexéville SAS, Grand Casino de Lyon SAS, Forges Thermal SA (Forges-les-Eaux), Société du Grand Casino d'Annemasse SAS (Annemasse), Société Touristique Thermale et Hôtelière de Divonne SA - STTH (Divonne-les-Bains), Partouche Technologies SAS (Tours), Société d'exploitation du casino de Divonne SAS - SECD (Divonne-les-Bains), 3.14 Hôtel SA (Cannes), Société Européenne des Grands Restaurants SA (Paris), Pleinair Casino SA (La Ciotat), Cannes Centre Croisette SAS
Corporate Manager: Sek SARL (Paris), Plage 3.14 SARL, 3.14 Green SARL, Green Auron SCI, Luna Juan SCI (Paris)
Member of the Executive Committee: SAS Partouche Images (Paris), SAS Afrigambling (Paris)

Permanent Representative:
- Legal entity of Compagnie Européenne de Casinos SAS (Paris), Director of Développement de la Baie de Kernic SAS (Plouescat), Casino de Pornichet SAS (Pornichet) and Casino de Pornic SAS (Pornic)

OUTSIDE FRANCE:
Chairman of the Board of Directors, Deputy Director: Belcasinos SA (Belgium), Grand Casino de Djerba SA (Tunisia)
Director: Casino Kursaal Oostende SA (Belgium), Club Privé du Casino de Knokke (Belgium), CKO Betting SA (Belgium)
Permanent Representative: Groupe Partouche SA, Director of Groupe Partouche International SA (Belgium)

BOARD MEMBER IDENTITY, DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP**
ISIDORE PARTOUCHE BORN ON 21 APRIL 1931 IN TREZEL (ALGERIA) 508,519 shares held 5.28% of the share capital	Ordinary Shareholders' Meeting of 20 June 1996	31 October 2019*	Vice-Chairman of the Supervisory Board	Chairman of the Supervisory Board of Financière Partouche SA	**OUTSIDE FRANCE** **Chairman, Director:** Ispar Holding SA (Switzerland)
WALTER BUTLER BORN ON 16 AUGUST 1956 IN RIO DE JANEIRO (BRAZIL) 1 share held	Shareholders' Meeting held on 29 April 2011	31 October 2022	Member of the Supervisory Board	Managing Director of Butler Capital Partners SA	**Managing Director:** Butler Industries SA, Butler Capital Partners SA, WB Debt Partners SA **Chairman:** Amstar Entreprises SAS, Stanberg SAS, Noerden SAS, Paradis Latin SA, Nxo Expansion SAS **Chairman of the Board of Directors:** Nxo Expansion SAS, **Chairman of the Supervisory Board:** Nxo France SAS **Director:** Nxo Experts SAS **Corporate Manager:** 30 Albert 1er SCI, La Brillane SCEA **General Manager:** Butler Corum SAS **Member of the Supervisory Board:** Corum Asset Management SAS **Representing Butler Capital Partners as Chairman:** ANS Holding SAS **Representative of Butler Capital Partners on the Supervisory Committee:** Colfilm SAS **Representing FBT Développement as Chairman:** Fichet-Bauche Télésurveillance SAS **À L'ÉTRANGER** **Director of the English companies:** Butler Investment Managers Limited, Butler Management Limited, Almas Industries Ltd **Chairman of the Swiss company:** Nexis Fibers Holding **Chairman of the Supervisory Board of the German company:** Almas Industries AG SA Corporate Manager of the Luxembourg limited liability company (SARL): GP Lux Investissements **Director of the Belgian companies:** Econocom SA, Butler Industries Benelux SA

FUNCTIONS AND MANDATES HELD WITHIN THE GROUP**

IN FRANCE:
Vice-Chairman of the Supervisory Board of Groupe Partouche SA (with Executive Board and Supervisory Board)
Chairman of the Supervisory Board of Financière Partouche SA (with Executive Board and Supervisory Board)
Managing Director: Société Européenne des Grands Restaurants SA (Paris)
Chairman, Director: Compagnie Européenne de Casinos SAS - "CEC" (Paris), Société du Casino de Saint-Amand SAS (Saint-Amand-les-Eaux)
Director: Casinos du Touquet SAS (Le Touquet), Société du Casino et des Bains de Mer SAS (Dieppe), Grand Casino de Cabourg SAS (Cabourg), Société du Casino Municipal de Royat SAS (Royat), Casino de Palavas SAS (Palavas-les-Flots), Forges Thermal SA (Forges-les-Eaux), Société Touristique Thermale et Hôtelière de Divonne SA - "STTH Divonne" (Divonne-les-Bains), Pleinair Casino SA (La Ciotat), Société du Casino Municipal d'Aix Thermal SA (Aix-en-Provence)
Corporate Manager: SCI Foncière de Vittel et Contrexéville (Contrexéville), SCI Les Thermes (Aix-en-Provence), Société Civile Immobilière et Mobilière Partouche ("SCIMP") (Paris)

Permanent Representative of:
- Legal entity of Compagnie Européenne de Casinos SAS, Director of Casino de La Grande-Motte SAS

OUTSIDE FRANCE:
Chairman, Deputy Director: Groupe Partouche International SA - "GPI" (Belgium)
Director: Le Grand Casino de Djerba SA (Tunisia)

BOARD MEMBER IDENTITY, DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP**
LAURENT PARQUET BORN ON 27 JULY 1965 IN BRIVE-LA-GAILLARDE (FRANCE)	Supervisory Board Meeting held on 13 September 2016 to replace Lionel Mestre	31 October 2022	Permanent Representative of Butler Capital Partners Member of the Supervisory Board		**Permanent Representative** of Amstar Entreprises on the Board of Directors of Butler Industries SA **Vice-Chairman of the Board of Directors and Director** of Nxo Expansion SAS **Vice-Chairman of the Supervisory Board** of Nxo France SAS **Chairman of the Board** of Directors of Nxo Experts **Director** of Paradis Latin SA **OUTSIDE FRANCE** **Representative** of Ans Holding as Director of ANovo Comlink Espana SLU and Anovo Iberica Madrid SLU
BUTLER CAPITAL PARTNERS PERMANENT REPRESENTATIVE: LAURENT PARQUET 76,621 shares held directly; 1,200,399 shares held indirectly 13.26% of the share capital	Co-opted on 12 December 2012	31 October 2022	Member of the Supervisory Board		**Chairman:** ANS Holding SAS **Member of the Supervisory Committee:** Colfilm SAS
DANIEL COHEN BORN ON 27 OCTOBER 1962 IN CASABLANCA (MOROCCO) 150 shares held	Supervisory Board Meeting held on 13 December 2011 in replacement of Maurice Sebag, who resigned	31 October 2019*	Member of the Supervisory Board	Chairman of Zalis SAS (Toulouse)	**Chairman:** DSC8 SAS (Toulouse), YES Holding SAS (Paris) **Independent Director:** Moret Industrie **Corporate Manager:** SCI Cohen Investissements (Toulouse), SCI 43 St James (Toulouse)
VÉRONIQUE MASI FORNERI BORN ON 12 MAY 1963 IN NICE (FRANCE) 62 shares held	Shareholders' Meeting held on 24 April 2014	31 October 2019*	Member of the Supervisory Board	General Manager of Adelphos SAS (Neuilly-sur-Seine)	**Member of the Board of Directors:** Erda Accentus Association – education, research and artistic development (Paris)
SALOMÉ PARTOUCHE BORN ON 19 SEPTEMBER 1989 IN DIEPPE 5 shares held	Co-opted in replacement of Hubert Benhamou, who resigned on 1 November 2016	31 October 2022	Member of the Supervisory Board	Visual artist	**Co-Corporate Manager:** SCI Sany (Seine-Saint-Denis) **Chairman:** Association Biennale de Paname, Atelier de Paname SAS (Paris)

FUNCTIONS AND MANDATES HELD WITHIN THE GROUP**
OUTSIDE FRANCE: Director: International Gambling Systems SA (Belgium)

BOARD MEMBER IDENTITY, DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP**
CAROLINE TEXIER BORN ON 21 FEBRUARY 1977 IN BOULOGNE-BILLANCOURT 1 shares held	Co-opted to replace Gaston Ghrenassia, who resigned, on 27 June 2017	31 October 2019*	Member of the Supervisory Board	Lawyer	**Co-Corporate Manager:** SCI Alpilles 84
EMPLOYEE REPRESENTATIVE - PHILIPPE PERRIN	Appointed by the Group Works Council on 5 December 2018	10 April 2020	Member of the Supervisory Board	Employee of Grand Casino de Lyon	

The business address of the members of the Supervisory Board with regard to their functions within Groupe Partouche is the registered office of Groupe Partouche (141 bis rue de Saussure - 75017 Paris - France).
** Shareholders' Meeting approving the financial statements for the financial year ended 31 October 2019.*
*** The aforementioned mandates are in force except for those whose date of expiration is expressly indicated.*

14.1.2 MEMBERS OF THE EXECUTIVE BOARD

BOARD MEMBER IDENTITY, DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP*
FABRICE PAIRE BORN ON 10 OCTOBER 1969 IN MONTMORENCY (VAL D'OISE, FRANCE) 376 shares held	Supervisory Board Meeting held on 3 November 2008	30 October 2025	Chairman of the Executive Board		**Member of the Executive Committee:** Mereal Biometrics SAS (Paris) **Corporate Manager:** SCI Haute Bourgeois (Paris), SCI Faroy Mu (Paris) **Director:** Ispar Holding SA (Switzerland)

FUNCTIONS AND MANDATES HELD WITHIN THE GROUP**

FUNCTIONS AND MANDATES HELD WITHIN THE GROUP*

IN FRANCE:
Chairman of the Executive Board of Groupe Partouche SA (with Executive Board and Supervisory Board)
Chairman: Ludica SAS (Paris)
Chairman, Director: Compagnie pour le Développement du Tourisme Hyérois SAS, Partouche Technologies SAS (Tours), Société d'Exploitation du Casino et Hôtels de Contrexéville SAS, Société Touristique de La Trinité SAS (Paris), Club Partouche Paris SAS (Paris), Club Partouche Capitale SAS (Paris).
General Manager, Director: Partouche Interactive SA (Paris)
Deputy General Manager: Partouche Spectacles et Évènements SAS (Paris), Compagnie Européenne de Casinos SAS (Paris)
Member of the Executive Committee: SAS Partouche Images (Paris), SAS Afrigambling (Paris)
Director: Le Touquet's SAS (Calais), Développement de la Baie de Kernic SAS (Plouescat), Casino de Pornichet SAS, Casino de Pornic SAS (Pornic), Société du Casino Municipal de Royat SAS, Société d'exploitation des casinos de Divonne - "SECD" (Divonne-les-Bains), Société des Chemins de Fer et Hôtel de Montagne aux Pyrénées SA - "CHM" (Paris), Élysée Palace Expansion SA (Paris), Casino de La Grande-Motte SAS, Casino de Palavas SAS (Palavas-les-Flots), Pasino Bet SAS (La Grande-Motte), Grand Casino de Bandol SAS

Permanent Representative :
- Legal entity of Compagnie Européenne de Casinos SAS, Director of Casino de Coutainville SAS, of Le Miami SA (Andernos), and of Complexe commercial de La Roche-Posay SAS
- Legal entity of Groupe Partouche SA, Director of Plombinoise de Casino SAS, Société d'Exploitation du Casino de la Rotonde SAS (Pléneuf-Val-André), Casino du Grand Café SAS (Vichy), Société du Casino du Palais de la Méditerranée SAS (Nice), Casino de Salies-de-Béarn SAS, Société d'Activités Thermales Hôtelières et de Loisirs - "Sathel" (La Tour de Salvagny), Société du Grand Casino de Gréoux-les-Bains SAS, Société du Casino d'Arcachon SAS, Société du Grand Casino de Cabourg SAS, Casino d'Evaux-les-Bains SAS, Grand Casino du Havre SAS, Casino de la Tremblade SAS, Cannes Centre Croisette SAS (Cannes), Société Touristique Thermale et Hôtelière de Divonne SA (Divonne-les-Bains), Société Forges Thermal SA (Forges-les-Eaux), Eden Beach Casino SA (Juan-les-Pins), Casino Le Lion Blanc SAS (Saint-Galmier), Société du casino de St Amand les Eaux SAS, Grand casino de Lyon SAS, Grand Casino d'Annemasse SAS, Jean Metz SAS (Berck-sur-Mer), Numa SAS (Paris)
- Legal entity of Groupe Partouche SA, Corporate Manager of SCI Rue Royale (Paris), SCI Hôtel Garden Pinède

Corporate Manager: Société du Casino de Bourbon Lancy SARL, Quarisma SARL (Paris), Partouche Tournois SARL (Paris), SCI du Casino de la Tremblade
Co-Corporate Manager: Appolonia SARL (Antibes)

OUTSIDE FRANCE:
Director: Casino Kursaal Oostende SA (Belgium), CKO Betting SA (Belgium)
Deputy Director: Belcasinos SA (Belgium), Casino de Chaudfontaine SA (Belgium)
Deputy Director, Member: Cercle Privé du Casino de Spa (Belgium), Club Privé du Casino d'Ostende (Belgium)

BOARD MEMBER IDENTITY, DATE AND PLACE OF BIRTH	DATE OF FIRST APPOINTMENT	EXPIRATION OF APPOINTMENT	PRINCIPAL POSITION HELD WITHIN THE COMPANY	PRINCIPAL POSITION HELD OUTSIDE THE COMPANY	FUNCTIONS AND MANDATES HELD OUTSIDE THE GROUP*
ARI SEBAG **BORN ON 25 SEPTEMBER 1961 IN TIARET (ALGERIA)** 5,682 shares held 0.06% of the share capital	Supervisory Board Meeting held on 20 June 1996	30 October 2025	Member of the Executive Board	Member of the Executive Board and General Manager of Financière Partouche SA	**Corporate Manager:** SCI Elisa (Paris) **General Manager:** Groupe Partouche Bahamas Limited
KATY ZENOU **BORN ON 6 AUGUST 1961 IN TIARET (ALGERIA)** 9,969 shares held 0.1% of the share capital	Supervisory Board Meeting held on 20 June 1996	30 October 2025	Member of the Executive Board	Member of the Executive Board and General Manager of Financière Partouche SA	
JEAN-FRANCOIS LARGILLIÈRE **BORN ON 17 SEPTEMBER 1964 IN CHAUMONT-EN-VEXIN (60) (FRANCE)**	Supervisory Board Meeting held on 30 October 2013	30 October 2025	Member of the Executive Board		

The business address of the members of the Executive Board with regard to their functions within Groupe Partouche is the registered office of Groupe Partouche (141 bis, rue de Saussure, 75017 Paris, France)

** The aforementioned mandates are in force except for those whose date of expiration is expressly indicated.*

FUNCTIONS AND MANDATES HELD WITHIN THE GROUP*

IN FRANCE:
Member of the Executive Board of Groupe Partouche SA (with Executive Board and Supervisory Board)
General Manager and Member of the Executive Board of Financière Partouche SA (with Executive Board and Supervisory Board)
Managing Director, Director: Forges Thermal SA (Forges-les-Eaux)
Chairman, Director: Casino de Coutainville SAS, Société du Casino et Bains de Mer de Dieppe SAS, Casino du Grand Café SAS (Vichy), Casino de Salies de Béarn SAS, Casino Le Lion Blanc SAS (Saint-Galmier), Société d'exploitation du casino de Divonne - "SECD" (Divonne-les-Bains), Casino Municipal de Royat SAS (Royat), Développement de la Baie de Kernic SAS (Plouescat), Casino de la Tremblade SAS, Casino d'Arcachon SAS, Grand Casino de Bandol SAS, Casino d'Evaux les Bains SAS, Numa SAS (Paris), Casino de Pornichet SAS, Société d'Exploitation du Casino de la Rotonde SAS (Val-André)
Chairman of the Board of Directors: Le Miami SA (Andernos), Société du Casino d'Arcachon SA, Élysée Palace Hôtel SA (Paris)
Chairman: Partouche Spectacles & Evénements SAS (Paris)
Deputy General Manager, Director: Grand Casino du Havre SAS, Club Partouche Paris SAS (Paris)
General Manager: Partouche Immobilier SAS (Paris)
Director: Société du Grand Casino de Cabourg SAS (Cabourg), Société Touristique de La Trinité (Paris), Partouche Technologies SAS (Tours), Le Touquet's SAS (Calais), Société du Casino de Saint-Amand SAS (Saint-Amand-les-Eaux), Société du Grand Casino de Gréoux-les-Bains SAS, Plombinoise de Casino SAS (Plombières-les-Bains), Société de L'Élysée Palace SA (Paris), Société d'Activités Thermales Hôtelières et de Loisirs SA - "Sathel" (La Tour de Salvagny), Pasino Bet SAS (La Grande-Motte), Club Partouche Capital SAS, Jean Metz SAS (Berck-sur-Mer)
Corporate Manager: Hôtel Cosmos SARL (Contrexéville), Grands Hôtels du Parc SARL (Contrexéville), Centre de formation professionnelle des casinos SARL - "CFPC" (Paris), Partouche Productions SARL (Paris), SCI Pietra Pornic (Paris), SCI Pietra St-Amand (Paris)
Member of the Executive Committee: Partouche Images SAS (Paris), Afrigambling SAS (Paris)
Co-Corporate Manager: Appolonia SARL (Antibes)

Permanent Representative:
- of the legal entity Groupe Partouche SA, Director of Compagnie pour le Développement du Tourisme Hyérois SAS (Hyères), Casino de La Grand-Motte SAS, Casino de Pornic SAS, Société d'exploitation du Casino et Hôtels de Contrexéville SAS, Pleinair Casino SAS (La Ciotat)
- of the legal entity Compagnie Européenne de Casinos SAS, Director of Société du Casino du Palais de la Méditerranée SAS (Nice)

OUTSIDE FRANCE:
Chairman of the Board of Directors: Casino de Chaudfontaine SA (Belgium), Club Privé du Casino d'Ostende (Belgium), Cercle Privé du Casino de Spa (Belgium)
Director: Groupe Partouche International SA - "GPI" (Belgium), Casino Kursaal Oostende SA (Belgium), Belcasinos SA (Belgium)

Permanent Representative:
- of Groupe Partouche International SA, Director of Grand Casino de Djerba SA (Tunisia), Casino Kursaal Ostende SA (Belgium) and CKO Betting SA (Belgium)
- Belcasinos SA, Chairman, Director of CKO Betting SA (Belgium) and of Casino Kursaal Ostende SA (Belgium)

IN FRANCE:
Member of the Executive Board of Groupe Partouche SA (with Executive Board and Supervisory Board)
General Manager and Member of the Executive Board of Financière Partouche SA (with Executive Board and Supervisory Board)
Chairman: Société du Grand Casino d'Annemasse SAS since 04/06/2019
General Manager, Director: Société de L'Élysée Palace Hôtel SA (Paris)
Deputy General Manager and Director: Casino du Touquet SAS (Le Touquet)
Director: Numa SAS (Paris), Baratem SA (Le Touquet)
Permanent Representative of the following legal entities:
- Groupe Partouche SA, Director of Société du Casino municipal de Royat SAS
- Compagnie Européenne de Casinos SAS, Director of Société du Casino d'Arcachon SAS, and Compagnie pour le Développement du Tourisme Hyérois SAS

OUTSIDE FRANCE:
Director: Groupe Partouche International SA - "GPI" (Belgium)

IN FRANCE:
Member of the Executive Board of Groupe Partouche SA (with Executive Board and Supervisory Board)
Chairman, Director: Casino de Palavas SAS (Palavas-les-Flots)
Director: Le Miami SA (Andernos), Société Touristique Thermale et Hôtelière de Divonne SA - "STTH" (Divonne-les-Bains), Club Partouche Paris SAS (Paris), Club Partouche Capitale SAS (Paris), Grand Casino de Bandol SAS
Director: Le Miami SA (Andernos)
Co-Corporate Manager: SCI Palavas Investissement (Palavas-les-Flots)

14.1.3 TYPE OF FAMILY RELATIONSHIPS BETWEEN MEMBERS OF THE EXECUTIVE AND SUPERVISORY BOARDS

READING DIRECTION ▸▸	ISIDORE PARTOUCHE	PATRICK PARTOUCHE	SALOMÉ PARTOUCHE	WALTER BUTLER	DANIEL COHEN	LAURENT PARQUET	VERONIQUE FORNERI	CAROLINE TEXIER	ARI SEBAG	KATY ZENOU	FABRICE PAIRE	JEAN-FRANCOIS LARGILLIERE
ISIDORE PARTOUCHE	-	Father	Grand-father	-	-	-	-	-	Uncle	Uncle	-	-
PATRICK PARTOUCHE	Son	-	Father	-	-	-	-	-	Cousin	Cousin	-	-
SALOMÉ PARTOUCHE	Grand-daughter	Daughter	-	-	-	-	-	-	Cousin	Cousin	-	-
WALTER BUTLER	-	-	-	-	-	-	-	-	-	-	-	-
DANIEL COHEN	-	-	-	-	-	-	-	-	-	-	-	-
LAURENT PARQUET	-	-	-	-	-	-	-	-	-	-	-	-
VERONIQUE FORNERI	-	-	-	-	-	-	-	-	-	-	-	-
CAROLINE TEXIER	-	-	-	-	-	-	-	-	-	-	-	-
ARI SEBAG	Nephew	Cousin	Cousin	-	-	-	-	-	-	Cousin	-	-
KATY ZENOU	Niece	Cousin	Cousin	-	-	-	-	-	Cousin	-	-	-
FABRICE PAIRE	-	-	-	-	-	-	-	-	-	-	-	-
JEAN-FRANCOIS LARGILLIÈRE	-	-	-	-	-	-	-	-	-	-	-	-

14.1.4 PROFESSIONAL EXPERIENCE

▸ **Isidore Partouche** arrived in France in 1965. In 1973 he took over the Saint-Amand casino, thus laying the foundations of a business that brought together his brothers and sisters. During the following years he carried out a succession of takeovers, acquisitions and creations of casinos in France. In 1995, Groupe Partouche was the first French casino operator to carry out an initial public offering on the stock market, giving credibility to an industry which had suffered image problems until then. As the Group's Chairman, in 1998 he inaugurated its first Pasino in Djerba, a concept incorporating a gaming and leisure centre that he created. The second Pasino, the biggest casino in France, was opened in 2001 in Aix-en-Provence. In 1999, he opened the first casino in a major French city, Le Pharaon in Lyon. In 2002, he launched a successful counter-offer, opposing Accor, by means of a Public Cash Offer for the CEC, which propelled his Group into the position of European leader.

▸ **Patrick Partouche** arrived in France in 1965. He terminated his university studies in 1982 to join the business founded by his father Isidore Partouche. He took on his first operational position in the group at age 25, when he was appointed General Manager of the Dieppe casino, and held this position from 1989 to 1993. In 1993, he became Managing Director of Casino Eden Beach in Juan-les-Pins. In 1998, he took part in the acquisition of the Carlton casino and of Palm Beach in Cannes, which he obtained the authorisation to open in August 2002. As General Manager of Groupe Partouche until 2004, he assumed responsibility for the Group's business in South East France and was also in charge of marketing, communication and new technologies. He focused particularly on strategic issues and questions. He was Chairman of the Executive Board of Groupe Partouche from 31 January 2005 until 18 March 2011, when he was co-opted to the Supervisory Board, on which he serves Chairman.

▸ **Walter Butler** Butler is a graduate of the ENA and head of the tax inspectorate. He is Chairman of Butler Capital Partners, which he founded in 1991. Over the last twenty years, Butler Capital Partners has invested in dozens of European companies including BDDP, Ipsos, Groupe Flo, SNCM, PSG, France Champignon, 1001 Listes, and Atys. Before founding Butler Capital Partners, Butler was Executive

Director of Goldman Sachs in New York. He was Chairman of the AFIC, member of the French Council for Economic Analysis. He is a member of the steering committee of the French Strategic Investment Fund (FSI).

▸ **Daniel Cohen** has managed several medium-sized and large companies in the technology sector. He created several companies and subsidiaries where he managed growth, mergers and restructuring in preparation for stock exchange listing in the following sectors: video games, multimedia, computing, technology, media, audio-visual, and telecoms. These companies gave him the latitude to manage units from 10 to 500 employees. An expert in strategy and the founding chairman of Zalis, which he created at the end of 2001, he managed around 50 assignments, acquired a reputation in turning round ailing companies thanks to his expertise in risk management, regarding both technical and financial aspects.

▸ **Véronique Masi Forneri** opened a gallery in the Carré Rive Gauche after completing her studies in art history, where she built up an upmarket international clientele of collectors of 18th century French furniture. She quickly combined this with a decoration consulting business in France and abroad which enabled her to meet important decision-makers in the industrial and financial sectors. These contacts led her to take her career in a new direction, providing promotion and development activities in France and abroad through the finance company Adelphos SAS.

▸ **Salomé Partouche** is a multi-disciplinary artist. She did a preparatory course at the Ateliers de Sèvres in Paris and graduated with a Fine Arts degree specialising in video from Central Saint-Martins, part of the University of the Arts of London. She set up her workshop on returning to France. Growing up in the world of the games and entertainment business, she acquired a unique vision and awareness of the casino professions in which her family has made its fortune. She is continuing the family business into the third generation.

▸ **Caroline Texier**, a lawyer admitted to the bar of New York and Paris, is a partner in the mergers and acquisitions/corporate law department at DLA Piper. Her main areas of expertise are insolvency proceedings and debt restructuring. She also has considerable experience in international restructuring of companies in difficulty.

▸ **Fabrice Paire** has a degree in Internal Audit and Chartered Accountancy (equivalent) (University of Paris Dauphine). He started his career with an Audit and Advisory firm, where he became a partner. He was in charge of the statutory audits of many of Groupe Partouche's casinos. He joined the latter in 2001 as administrative manager. Patrick Partouche appointed him company secretary of the Group in 2005; he became Managing Director in 2008 and Chairman of the Executive Board of the Group in 2011.

▸ **Ari Sebag** has a degree in business law and tax (University Paris 1 - 1984). After spending three years with a law firm and an experience in audiovisual production, he joined Groupe Partouche in 1989 as General Manager of Forges-Les-Eaux Casino. As General Manager and member of the Executive Board of Groupe Partouche following its initial public offering in 1995, he focuses on international business development while assuming operating responsibility of the establishments in northwest France.

▸ **Katy Zenou** joined the gaming business before the end of her business studies degree as an employee in all departments. For over twenty years she has managed several casinos and provides a woman's perspective on this business, which is particularly important given the spectrum of the group's customer base.

▸ **Jean-François Largillière** has a degree from the Compiègne school of hotel management. He began his career at the Voile d'Or in Saint-Jean Cap Ferrat, then joined the Accor Group at the Grand Hôtel de Cabourg and completed several training programmes at the Académie Accor. He joined Groupe Partouche on the takeover of Européenne de Gestion Hôtelière (EGH) in February 1992 and served in several of the Group's hotel establishments, including the Mercure in Nancy, the Méridien Part-Dieu in Lyon and the Aquabella hotel in Aix-en-Provence. In November 2008, he became manager of the Domaine de Divonne hotel, a position he held until being appointed to the Executive Board of Groupe Partouche in November 2013. He is now the Group's operations manager.

14.1.5 ADDITIONAL INFORMATION

Each member of the Supervisory Board must own at least one share.

14.1.6 CONDEMNATIONS, BANKRUPTCIES, SANCTIONS, ETC.

To the best of the Company's knowledge, none of these people has been subject to the following during the five years prior to the date of registration of this document:

▸ condemnation for fraud;

▸ bankruptcy, sequestration of assets, liquidation as company officer, executive partner or CEO;

▸ prohibition by a court of law to act as a member of a management, executive or supervisory body of the issuer or participate in the management or the business operations of the issuer;

▸ incrimination and/or official public condemnation handed down by statutory or regulatory authorities (including designated professional bodies).

14.2 CONFLICTS OF INTEREST WITHIN ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

14.2.1 INDEPENDENCE OF EXECUTIVE BODIES

The Company is not aware of any potential conflicts of interest between responsibilities towards the issuer of any of the members of the Executive Board, or members of the Supervisory Board and their private interests and/or other duties.

The Supervisory Board applies the five qualification criteria outlined by the Middlenext code for independent members of the Supervisory Board, namely that the member:

- is not an employee or corporate officer of the Company or of any other Group company, and has not been during the past five years;
- has no significant business relationship (client, supplier, competitor, service provider, creditor, or banker) with the Company or Group, and has not had such business relationship during the past two years;
- is not a reference shareholder of the Company and does not hold a significant percentage of voting rights;
- does not have any close relationship or family ties with a corporate officer or reference shareholder of the Company;
- has not been Statutory Auditor of the Company during the past six years.

It is stated that none of the members of the administrative, management and supervisory bodies are concerned by the provisions of Section 14.2 (arrangements or understandings entered into) of Annex I of Commission Regulation (EC) No. 809/2004.

Lastly, no restrictions have been accepted by any member of the management, executive or supervisory bodies in respect of the disposal, within a specific period, of their interest in the share capital of the issuer, aside from the partial lock-up commitment agreed upon with BCP, discussed in Section 18.5.

14.2.2 TRANSACTIONS IN SECURITIES BY GROUPE PARTOUCHE SENIOR EXECUTIVES

Members of the Supervisory Board must own at least one share. Otherwise, no restrictions have been accepted by any member of the management, executive or supervisory bodies in respect of the disposal, within the period of their ownership interest in the share capital of the issuer.

Ispar Holding SA, in which Isidore and Patrick Partouche are shareholders, acquired 9,600 shares in the financial year.

14.3 INTERNAL RULES OF PROCEDURE FOR THE SUPERVISORY BOARD

The guiding principles governing the operation of the Supervisory Board are set out in the rules of procedure adopted on 27 October 2005 and last amended by the Supervisory Board on 30 January 2018.

ARTICLE 1. INTRODUCTION

Groupe Partouche SA (hereinafter "GPSA" or "the Company") is a French société anonyme with an Executive Board and a Supervisory Board.

The Supervisory Board, keen to continue to perform the duties assigned to it, and in accordance with the Middlenext code of corporate governance for small and mid cap companies adopted by Groupe Partouche SA, decided to clarify and supplement the organisational and operational rules applicable to it by law, regulation and the Company's Articles of Association, and to clarify the ethical rules that apply to its members. To this end, the Supervisory Board decided to establish rules of procedure and ethical rules that also take into account the core principles of the Middlenext code of governance by which it abides, and to make arrangements for those rules to be implemented. These rules of procedure are purely internal in nature and may not be enforced against shareholders or third parties.

ARTICLE 2. ROLE OF THE SUPERVISORY BOARD

2.1 General duty of ongoing supervision

The Supervisory Board performs a permanent control of the way in which the Company is managed by the Executive Board. At any time, it may perform verifications and controls as it sees fit, and may receive any document from the Executive Board it deems useful to accomplish its mission. The Executive Board presents it with a report at least quarterly setting out key actions and events in connection with management of the Company,

including all information needed to keep the Supervisory Board informed about the Company's business, as well as the interim financial statements. After the end of each financial year, within regulatory deadlines, the Executive Board submits the parent company and consolidated financial statements, together with its report to the Shareholders' Meeting, to the Supervisory Board for verification and review. The Supervisory Board presents its observations on the Executive Board's report and the annual parent company and consolidated financial statements at the Shareholders' Meeting. At that time, the Chairman presents a report on governance to the shareholders.

In accordance with the law and the Articles of Association, under no circumstances may this supervision result in the Supervisory Board or its members directly or indirectly undertaking management tasks or, more generally, involving themselves in the Company's management.

2.2 Verification of the proper exercise of executive power

For the sake of reasonable governance, the Supervisory Board is responsible for ascertaining whether the conditions are in place to ensure that the exercise of executive power by the Executive Board is free of any issues that might endanger the Company's long-term viability.

In other words, while executives are bound by an obligation to achieve a result in line with the proposed strategy, Supervisory Board members are bound by a best endeavours obligation to ensure that executive duties are discharged without deviations that might be harmful to the Company.

Supervision is thus undertaken as follows:

- Checking that there are no serious issues in the exercise of executive power, including the choice of strategic options likely to endanger the Company's long-term performance;
- Contributing to good governance by carrying out checks on four key points requiring special attention set out in the Middlenext code of corporate governance, defined as follows in respect of executive power: ability, separation, compensation and succession of senior management;
- Being accountable to the shareholders for their supervisory duties through the report on governance and their advice to the shareholders to approve the annual financial statements, and assuming the responsibilities pertaining thereto.

2.3 Limits on the Executive Board's powers

In accordance with Article L.225-68 of the French Commercial Code, all guarantees, security and warranties must be approved in advance by the Supervisory Board. Within the confines of the amounts determined by it, and subject to the conditions and for the duration stipulated by it, the Supervisory Board may authorise the Executive Board in advance to perform one of more of the transactions referred to above.

2.4 Review of key points requiring special attention

At least once a year, the Board includes on its agenda a review of the key points requiring special attention referred to in the Middlenext code of governance and any matters that may arise therefrom.

ARTICLE 3. COMPOSITION OF THE SUPERVISORY BOARD

The number of Supervisory Board members is laid down in the Articles of Association.

Supervisory Board members are appointed or reappointed by the Shareholders' Meeting, with the exception of any Supervisory Board members who are employees.

The term of office served by Supervisory Board members is laid down in the Articles of Association.

Members' terms of office expire on a staggered basis.

The maximum age of Supervisory Board members is laid down in the Articles of Association. By default, no more than one third of serving Supervisory Board members may be over 85 years of age.

When this legal limit is exceeded, the oldest Supervisory Board member shall automatically be deemed to have stepped down, unless otherwise stipulated in the Articles of Association.

The Supervisory Board includes at least two independent members. A Supervisory Board member is deemed independent when he or she has no relationship of any kind with the Company, the group to which it belongs or its management such as might compromise his or freedom of judgement.

Supervisory Board members representing the employees and/or employee shareholders have the same status, powers, obligations and liabilities – both civil and criminal – as other members.

They are not subject to the requirement to own a number of shares of the Company, nor are they included when determining the minimum or maximum number of Supervisory Board members.

They shall be offered suitable training to enable them to perform their duties as effectively as possible.

ARTICLE 4. STRATEGIC ORIENTATIONS

All important decisions pertaining to employment policies and labour-management relations as well as the strategic, economic, social, financial or technological orientations of the Company require the approval of the Supervisory Board, which also supervises their implementation by senior management.

The Group's medium-term orientations are laid down in the form of a strategic plan, a draft of which is prepared and presented by the Executive Board for approval and adoption by the Supervisory Board. This draft notably includes forecasts for the development of the Group's main operating and financial indicators. In conjunction with this strategic plan, the Executive Board presents an annual budget proposal.

The Executive Board is responsible for implementing the orientations of the strategic plan.

ARTICLE 5. INFORMATION PROVIDED TO THE MEMBERS OF THE SUPERVISORY BOARD

In addition to the agenda of each meeting, the members of the Supervisory Board are individually provided with sufficient documentation to ensure that their decisions may be made in full possession of the facts concerning each of the issues before the meeting.

At each meeting of the Supervisory Board, its Chairman informs all members of the significant facts and events affecting the business of the Group that have come to pass or have been brought to his attention since its last meeting.

ARTICLE 6. CONTROL BY THE SUPERVISORY BOARD

The Supervisory Board may be convened by the Chairman to hear a proposal in support of a control or verification mission. In all circumstances, the Supervisory Board considers the matter at hand as quickly as possible.

Should the Supervisory Board decide that the control or verification needs to be performed, it enters into discussions to determine the objective and the procedures to be followed and either carries out the mission itself or entrusts it to one of its committees, one of its members or a third party.

Should the Supervisory Board decide that the control or verification mission shall be performed by one of its members or by a third party, the mission is defined under the terms and conditions set forth in Article 7.

The Chairman determines the conditions for the execution of the control or verification mission. In particular, the necessary measures are taken to ensure that the conduct of the mission disturbs the Group's operations as little as possible. Where required, employees of the Group are invited to appear before the Supervisory Board.

The Chairman ensures that the information required for control or verification is provided to the party carrying out the mission.

Irrespective of the party performing the control or verification mission, the conduct of such a mission does not authorise this party to intervene in any manner whatsoever in the Group's business operations.

A report is presented to the Supervisory Board upon the conclusion of the control or verification mission. The Supervisory Board then determines the actions to be taken based on these conclusions.

ARTICLE 7. OPTION TO ENTRUST A MISSION TO A MEMBER OF THE SUPERVISORY BOARD

Should the Supervisory Board decide to entrust a mission to one (or several) of its members or to one (or several) third parties, it enters into discussions to define the main parameters of the mission. Where the party or parties entrusted with the mission are members of the Supervisory Board, they are not allowed to participate in any votes pertaining to these determinations.

On the basis of the Supervisory Board's decisions, a proposed mission letter is prepared under the direction of the Chairman, which includes the following elements:

- a statement of the precise objective of the mission;
- the desired format for the mission report.

ARTICLE 8. SUPERVISORY BOARD COMMITTEES

To support its missions and to undertake preparatory work for its meetings, the Supervisory Board has formed a number of committees.

In these Rules of Procedure, the Supervisory Board sets forth the roles and responsibilities of each of these committees. Each committee drafts proposals, prepares recommendations or issues opinions, as applicable, in its particular area of expertise. To achieve these ends, the committees may decide to commission studies as necessary to facilitate the deliberations of the Supervisory Board.

The Supervisory Board appoints the members and the Chairman of each committee. Committee members are expected to attend meetings in person, or if necessary by way of telecommunication or videoconferencing methods.

Each committee decides how often meetings take place at the registered office or any other location set by its Chairman, who convenes each meeting at least five calendar days before the meeting date. The Chairman of each committee also establishes the agenda for its meetings and forwards this information to the Chairman of the Supervisory Board.

To reach a quorum, at least half of the members of a committee need be present.

Each committee deliberates on the basis of a simple majority of its present or represented members.

The Chairman of each committee may decide to invite one or several external persons without voting rights to certain meetings. He informs the Chairman of the Supervisory Board of the names of the persons he wishes to invite to a meeting.

The referral procedure for matters to be handled by committees functions as follows:

- Each committee handles all matters falling within the area of expertise assigned to it by these rules of procedure and determines its own annual schedule;
- It may be referred by the Supervisory Board with any matter falling within its specific area of expertise, and each committee may request that the Chairman of another committee convene a meeting with a specific agenda.

Each committee may decide, if required, on its other operational procedures. On a regular basis, it ensures that, under the responsibility of its Chairman, its rules and operational procedures help the Supervisory Board take valid decisions on matters in its field of competence.

ARTICLE 9. AUDIT COMMITTEE

The Audit Committee is responsible for the internal management control procedures and the reliability and clarity of the information to shareholders, banks and markets.

The Audit Committee effects an annual and half-year examination of the financial statements and consolidated financial statements and periodically examines internal control procedures and more generally all the procedures for auditing accounting or management that are in force within the Group.

It also acts as an intermediary between the Supervisory Board and the Statutory Auditors of the Group, and reviews their audit reports.

It studies modifications of accounting standards applied in the preparation of financial statements, as well as any non-compliance with such standards.

Any event exposing the Group to a significant risk is referred by the Chairman of the Supervisory Board to the Audit Committee for its review.

The Audit Committee may request that an internal or external audit or survey be performed on any subject that it considers to

be relevant to its mission. Should it decide that such an audit or survey is required, its Chairman notifies the Supervisory Board.

The expenses incurred for all missions of the Audit Committee, and in particular for surveys and audits performed, are paid by the company.

The Audit Committee may convene a meeting on any matter it considers to be relevant to its mission.

ARTICLE 10. APPOINTMENTS AND COMPENSATION COMMITTEE

The Appointments and Compensation Committee's task is to determine the remuneration of the members of the Executive Board, and to obtain, through the Executive Board, information relating to the remuneration and status of the Directors of the Group whose remuneration exceeds 120,000 euros. The committee does not determine the allocation methods for bonuses in advance.

ARTICLE 11. MEETINGS OF THE SUPERVISORY BOARD

Acting upon a proposal from its Chairman, each year the Supervisory Board decides upon the meeting calendar for the following year.

This meeting calendar includes the dates for regular meetings of Supervisory Board (meetings for 1st and 3rd quarter activity; the results for the 1st half-year; and the meeting preceding the Annual Shareholders' Meeting, etc.) and, on a provisional basis and subject to modification, the dates to be reserved by members of the Supervisory Board for possible special meetings.

The Chairman decides upon the agenda for each meeting of the Supervisory Board, which he communicates in a timely fashion and by all appropriate methods to all its members.

The documents required to ensure that decisions by members of the Supervisory Board on issues before the meeting included on the agenda received from the Chairman may be made in full possession of the facts are forwarded to the members of the Supervisory Board no less than 48 hours in advance of the meeting, with the exception of urgent matters or where there is a need to maintain complete confidentiality.

On the recommendation of its Chairman, the Supervisory Board may discuss urgent matters not included in the agenda received by members at any of its meetings.

ARTICLE 12. PARTICIPATION IN SUPERVISORY BOARD MEETINGS VIA VIDEOCONFERENCING

The Chairman is responsible for ensuring that reliable videoconferencing methods are made available to members of the Supervisory Board who do not reside in the Paris region or who live abroad, as well as to those who find themselves in distant locations for legitimate purposes, so as to allow them to participate in the meetings of the Supervisory Board.

Where the place that the Supervisory Board is convened is not the Company's registered office, the Chairman takes the necessary measures to ensure that the members of the Supervisory Board who have decided to attend the meeting can participate via the abovementioned means.

Members of the Supervisory Board who participate in meetings by way of videoconferencing or other telecommunication methods shall be deemed present when calculating the quorum and the majority.

The videoconferencing methods chosen must meet technical specifications guaranteeing effective participation in the meeting whose deliberations must be communicated without interruption. Should the equipment used not meet such specifications, the members in question shall not be deemed present and, in the absence of a quorum, the meeting of the Supervisory Board shall need to be adjourned.

The attendance register for the meetings of the Supervisory Board must mention, where applicable, which of its members have participated by way of videoconferencing.

In addition, the minutes of Supervisory Board meetings must indicate the names of members participating by way of videoconferencing.

The minutes must also note the occurrence of any technical incidents affecting a videoconferencing session when such an incident caused the meeting to be interrupted.

The preceding provisions are not applicable to the adoption of decisions of the nature specified under Article 9, Sections 1 and 3, of Act 83-675 of 26 July 1983, and under Articles L.225-47, L.225-53, L.225-55, L.232-1 and L.233-16 of the French Commercial Code.

ARTICLE 13. DUTY OF CONFIDENTIALITY IMPOSED UPON MEMBERS OF THE SUPERVISORY BOARD

The members of the Supervisory Board are required to maintain absolute secrecy with respect to the content of discussions and deliberations of the Supervisory Board and its committees as well as the information presented.

As a general rule, the members of the Supervisory Board are obliged to refrain from communicating outside the Company, and in particular to the press, in their capacities as members.

The Chairman brings to the attention of the members of the Supervisory Board the information to be released to the various markets, as well as the contents of press releases distributed for this purpose in the name of the Group.

In the event of a proven breach of confidentiality by one of the members of the Supervisory Board, following discussion with the Chairmen of all Committees assembled for this purpose, the Chairman of the Supervisory Board reports to the entire body on the course of action, potentially including legal consequences that he intends to pursue with respect to this breach.

ARTICLE 14. DUTY OF INDEPENDENCE IMPOSED UPON MEMBERS OF THE SUPERVISORY BOARD

In the performance of his or her duties, each member of the Supervisory Board must make decisions based on the Company's best interests and without regard to any other interests.

Each member of the Supervisory Board is required to inform the Chairman of any situation with the potential to create a conflict of interest between his or her personal interests and the

interests of the company or of any of the Group's subsidiaries. Where appropriate, the Chairman requests the opinion of the Remuneration Committee. Based on the outcome of this procedure, it is the responsibility of the Supervisory Board member involved to take any action necessary, pursuant to applicable laws.

The members of the Supervisory Board must register the shares they hold in the Company upon their appointment as well as those they acquire while serving their term in office.

The members of the Supervisory Board inform the Chairman and the Autorité des Marchés Financiers (AMF) of any transactions involving shares in the Company to which they have been a party.

The members of the Supervisory Board must refrain from:

- carrying out any transaction involving shares in the Group while in possession of privileged information;
- engaging, either directly or indirectly, in any short selling of these shares.

The first prohibition applies in particular during the preparation and presentation of the Group's half-yearly, yearly and quarterly results.

It also applies exceptionally where the preparation of certain projects or operations justifies this prohibition.

The Chairman sets or confirms the start and end dates for the preparation periods mentioned and communicates these dates to the members of the Supervisory Board in a timely fashion.

The Chairman reports to the Supervisory Board on the measures taken to ensure that employees of the Group having access to information by virtue of their positions and/or participating as members of the teams involved in the operations concerned comply with these rules of procedure.

ARTICLE 15. RULES FOR DETERMINING BOARD MEMBERS' COMPENSATION

Supervisory Board members may receive compensation, the amount of which is decided by the shareholders voting at an Ordinary Shareholders' Meeting and the apportionment of which is decided by the Supervisory Board based on the amount of time dedicated to their duties, their attendance at meetings and, where applicable, their performance of certain specific duties.

Supervisory Board members to whom exceptional responsibilities are assigned may be allotted compensation in the form of either additional remuneration or specific exceptional compensation.

Supervisory Board members are entitled to reimbursement of all business expenses incurred in the performance of their duties, on presentation of receipts and in compliance with procedures in force within the company.

ARTICLE 16. EXECUTIVE BOARD COMPENSATION

The Supervisory Board (at the proposal of the Compensation Committee, where applicable) decides on the amount of fixed, variable and exceptional compensation payable to Executive Board members on an individual basis in line with each member's responsibilities.

ARTICLE 17. ENTRY INTO FORCE AND BINDING FORCE

These rules of procedure entered into force as of their adoption and may be amended by decision of the Board.

All or part of these rules of procedure shall be made public and accessible via the Company's website.

15

REMUNERATION AND BENEFITS

15.1 AMOUNT OF REMUNERATION AND BENEFITS PAID

15.1.1 REMUNERATION ALLOTTED TO THE EXECUTIVE AND SUPERVISORY BOARDS BY GROUPE PARTOUCHE SA

The total remuneration paid to the Executive and Supervisory bodies during the financial year ended. 31 October 2019 amounted to €2,098,246.

15.1.2 REMUNERATION OF COMPANY OFFICERS

A) SUMMARY OF THE REMUNERATION OF EACH SENIOR EXECUTIVE OFFICER

Pursuant to the provisions of Article L.225-102-1 of the French Commercial Code, all remuneration received from Groupe Partouche during the financial year ended 31 October 2019 is summarised in the table below on an individual basis:

FINANCIAL YEAR ENDED	31/10/2019		31/10/2018		31/10/2017	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
MEMBERS OF THE SUPERVISORY BOARD						
Patrick Partouche – Chairman of the Supervisory Board						
Fixed remuneration	518 085	518 085	518 085	518 085	518 085	518 085
Exceptional remuneration	-	-				
Directors' fees	21 176	21 176	19 459	19 459	21 176	33 176
Benefits in kind*	6 915	6 915	6 915	6 915	6 915	6 915
Total	546 176	546 176	544 459	544 459	546 176	558 176
Isidore Partouche – Vice-Chairman of the Supervisory Board						
Fixed remuneration	120 000	120 000	120 000	120 000	120 000	120 000
Exceptional remuneration	-	-				
Directors' fees	27 076	27 076	32 545	32 545	30 035	40 035
Benefits in kind	-	-				
Total	147 076	147 076	152 545	152 545	150 035	160 035

FINANCIAL YEAR ENDED	31/10/2019		31/10/2018		31/10/2017	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
MEMBERS OF THE SUPERVISORY BOARD						
Salomé Partouche – Member of the Supervisory Board						
Fixed remuneration						
Exceptional remuneration						
Directors' fees	14 118	14 118	16 216	16 216	17 647	17 647
Benefits in kind						
Total	14 118	14 118	16 216	16 216	17 647	17 647
Walter Butler – Member of the Supervisory Board						
Fixed remuneration						
Exceptional remuneration						
Directors' fees			6 486	6 486	10 588	20 588
Benefits in kind						
Total			6 486	6 486	10 588	20 588
Laurent Parquet – Member of the Supervisory Board (BCP Representative)						
Fixed remuneration						
Exceptional remuneration						
Directors' fees	21 176	21 176	19 459	19 459	21 176	33 176
Benefits in kind						
Total	21 176	21 176	19 459	19 459	21 176	33 176
Daniel Cohen – Member of the Supervisory Board						
Fixed remuneration						
Exceptional remuneration						
Directors' fees	21 176	21 176	16 216	16 216	17 647	27 647
Benefits in kind						
Total	21 176	21 176	16 216	16 216	17 647	27 647
Véronique Masi Forneri – Member of the Supervisory Board						
Fixed remuneration						
Exceptional remuneration						
Directors' fees	10 588	10 588	6 486	6 486	7 059	13 059
Benefits in kind						
Total	10 588	10 588	6 486	6 486	7 059	13 059
Caroline Texier – Member of the Supervisory Board (to replace Gaston Ghrenassia)						
Fixed remuneration						
Exceptional remuneration						
Directors' fees	17 647	17 647	16 216	16 216	7 059	7 059
Benefits in kind						
Total	17 647	17 647	16 216	16 216	7 059	7 059

FINANCIAL YEAR ENDED	31/10/2019		31/10/2018		31/10/2017	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
MEMBERS OF THE EXECUTIVE BOARD						
Fabrice Paire – Chairman of the Executive Board						
Fixed remuneration	420 000	420 000	420 000	420 000	410 000	410 000
Exceptional remuneration						
Benefits in kind	11 389	11 389	8 959	8 959	7 030	7 030
Total	431 389	431 389	428 959	428 959	417 030	417 030
Ari Sebag – Member of the Executive Board, General Manager						
Fixed remuneration	402 583	402 583	402 583	402 583	402 583	402 583
Exceptional remuneration						
Benefits in kind*	8 528	8 528	8 445	8 445	8 382	8 382
Total	411 110	411 110	411 028	411 028	410 965	410 965
Katy Zenou – Member of the Executive Board, General Manager						
Fixed remuneration	283 424	283 424	232 242	232 242	233 924	233 924
Exceptional remuneration						
Benefits in kind	1 098	1 098	1 098	1 098	915	915
Total	284 522	284 522	233 340	233 340	234 839	234 839
Jean-François Largillière – Member of the Executive Board						
Fixed remuneration	186 000	186 000	186 000	186 000	183 000	183 000
Exceptional remuneration						
Benefits in kind*	7 267	7 267	4 127	4 127	3 180	3 180
Total	193 267	193 267	190 127	190 127	186 180	186 180

** Benefits in kind for Patrick Partouche are in respect of insurance, those for Ari Sebag are in respect of insurance and accommodation, those for Fabrice Paire are in respect of membership in the GSC social security regime for company managers, and those for Jean-François Largillière are in respect of his membership in the GSC social security regime for company managers and his company car.*

All the components of compensation are fixed amounts.

Tables No. 4, 5, 6, 7, 8, 9 and 10 specified in Appendix 2 of Position/Recommendation No. 2014-14 of the French Financial Market Authority (AMF) do not apply.

B) SHARE SUBSCRIPTION OR PURCHASE OPTIONS AWARDED DURING THE FINANCIAL YEAR TO EACH SENIOR EXECUTIVE OFFICER BY THE ISSUER AND/OR ANY OTHER SUBSIDIARY

Company officers have not in the past benefited from – and do not currently benefit from – any share subscription or purchase options.

C) PERFORMANCE SHARES AWARDED TO EACH SENIOR EXECUTIVE OFFICER

Company officers have not in the past benefited from – and do not currently benefit from – any performance shares.

D) EMPLOYMENT CONTRACTS, SPECIFIC RETIREMENT PLANS, SEVERANCE PAYMENTS AND NON-COMPETITION CLAUSE FOR SENIOR EXECUTIVE OFFICERS

	EMPLOYMENT CONTRACT		COMPLEMENTARY RETIREMENT PLAN		INDEMNITIES OR ADVANTAGES DUE OR LIKELY TO BE DUE UPON DEPARTURE OR CHANGE OF POSITION		INDEMNITIES RELATED TO A NON-COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
SUPERVISORY BOARD								
Patrick Partouche *Chairman of the Supervisory Board* *First appointment:* *18 March 2011* *End of office:* *31 October 2019**		X		X		X		X
Isidore Partouche *Vice-Chairman of the Supervisory Board* *First appointment:* *20 June 1996* *End of office:* *31 October 2019**		X		X		X		X
Salomé Partouche (to replace Hubert Benhamou) *Member of the Supervisory Board* *First appointment:* *13 December 2016* *End of office:* *31 October 2022*		X		X		X		X
Walter Butler *Member of the Supervisory Board* *First appointment:* *29 April 2011* *End of office:* *31 October 2022*		X		X		X		X
Laurent Parquet *Member of the Supervisory Board* *First appointment:* *13 September 2016* *End of office:* *31 October 2022*		X		X		X		X
Daniel Cohen *Member of the Supervisory Board* *First appointment:* *13 December 2011* *End of office:* *31 October 2019**		X		X		X		X

	EMPLOYMENT CONTRACT		COMPLEMENTARY RETIREMENT PLAN		INDEMNITIES OR ADVANTAGES DUE OR LIKELY TO BE DUE UPON DEPARTURE OR CHANGE OF POSITION		INDEMNITIES RELATED TO A NON-COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
SUPERVISORY BOARD								
Véronique Masi Forneri *Member of the Supervisory Board* *First appointment:* *24 April 2014* *End of office:* *31 October 2019**		X		X		X		X
Caroline Texier (replacingGaston Ghrenassia) *Member of the Supervisory Board* *First appointment:* *27 June 2017* *End of office:* *31 October 2019**		X		X		X		X

** End of office is the Shareholders' Meeting to approve the financial statements for the financial year ending 31 October 2019.*

	EMPLOYMENT CONTRACT		COMPLEMENTARY RETIREMENT PLAN		INDEMNITIES OR ADVANTAGES DUE OR LIKELY TO BE DUE UPON DEPARTURE OR CHANGE OF POSITION		INDEMNITIES RELATED TO A NON-COMPETITION CLAUSE	
	YES	NO	YES	NO	YES	NO	YES	NO
EXECUTIVE BOARD								
Fabrice Paire* *Chairman of the Executive Board* *First appointment:* *3 November 2008* *End of office:* *30 October 2025***	X			X		X		X
Ari Sebag *Member of the Executive Board / General Manager* *First appointment:* *20 June 1996* *End of office:* *30 October 2025***		X		X		X		X
Katy Zenou *Member of the Executive Board / General Manager* *First appointment:* *20 June 1996* *End of office:* *30 October 2025***		X		X		X		X
Jean-François Largillière *Member of the Executive Board* *First appointment:* *30 October 2013* *End of office:* *30 October 2025***		X		X		X		X

** Pre-existing employment contract with Groupe Partouche SA.*

*** Term renewed during the Supervisory Board Meeting held on 10 September 2019.*

15.1.3 DIRECTORS' FEES PAID TO THE MEMBERS OF THE SUPERVISORY BOARD

For the 2018-19 financial year, €120,000 in directors' fees was allocated by Groupe Partouche to the members of the Supervisory Board and paid in full to beneficiaries in October 2019.

15.2 TOTAL AMOUNTS SET ASIDE OR ACCRUED BY THE ISSUER OR ITS SUBSIDIARIES TO PROVIDE PENSION, RETIREMENT OR SIMILAR BENEFITS

The total amount set aside in respect of retirement benefits for the past financial year for all persons listed in Section 14.1 was €18,574.

16

OPERATION OF DIRECTORS' AND EXECUTIVE BODIES

16.1 APPOINTMENTS OF DIRECTORS AND EXECUTIVE COMPANY OFFICERS

Supervisory Board:

- The appointments of Isidore Partouche, Patrick Partouche, Daniel Cohen, Caroline Texier and Véronique Masi Forneri will expire at the end of the Annual Shareholders' Meeting convened to approve the financial statements for the financial year ended 31 October 2019;
- The appointments of Walter Butler, Butler Capital Partners (represented by Laurent Parquet), and Salomé Partouche will expire at the close of the Annual General Meeting convened to approve the financial statements for the financial year ending 31 October 2022;
- The term of office of the employee representative appointed to serve for two years by the Central Company Committee will expire at the conclusion of the Annual Shareholders' Meeting convened to approve the financial statements for the year ended 31 October 2019.

Executive Board:

The appointments of members Fabrice Paire, Ari Sebag, Jean-François Largillière and Katy Zenou expired on 30 October 2019, and all of them were reappointed on the same date by decision of the Supervisory Board on 10 September 2019 for a further six-year term of office expiring at the conclusion of the Ordinary Shareholders' Meeting convened to approve the 2025 financial statements.

16.2 SERVICE CONTRACTS PROVIDING FOR FUTURE BENEFITS

Please refer to the special report of the Statutory Auditors on regulated agreements and commitments in Section 19.

RELATIONS WITH FINANCIÈRE PARTOUCHE SA

Financière Partouche SA holds 6,433,585 shares (i.e. 66.83%) of the 9,627,034 shares with a par value of €20 each that make up Groupe Partouche SA's share capital.

Financière Partouche is a company with an Executive Board and a Supervisory Board chaired by Isidore Partouche, which has entered into the centralised cash pooling agreement concluded between Group companies and Groupe Partouche SA.

SERVICE CONTRACTS INVOLVING ISPAR HOLDING SA

Ispar Holding SA, which is controlled and chaired by Isidore Partouche, provides assistance and advisory services to the Group's casinos in Switzerland.

It holds 392,427 shares in the Company, representing 4.08% of the share capital

SERVICE CONTRACTS INVOLVING SHAL & CO SA

Shal & Co, a company controlled and chaired by Hubert Benhamou, entered into a management consultancy agreement with Groupe Partouche for some of its subsidiaries.

Except for the information provided here above and as provided in 16.2 of Annex I of Commission Regulation (EC) No. 809/2004, there are no other service contracts entered into by members of the administrative, management or supervisory bodies of the issuer or of any of its subsidiaries providing for benefits upon termination of such a contract.

16.3 EXECUTIVE AND SUPERVISORY BOARDS

16.3.1 EXECUTIVE BOARD

See Articles 16 to 19 of the Articles of Association.

COMPOSITION OF THE EXECUTIVE BOARD

Fabrice Paire: Chairman
Ari Sebag: member
Katy Zenou: member
Jean-François Largillière: member

MEETINGS OF THE EXECUTIVE BOARD

During the financial year ended 31 October 2019, the Executive Board met seven times at the company's registered office. The average attendance rate was around 95%.

It has so far met twice since the balance sheet date

FUNCTIONING OF THE EXECUTIVE BOARD

As provided by Article 18.1 of the Articles of Association, the Executive Board's decisions are taken based on the majority of the votes of its members. Voting by proxy is prohibited. In the event of a tie, the Chairman casts the deciding vote.

For more information, please refer to Section 21.2.2 of this document.

MAIN WORK PERFORMED IN FINANCIAL YEAR 2019

The meetings of the Executive Board during the financial year ended 31 October 2019 were concerned with the preparation and presentation of the detailed activity reports submitted to the Supervisory Board at the end of quarterly, half-yearly and annual periods. These reports allow the Supervisory Board to completely fulfil its role.

MEETINGS TO REVIEW THE ACCOUNTS:

- Quarterly financial statements: 10 December 2018 (Q4 2018), 11 March 2019 (Q1 2019), 3 June 2019 (Q2 2019), 9 September 2019 (Q3 2019); and after the balance sheet date: 9 December 2019 (Q4 2019);
- Interim consolidated financial statements: 17 June 2019;
- Annual financial statements: 21 January 2019 (approval of the 2018 financial statements); after the balance sheet date: 20 January 2020 (approval of the 2019 financial statements).

MEETING ON 15 OCTOBER 2019:

Authorisations granted to the Company to redeem existing debt for refinancing and to conclude with the lenders the loan agreement and the financial documentation, to issue the bonds and enter into the placement agreement.

16.3.2. SUPERVISORY BOARD

See Articles 20 to 23 of the Articles of Association.

COMPOSITION OF THE SUPERVISORY BOARD

Supervisory Board:
Patrick Partouche: Chairman
Isidore Partouche: Vice-Chairman
Walter Butler: member
Butler Capital Partners, member permanently represented by **Laurent Parquet**
Daniel Cohen: member
Salomé Partouche: member
Véronique Masi Forneri: member
Caroline Texier: member
Philippe Perrin: member representing the employees

OPERATION OF THE SUPERVISORY BOARD

Please refer to Section 21.2.2 of this document.

MEETINGS OF THE SUPERVISORY BOARD

During the financial year ended 31 October 2019, the Supervisory Board met a total of seven times, six times at the company's registered office and once using audioconferencing facilities. The average attendance rate was over 80%.

It has so far met twice since the balance sheet date.

PREPARATORY WORK IN ADVANCE OF SUPERVISORY BOARD MEETINGS

Supervisory Board members receive accounting documents and, in general, all documents relating to the items on the agenda for the Board meeting, eight days before the meeting, on average.

EVALUATION OF SUPERVISORY BOARD MEMBERS

Methods used by the Group to evaluate the performance of Supervisory Board members, in line with the recommendations of the Viénot report, aim above all to provide assurance to shareholders that Supervisory Board members have the skills and expertise necessary to carry out their responsibilities.

This is one of the chief concerns of the Chairman of the Supervisory Board and dovetails with the working methods applied within the Group.

Certain members of the Supervisory Board, such as Isidore Partouche and Patrick Partouche, have over 30 years' experience and a genuine expertise in the casino sector; others, such as Walter Butler, Daniel Cohen and Laurent Parquet (permanent representative of BCP), have genuine expertise in development and investment, financial strategy and risk management; others, such as Véronique Forneri and Salomé Partouche, have genuine artistic expertise; lastly, Caroline Texier has significant expertise in corporate law.

The Supervisory Board evaluates the performance of its members once a year. During the financial year under review, this evaluation was on the agenda of the meeting on 10 September 2019 and did not identify any failings with the potential to adversely impact the Company.

The Supervisory Board determines, where applicable, Executive Board members' variable compensation based on a variety of predetermined demanding and specific performance criteria.

MAIN WORK PERFORMED IN FINANCIAL YEAR 2019

At its meetings, the Supervisory Board focused first and foremost on reviewing the activity reports submitted to it by the Executive Board at the end of each quarter, and on the parent company and consolidated financial statements submitted at the end of each half-year and full year. The Chairman of the Executive Board was often invited to attend these meetings to provide additional information and answers to any questions raised.

The Supervisory Board was thus able to completely fulfil its role.

DURING THE FINANCIAL YEAR, THE SUPERVISORY BOARD REVIEWED THE EXECUTIVE BOARD'S REPORTS ON THE FOLLOWING:

- Quarterly business activity: 11 December 2018 (business activity in Q4 2018), 12 March 2019 (business activity in Q1 2019), 11 June 2019 (business activity in Q2 2019), 10 September 2019 (business activity in Q3 2019); after the balance sheet date, 10 December 2019 (business activity in Q4 2019);
- The interim consolidated financial statements: 25 June 2019;
- The annual financial statements for financial year 2018: 29 January 2019; and, after the balance sheet date, the annual financial statements for financial year 2019: 28 January 2020.

THE SUPERVISORY BOARD ALSO:

- **23 November 2018:**
  - authorised the Executive Board to redeem the bank loans arranged by three of its subsidiaries;
- **11 December 2018:**
  - heard the Chairman present the Executive Board's strategy for financial year 2018/2019, together with a brief overview of the provisional budget,
  - authorised the Executive Board to enter into a sale agreement for the shares that the Company held in the share capital of Palm Beach Cannes Côte d'Azur, and the transfer of its current account advance,
  - authorised the Executive Board to issue a joint and several guarantee covering the repayment of the loan granted to one of its subsidiaries,
  - authorised the Executive Board to provide the Company's guarantee that it would honour the equipment leases arranged by its subsidiaries should they fail;
- **29 January 2019:**
  - heard the report of the Audit Committee, following its meeting on 22 January 2019, on the parent company and consolidated financial statements for 2018,
  - continued to hear the Chairman of the Executive Board's presentation of his strategy and the provisional budget for the financial year 2019,
  - reviewed agreements subject to the provisions of Article L.225-86 of the French Commercial Code,
  - prepared its report to the Shareholders' Meeting containing the Board's observations on the Executive Board's management report,
  - prepared its report on corporate governance,
  - prepared its report to the Shareholders' Meeting on the policy and criteria for determining compensation paid to senior executives;
- **12 March 2019:**
  - reviewed the Company's debt refinancing,
  - reviewed the concession held by one of its Belgian subsidiaries and the public service concession held by one of its subsidiaries;
- **11 June 2019:**
  - authorised the Executive Board to enter into an agreement subject to the provisions of Article L.225-86 of the French Commercial Code,
  - authorised the award of a benefit in kind to an Executive Board member, an agreement subject to the provisions of Article L.225-86 of the French Commercial Code;
- **10 September 2019:**
  - discussed the functioning of the Supervisory Board and assessed the performance of the Group's senior executives,

- refreshed the composition of the Executive Board,
- appointed the Chairman of the Executive Board
- confirmed the compensation of Executive Board members,
- decided upon the apportionment of directors' fees,
- authorised the Executive Board to enter into two agreements subject to the provisions of Article L.225-86 of the French Commercial Code,
- extended the authorisation given to the Executive Board to issue sureties and guarantees on behalf of the Company to Group companies (Article R.225-53 of the French Commercial Code).

AFTER THE BALANCE SHEET DATE, THE SUPERVISORY BOARD MET TWICE TO CONDUCT THE FOLLOWING ITEMS OF BUSINESS:

- **10 December 2019:**
  - heard the Chairman of the Executive Board present his strategy and the key points of the provisional budget for the current financial year,
  - authorised the Executive Board to enter into two agreements subject to the provisions of Article L.225-86 of the French Commercial Code,
  - awarded an exceptional bonus to the Chairman of the Executive Board and the Chairman of the Supervisory Board;
- **28 January 2020:**
  - reviewed the annual parent company and consolidated financial statements for the financial year ended 31 October 2019,
  - reviewed the Executive Board's management report, and the draft resolutions to be submitted for the approval of the forthcoming Shareholders' Meeting,
  - heard the Chairman of the Executive Board on the parent company and consolidated financial statements for the year and his strategy and the presentation of the provisional budget for the financial year 2020,
  - heard the observations of the Chairman of the Audit Committee, following its meeting on 22 January 2020, on the parent company and consolidated financial statements for the year ended 31 October 2019,
  - reviewed agreements subject to the provisions of Article L.225-86 of the French Commercial Code,
  - discussed policy on and criteria for determining compensation paid to executive officers of the company,
  - discussed and specified the arrangements to be made to satisfy its new obligation to assess ongoing agreements,
  - decided to update its internal regulations,
  - drew up the report containing the observations of the Supervisory Board on the Executive Board's management report,
  - prepared its report for the Ordinary Shareholders' Meeting on corporate governance.
  - prepared its report for the Supervisory Board on the policy and criteria for determining compensation paid to senior executives,
  - formally acknowledged CEC's plan to sell two of its casino operating companies,
  - authorised the Executive Board to provide GP's guarantee that it would honour leases should its subsidiaries fail,
  - formally acknowledged that it had acquired a shareholding in a leisure company,
  - authorised the Executive Board to enter into a supplementary agreement entered into with Shal & Co in 2006 (related party agreement)
  - decided to increase an Executive Board member's compensation (related party agreement).

16.3.3 SUPERVISORY BOARD COMMITTEES

With effect from 8 June 2011, the Supervisory Board has had two standing committees – the Audit Committee and the Appointments and Compensation Committee – and temporary committees formed as and when deemed necessary in light of specific circumstances and dissolved when their purpose is no longer relevant.

THE AUDIT COMMITTEE

The Audit Committee has three members: Patrick Partouche, Chairman; Daniel Cohen, independent member; and BCP, represented by Laurent Parquet.

This committee has met regularly since it was formed.

In particular, in the past financial year, it met twice, on 22 January 2019 (review of the annual financial statements for financial year 2018) and on 18 June 2019 (review of the interim consolidated financial statements); moreover it met once, after the balance sheet date, on 21 January 2020 with the Statutory Auditors, to verify the annual parent company and consolidated financial statements and to assess, at the close of the 2019 financial year, the process of preparing financial reporting and the effectiveness of the internal control and risk management procedures in place within the Group.

The committee's members also verified that the Statutory Auditors were independent and had fulfilled their engagement.

THE APPOINTMENTS AND COMPENSATION COMMITTEE

The Appointments and Compensation Committee has three members: its Chairman, Isidore Partouche; Walter Butler; and Patrick Partouche. This committee is tasked with preparing and submitting to the Board its opinion on proposed executive compensation of any kind, as well as on changes pertaining to management personnel within the Group whose compensation exceeds €120,000 a year.

The Appointments and Compensation Committee did not meet during the financial year.

16.4 COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

Groupe Partouche SA refers to Middlenext's corporate governance code for small and medium-sized French listed companies issued in September 2016.

Since the Extraordinary Shareholders' Meeting of 20 June 1996, the Company has been governed by an Executive Board and a Supervisory Board.

The decision to adopt this structure was made in order to ensure compliance with principles of corporate governance that have since been adopted under French law. Moreover, recent developments in the legal framework have further reinforced transparency requirements.

This dual structure encourages a clear separation between, on the one hand, the functions of the Company's operational management, which is carried out by the four members of the current Executive Board, and on the other hand, the control function, which is permanently exercised by a Supervisory Board, at present consisting of eight members, not including the employee representative.

It should also be noted that the Supervisory Board meets very frequently, with an attendance rate of over 80%. Its members review all necessary documents and information obtained in advance of Supervisory Board meetings, during which each item on the agenda is discussed in detail.

Moreover, as advocated by the AMF's terms of reference for the implementation of corporate governance principles for small- and mid-cap companies, since October 2005 the Company has applied a set of internal rules *(see Section 14.3)* that governs the procedures to be followed by the Supervisory Board and sets out the duties of its members. This was most recently amended by decision of the Supervisory Board on 30 January 2018 to bring it into compliance with newly applicable legal and regulatory provisions.

At its meeting of 10 December 2013, the Supervisory Board adopted the following eligibility criteria for independent members:

- is not an employee or corporate officer of the Company or of any other Group company, and has not been during the past three years;
- is not a client, supplier or banker, in a material sense, of the Company or Group, or for which the Company or Group represents a significant proportion of its business;
- is not a reference shareholder of the Company;
- does not have any close family ties with a corporate officer or reference shareholder of the company;
- has not been an auditor of the Company during the past three years.

During the financial year under review and to date, three members of the Supervisory Board – Véronique Forneri, Caroline Texier and Daniel Cohen – met these criteria.

TABLE SUMMARISING COMPLIANCE WITH THE MIDDLENEXT CORPORATE GOVERNANCE CODE

	RECOMMENDATIONS	GROUPE PARTOUCHE
EXECUTIVE POWER	Appropriate skills	Yes: multiple complementary skills
	Executives not isolated	Yes: Executive Board
	Level and type of compensation	In line with recommendations No severance benefits No supplementary pension No share options or bonus shares No variable compensation
	Combining employment contracts with corporate office: left to the discretion of the Supervisory Board	A reasoned yes: Fabrice Paire, Chairman of the Executive Board, was Chief Administrative Officer from 2001 to 2005, after which he was corporate secretary. In light of his experience and in the interests of the Company, he retained his employment contract after being appointed to the Executive Board; in any event, his duties in the two positions he holds are completely separate, as reiterated by the Supervisory Board on 25 June 2013. Executive Board member Jean-François Largillière joined Groupe Partouche in February 1992 when the Group bought out EGH. He has managed various of the Group's hotels, including Grand Hôtel de Divonne from 2008 to 2013, when he was appointed to the Executive Board. In the company's interest, he has also acted as Operations Director since that date, a role that is completely separate from his duties within the Executive Board.
SUPERVISORY POWER	Internal rules	All recommendations followed apart from that on the rules for determining compensation; there is, however, an Appointments and Compensation Committee.
	Compliance	All recommendations followed
	Composition of the Supervisory Board: At least two independent members	Yes, there have been three since 1 January 2014: Véronique Forneri, Caroline Texier and Daniel Cohen
	Choice of members Prior communication of experience and skills	Yes
	Terms of office: appropriate to the Company's specific circumstances, subject to the limitations laid down in law	Yes
	Information provided to the members of the Supervisory Board	In line with recommendations
	Number and frequency of meetings	In line with recommendations
SUPERVISORY POWER	Formation of committees No obligation for committees other than the Audit Committee. Option of forming an Audit Committee or convening the Board to perform the duties of the Audit Committee.	Two standing committees: - Appointments and Compensation - Audit, with one independent member since 1 January 2014
	Assessment of the Board's work	In line with recommendations
	Compensation	In line with recommendations: No severance benefits No supplementary pension No share options or bonus shares No variable compensation (bonuses)
	Corporate officers' obligations in respect of number of shares and multiple directorships	In line with recommendations
"SOVEREIGN" POWER	No specific recommendations	Compliance with key points requiring special attention

As the above table shows, Groupe Partouche is compliant with all the recommendations of the Middlenext corporate governance code with the exception of not combining employment contracts with corporate office.

Moreover, the Supervisory Board consists of eight members, three of them women, not including the employee representative.

Three of its members qualify as independent under the criteria set out in the Middlenext code used by the Supervisory Board.

The Supervisory Board's committees include in particular two standing committees – the Audit Committee and the Appointments and Compensation Committee – together with temporary committees as and when deemed necessary (see Sections 14.3 and 16.3.3 and Articles 5, 6 and 7 of the Board's internal rules).

Furthermore, all committee members have genuine expertise in the areas of corporate governance, financial information and risk management, acquired while serving in their previous positions either within the Company or within other companies where they currently hold or formerly held key positions for a number of years. At all times, they carry out their work in accordance with the guidelines contained in the AMF report issued on 22 July 2010.

16.5 OTHER SIGNIFICANT ITEMS WITH RESPECT TO CORPORATE GOVERNANCE, PROCEDURES AND INTERNAL CONTROL

SUPERVISORY BOARD'S REPORT ON CORPORATE GOVERNANCE

To the Shareholders,

Ordinance 2017-1162 of 12 July 2017 implementing the Sapin II Act, and its Implementing Decree 2017-1174 of 18 July 2017 introducing various measures to simplify and clarify disclosure requirements upon companies, introduced a report on corporate governance prepared by the Supervisory Board, in accordance with the provisions of Article L.225-68 of the French Commercial Code.

This report includes the disclosures referred to in Articles L.225-37-2 to L.225-37-5 of the French Commercial Code as well as the Supervisory Board's observations on the Executive Board's report and the financial statements for the year.

I. GOVERNANCE

A. SUPERVISORY BOARD

For more detailed information about the Supervisory Board in connection with sections 1 to 3 below, please refer to Sections 14.1.1, "Supervisory Board", 14.3, "Supervisory Board rules", 16.3.2, "The Supervisory Board" and 16.4, "Compliance of corporate governance practices" in the 2019 Annual Report.

None of the Supervisory Board members' terms of office are due to expire, except for that of the employee representative.

1. COMPOSITION OF THE SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD

NAMES OF MEMBERS OF THE SUPERVISORY BOARD	CORPORATE OFFICE HELD	EXPIRATION OF APPOINTMENT
PATRICK PARTOUCHE	Chairman	31/10/2019*
ISIDORE PARTOUCHE	Vice-Chairman	31/10/2019*
WALTER BUTLER	Member	31/10/2022
BUTLER CAPITAL PARTNERS SA, REPRESENTED BY LAURENT PARQUET	Member	31/10/2022
DANIEL COHEN	Member	31/10/2019*
SALOMÉ PARTOUCHE	Member	31/10/2022
VÉRONIQUE FORNERI	Member	31/10/2019*
CAROLINE TEXIER	Member	31/10/2019*
EMPLOYEE REPRESENTATIVE – APPOINTED BY THE GROUP WORKS COUNCIL	Member	10/04/2020

** Shareholders' Meeting to approve the financial statements for the financial year now ended (excluding employee representative).*

1.1 List of Supervisory Board members' offices and duties

A list of all offices held and duties performed in any company by each member of the company's Supervisory Board is set out in Section 14.1.1 of the 2019 Annual Report.

1.2 Gender representation

With three women and five men on its Board, the company complies with the provisions of Act 2011-103 on balanced gender representation on boards of directors and supervisory boards and workplace gender equality.

1.3 Independent members

To be eligible to serve as an independent member, an individual must be both competent and independent:

- **Competence**

An independent member must have the experience and expertise needed to fully and effectively perform his or her duties on the Supervisory Board and any committees on which he or she might sit;

- **Independence**

An independent member must meet a number of requirements demonstrating that he or she is independent of the company, its shareholders and its senior executives.

2. RESPONSIBILITIES OF THE SUPERVISORY BOARD

(cf. Section 16.3.2 of the 2019 Annual Report)

The Supervisory Board meets as often as the interests of the Company dictate, and in any event at least six times a year. During the financial year ended 31 October 2019, the Supervisory Board met seven times, with an average attendance rate of over 80%.

The Supervisory Board performs a permanent control of the way in which the Company is managed by the Executive Board. At any time, it may perform verifications and controls as it sees fit, and may receive any document it deems useful to accomplish its mission.

The Supervisory Board's deliberations are officially established by minutes kept in a special record filed at the Company's registered office.

3. CONDITIONS UNDER WHICH THE SUPERVISORY BOARD'S WORK IS PREPARED AND ORGANISED

3.1 Principles

Having familiarised itself with the corporate governance code for small and mid cap companies published by Middlenext in 2009 and updated in September 2016, the Supervisory Board designated it as the code to which the company refers as its overall terms of reference in relation to corporate governance, and implemented a range of measures based on the corporate governance principles laid down therein.

3.2 Internal rules

The internal rules of procedure were unanimously adopted by the Supervisory Board at its meeting of 27 October 2005.

They are regularly reviewed and have since been amended by decision of the Supervisory Board, most recently on 28 January 2019, to adapt to the new legal requirements.

The Board has also established two standing committees – the Audit Committee and the Appointments and Compensation Committee – together with temporary committees as and when required.

During the financial year under review and to date, only the Audit Committee met.

B. EXECUTIVE BOARD

The Executive Board members whose terms of office expired on 30 October 2019 were reappointed for a six-year term from that date by decision of the Supervisory Board on 10 September 2019..

1. COMPOSITION OF THE EXECUTIVE BOARD

NAMES OF MEMBERS OF THE EXECUTIVE BOARD	CORPORATE OFFICE HELD	EXPIRATION OF APPOINTMENT
FABRICE PAIRE	Chairman	30/10/2025
ARI SEBAG	Member of the Executive Board	30/10/2025
KATY ZENOU	Member of the Executive Board	30/10/2025
JEAN-FRANÇOIS LARGILLIÈRE	Member of the Executive Board	30/10/2025

2. LIST OF MANDATES AND FUNCTIONS OF EXECUTIVE BOARD MEMBERS

A list of all offices held and duties performed in any company by each member of the company's Executive Board is set out in Section 14.1.2 of the 2019 Annual Report.

II. PRINCIPLES AND CRITERIA FOR DETERMINING COMPANY OFFICERS' COMPENSATION

(Article L.225-82-2 of the French Commercial Code)

A. COMPENSATION POLICY FOR EXECUTIVE BOARD MEMBERS

1. GENERAL PRINCIPLES

In accordance with legal provisions, compensation for Executive Board members is determined by the Supervisory Board.

2. PROCEDURES FOR DETERMINING, APPORTIONING AND ALLOTTING FIXED, VARIABLE AND EXCEPTIONAL COMPENSATION

Executive Board members' fixed, variable and exceptional compensation is decided by the Supervisory Board on an individual basis in line with each individual's responsibilities.

3. FIXED REMUNERATION

The Supervisory Board determines each Executive Board member's fixed compensation taking into account the scope and complexity of their responsibilities, their experience in role, their length of service with the Group, and practices at other groups or companies of a comparable size.

4. VARIABLE AND EXCEPTIONAL COMPENSATION

The Supervisory Board determines, where applicable, Executive Board members' variable compensation based on a variety of predetermined demanding and specific performance criteria enabling a comprehensive analysis of performance aligned with the company's medium-term strategy and shareholders' interests.

These include both quantitative and qualitative criteria. In the event of exceptional circumstances or transactions, the Supervisory Board may award Executive Board members exceptional compensation. Payment of variable and exceptional compensation to Executive Board members is subject to approval at the Annual Shareholders' Meeting.

5. DEFERRED COMPENSATION UNDER ARTICLE L.225-90-1 OF THE FRENCH COMMERCIAL CODE

Executive Board members may be eligible for insurance (such as that provided by GSC) covering the risk of termination of their service, including their non-reappointment.

6. BENEFITS OF ANY KIND FOR WHICH EXECUTIVE BOARD MEMBERS MAY BE ELIGIBLE

6.1 Business expenses

Executive Board members are entitled to reimbursement of all business expenses incurred in the performance of their duties, on presentation of receipts and in compliance with procedures in force within the company.

6.2 Social security cover

Executive Board members are eligible for social security cover under the general social security regime for sickness, incapacity, old age, death, widowhood and paternity under the conditions laid down in Articles L.311-1 et seq. of the French Social Security Code. More generally, they are also eligible, under the same financial conditions and terms of cover, for the same pension schemes, healthcare costs, supplementary health insurance and income replacement insurance for which they qualified as employees of the company.

6.3 Executive liability insurance

Executive Board members are covered by executive liability insurance paid for in full by the company.

7. COMPANY CARS

Executive Board members may be provided with a company car. Company cars are classed as a benefit in kind subject to tax and social security.

B. COMPENSATION POLICY FOR SUPERVISORY BOARD MEMBERS

1. GENERAL PRINCIPLES

Supervisory Board members are compensated for their duties.

2. TERMS

Every year the Shareholders' Meeting votes on an overall allocation of compensation to be awarded to Board members pursuant to a specific resolution. The Supervisory Board determines how this compensation is apportioned between its members, taking into account attendance and the specific responsibilities assigned to certain of its members.

3. FIXED, VARIABLE AND EXCEPTIONAL COMPENSATION

Supervisory Board members may receive fixed or variable compensation depending on their other responsibilities within the Group. Supervisory Board members to whom exceptional responsibilities are assigned may be allotted additional compensation under this heading.

4. BENEFITS OF ANY KIND PAYABLE

Supervisory Board members are entitled to reimbursement of all business expenses incurred in the performance of their duties, on presentation of receipts and in compliance with procedures in force within the company.

III. COMPENSATION AND BENEFITS PAID TO COMPANY OFFICERS

(Article L.225-102-1 of the French Commercial Code – cf. Section 15.1.2 of the 2019 Annual Report)

1. COMPENSATION AND BENEFITS PAID TO COMPANY OFFICERS DURING FINANCIAL YEAR 2019

In accordance with the provisions of Article L.225-37-3 of the French Commercial Code, all information regarding the amount of compensation and benefits paid to each company officer in respect of the financial year under review is available in Section 15 of the 2019 Annual Report.

The total remuneration paid to the executive bodies and the directors' fees paid to the members of the Supervisory Board during the financial year ended 31 October 2019 thus amounted to €2,098,246.

The company has not entered into any commitments in favour of its company officers in respect of compensation or benefits due or likely to become due by reason of or subsequent to them taking up, leaving or changing their duties; in particular, there are no plans to award any severance benefits, supplementary pensions, stock options, bonus shares or variable compensation (bonuses).

2. 2020 COMPENSATION OF SUPERVISORY BOARD MEMBERS

The Supervisory Board proposes, at the next Shareholders' Meeting, to set the amount of compensation allotted to the Supervisory Board at €125,000 in respect of the year beginning 1 November 2019; the Supervisory Board shall determine how this amount is to be apportioned among its members.

IV. AGREEMENTS PROVIDED FOR IN ARTICLE L.225-37-4 OF THE FRENCH COMMERCIAL CODE

We hereby confirm that we have not identified any agreements, whether entered into directly or through an intermediary, between:

- any member of the Executive Board, any member of the Supervisory Board or any shareholder holding more than 10% of the voting rights in Groupe Partouche;
- and any other company of which Groupe Partouche directly or indirectly owns more than half,

with the exception of arm's length agreements relating to day-to-day operations.

V. ADDITIONAL INFORMATION

DELEGATIONS OF AUTHORITY

A table summarising currently valid delegations of authority granted by the shareholders in respect of increases in the share capital, pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code, can be found in Section 21.1.5 of the 2019 Annual Report.

The Executive Board has been granted various authorisations under which it may decide to buy back treasury shares, issue securities giving access to equity or reduce the share capital. These authorisations were granted to it at the Extraordinary Shareholders Meeting of 11 April 2018 and the Ordinary and Extraordinary Shareholders' Meetings of 27 March 2019.

These authorisations were not used during the financial year ended 31 October 2019, nor to date.

1. SPECIAL CONDITIONS FOR ATTENDANCE AT SHAREHOLDERS' MEETINGS

All shareholders are entitled to attend Shareholders' Meetings, the operating rules of which are laid down in Articles 27 to 37 of the Articles of Association and reiterated in Section 21.2.5 of the Groupe Partouche 2019 Annual Report.

2. FACTORS LIKELY TO HAVE AN INFLUENCE IN THE EVENT OF A PUBLIC TENDER OFFER

In accordance with Article L.225-100 of the French Commercial Code, we hereby confirm that there are no factors likely to have an influence in the event of a public tender offer, as specified in Article L.225-100-3 of that same code.

3. OBSERVATIONS ON THE MANAGEMENT REPORT AND THE PARENT COMPANY FINANCIAL STATEMENTS

We hereby confirm that the parent company financial statements for the financial year ended 31 October 2019 and the management report were provided to the Supervisory Board within the timescales laid down in legal and regulatory provisions.
The parent company financial statements for the year ended 31 October 2019 show the following key totals:
Total assets: €824,012k;
Turnover: €11,596k
Net profit for the year: €785k.

CONSOLIDATED FINANCIAL STATEMENTS

Furthermore, the Supervisory Board acknowledges having been made aware of the consolidated financial statements, which show net profit attributable to equity holders of the parent company of €18,635k.

In light of the foregoing, we have no particular observations to make on either the Executive Board's management report or the financial statements for the year ended 31 October 2019.

The Supervisory Board

Patrick Partouche

17

STATEMENT OF NON-FINANCIAL PERFORMANCE

17.1 OUR VENUES NEED TO INSPIRE OUR CUSTOMERS' IMAGINATIONS

GROUPE PARTOUCHE

CASINO OPERATOR - DYNAMIC - WELCOMING - COMMITTED

2019 KEY FIGURES

42 CASINOS

4 COUNTRIES

56 RESTAURANTS

13 HÔTELS

GROUP

47 YEARS	4 184	€25.0M	€433.5M
of know-how in entertainment and gaming	employees	net profit	total turnover

GAMING, ENTERTAINMENT, CATERING, HOTELS

78%	3 000	365	1 236 676
Net gaming revenue as a proportion of turnover	entertainment events at our venues	business seminars	meals served

RESOURCES

SPORTS BETTING

PASINO BET
inaugurated 09/09/2019

INNOVATION & TECHNOLOGIES

EXPERTISE OF OUR TOOLS

OWNERS AND SELLERS
of our software solutions dedicated to the gaming business

INTERACTIVE TV

LOTERIES in Senegal,
INTERACTIVE GAMES on cruise ships

In accordance with Ordinance 2017-1180 of 19 July 2017 (Article L.225-102-1), Groupe Partouche's statement of non-financial performance is set out below.

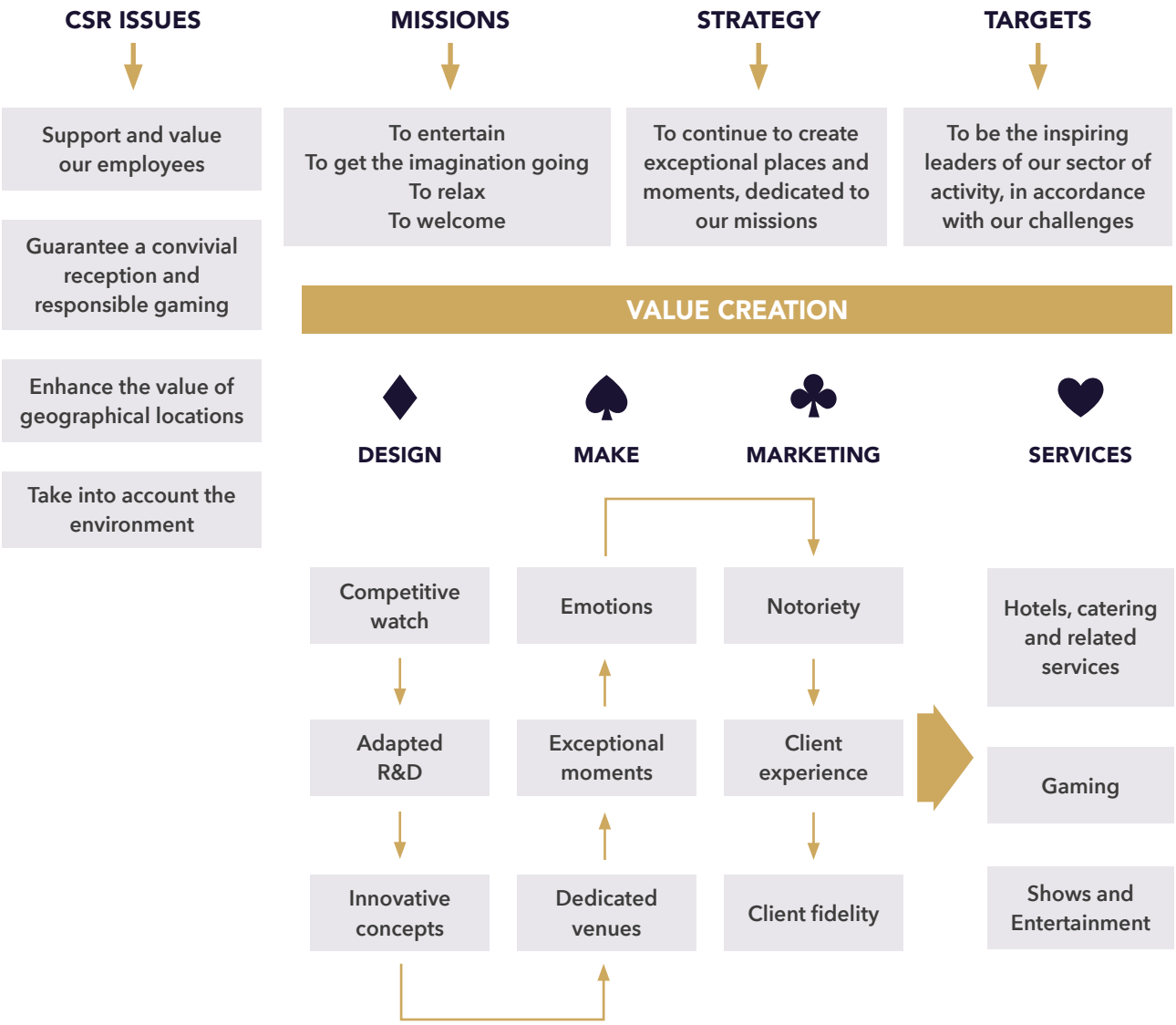
Groupe Partouche's mission is to entertain its clients – all of them.

Whether regulars, occasional gamers, just passing through, holders of our Players Plus card, young or not so young, grandparents, challengers, adrenaline seekers or party animals; whether with friends, at a wedding party, staying at one of our hotels, attending a seminar, playing golf or other sports; our promise is the same: to give them an experience that goes beyond their expectations.

In keeping with its business activities, Groupe Partouche is committed to being socially and environmentally responsible.

Groupe Partouche is keen to remain focused on its recreational business, principally gaming. Furthermore, gamification, which is at the heart of the Group's strategy, offers prospects for growth. Whether as an additional service linked to an existing offering or as a fully-fledged offering in its own right, we are keen to develop gamification across all platforms, and particularly digital platforms, after the example of our Partouche Casino Games app and the games offered in our casinos.

OUR VISION: OUR VENUES SHOULD BE THE PLACE WHERE OUR CUSTOMERS CAN LIVE THEIR DREAMS



17.2 CSR GOVERNANCE

The Group's management is particularly aware of its social responsibility and the active role its subsidiaries can play. It thus appointed a CSR manager in September 2019.

The creation of this position, reporting to the Chairman of the Executive Board and the human resources department for its operating activities, attests to Groupe Partouche's desire to structure and reinforce its CSR policy in a context in which employee performance is a central concern. This appointment is the logical next step in the work that has been done over a number of years.

The Group's management has assigned to the CSR manager responsibility for devising, coordinating and bringing to life the Group's CSR policy.

The CSR manager heads up a network of 51 officers in charge of defining, contributing to and implementing a local action plan depending on their activities and the regions in which they operate. These offers are appointed by local departments.

This forms part of a wider scheme that defines the Group's strategy but gives each subsidiary room to adapt, with local initiatives strongly encouraged. The head office therefore serves an advisory role on behalf of its subsidiaries, considered as internal clients, in all areas related to human resources.

The head office also provides them with a full set of related software tools for administrative support (payroll management, human resources information system, training, intranet and mobile application).

17.3 OUR CSR ISSUES

We performed a materiality analysis in 2018, comparing the perception of members of the Group's Executive Committee with that of all internal and external stakeholders in order to define our most relevant CSR issues and implement the necessary action plans.

Issues were selected based on a number of sources:

- competitor benchmarking (Barrière, Loto Québec, Casinos Austria, JOA, etc.);
- a document review to establish Groupe Partouche's existing CSR issues and achievements;
- qualitative telephone or face-to-face interviews with internal and external stakeholders based on a predefined interview guide.

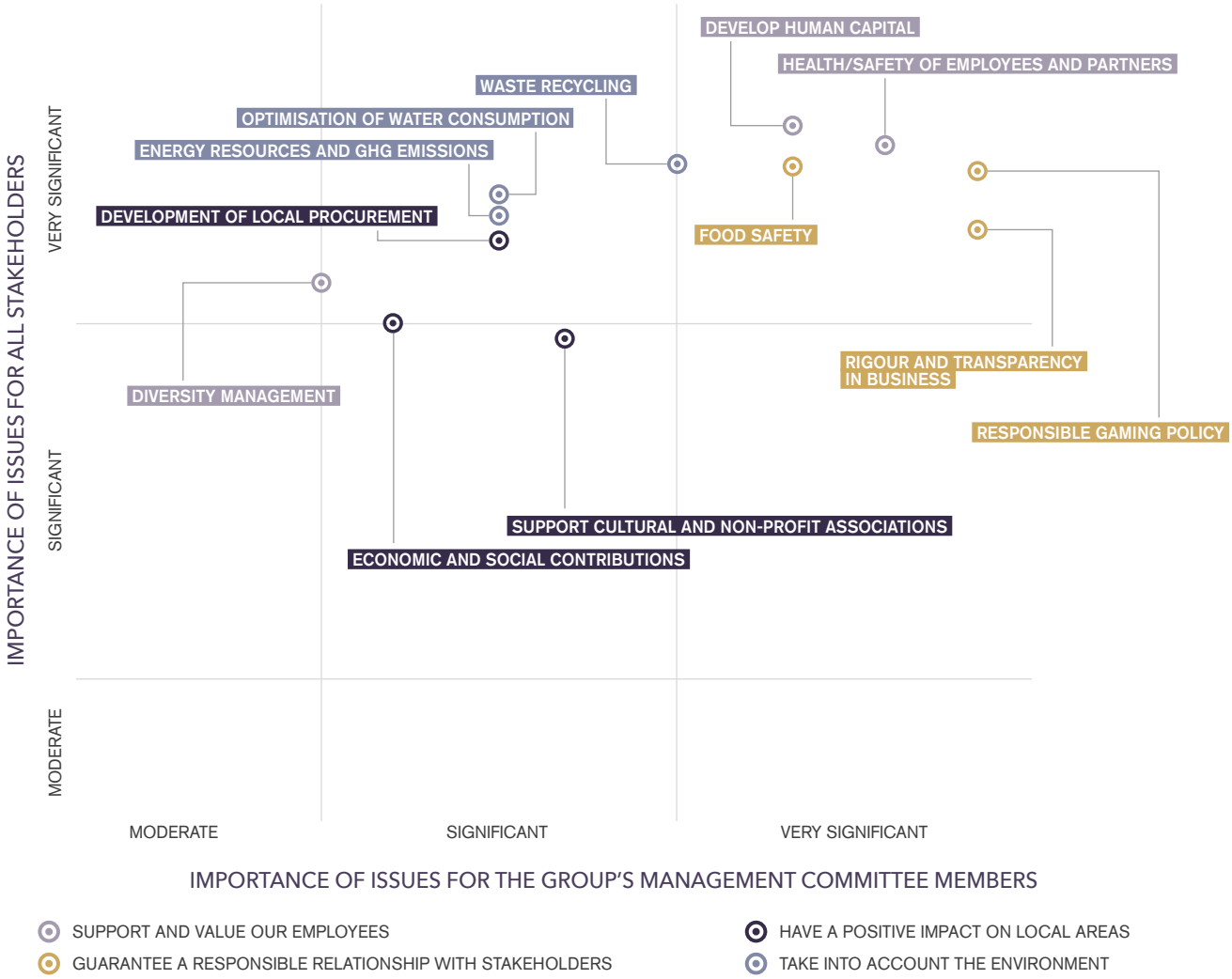
This first stage resulted in the selection of 12 key issues for Groupe Partouche:

		ISSUES	RISKS	TIME FRAME
RECOGNISING AND SUPPORTING OUR EMPLOYEES	1	MANAGING DIVERSITY	– POOR EMPLOYER IMAGE – DIFFICULTY ATTRACTING AND RETAINING EMPLOYEES – CUSTOMER EXPERIENCE AFFECTED	MEDIUM TERM
	2	DEVELOPING HUMAN CAPITAL		
	3	HEALTH AND SAFETY OF EMPLOYEES AND PARTNERS		
GUARANTEEING A FRIENDLY WELCOME AND RESPONSIBLE GAMING	4	RESPONSIBLE GAMING POLICY	– ALTERING THE BRAND IMAGE – RISK OF FRAUDULENT BEHAVIOUR – RISK OF ADMINISTRATIVE AND CRIMINAL SANCTIONS	SHORT TERM
	5	RIGOUR AND TRANSPARENCY IN BUSINESS		
	6	FOOD SAFETY		
HAVING A POSITIVE LOCAL IMPACT	7	DEVELOPING LOCAL PURCHASING	– FAILURE TO COMPLY WITH SPECIFICATIONS – LACK OF ATTRACTIVENESS IN REGIONAL AREAS	MEDIUM TERM
	8	SUPPORTING CULTURAL AND COMMUNITY LIFE		
	9	ECONOMIC AND SOCIAL CONTRIBUTION		
BEING ENVIRONMENTALLY AWARE	10	ENERGY RESOURCES AND GREENHOUSE GAS EMISSIONS	– RISE OF CLIMATE CHANGE – DEPLETION OF RESOURCES – FOOD WASTE	MEDIUM TERM
	11	OPTIMISING OUR WATER CONSUMPTION		
	12	RECOVERING OUR WASTE		

This list of issues was submitted to Groupe Partouche's internal and external stakeholders via an online survey to which 684 responded.

The results of this survey formed the basis of the materiality matrix that informs the company's strategy.

The entire process was overseen by a project committee consisting of the project director, an outside firm that helped us with this project and the Group's CSR Department.



17.4 DIALOGUE WITH OUR STAKEHOLDERS

Apart from its employees, management and labour, the stakeholders of Groupe Partouche SA and its subsidiaries mainly consist of customers, local authorities, government ministries responsible for supervising casinos, suppliers, partners, non-profit organisations and clubs. They may also include citizens, the Group's competitors and investors.

Groupe Partouche SA is a dynamic, welcoming and committed casino operator. This describes who we are and what our values are, established as matter of management principle. We have decided to set them out formally in order to create an internal tool that can be used by our subsidiaries on numerous occasions.

Each of our values has three characteristics, each suited to the local environment in the form of concrete actions focused on employees, customers and, beyond that, all stakeholders – because these values must be both lived and brought to life.

- Casino operator: passionately professional, independent and honest
- Dynamic: innovative, refreshingly different and challenging
- Welcoming: friendly, cheerful and courteous
- Committed: open, listening and attentive

The way in which our subsidiaries maintain relations with their stakeholders, whether permanent or temporary, is therefore inevitably significantly impacted by this value-led management system.

17.5 METHODOLOGY USED TO PREPARE LABOUR AND ENVIRONMENTAL DATA

With the help of a working group composed of CSR officers and contributors, the CSR indicators were adjusted, either in their wording or in their calculation method, in order to ensure the reliability of the data collected.

REPORTING SCOPE

The labour, social and environmental data presented cover all of Groupe Partouche in France and abroad.

DATA COLLECTION, CONSOLIDATION AND VERIFICATION

REPORTING PERIOD AND ACCOUNTING RULES

Data collected relate to the period from 1 November 2018 to 31 October 2019.

DATA COLLECTION PROCEDURE

51 officers oversee data entry at the entities they manage, then approve this data and submit it to the programme director. Some of these CSR officers are responsible for more than one entity.

Data is gathered using the SIGMA-RH system available at all Groupe Partouche subsidiaries, with the exception of the casino in Djerba, the casino in Crans-Montana, Partouche Studio, Partouche Technologies and Le Laurent, which submit their data in an Excel file. Their data are then entered in SIGMA-RH by the programme director.

DATA CONSOLIDATION AND VERIFICATION PROCEDURE

The system is used to input data, perform calculations and subsequently consolidate the data. There are multiple levels of checks:

- contributors input data within their entities;
- CSR officers check all data input at their entity before approving said data;
- the programme director checks all data gathered before it is consolidated.

BACKGROUND

The data do not include employees with contracts for occasional temporary work, or artists.

METHODOLOGICAL DETAILS

LABOUR DATA

The majority of labour data will be provided by the head office.

Number of permanent employment contracts (fixed contracts for subsidiaries outside France) entered into in the year: employees on fixed-term contracts who sign a permanent contract are counted once, even if they were previously employees.

The number of part-time employees present at 31 October 2019 includes employees working part time due to health reasons.

The number of employees with a recognised disability was determined at 31 October 2019.

When calculating number of hours' absence, the following reasons are used:

- occupational accident/relapse;
- sickness/hospitalisation;
- occupational illness;
- commuting accident;
- illness.

The following grounds for redundancy and dismissal are captured:

- redundancy following court-ordered liquidation or insolvency proceedings;
- redundancy following permanent closure of the establishment;
- redundancy on economic grounds;
- redundancy on other grounds;
- dismissal for gross misconduct;
- dismissal for wilful misconduct;
- redundancy on grounds of physical unfitness (non-occupational in origin);
- redundancy on grounds of physical unfitness (occupational in origin).

Only declarations of occupational accidents with medical leave are recognised.

The frequency rate of occupational accidents is calculated using the following formula:

- number of accidents reported/total number of hours worked x 1,000,000;
- one day is equivalent to seven hours.

The number of workspaces adapted for employees with a disability or incapacity declared during the year only takes into account those employees with:

- physical unfitness identified after an occupational medicine consultation;
- classified disability (level 1, 2 or 3);
- recognised status as an employee with a disability;

and for whom physical (e.g. chairs, tables) or organisational (e.g. adjustments to work schedule) changes were made to the workspace.

Only those illnesses recognised during the fiscal year are counted; as such, a person still suffering from an occupational illness that was recognised the previous year is not counted.

The total spent on professional training takes into account only the amounts excluding taxes stated in the agreements or the training invoices. Additional costs such as salaries or travel expenses should therefore not be added.

The number of employees receiving training at least once is recognised as follows: one person trained only counts once, even if this person has undertaken a number of training programmes over the reporting period.

SOCIAL DATA

Local hiring refers to recruitment within a 50 km radius of the entity. The address shown on the work contract is the one used to identify the employees concerned.

Only suppliers and subcontractors with which the entity worked at least once during the year will be counted.

17.6 GUARANTEEING A FRIENDLY WELCOME AND RESPONSIBLE GAMING

PREVENTING AND COMBATING FRAUD

The very nature of the Group's business, which in particular involves the handling of large sums of money, can lead, in some circumstances, to staff or outside persons committing fraudulent acts.

The casino business must be able to deal with the potential risks of embezzlement and cheating.

All managers and employees allocated to casino activities must be accredited by the French Minister of the Interior following an administrative enquiry carried out in accordance with the legislative and regulatory requirements of the French Internal Security Code, with a file sent by the casino to the police department.

All gaming rooms have effective CCTV and sound recording systems covering all gaming tables, cash registers, safes, counting rooms, slot machines and entrances. Recordings of up to 28 days allow for effective monitoring of all movements of money within gaming rooms.

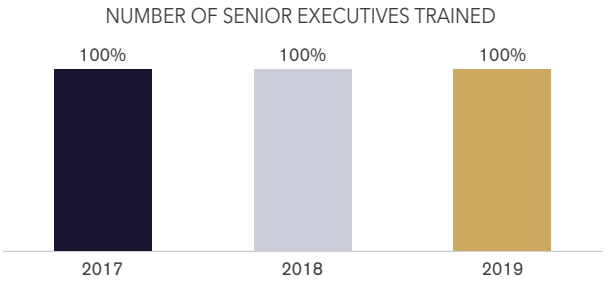
The casinos are subject to anti-money laundering and counter-terrorist financing regulations. The French Monetary and Financial Code requires the legal representatives and directors responsible for the Group's institutions to implement vigilance and control measures and, if necessary, to report any money laundering attempts to the "Tracfin" national intelligence unit.

Groupe Partouche's gaming managers and staff receive regular training in prevention of money laundering and terrorist financing.

Lastly, the Groupe Partouche holding company is subject to the requirements of Act 2016-1691 of 9 December 2016, known as the "Sapin II" Act, on transparency, anti-corruption and economic modernisation. In this regard, training is provided for executives and an anti-corruption code of conduct has been put in place.

100% OF RESPONSIBLE EXECUTIVES TRAINED

Development over the last three years



PREVENTING EXCESSIVE GAMING

Excessive gaming can cause some people to develop an addiction. Gaming addiction is characterised by a continuous or periodic loss of control, an increase in the amounts staked and the frequency of gaming. Gaming can therefore become an obsession with negative consequences for the gambler that can even go as far as jeopardising their personal, family or professional life.

Gaming at an early age is a factor that can increase the risk of addiction. In this regard, it should be noted that minors are strictly prohibited from gaming rooms at casinos, which have permanent and effective ID checks in place.

For gambling to remain enjoyable, it is necessary to gamble in moderation. With this in mind, Groupe Partouche has long involved all of its casinos in promoting "responsible gaming" and since 2003 has implemented a protocol in partnership with Adictel, the leading interactive platform for preventing gaming addiction and helping gaming addicts.

Each casino's management ensures that all gaming staff know about gaming addiction. Gaming employees receive special training in identifying those showing early signs of a potentially risky situation and intervening with those concerned to encourage them to limit or even stop gaming when they are at risk of becoming addicted.

Adictel provides a comprehensive procedure for each member establishment, including "Make sure that gaming is still for fun" posters, information documents about gaming addiction containing a few basic rules to follow in order to avoid slipping into an uncomfortable situation and a questionnaire for people to self-assess their potential risk of addiction, and it offers a free counselling service that can be accessed by dialling 0805 02 00 00. This freephone number allows people experiencing difficulties to talk to trained counsellors at any time, under the supervision of psychologists with expertise in gaming addiction.

In addition, Groupe Partouche's casinos have a sign at the entrance to each gaming room informing customers about the risks of gambling addiction and legal requirements allowing anyone to voluntarily ask to be excluded from gaming rooms across France. Furthermore, customers are informed that they can ask the establishment's management for voluntary limited access to the establishment concerned.

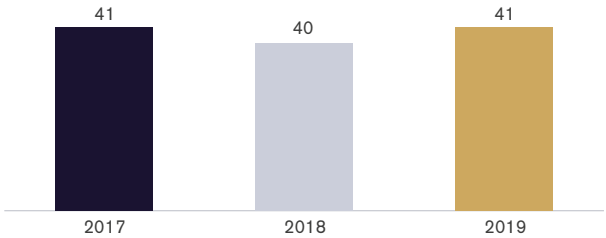
Access to rooms where gambling takes place is dependent on systematic checks serving to identify and deny admission to children under the age of 18 and persons banned from gaming rooms by the Minister of the Interior or in agreement with the establishment. At the entrance to gaming rooms, these checks are ensured on a permanent basis by staff authorised by the Minister of the Interior.

Groupe Partouche SA's subsidiaries are therefore keen to give the staff members who have contact with clients training, with the aim of providing clients with information, giving help to those in difficulty as well as someone in whom they can confide.

41 CASINOS HAVE PARTNERED WITH ADICTEL OR A SIMILAR ORGANISATION

Development over the last three years

NUMBER OF SUBSIDIARIES THAT ARE MEMBERS OF ADICTEL OR A SIMILAR ORGANISATION



FOOD SAFETY

In the event of a breach coming to light during an inspection by the regulatory authorities (such as, the French Office of Fair Trading [DGCCRF], the Departmental Directorate for Veterinary Services [DDSV] or the Departmental Directorate for Health, Safety and Social Affairs [DDASS]) the establishment's closure could be ordered, which would lead to a negative impact on the establishment's reputation and profitability.

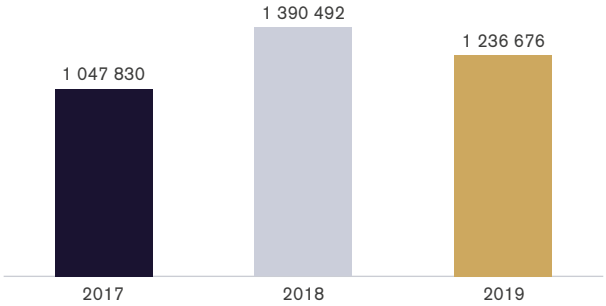
All our kitchens are equipped with ePack Hygiène, an innovative solution to simplify the entire Hazard Analysis and Critical Control Point (HACCP) approach implemented by the Group and maintain the documentation and records required by the EU's Food Safety Management System (FSMS). It also improves the level of food safety, secures the data collected and saves time for the teams.

In order to guard against these risks, all Group restaurants are regularly audited by Mérieux NutriSciences, an approved external laboratory, and training is implemented each year.

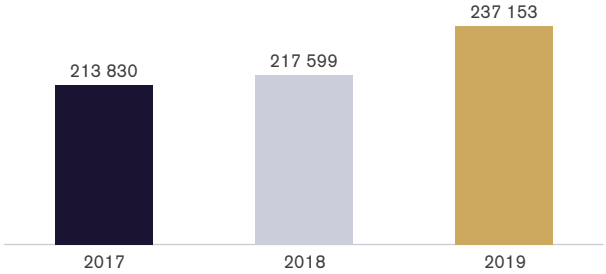
NUMBER OF AUDITS CARRIED OUT: 538
NUMBER OF GUESTS SERVED IN RESTAURANTS: 1,236,676
NUMBER OF GUESTS SERVED AT EVENTS: 237,153

Development over the last three years

NUMER OF MEALS SERVED BY RESTAURANTS



NUMBER OF MEALS SERVED DURING SHOWS



	2017	2018	2019
Number of audits carried out	NC	NC	538

This indicator has been introduced as of this financial year.

HEALTH AND SAFETY

As are all businesses who play host to the general public (known as "ERPs" in France), Groupe Partouche is duty-bound to guarantee the highest level of safety to its customers and employees. The Group's establishments therefore apply all health and safety instructions regarding, in particular, the risks of accident, health hazards, fire and environmental impairment, while assessing workplace-related risks as part of a preventive approach. Failing to respect these obligations could have a significantly negative impact on the Group's business.

The Group's establishments are also regularly inspected by commissions of health and safety, such as Apave and Bureau Veritas, who verify, in particular:

- fire and panic prevention within the Group's ERPs;
- ease of access for people with disabilities.

SECURITY

Our casinos have both technical and human resources which together ensure the security of people and goods. The terms under which they are activated are naturally linked to the unique character of the casino business, their size and their configuration.

Some of the security measures that have been implemented at the Group's establishments are listed below:

- CCTV cameras cover all areas of the establishments that may need monitoring, such as car parks, entrances, the main hall, games rooms, safe deposit vaults, cash registers, game tables and slot machines;
- a traditional surveillance system of volumetric radars connected to a central desk which detects the presence of an intruder in the establishment during closing hours;
- installing vaults and secure money boxes, with information displayed to the public at the cash registers, can significantly reduce aggravated burglaries. By taking such measures, no keys can be handed over to criminals because the only people that have the keys are those who collect the funds. Only a nominal amount of cash is kept in cash registers and safe deposit boxes to cover frequent transactions (such as currency exchanges and cash payments);
- a computerised access control system operated by badges or codes is used to access gaming rooms and other sensitive areas, to record the movement of staff and visitors in the buildings;
- checks at entrances to games rooms;
- dedicated security officers, as needed.

PROTECTION OF PERSONAL DATA

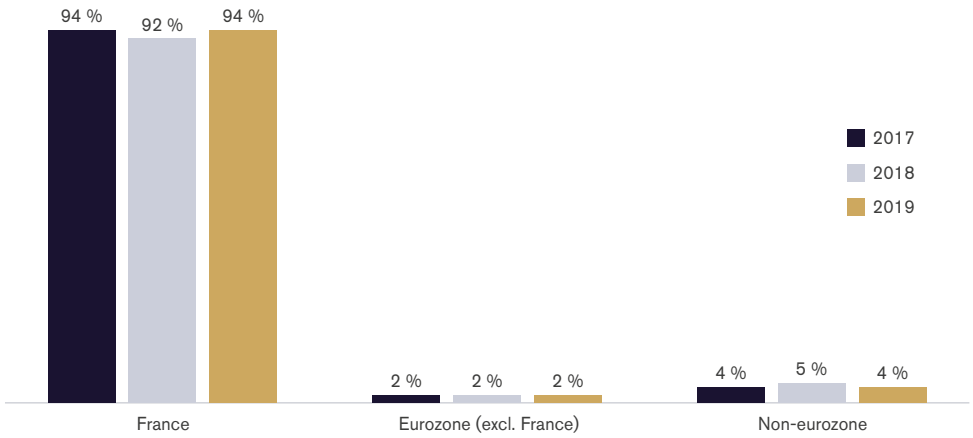
The Group has always taken care to protect the personal data of all its stakeholders. However, the entry into force of GDPR (the General Data Protection Regulation) was an opportunity to step up the level of protection, notably by harmonising Group best practice in this area. A team of legal and IT specialists from the holding company carried out audits and communicated regularly with executives at the Group's subsidiaries to ensure that all affected employees were aware of the issues.

17.7 RECOGNISING AND SUPPORTING OUR EMPLOYEES

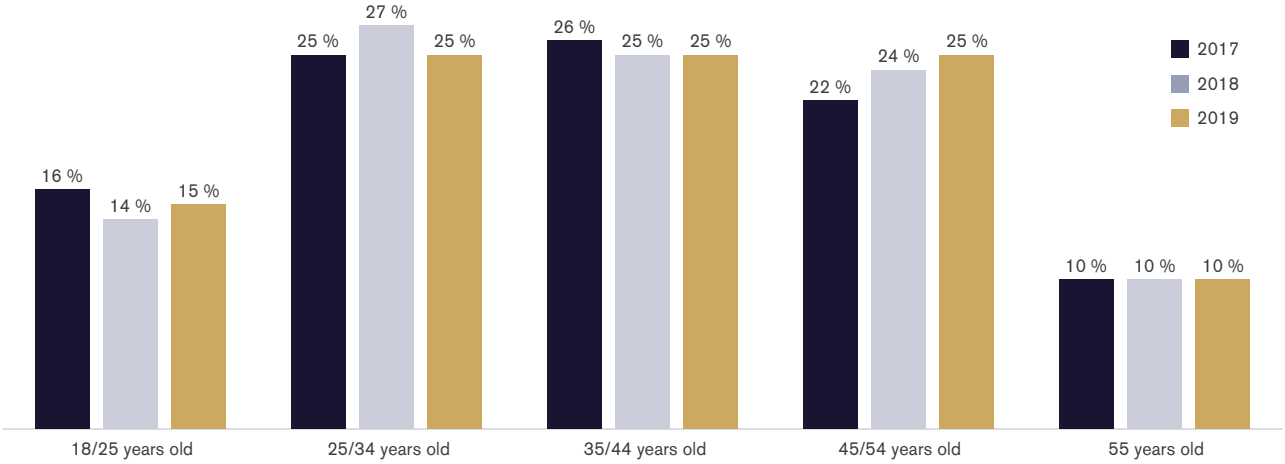
17.7.1 EMPLOYMENT

CATEGORIES AT 31 OCTOBER	2019	2018	2017
Executives	819	846	838
Supervisors and technicians	270	262	248
Other employees	2 964	3 023	3 064
Manual workers	131	135	138
Total	**4 184**	**4 266**	**4 288**

BREAKDOWN OF EMPLOYEES BY GEOGRAPHIC REGION



BREAKDOWN OF EMPLOYEES BY AGE



The Group's workforce is spread across two continents (Europe and Africa) and four countries (France, Belgium, Switzerland and Tunisia).

The Group's total payroll including social security contributions came to €173.67m, and the combined total of employee profit-sharing amounts paid by subsidiaries came to €3.26m.

	2017	2018	2019
Number of permanent contracts entered into in the financial year	824	849	**1 017**
Number of redundancies and dismissals in the financial year	179	186	**187**
Number of resignations in the financial year	-	-	**481**

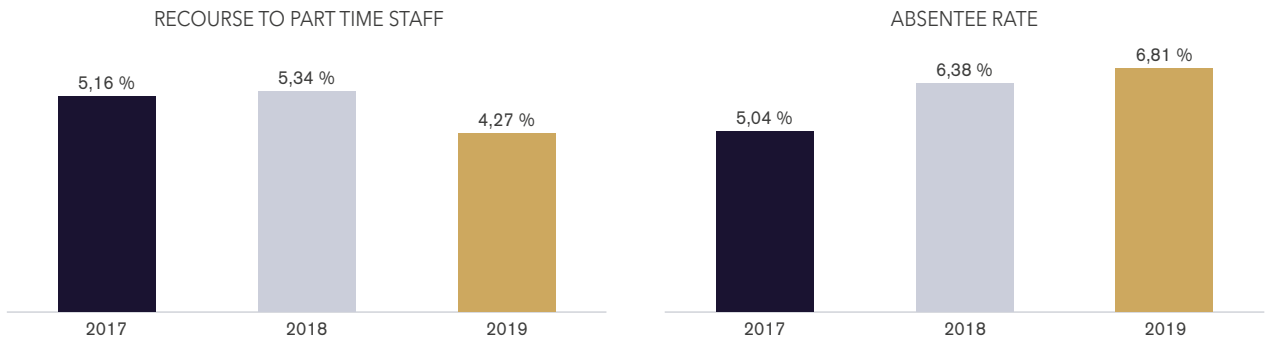
Turnover for employees with permanent contracts, in the casinos, hotels and restaurants that were open to the public for the entire financial year and were not subject to restructuring, which was calculated based on the average of the number of employees who left the company and the number of employees hired over the period, divided by the initial number of employees at the beginning of the period, was 23.39%.

17.7.2 WORK ORGANISATION

In most of the subsidiaries, the business involves a work organisation of seven days a week, with alternating working hours. This is explained by the range of opening hours of casinos, hotels and restaurants, and by the fact that the establishments are open 7 days a week. However, the use of part-time staff remains very limited.

4.27% OF OUR EMPLOYEES ARE PART TIME
6.81% ABSENTEE RATE

Development over the last three financial years



17.7.3 LABOUR-MANAGEMENT RELATIONS

Subsidiaries of Groupe Partouche SA are legally independent of one another and enjoy full autonomy, both as a result of the Group's diversified organisational structure (geographic locations, different sizes of casinos and other subsidiaries, wide range of activities, collective bargaining agreements, etc.) and in line with gaming regulations in force.

Each subsidiary makes sure that lines of communication between management and staff remain open, the key to successful working relationships within the Group. By giving subsidiaries complete autonomy in this area, thus respecting the importance of ensuring a "real-time" approach to staff supervision, management teams are able to effectively adapt to local circumstances.

Meetings of representative bodies are held in accordance with legal provisions in force.

The employee representative bodies have the possibility of creating their own page on the mobile application that is provided to subsidiaries and intended for employees.

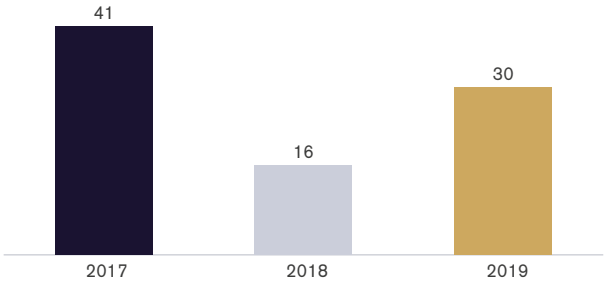
While fostering exchanges and ensuring that processes are harmonised across the Group, this organisation also respects the specific characteristics of subsidiaries, allowing each to adopt its own autonomous management approach at the local level, closely reflecting the needs of both staff and clients. This application of the subsidiarity principle is well suited to the Group's identity and the strong local roots of its subsidiaries.

A Group committee has been formed that meets twice a year. A trade union rights agreement was signed in January 2019 appointing five trade union representatives whose main role is to ensure the fluidity of labour-management relations and share experiences.

25 SOCIAL AND ECONOMIC COMMITTEES
30 COMPANY-WIDE AGREEMENTS WERE SIGNED DURING THE FINANCIAL YEAR

Development over the last three financial years

NUMBER OF AGREEMENTS SIGNED DURING THE FINANCIAL YEAR



	2017	2018	2019
Social and economic committees	-	12	25

17.7.4 MANAGING DIVERSITY

Failure by the Group to uphold its commitments in terms of professional equality, employment of disabled workers, imbalanced age pyramids and poor alignment between our employees and customers are factors that can damage the Group's business and image.

Being socially responsible also means thinking and acting to ensure that variety and diversity in terms of types of people are always a source of value and enrichment.

It also means making sure that our customers – among whom there is also broad diversity – can feel welcomed by staff they can identify with. In this sense, diversity also guarantees that we remain aligned with our customer base.

The Group works to combat all forms of discrimination in terms of recruitment and career development and is committed to supporting diversity on the ground through its numerous agreements or action plans within its subsidiaries or by directly implementing sector agreements in the following areas:

- employing disabled people;
- gender equality in the workplace.

Seven subsidiaries take measures to raise awareness about discrimination, fourteen strive to integrate people with disabilities and nine circulate job offers to organisations that promote employment for people with disabilities.

60.88% MEN AND 39.12% WOMEN
0 DISCRIMINATION INCIDENTS
14 WORKSPACES HAVE BEEN ADAPTED FOR EMPLOYEES WITH DISABILITIES

2020 TARGET: 0 DISCRIMINATION INCIDENTS
2021 TARGET: 100% OF OUR SUBSIDIARIES MADE AWARE OF OR TRAINED IN DIVERSITY

17.7.5 HEALTH AND SAFETY

As a responsible employer, in addition to regulatory constraints, the Group has to ensure that all employees work in a healthy, safe and secure environment. This is essential to ensure that they are able to develop, flourish and avoid any risk of an accident.

To prevent physical strain at work, the human resources information system for French casinos includes information on each employee's exposure to arduous or physically straining factors, which in our industry mainly includes working at night. The system also allows for individual risk assessment monitoring.

A reference employee has been designated as a health and safety contact for Group Partouche's French subsidiaries.

A page dedicated to prevention is included on the mobile application that is provided to subsidiaries and intended for employees.

OCCUPATIONAL ACCIDENT FREQUENCY RATE: 23.17
174 OCCUPATIONAL ACCIDENTS REPORTED
9 OCCUPATIONAL ILLNESSES RECOGNISED DURING THE FINANCIAL YEAR
8 SUBSIDIARIES HAVE AN AGREEMENT IN FORCE CONCERNING HEALTH AND SAFETY AT WORK

2020 TARGET: 5% REDUCTION IN OCCUPATIONAL ACCIDENTS

Development over the last three financial years

	2017	2018	2019
Occupational accident frequency rate	8,07	27,82	**23,17**
Number of reported occupational accidents	NC	185	**174**
Number of occupational illnesses	8	6	**9**
Number of subsidiaries with a health and safety agreement	15	16	**8**

17.7.6 DEVELOPING HUMAN CAPITAL

Difficulty attracting new talent, retaining staff and reduced commitment can damage the company's success. It is essential to create a policy for developing human capital that can mobilise employees and encourage them to deliver a dynamic performance.

The main way of doing this chosen by the Group is developing its training offering via its Centre de Formation Professionelle des Casinos (CFPC) training centre. Dedicated to training in gaming-related jobs, its mission is to develop employees' skills and help them to adapt to job roles and acquire gaming expertise.

The Group has been forced to find resources internally by creating this training offering due to the specific nature of the gambling sector, which only has a few employees. This constraint has been transformed into an opportunity as Groupe Partouche has acquired real expertise and impressive autonomy for training relating to its essential activities.

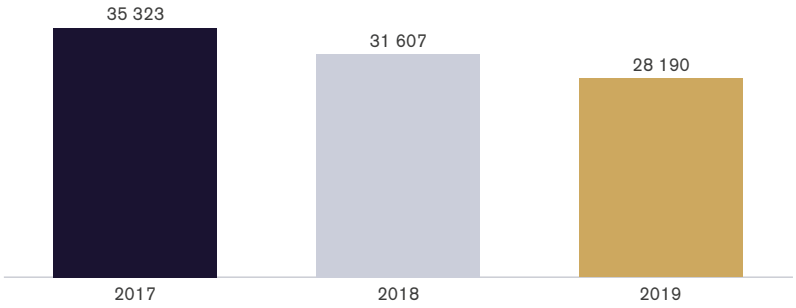
For training concerning industries other than gaming, Groupe Partouche SA subsidiaries can use outsourced services.

28,190 HOURS' TRAINING CARRIED OUT DURING THE FINANCIAL YEAR
1,462 EMPLOYEES RECEIVED TRAINING
123 WORK-LINKED CONTRACTS
€869,854.83 TRAINING EXPENSES

TARGET: EACH EMPLOYEE WILL HAVE TAKEN AT LEAST ONE TRAINING PROGRAMME OVER THE NEXT THREE YEARS

Development over the last three financial years

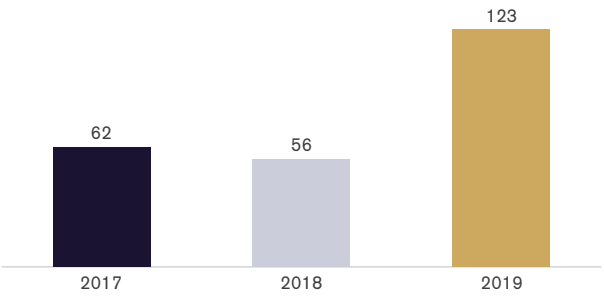
NUMBER OF HOURS TRAINING CARRIED OUT DURING THE FINANCIAL YEAR



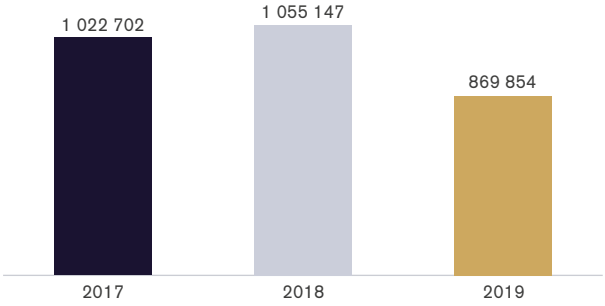
	2017	2018	2019
Number of employees undergoing training	-	-	**1 462**

This monitoring indicator was introduced during the financial year.

NUMBER OF WORK-STUDY CONTRACTS



AMOUNT SPENT ON TRAINING



17.8 BEING ENVIRONMENTALLY AWARE

Groupe Partouche SA and its subsidiaries do not have an internal environmental management department or specific employee training in this regard.

Our main business in the leisure sector does not require any accreditation procedures with respect to the environment. Nevertheless, the Group remains vigilant with regard to the development of environmental issues.

RECYCLING OUR WASTE

All companies are responsible for the waste they produce or possess. In addition to regulatory requirements of companies, good waste management allows them to reduce their environmental impact either by reducing the quantity of waste or by recycling it.

As the Group has a large catering business, raw materials consumed consist mainly of products purchased for catering purposes. To prevent unsold food and wasted meals, the Group introduced a strict purchasing policy under which all meals are calibrated on the basis of a detailed technical specification that quantifies the exact amounts of products needed. Our subsidiaries also offer a doggy bag to any customers who want one.

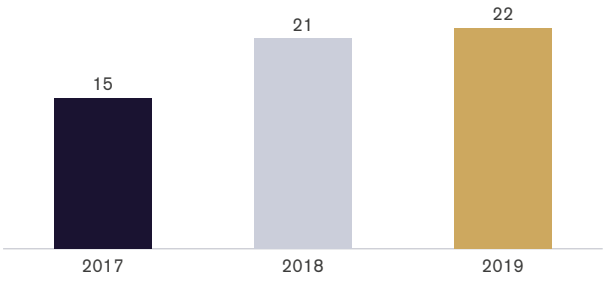
Eight subsidiaries have introduced biowaste processing either by composting or by sending it to an appropriate processing facility.

Cooking oil is recycled at all our subsidiaries.

Twelve subsidiaries compost their green waste on site and send it to a composting or other type of recycling facility.

The Group also invited its subsidiaries to choose a service provider to recycle office waste (paper, drinking cups, batteries, plastic bottles, etc.). The company presented and selected to recycle office waste was Elise.

NUMBER OF SUBSIDIARIES USING AT LEAST ONE ADAPTED SORTING PROCESS

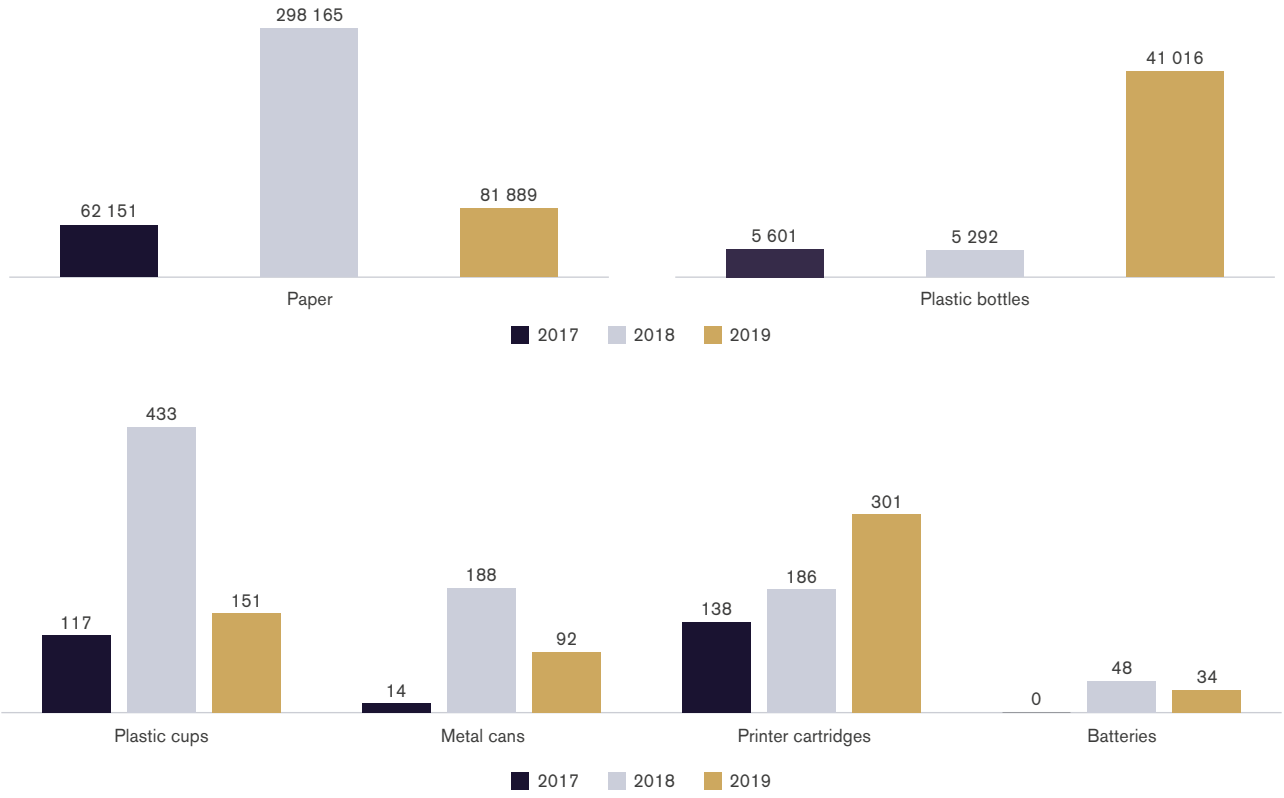


Performance indicators:

22 SUBSIDIARIES USE AT LEAST ONE APPROPRIATE WASTE RECYCLING FACILITY
81,889 KG OF PAPER, 41,016 KG OF PLASTIC BOTTLES, 151 KG OF PLASTIC CUPS, 92 KG OF METALLIC CANS, 301 KG OF INK CARTRIDGES AND 34 KG OF BATTERIES SENT TO AN APPROPRIATE PROCESSING FACILITY

2020 TARGET:
100% OF SUBSIDIARIES WILL HAVE APPOINTED ONE OR MORE RECYCLING SERVICE PROVIDERS AND DEFINED AN ACTION PLAN FOR MANAGING THEIR WASTE

RECYCLABLE WASTE SENT TO AN ADAPTED PROCESSING CENTRE (KG)



The 2016/2017 data does not cover a full financial year, since contracts were signed in the course of 2017.

ELECTRICITY

At present, most of our power comes from fossil fuels. These resources are limited and have an impact on the climate. This power is essential for our business as it is needed to ensure the smooth running of all our infrastructures (gaming rooms, restaurants, hotels, offices etc.).

Developing good management practices as well as measures to reduce electricity consumption enable us to make savings and reduce our impact on the environment.

The Group ensures that it controls its electricity consumption.

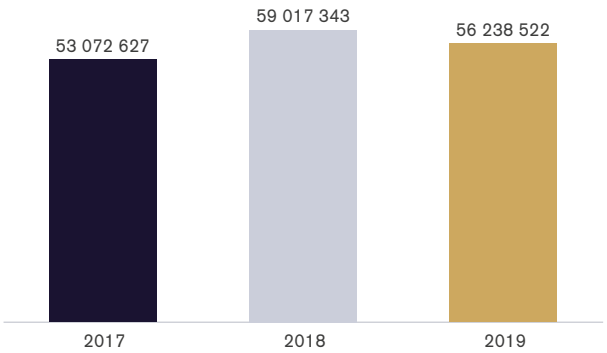
In particular, signage for hotel guests, LED bulbs and factsheets about environmentally friendly practices are provided at most subsidiaries.

56,238,522 KW CONSUMED
2,350,857 KW CONSUMED FROM RENEWABLE SOURCES

2025 TARGET: 30% REDUCTION IN ELECTRICITY CONSUMPTION

Development over the last three years

ELECTRICITY CONSUMPTION IN KW



OPTIMISING OUR WATER CONSUMPTION

Water is an essential resource for our planet. It is not unlimited. In order to combat climate change, it is necessary to protect water resources by controlling the quantity used and limiting water pollution so that we do not increase the risk of a shortage.

The Group's companies provide a service activity that does not involve industrial or chemical transformation processes. Therefore, they do not cause water pollution, which has a severe effect on the environment.

The Group ensures that it controls the quantity of water it consumes.

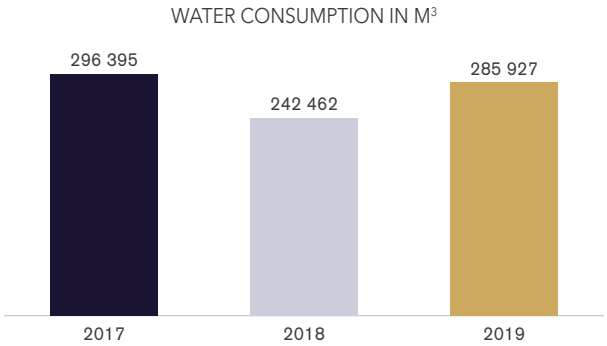
Measures to reduce water consumption are in place, such as pushbutton taps, factsheets about environmentally friendly practices for our employees and signage for our customers.

All of the water evacuated is directly channelled into a sewerage network operated by the company's regional authority.

285,927 M³ OF WATER CONSUMED

2025 TARGET: 30% REDUCTION IN WATER CONSUMPTION

Development over the last three financial years



GREENHOUSE GASES

Human activity results in increased greenhouse gas emissions and exacerbates climate change. We need to measure and know about the greenhouse gases relating to our business activities in order to be able to come up with and implement ways of reducing these emissions.

Electricity was identified as the significant cause of greenhouse gas emissions from the Group's activities, mainly from the use of its properties and services: 3,853,077 kg CO_2 eq. in the year, compared with 4,043,463 kg CO_2 eq. in the previous financial year.

To date, our suppliers and subcontractors do not provide an individualised assessment of their greenhouse gas emissions.

However, thanks to our collaboration with certain partners responsible for the collection and recovery of waste, we have achieved the following:

8,823.88 KG CO_2 EQ. FOR PAPER (25 SUBSIDIARIES CONCERNED)
735.18 CO_2 EQ. FOR PLASTIC BOTTLES (11 SUBSIDIARIES CONCERNED)
345.40 KG CO_2 EQ. FOR PLASTIC CUPS (11 SUBSIDIARIES CONCERNED)
500.64 KG CO_2 EQ. FOR METALLIC CANS (6 SUBSIDIARIES CONCERNED)

The Group's CSR manager is currently undergoing training in carbon footprint assessments with training organisation IFC in order to measure the Group's carbon footprint.

2020 TARGET: CONDUCT A CARBON FOOTPRINT ASSESSMENT OF OUR ACTIVITIES AND DEFINE AN ACTION PLAN TO REDUCE GREENHOUSE GAS EMISSIONS

Development over the last three years

CATEGORIES AT 31 OCTOBER	2017	2018	2019
Paper: kg CO_2 eq. reduction	1 505,11	2 066,89	8 823,88
Plastic bottles: kg CO_2 eq. reduction	952,24	333,80	735,18
Plastic cups: kg CO_2 eq. reduction	359,59	597,04	345,40
Metallic cans: kg CO_2 eq. reduction	81,75	663,44	500,64

BIODIVERSITY

To the best of our knowledge, the business does not pose any particular threat to biodiversity.

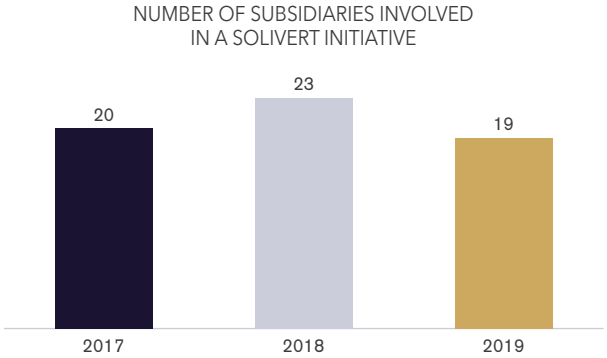
Even so, Groupe Partouche wanted to include its subsidiaries in a sustainability initiative called "Solivert". This is an initiative to raise awareness about protecting biodiversity in collaboration with the local community in cities where casinos are located.

The locations for initiatives are chosen with each city so that they have the most impact.

Nineteen subsidiaries have implemented this positive initiative which calls on customer and employee volunteers as well as residents in the area.

2021 TARGET: 100% OF SUBSIDIARIES INVOLVED IN A SOLIVERT INITIATIVE

Development over the last three financial years



ADDITIONAL INFORMATION

The Group does not produce much airborne, waterborne and landborne waste with a direct impact on the environment.

Soil use is especially relevant in the operation of golf courses, where all products used comply with applicable standards.

None of Groupe Partouche's current establishments had to make provisions or guarantees for environmental risks during the financial year.

No indemnities pursuant to a legal decision pertaining to environmental issues were paid during the financial year.

17.9 HAVING A POSITIVE LOCAL IMPACT

DEVELOPING LOCAL PURCHASING

In the regions in which we operate, local purchasing allows us to contribute to wealth produced, develop jobs and contribute to the region's economic development. This also allows us to reduce our environmental impact due to transportation in particular.

Within the Group, each subsidiary is responsible for its own purchasing. As the Group's key professional specialities do not lend themselves to this practice, subcontracting is still only used on a relatively small scale.

Our purchasing policy forbids purchasers from accepting personal gifts from suppliers.

In order to guarantee both our independence and our desire to maintain the closest possible business relationships with our establishments, Groupe Partouche subsidiaries use nationally recognised suppliers and suppliers with a local presence.

At present, the only reliable indicators in terms of purchasing are:

- the number of suppliers;
- the number of subcontractors;
- the average supplier payment time;
- the number of legal disputes with our suppliers.

Indicators concerning local purchasing are not reliable enough to be communicated.

BREAKDOWN OF SUBSIDIARIES BY NUMBER OF SUPPLIERS USED:
FEWER THAN 100 SUPPLIERS: 29%
100 TO 200 SUPPLIERS: 19%
200 TO 300 SUPPLIERS: 28%
MORE THAN 300 SUPPLIERS: 24%

BREAKDOWN OF SUBSIDIARIES BY NUMBER OF SUBCONTRACTORS USED:
NO SUBCONTRACTOR: 33%
0 TO 5 SUBCONTRACTORS: 26%
5 TO 10 SUBCONTRACTORS: 31%
10 TO 15 SUBCONTRACTORS: 7%
MORE THAN 15 SUBCONTRACTORS: 3%

AVERAGE SUPPLIER PAYMENT TIME: 1 MONTH

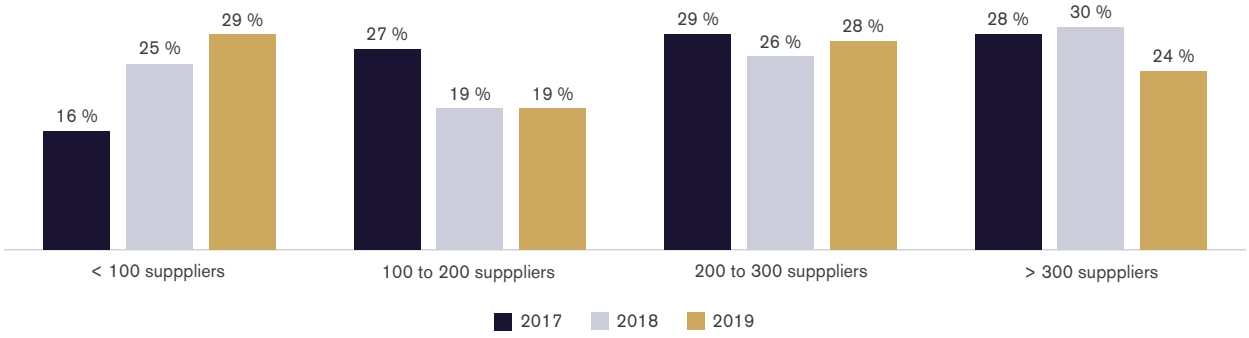
12 LEGAL DISPUTES WITH SUPPLIERS DURING THE FINANCIAL YEAR

2020 TARGETS: DEFINE RELIABLE QUANTITATIVE INDICATORS FOR OUR LOCAL PURCHASING

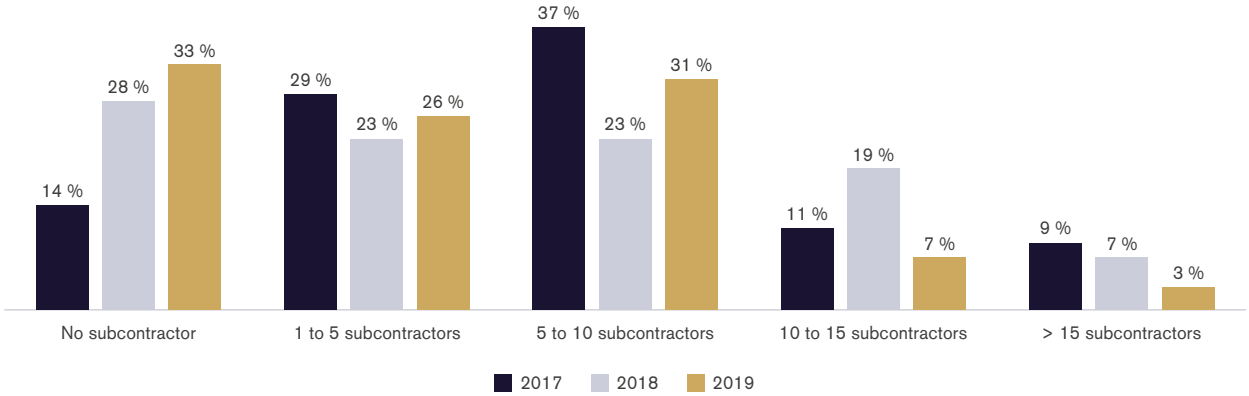
Development over the last three years

Monitoring of the average supplier payment time and the number of legal disputes with suppliers was implemented during the financial year.

BREAKDOWN OF SUBSIDIARIES BY NUMBER OF SUPPLIERS



BREAKDOWN OF SUBSIDIARIES BY NUMBER OF SUBCONTRACTORS

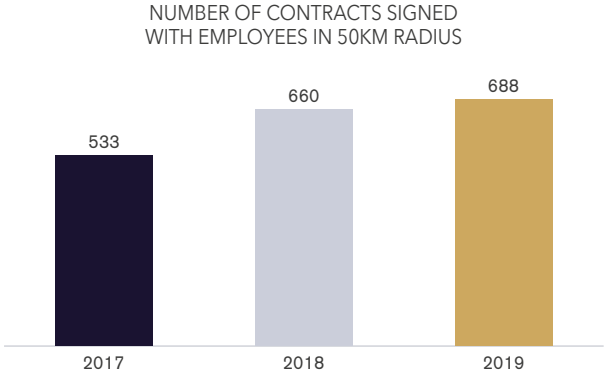


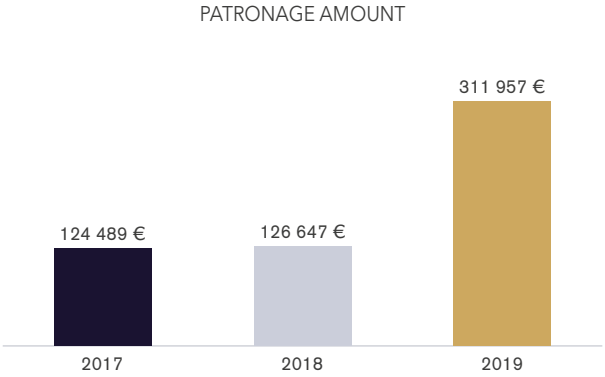
SUPPORTING CULTURAL AND COMMUNITY LIFE

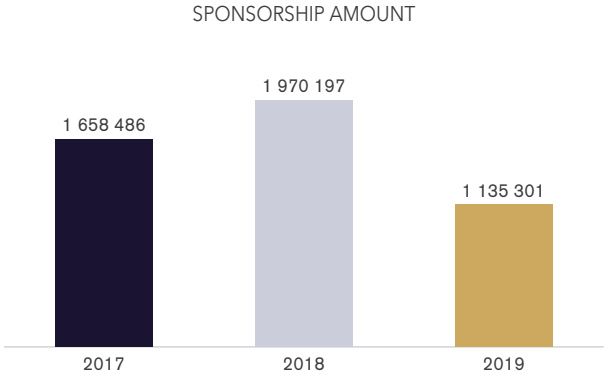
The Group has always wanted to contribute to the development of the regions in which its subsidiaries are based. For example, it develops local employment through actions that promote professional integration. It provides support for patronage schemes and charities. It provides customers with tools and means to better understand the specific characteristics of the region. Examples abound, notably in the realm of sports and live shows. Groupe Partouche is widely recognised for its beneficial impact on the social and economic fabric of local communities.

688 CONTRACTS WERE ENTERED INTO WITH EMPLOYEES LIVING WITHIN 50 KM OF THEIR PLACE OF WORK
€311,957 SPENT ON PATRONAGE
€1,135,301 SPENT ON SPONSORSHIP

Development over the last three financial years







17.10 REPORT BY THE INDEPENDENT THIRD PARTY

ON LABOUR ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

To the Shareholders,

As an independent third party accredited by Cofrac under number 3-1552 (details of the scope of this accreditation can be found at www.cofrac.fr), we hereby present our audit report on workforce-related, environmental and social information for the financial year ended 31 October 2019, set out in the management report (hereinafter the "CSR Information"), pursuant to the provisions of Article L.225-102-1 of the French Commercial Code.

RESPONSIBILITY OF THE COMPANY

The Company is responsible for drawing up a management report including the CSR information required under Article R. 225-105-1 of the French Commercial Code, prepared in accordance with all labour, environmental and social reporting protocols used by the Company (hereinafter the "Guidelines"), a summary of which is included in the management report.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulations and the industry's code of ethics, inserted into the Decree of 30 March 2012 on chartered accountancy. Furthermore, we have put in place a quality control system that includes documented policies and procedures aimed at ensuring that we comply with ethical rules and all applicable legislation and regulations.

RESPONSIBILITY OF THE CHARTERED ACCOUNTANT (EXPERT COMPTABLE) APPOINTED AS INDEPENDENT THIRD PARTY

It is our responsibility, on the basis of our work, to:

- confirm that the requisite CSR information is included in the management report or, if not, that an explanation is given in accordance with Article R. 225-105-3 of the French Commercial Code (confirmation of inclusion of CSR Information);

- express a conclusion of moderate assurance that the CSR information taken as a whole is, in all material respects, presented truthfully in accordance with the Guidelines (reasoned opinion on the truthfulness of the CSR Information).

We have carried out the work described below in accordance with the professional standards applicable in France and with the decree of 13 May 2013 setting out the means by which the independent third party conducts its assignment.

Our work was carried out by two people between 28 November 2019 and 8 January 2020 and took a total of four weeks.

We talked to nine members of managerial staff and nine members of operating staff, representing a total of 18 interviews.

CERTIFICATION OF COMPLIANCE OF THE STATEMENT OF NON-FINANCIAL PERFORMANCE

Nature and scope of the work:

For a compliance notice to be issued, the audit should check that the statement includes the following items:

- a description of the business model;
- a description of the key risks arising from the Company's business and, where applicable, from its business relationships, products and services;
- a description of policies and, where applicable, due diligence procedures implemented to prevent or mitigate the occurrence of the risks identified;
- the results of these policies and key performance indicators.

Conclusion:

On the basis of our work, we have not identified any material misstatements liable to call into question the compliance of the statement of non-financial performance.

Observations:

Without calling into question the above conclusion, we draw your attention to the following observation:

Procedures for collecting and consolidating data are not always standardised within all subsidiaries.

REASONED OPINION ON THE TRUTHFULNESS OF THE CSR INFORMATION PUBLISHED IN THE STATEMENT OF NON-FINANCIAL PERFORMANCE

Nature and scope of the work:

We interviewed the individuals responsible for preparing/gathering the CSR Information from the departments responsible for information collection processes and, where applicable, the individuals responsible for internal control and risk management procedures, so as to:

- assess the Guidelines' appropriateness in terms of its relevance, completeness, reliability, neutrality and comprehensibility, taking into consideration sector best practice where applicable;
- verify that a collection, compilation, processing and checking process is in place to ensure that the CSR Information is complete and consistent, and familiarise ourselves with internal control and risk management procedures relating to the preparation of CSR Information.

We determined the nature and scope of our controls and checks based on the nature and significance of the CSR Information given the Group's characteristics, the social and environmental issues arising from its business, its policy on sustainable development, and sector best practice.

For the CSR Information we considered the most important:

- at parent company level, we consulted source documents and conducted interviews to corroborate qualitative information (organisational structure, policies and actions); analysed quantitative information and undertook sample-based checking of calculations and data consolidation; and checked that data was consistent with other information included in the management report;
- at a representative sample of sites selected1 based on turnover, we conducted interviews to check that procedures had been properly applied and carried out detailed sample-based testing to check calculations and reconcile data with supporting documents2.

For other CSR Information, we assessed its consistency against our knowledge of the Group.

Lastly, we assessed the relevance of explanations provided for the partial or complete absence of certain information.

Due to the use of sampling techniques and other limitations inherent in any information and internal control system, the risk of failing to detect a material misstatement in the CSR Information cannot be altogether eliminated.

[1] Subsidiaries selected for detailed testing were Le Havre, Dieppe, Ostend, Saint-Amand-les-Eaux, Aix-en-Provence (casino and Aquabella hotel), Nice, Juan-Les-Pins and Cannes.

[2] The indicators selected for detailed testing are: training (number of hours and employees trained), number of occupational accident reports, occupational illness and employee agreements signed, gender balance, adoption of a code of conduct, membership of an organisation for preventing addiction, number of food tests by an external organisation, existence of a waste service provider for recycling waste, quantity of certain types of waste recycled and electricity consumption.

Conclusion:

On the basis of our work, we have not found any material misstatements liable to call into question the fact that CSR Information taken as a whole is, in all material respects, presented truthfully.

Observations:

Without calling into question the above conclusion, we draw your attention to the following observations:

The detailed testing performed with regard to the Volume of office waste indicator (paper, plastic bottles, plastic cups, metallic cans, ink cartridges, batteries) could not be fully validated. At some subsidiaries, information was not available, mainly because of a lack of monitoring by the waste recycling service provider.

Paris, 31 January 2020

Hervé Gbego

Technical manager
Certified accountant

18

MAIN SHAREHOLDERS

18.1 OWNERSHIP OF CAPITAL AND VOTING RIGHTS

The table below shows the breakdown of the Company's share capital and its theoretical and actual voting rights over the last three years:

MAIN SHAREHOLDERS	31/10/19			31/10/18			31/01/17		
	NUMBER OF SHARES HELD	% OF SHARE CAPITAL AND THEO-RETICAL VOTING RIGHTS	ACTUAL VOTING RIGHTS	NUMBER OF SHARES HELD	% OF SHARE CAPITAL AND THEO-RETICAL VOTING RIGHTS	ACTUAL VOTING RIGHTS	NUMBER OF SHARES HELD	% OF SHARE CAPITAL AND THEO-RETICAL VOTING RIGHTS	ACTUAL VOTING RIGHTS
Financière Partouche SA[1]	6 433 585	66,83 %	66,91 %	6 433 585	66,83 %	66,92 %	6 433 585	66,83 %	66,87 %
BCP[2]	1 277 020	13,26 %	13,28 %	1 277 020	13,26 %	13,28 %	1 277 020	13,26 %	13,27 %
Supervisory Board members[3]	553 702	5,75 %	5,76 %	544 102	5,65 %	5,66 %	449 916	4,67 %	4,68 %
Executive Board members[3]	16 027	0,17 %	0,17 %	16 027	0,17 %	0,17 %	16 027	0,17 %	0,17 %
Treasury shares	12 351	0,13 %	-	13 001	0,14 %	-	6 257	0,06 %	-
Free float[4]	1 334 349	13,86 %	13,88 %	1 343 299	13,95 %	13,97 %	1 444 229	15,00 %	15,01 %
TOTAL	**9 627 034**	**100,00 %**	**100,00 %**	**9 627 034**	**100,00 %**	**100,00 %**	**9 627 034**	**100,00 %**	**100,00 %**

1 Financière Partouche SA is a family holding company.
2 BCP holds 1,200,399 shares through FCPR France Private Equity III and 76,621 shares through Butler Capital Partners SA.
3 Detailed information on shareholding by members of the Supervisory and Executive Boards is provided in Section 18.2 of this Universal Registration Document.
4 As far as the company is aware, there are no shareholders holding 5% or more of the share capital and voting rights, apart from Financière Partouche and BCP.

On 2 April 2013, Financière Partouche SA, the family holding company that holds 66.83% of the share capital of Groupe Partouche SA, requested and obtained the initiation of a Safeguard Procedure (procédure de sauvegarde) from the Valenciennes Commercial Court, a procedure designed to allow Financière Partouche to renegotiate its financial debt, under the protection of the Commercial Court. The Valenciennes Commercial Court, in its ruling of 30 June 2014, approved the Company's Safeguard Plan (plan de sauvegarde). In its ruling of 19 September 2016, the Valenciennes Commercial Court, following agreements reached with bank creditor OCM Luxembourg (Oaktree) to settle its disputes with Financière Partouche and Groupe Partouche, amended Financière Partouche's Safeguard Plan.

As a guarantee of payment and reimbursement of all amounts due by Financière Partouche to banks in respect of the loan

contract dated 30 September 2005 and the memorandum of 31 October 2009, in principal, interest, commission, fees and other expenses, Financière Partouche pledged to banks the entirety of the shares that it held in Groupe Partouche. Under the terms of the Safeguard Plan for Financière Partouche described above, the pledge of securities given as guarantees remains in effect. The lifting of this condition is subject to the repayment of the loan.

At the request of Groupe Partouche, Euroclear France carried out a survey on 31 October 2019 of intermediaries holding 11,000 or more shares. This survey identified a total of 2,568 shareholders in this category, representing 14.1% of the share capital. At the date of this survey, also taking into account shareholders holding registered shares, it was thus confirmed that the share capital of Groupe Partouche was held by more than 2,600 shareholders.

The Euroclear France survey identified 21.3% of shareholders as institutional investors, corresponding to 3.0% of the share capital.

No securities are owned by employees under a share ownership plan.

18.2 DIRECT OR INDIRECT INVESTMENTS OF GROUPE PARTOUCHE SENIOR EXECUTIVES AND COMPANY OFFICERS IN THE SHARE CAPITAL AT 31 OCTOBER 2019

18.2.1 DIRECT AND INDIRECT INVESTMENTS

EXECUTIVE BOARD	DIRECT INVESTMENTS			INDIRECT INVESTMENTS	SHARE SUBSCRIPTION OR PURCHASE OPTIONS
	SHARES	PERCENTAGE		SHAREHOLDING VIA FINANCIÈRE PARTOUCHE*	
		CAPITAL	VOTING RIGHTS		
Fabrice Paire	376	0,00 %	0,00 %	-	NIL
Ari Sebag	5 682	0,06 %	0,06 %	11,13 %	NIL
Katy Zenou	9 969	0,10 %	0,10 %	7,72 %	NIL
Jean-François Largillière	-	0,00 %	0,00 %	-	NIL
TOTAL	**16 027**	**0,17 %**	**0,17 %**	**18,85 %**	**NIL**

** Financière Partouche owns 66.83% of the share capital of Groupe Partouche.*

SUPERVISORY BOARD	DIRECT INVESTMENTS			INDIRECT INVESTMENTS	SHARE SUBSCRIPTION OR PURCHASE OPTIONS
	SHARES	PERCENTAGE		SHAREHOLDING VIA FINANCIÈRE PARTOUCHE*	
		CAPITAL	VOTING RIGHTS		
Patrick Partouche	44 964	0,47 %	0,47 %	15,99 %	NIL
Isidore Partouche	508 519	5,28 %	5,29 %	0,84 %	NIL
Salomé Partouche	5	0,00 %	0,00 %	0,00 %	NIL
Walter Butler	1	0,00 %	0,00 %	0,00 %	NIL
Véronique Masi Forneri	62	0,00 %	0,00 %	0,00 %	NIL
Daniel Cohen	150	0,00 %	0,00 %	0,00 %	NIL
Caroline Texier	1	0,00 %	0,00 %	0,00 %	NIL
TOTAL	**553 702**	**5,75 %**	**5,76 %**	**16,83 %**	**NIL**

** Financière Partouche owns 66.83% of the share capital of Groupe Partouche.*

18.2.2 STOCKS OPTIONS

None.

18.3 INVESTMENTS BY GROUPE PARTOUCHE EMPLOYEES IN THE SHARE CAPITAL

18.3.1 INCENTIVE SCHEMES

No incentive schemes have as yet been put in place by Groupe Partouche SA.

18.3.2 EMPLOYEE PROFIT-SHARING

Pursuant to the provisions of Article L.225-102 of the French Commercial Code, we hereby indicate that there was no employee profit-sharing scheme under the terms of a company savings plan at the balance sheet date, 31 October 2019.

18.3.3 EMPLOYEE SHAREHOLDERS

None.

18.4 DIFFERENT VOTING RIGHTS

Each issued and outstanding share in the Company is entitled to a single vote. There are no double voting rights and the main shareholders, Financière Partouche and BCP, do not have different voting rights.

Furthermore, at the Extraordinary Shareholders' Meeting of 15 January 2015, it was decided "not to confer double voting rights upon (i) fully paid-up Company shares which can be shown to have been held in registered form for at least two years in the name of the same shareholder, or (ii) registered Company shares allotted free of charge as part of a capital increase through the capitalisation of reserves, income or share issue premiums, to a shareholder".

18.5 INFORMATION ON THE CONTROL OF THE SHARE CAPITAL

On 29 April 2011, a shareholders' agreement was entered into by Financière Partouche, Patrick Partouche, Katy Zenou and Ari Sebag, as party of the first part, and BCP as the party of the second part, governing the relationship between these shareholders. This agreement constitutes an action in concert. The main clauses in the aforementioned agreement stipulate, in particular, that BCP shall hold:

- a maximum of two-sevenths of the seats on the Supervisory Board as long as Butler Capital Partners holds at least 5% of the Company's share capital;
- a veto right over major decisions (any decision taken by a majority of 80% of present or represented members including the favourable vote of the members of the Supervisory Board appointed upon BCP's proposal) concerning transactions with an impact on the share capital, debt, disposal of assets or investment expenditure, acquisition of assets and more specifically:
  - any financial debt owed to an entity which does not belong to Groupe Partouche or any new off balance sheet commitment increasing Groupe Partouche's commitments by over €3 million (non-cumulative threshold) compared with debt recorded in the consolidated financial statements at 31 October 2010,
  - any single disposal of assets greater than €3 million (non-cumulative threshold) not mentioned in Groupe Partouche's initial business plan concerning the period from 2011 to 2015,
  - any investment expenditure or acquisition of assets in a unit amount exceeding €3 million (non-cumulative threshold), apart from (i) an annual budget of €30 million provided for in the business plan and (ii) a cumulative budget over the duration of the initial business plan of €35 million covering specific investments or any project replacing them;
- an enhanced right to information;
- a right of inspection as regards any recruitment, appointment, dismissal or revocation of the members of Groupe Partouche's Executive Board, of which the only consequence shall be, at no cost for Financière Partouche, to release BCP from its lock-up commitment and its obligation under Financière Partouche's right of first offer;
- a liquidity clause in its favour, stipulating firstly that as of 29 April 2014, Financière Partouche shall provide and ensure that Groupe Partouche and its senior executives provide all assistance required by BCP to enable the disposal of its

investment and secondly that in the scope of this liquidity procedure and in any event, as of 29 April 2016.

- Ispar Holding (in place of Financière Partouche) guarantees BCP a minimum price of €2 per Groupe Partouche share disposed of by BCP and therefore undertakes to acquire from BCP the shares that BCP would like to dispose of at a price of €2 per share (within the limit of the shares subscribed by BCP in the scope of the reserved capital increase of 29 April 2011).

The agreement also states that:

- Financière Partouche agrees to hold on to at least 50.1% of Groupe Partouche's share capital for the entire term of the agreement;
- Financière Partouche and BCP agree not to increase their respective shareholdings by more than five percentage points.

This agreement will remain in effect as long as BCP holds shares in Groupe Partouche SA, although it should be noted that the duration of the agreement may not in any event exceed ten years.

In accordance with applicable regulations, this shareholders' agreement was reported to the Autorité des Marchés Financiers, which ensured that it was officially announced as required.

No particular measure has been taken with a view to ensuring that the control described above is not exercised in an abusive manner.

At present, Groupe Partouche and its controlling company Financière Partouche have a number of executives in common (see Section 14.1), namely:

On the Executive Board of Groupe Partouche SA: Ari Sebag and Katy Zenou.

On the Supervisory Board of Groupe Partouche SA: Isidore Partouche and Patrick Partouche.

At the date of this Universal Registration Document, Financière Partouche SA owned 6,433,585 shares, corresponding to 66.83% of the share capital, whereas FCPR France Private Equity III owned 1,200,399 shares and Butler Capital Partners owned 76,621 shares, together comprising 13.26% of the share capital.

18.6 CONTROL OF FINANCIÈRE PARTOUCHE SA

Financière Partouche, which held 66.83% of the Company's share capital at the date of this Universal Registration Document, is a French public limited company ("Société Anonyme") with an Executive Board and a Supervisory Board, its share capital mainly owned by members of the Partouche family.

No single shareholder owns sufficient shares in Financière Partouche SA to control this company. Patrick Partouche, Ari Sebag and Katy Zenou (all three signatories of the shareholders' agreement described in Section 18.5) together held 52.14% of the capital of Financière Partouche SA at 31 October 2019.

18.7 CHANGE OF CONTROL

To the best of our knowledge and subject to the information mentioned in Section 18.5 above, there are no other actions in concert or shareholders' agreements, nor does any clause of any agreement contain any preferential conditions governing the disposal or acquisition of Groupe Partouche shares.

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RELATED-PARTY TRANSACTIONS

Please refer to Section 7.2 of this document for the organisational structure and Section 20.2.1: Note 15 "Related parties" to the consolidated financial statements for further information.

Any partnerships with other companies are negotiated at arm's length.

The special report of the Statutory Auditors on regulated agreements and commitments is included below.

SPECIAL REPORT OF THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

SHAREHOLDERS' MEETING CONVENED TO APPROVE THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019

To the shareholders of Groupe Partouche SA,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the principal terms and conditions, the reason for benefit for the Company of those agreements and commitments brought to our attention, or that we may have discovered in the course of our audit. We are not required to express an opinion on their usefulness and appropriateness or ascertain whether any other such agreements and commitments exist. It is your responsibility, in accordance with Article R.225-58 of the French Commercial Code, to evaluate the benefits resulting from the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-58 of the French Commercial Code relating to the implementation during the financial year under review of agreements and commitments previously approved by the Shareholders' Meeting.

We have carried out the procedures we considered necessary in accordance with the professional guidelines of the Compagnie Nationale des Commissaires aux Comptes (CNCC, the French national institute of statutory auditors) relating to this engagement. These procedures involved verifying that the information provided to us was consistent with its supporting documentation.

1 - AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS AUTHORISED AND CONCLUDED DURING THE FINANCIAL YEAR UNDER REVIEW

Pursuant to the provisions of Article L.225-88 of the French Commercial Code, we have been advised of the following agreement and commitments, which were concluded during the financial year under review and had been previously authorised by your Supervisory Board.

BENEFIT OF A COMPANY CAR AWARDED TO JEAN-FRANÇOIS LARGILLIÈRE (MEMBER OF THE EXECUTIVE BOARD)

At its meeting of 11 June 2019, the Supervisory Board authorised Groupe Partouche SA to bear the cost of leasing a car to Jean-François Largillière for business purposes. The authorisation was capped at €1,600 including taxes per month.

At 31 October 2019, the total cost of this lease recognised in operating expenses came to €5,503.

Person concerned: :

- Jean-François Largillière – Member of the Executive Board

Reason for its benefit for Groupe Partouche SA:

The award of this benefit was considered pertinent given the very high number of journeys made by Jean-François Largillière's in fulfilment of his duties as Operations Director.

ORDER FOR BIOMETRIC CARDS FROM MEREAL BIOMETRICS LTD

The Supervisory Board authorised on 10 September 2019 the order for 10,000 biometric cards from Mereal Biometrics Ltd, a company at which Patrick Partouche is a senior executive. The order is worth an estimated €450,000.

Under this agreement, the Company paid €228,500 in the financial year ended 31 October 2019.

Person concerned:

- Patrick Partouche – Chairman of the Supervisory Board

Reason for its benefit for Groupe Partouche SA:

This arm's length agreement provided the Group with innovative and high-performance cards for its Players Plus Premium loyalty programme.

AGREEMENTS AND COMMITMENTS AUTHORISED SINCE THE FINANCIAL YEAR-END

We have been advised of the following agreements and commitments, which were authorised and concluded subsequent to the end of the financial year under review, and had been previously authorised by your Supervisory Board.

AUTHORISATION OF THE SALE OF A STUDIO

The Supervisory Board authorised on 10 December 2019 the sale by Groupe Partouche SA to Nastasia Partouche (Patrick Partouche's daughter) of a studio in disrepair located at 8 rue Saint-Placide, 75006 Paris, at a price set by an expert appraiser of €155,000.

Person concerned:

- Patrick Partouche – Chairman of the Supervisory Board

Reason for its benefit for Groupe Partouche SA:

The advantage of this sale for Groupe Partouche SA, which was not earning any income from possession of this property – uninhabited for decades and in a very poor condition – is that it will not have bear the cost of the essential renovation work and maintenance.

TERMINATION OF THE COMMERCIAL LEASE WITH FINANCIÈRE PARTOUCHE SA (A SHAREHOLDER HOLDING OVER 10% OF VOTING RIGHTS IN THE COMPANY) AND CONCLUSION OF A SUB-LEASE ARRANGEMENT WITH THE PARTOUCHE IMMOBILIER SAS SUBSIDIARY (WHOLLY-OWNED BY GROUPE PARTOUCHE SA)

The Supervisory Board authorised on 10 December 2019 the following agreements related to the head office located at 141b rue de Saussure, Paris, 17th arrondissement:

- Termination of the commercial lease between the Company and Financière Partouche SA, its majority shareholder;
- This lease had a term of nine years, which was due to end on 31 July 2020. It remained in force throughout the financial year ended 31 October 2019 and was terminated early on 19 December 2019, following the authorisation given by the Supervisory Board;
- Arrangement in its place of a sub-lease with Partouche Immobilier SAS for a 12-year period, in return for annual rent of €787,000 excluding service charges and excluding taxes.

At 31 October 2019, the operating expense recognised by the Company in respect of the commercial lease with Financière Partouche SA totalled €310,420, including the leasing cost, service charges and taxes associated with the lease.

The sub-lease with Partouche Immobilier SAS had no impact on the financial year ended 31 October 2019 since it was not authorised until after the year-end date of 31 October 2019.

Reason for its benefit for Groupe Partouche SA:

This change took place following the sale by Financière Partouche of the premises occupied by the head office at 141bis rue de Saussure in the 17th arrondissement of Paris to two institutional real estate companies, followed by Partouche Immobilier SAS's arrangement of a lease with these real estate companies for the same office space.

AWARD OF AN EXCEPTIONAL €105,000 BONUS

The Supervisory Board authorised on 10 December 2019 the award of an exceptional bonus amounting to €105,000 to Fabrice Paire, the Chairman of the Executive Board.

Person concerned:

- Fabrice Paire – Chairman of the Executive Board

Reason for its benefit for Groupe Partouche SA:

This exceptional bonus is intended as a reward for the hard work that enabled Groupe Partouche SA to emerge from the Safeguard Procedure in early November 2019, three years ahead of schedule.

AWARD OF AN EXCEPTIONAL €118,050 BONUS

The Supervisory Board authorised on 10 December 2019 the award of an exceptional bonus amounting to €118,050 to Patrick Partouche, the Chairman of the Supervisory Board.

Person concerned:

- Patrick Partouche – Chairman of the Supervisory Board

Reason for its benefit for Groupe Partouche SA:

This exceptional bonus is intended as a reward for the hard work that enabled Groupe Partouche SA to emerge from the Safeguard Procedure in early November 2019, three years ahead of schedule.

SUPPLEMENTARY AGREEMENT NO. 2 TO THE MANAGEMENT CONSULTING AGREEMENT WITH SHAL & CO (A SHAREHOLDER INDIRECTLY HOLDING OVER 10% OF THE COMPANY'S VOTING RIGHTS)

The Supervisory Board authorised on 28 January 2020 the signature of supplemental agreement no. 2 to the management consulting agreement between the Company and Shal & Co entered into on 28 December 2006 and amended by supplemental agreement no. 1 on 28 December 2008, providing its support for the management of the Group's activities at certain of its casinos.

In the financial year ended 31 October 2019, the operating expense recognised by the Company in respect of this agreement and its supplemental agreements stood at €554,667.

Person concerned:

- Hubert Benhamou, a senior executive of Shal & Co and an indirect shareholder in the Company

Reason for its benefit for Groupe Partouche SA:

This supplemental agreement no. 2 is intended to update the arrangements of the initial agreement to factor in the following two aspects:

- changes to Groupe Partouche's geographical footprint, especially outside France;
- the Group's current strategy.

RENEWAL OF THE TAX CONSOLIDATION AGREEMENT

The Supervisory Board authorised on 28 January 2020 the renewal of the tax consolidation agreement by tacit consent. This agreement is applied in accordance with Article 223 A of the French General Tax Code and it was due to expire, prior to its renewal, on 31 October 2019. It was renewed for a five-year period and expires on 31 October 2024.

For the financial year ended 31 October 2019, your Company recognised a net tax saving of €11,948,295 under this agreement.

2 - AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS APPROVED DURING PREVIOUS FINANCIAL YEARS

A) THAT REMAINED IN FORCE DURING THE FINANCIAL YEAR UNDER REVIEW

In application of Article R.225-57 of the French Commercial Code, we have been informed that the agreements and commitments described below, which were approved by the Shareholders' Meeting in previous financial years, remained in force during the financial year.

2.1 AGREEMENTS WITH SHAREHOLDERS

2.1.1 Cash pooling agreement with Financière Partouche SA

Financière Partouche SA was authorised to participate in the cash pooling agreement for Group companies with Groupe Partouche SA. Under this agreement, interest is charged on any loans and advances granted at 12-month Euribor rates plus 0.25%.

In accordance with the provisions of the Safeguard Plan as amended and approved on 2 November and 8 December 2016, the dividend payable to Financière Partouche SA approved at the Extraordinary Shareholders' Meeting of 5 September 2017 was recognised as a current account advance. There are no longer any restrictions on the payment of this current account advance, but it had not been repaid by the year-end date.

Under this agreement, your company's debt with regard to Financière Partouche SA totalled €2,005,055 at 31 October 2019, including interest of €5,001 calculated at a rate of 0.25%.

2.2 AGREEMENTS WITH COMPANIES SHARING SENIOR EXECUTIVES

2.2.1 Activation of the return to profitability clause in respect of the Société du Grand Casino de Cabourg subsidiary

The return to profitability clause relating to the debt forgiveness agreement with Société du Grand Casino de Cabourg was triggered in respect of an amount of €744,244 in the financial year. At 31 October 2019, the outstanding debt not triggering the return to profitability clause with the aforementioned company totalled €2,852,180.

Persons concerned:

- Isidore Partouche and Ari Sebag

2.3 OTHER AGREEMENTS WITH SENIOR EXECUTIVES

2.3.1 2.3.1 Security costs for Patrick Partouche

At its meeting of 12 June 2018, the Supervisory Board authorised Groupe Partouche SA to cover security and surveillance costs for Patrick Partouche's personal residence with effect from 1 July 2018.

In the financial year ended 31 October 2019, the operating expense recognised by the Company in respect of these security costs stood at €111,215 excluding taxes.

Person concerned:

- Patrick Partouche – Chairman of the Supervisory Board

B) NOT GIVING RISE TO PERFORMANCE DURING THE FINANCIAL YEAR UNDER REVIEW

We have also been informed that the agreements and commitments listed below, which were approved by the Shareholders' Meeting in previous financial years, remained in force but did not give rise to any performance during the financial year. These agreements are as follows:

2.4 AGREEMENTS WITH SHAREHOLDERS

We have not been informed of any agreements falling into this category.

2.5 AGREEMENTS WITH COMPANIES SHARING SENIOR EXECUTIVES

2.5.1 Debt forgiveness agreements with return to profitability clauses relating to cash advances recorded in current accounts

The terms and conditions of these agreements are as follows:

- with Grand Casino du Havre SA: return to profitability clause for a debt forgiveness in the amount of €18,503,867;
- with Casino de la Trinité: return to profitability clause for a debt forgiveness in the amount of €3,267,000;
- with Casino de la Tremblade: return to profitability clause for a debt forgiveness in the amount of €677,846;
- with Hôtel Cosmos SARL: return to profitability clause for a debt forgiveness in the amount of €3,516,140;
- with Partouche Interactive SA: return to profitability clause for a debt forgiveness in the amount of €12,000,000;
- with Société d'exploitation du Casino et d'Hôtels de Contrexéville SAS: return to profitability clause for a debt forgiveness in the amount of €550,000.

2.5.2 Current account subordination agreement with SAS Casinos de Vichy "Les 4 Chemins", company undergoing liquidation

On 31 October 2012, a current account subordination agreement was entered into by your Company and Casinos de Vichy "Les 4 Chemins", 91.83% of which is indirectly held. This agreement remained in force until the court-ordered liquidation date of this subsidiary in February 2017, and since that date it is no longer in force.

Under this agreement, your Company forbade itself from claiming from its subsidiary the repayment of its claim as at 24 October 2012 (€15,106,491 excluding interest from 1 November 2011 to 24 October 2012) as long as liabilities towards third parties appear on its balance sheet, with the exception of disposals of equity securities or assets.

The aim of this agreement is to enable Casinos de Vichy "Les 4 Chemins» to consider said amount on its current account as a stable resource («quasi-equity»).

At 31 October 2019, the company's current account advance to Casinos de Vichy "Les 4 Chemins" SAS stood at €18,328,883, unchanged from the previous financial year. Given the aforementioned subsidiary's situation, this receivable has been fully impaired.

2.6 OTHER AGREEMENTS WITH SENIOR EXECUTIVES

We have not been informed of any agreements falling into this category.

Marseille and Paris, 24 February 2020

MCR Walter France	**France Audit Expertise**
Emmanuel Mathieu	José David

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FINANCIAL INFORMATION ON THE ISSUER'S ASSETS, FINANCIAL POSITION AND PERFORMANCE

20.1 HISTORIC FINANCIAL INFORMATION

Pursuant to Article 28 of Regulation (EC) 809/2004, the following information is referenced in this document:

- the consolidated financial statements for the financial year ended 31 October 2017, prepared in accordance with IFRS/IAS as adopted by the European Union and the report of the Statutory Auditors on the consolidated financial statements for the financial year ended 31 October 2017, both of which are included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 22 February 2018 under No. D.18-0067, pages 128 et seq.;
- the consolidated financial statements for the financial year ended 31 October 2018, prepared in accordance with IFRS/IAS as adopted by the European Union and the report of the Statutory Auditors on the consolidated financial statements for the financial year ended 31 October 2018, both of which are included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 20 February 2019 under No. D.19-0062, pages 123 et seq.;
- the parent company financial statements for the financial year ended 31 October 2017 and the report of the Statutory Auditors on the parent company financial statements for the financial year ended 31 October 2017, both of which are included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 22 February 2018 under No. D.18-0067, pages 187 et seq.;
- the parent company financial statements for the financial year ended 31 October 2018 and the report of the Statutory Auditors on the parent company financial statements for the financial year ended 31 October 2018, both of which are included in the Reference Document of the Company, registered with the Autorité des Marchés Financiers on 20 February 2019 under No. D.19-0062, pages 173 et seq.

Both of the Reference Documents referred to above are available on the websites of the Company (www.partouche.com) and the Autorité des Marchés Financiers (www.amf-france.org).

20.2 FINANCIAL STATEMENTS

20.2.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019

DETAILED CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS - 31 OCTOBER 2019

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT €000 - 31 OCTOBER (EXCEPT PER SHARE DATA)	NOTES	2019	2018	2017
Turnover	**4.2, 5.1**	**433 493**	**410 844**	**406 885**
Purchases and external expenses	5.3	(156 396)	(146 903)	(134 619)
Taxes and duties		(16 208)	(16 993)	(17 865)
Employee expenses	7.2	(176 830)	(175 429)	(173 013)
Depreciation, amortisation and impairment of fixed assets		(44 175)	(40 193)	(37 594)
Other current operating income and expenses	5.4	(6 508)	(4 680)	(7 436)
Current operating profit	**4.3**	**33 377**	**26 647**	**36 358**
Other non-current operating income and expenses	5.4	(2 291)	(1 078)	(1 675)
Gain (loss) on the sale of consolidated investments	3.1	3 058	-	16 547
Impairment of non-current assets	6.1	(2 223)	(4 662)	(4 718)
Non-current operating profit		**(1 456)**	**(5 740)**	**10 154**
Operating profit		**31 922**	**20 907**	**46 512**
Financial income (expense)	**9.4**	**82**	**(1 404)**	**(2 156)**
Profit before tax		**32 003**	**19 503**	**44 356**
Corporate income tax	10.1	(2 972)	(1 295)	2 000
CVAE tax	10.1	(3 704)	(3 354)	(277)
Profit after tax		**25 327**	**14 854**	**46 079**
Share in earnings of equity-accounted associates	5.7	(310)	(2 261)	(537)
Total net profit		**25 017**	**12 593**	**45 542**
o/w Group share		18 635	6 233	37 430
o/w minority interests		6 381	6 360	8 112
Net earnings per share attributable to the Group		**1,94**	**0,65**	**3,89**
Dividend distributed per share		-	-	(0,31)
Number of shares on which the earnings per share calculation is based		9 611 979	9 615 143	9 623 476

STATEMENT OF COMPREHENSIVE INCOME

COMPREHENSIVE INCOME €000 - 31 OCTOBER	2019	2018	2017
Total net profit	**25 017**	**12 593**	**45 542**
Change in fair value of financial instruments net of tax (effective portion)	44	231	240
Other comprehensive income items*	794	464	(2 517)
Other comprehensive income items (that may be recycled subsequently to net profit)	**838**	**695**	**(2 277)**
Remeasurements of the defined-benefit liability (IAS 19 (revised)), impact net of tax	166	(361)	(144)
Other comprehensive income items (that will not be recycled subsequently to net profit)	**166**	**(361)**	**(144)**
Total comprehensive income	**26 021**	**12 927**	**43 121**
Group share of comprehensive income	18 898	5 834	36 324
Minority interest share of comprehensive income	7 123	7 093	6 797

** Other comprehensive income items include changes in Group and non-Group translation reserves representing a negative impact of €312k and a positive impact of €482k respectively in year Y, and negative impacts of €287k and €751k respectively in year Y-1.*
The Notes to the consolidated financial statements are an integral part thereof.

CONSOLIDATED BALANCE SHEET AT 31 OCTOBER 2019 (NET VALUES)

NET ASSETS €000 AT 31 OCTOBER	NOTES	2019	2018	2017
Intangible assets	6.3	4 605	4 513	3 627
Goodwill	6.1	230 280	232 504	237 076
Tangible fixed assets	6.4	296 691	290 377	262 361
Investments in equity-accounted associates	5.7	-	-	-
Other non-current financial assets	9.1	4 784	15 214	15 963
Deferred tax – Assets	10.2	2 208	2 181	2 427
Other non-current assets	12.1	7 131	8 829	8 938
TOTAL NON-CURRENT ASSETS		**545 699**	**553 618**	**530 392**
Inventories and semi-finished goods	5.5	9 188	9 372	7 756
Trade and other receivables	5.6	31 515	29 972	26 037
Corporate income tax receivables	10.1	1 291	6 797	5 568
Other current assets	12.1	13 218	12 414	12 424
Cash and cash equivalents	9.2	119 131	109 932	116 406
TOTAL CURRENT ASSETS		**174 344**	**168 487**	**168 191**
Assets held for sale	3.3	-	-	-
TOTAL NET ASSETS		**720 042**	**722 105**	**698 583**

LIABILITIES AND EQUITY €000 AT 31 OCTOBER	NOTES	2019	2018	2017
Share capital	11.1	192 541	192 541	192 541
Treasury shares	11.2	(386)	(415)	(224)
Share premium		9 411	9 411	9 411
Consolidated reserves	11.3	146 687	140 505	103 171
Translation reserve		1 105	793	1 080
Net profit (loss), Group share		18 635	6 233	37 430
GROUP EQUITY		**367 993**	**349 068**	**343 409**
MINORITY INTERESTS	**11.4**	**23 923**	**22 859**	**24 509**
TOTAL EQUITY		**391 916**	**371 926**	**367 918**
Non-current financial debt	9.3	138 707	144 255	133 524
Employee commitments, non-current portion	7.4	14 937	14 688	14 607
Other non-current provisions	8.1	4 096	6 122	4 922
Deferred tax – Liabilities	10.2	12 483	15 753	18 249
Other non-current liabilities	12.3	3 194	4 103	6 972
TOTAL NON-CURRENT LIABILITIES		**173 416**	**184 922**	**178 274**
Current financial debt	9.3	22 962	35 380	24 222
Employee commitments, current portion	7.4	109	235	345
Current provisions	8.1	2 553	1 738	2 836
Trade and other payables	12.2	93 990	96 164	92 170
Current tax liabilities	10.1	33 823	30 311	31 238
Other current liabilities	12.3	1 275	1 429	1 579
TOTAL CURRENT LIABILITIES		**154 710**	**165 257**	**152 391**
Held for sale liabilities	3.3	-	-	-
TOTAL LIABILITIES AND EQUITY		**720 042**	**722 105**	**698 583**

	2019	2018	2017
Number of shares in circulation (excluding treasury shares)	9 614 683	9 614 033	9 620 777

The Notes to the consolidated financial statements are an integral part thereof.

CONSOLIDATED CASH FLOW STATEMENT

€000 - 31 OCTOBER	2019	2018	2017
Total net profit	**25 017**	**12 593**	**45 542**
Adjustments:			
Elimination of income from equity-accounted associates	310	2 261	537
Elimination of tax expense (income)	6 676	4 649	(1 723)
Elimination of depreciation, amortisation and provisions	46 610	42 330	42 860
Elimination of gains and losses on remeasurement to fair value	-	-	-
Elimination of gains and losses on asset disposals	(2 687)	650	(16 193)
Elimination of net interest expense (income)	2 676	3 888	4 433
Elimination of dividend income	(101)	(115)	(230)
Impact of the change in WCR	(752)	(9 558)	(10 654)
Interest paid	(3 843)	(3 947)	(4 476)
Tax paid	(1 422)	(3 415)	5 630
Cash flow from operating activities	**72 483**	**49 336**	**65 728**
Acquisition of investment securities net of cash acquired	-	40	(7 200)
Disposal of consolidated companies, less cash sold	2 875	329	803
Impact of other changes in consolidation scope	-	-	11 730
Acquisition of intangible assets	(674)	(1 350)	(522)
Acquisition of tangible fixed assets	(55 143)	(65 097)	(63 985)
Acquisition of financial assets	-	-	-
Loans and advances granted	(313)	(434)	(271)
Disposal of intangible assets	-	-	-
Disposal of tangible fixed assets	1 854	421	809
Disposal of financial assets	-	2	-
Reimbursements received from loans	10 740	376	229
Interest received	1 265	151	90
Dividends received	101	115	230
Cash flow from (used in) investing activities	**(39 294)**	**(65 448)**	**(58 087)**
Capital increase subscribed by minority interests	-	-	-
Net disposal of treasury shares	29	(191)	(470)
Loans issued	117 299	43 668	25 348
Bank loans reimbursed	(134 847)	(25 314)	(36 696)
Other financial debts reimbursed	(396)	(488)	(20 251)
Dividends paid to owners of the Group	-	-	(988)
Dividends paid to minority shareholders	(6 608)	(8 586)	(8 463)

€000 - 31 OCTOBER	2019	2018	2017
Cash flow from (used in) financing activities	**(24 523)**	**9 090**	**(41 521)**
Impact of foreign exchange rates	528	551	(2 030)
Change in cash and cash equivalents	**9 194**	**(6 472)**	**(35 910)**
Opening cash position	109 918	116 390	152 300
Closing cash position	**119 112**	**109 918**	**116 390**

The closing cash position of €119,112k plus "cash liabilities" (trésorerie passive), i.e. €19k, corresponds to the item "Cash and cash equivalents under assets", i.e. €119,131k.

The comments on the consolidated cash flow statement are presented in Note 13.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€000	CAPITAL	TREA-SURY SHARES	SHARE PREMIUM	CONSOLI-DATED RESERVES AND NET PROFIT FOR THE YEAR	GROUP TRANSLATION RESERVE	GROUP EQUITY	MINORITY INTERESTS	TOTAL EQUITY
Equity at 31 October 2016	**193 631**	**(1 426)**	**9 411**	**107 103**	**2 242**	**310 962**	**24 197**	**335 159**
Net profit for 2017 financial year	-	-	-	37 430	-	37 430	8 112	45 542
Change in fair value of financial instruments net of tax (effective portion)	-	-	-	240	-	240	-	240
Remeasurements of the defined-benefit liability (IAS 19 (revised))	-	-	-	(237)	-	(237)	93	(144)
Other comprehensive income items	-	-	-	-	(1 110)	(1 110)	(1 407)	(2 517)
Comprehensive income	**-**	**-**	**-**	**37 434**	**(1 110)**	**36 324**	**6 797**	**43 121**
Distribution of dividends	-	-	-	(3 001)	-	(3 001)	(8 459)	(11 460)
Other movements	(1 091)	1 202	-	(934)	(53)	(875)	1 973	1 098
Equity at 31 October 2017	**192 541**	**(224)**	**9 411**	**140 602**	**1 080**	**343 409**	**24 509**	**367 918**
Net profit for 2018 financial year	-	-	-	6 233	-	6 233	6 360	12 593
Change in fair value of financial instruments net of tax (effective portion)	-	-	-	231	-	231	-	231
Remeasurements of the defined-benefit liability (IAS 19 (revised))	-	-	-	(343)	-	(343)	(18)	(361)
Other comprehensive income items	-	-	-	-	(287)	(287)	751	464
Comprehensive income	**-**	**-**	**-**	**6 121**	**(287)**	**5 834**	**7 093**	**12 927**
Distribution of dividends	-	-	-	-	-	-	(8 737)	(8 737)
Other movements	-	(191)	-	15	-	(176)	(7)	(182)
Equity at 31 October 2018	**192 541**	**(415)**	**9 411**	**146 738**	**793**	**349 068**	**22 859**	**371 926**

€000	CAPITAL	TREA-SURY SHARES	SHARE PREMIUM	CONSOLIDATED RESERVES AND NET PROFIT FOR THE YEAR	GROUP TRANSLATION RESERVE	GROUP EQUITY	MINORITY INTERESTS	TOTAL EQUITY
Net profit for 2019 financial year	-	-	-	18 635	-	18 635	6 381	25 017
Change in fair value of financial instruments net of tax (effective portion)	-	-	-	44	-	44	-	44
Remeasurements of the defined-benefit liability (IAS 19 (revised))	-	-	-	(94)	-	(94)	260	166
Other comprehensive income items	-	-	-	-	312	312	482	794
Comprehensive income	**-**	**-**	**-**	**18 585**	**312**	**18 898**	**7 123**	**26 021**
Distribution of dividends	-	-	-	(3)	-	(3)	(6 057)	(6 060)
Other movements (including changes in scope of consolidation)	-	29	-	1	-	30	(2)	29
Equity at 31 October 2019	**192 541**	**(386)**	**9 411**	**165 322**	**1 105**	**367 993**	**23 923**	**391 916**

Comments on the changes in equity at 31 October 2019 are presented in Note 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Notes to the consolidated financial statements are an integral part thereof.

NOTE 1. KEY EVENTS DURING THE FINANCIAL YEAR

Financing

At end October 2019, Groupe Partouche took out a six-year amortising syndicated refinancing loan from a consortium of six banks, as well as a six-year revolving credit facility with the same maturity, for a total amount of €80m. At the same time, Groupe Partouche issued a €35m seven-year Euro PP bond to a well-known European institutional investor. The revolving credit facility remained undrawn at the financial year-end.

The proceeds of these transactions were used to refinance the existing syndicated loan (with a residual principal amount of €78.4m, expiring on 15 December 2022) covered by the Safeguard Plan and other bank borrowings of the Groupe Partouche SA holding company.

As well as lengthening the average maturity of its debt and lowering finance costs, these transactions enabled the Group to obtain confirmation from the Paris Commercial Court, after the balance sheet date on 4 November 2019, that it had successfully implemented the Safeguard Plan and would be released from it three years ahead of schedule.

Opening of the new Pornic casino

On 20 November 2018, Groupe Partouche transferred the Pornic casino to a new site, which has achieved considerable success since it opened to the public owing to its more suitable accommodation and better accessibility (parking spaces).

Opening of the Pasino Grand d'Aix-en-Provence

After completing an 18-month renovation program in early April 2019, the Pasino d'Aix-en-Provence reinvented itself by becoming the "Pasino Grand", an innovative digital complex dedicated to entertainment and leisure activities. This unique gaming experience was developed in collaboration with Moment Factory, a Canadian multimedia studio specialising in the design and production of immersive environments, which created four conceptual spaces for next-generation games. This is all complemented by the "Grandioz", a catering space reimagined as a buffet.

Disposal of minority stake in Palm Beach Cannes Côte d'Azur

On 19 June 2019, Groupe Partouche disposed of, for €11.5m (investments and receivables), the 49% minority interest still held in Palm Beach Cannes Côte d'Azur, which in turn owns Cannes Balnéaire. This operation is part of the Group's strategy to focus on the local development of its new Cannes casino hotel "3.14".

Furthermore, in accordance with the safeguard protocol, 50% of net sale proceeds were allocated to the compulsory early repayment of the lenders of the syndicated loan.

Boulogne-sur-Mer public service concession

The public service concession of the Boulogne-sur-Mer casino expired on 27 June 2019. Following the termination of the occupancy agreement for public assets which was in effect until 2035, Partouche Immobilier claimed €12.4m in compensation.

Launch of PasinoBet, an online sports betting platform

At end June 2019, Groupe Partouche launched its online sports betting platform PasinoBet in France, covering a wide variety of sports including football, basketball, tennis, rugby and more. For the technological component, the Group forged a partnership with BetConstruct, a specialised company that provides a comprehensive sports betting solution.

NOTE 2. ACCOUNTING POLICIES

In the following notes to the financial statements, the terms "Groupe Partouche" and "the Group" refer to the entire Group and its consolidated subsidiaries. "Groupe Partouche SA" refers to the parent company of Groupe Partouche.

Groupe Partouche SA is a société anonyme (limited company) governed by French law, subject to all of the texts governing commercial companies in France, particularly the French Commercial Code. It has its registered office at 141 bis rue de Saussure, in the 17th arrondissement of Paris, and has been listed on the Paris stock exchange since March 1995.

Groupe Partouche, the company and its subsidiaries, are mainly organised around the casino, hospitality and online gaming businesses. The consolidated financial statements were approved for publication by the Executive Board of Groupe Partouche SA on 20 January 2020.

Pursuant to French legislation, the consolidated financial statements for the financial year ended 31 October 2019 will be subject to the approval of the shareholders of the Group at the Shareholders' Meeting convened for 1 April 2020.

In accordance with IAS 1 – Presentation of Financial Statements, the Group breaks out its assets and liabilities in the balance sheet into current and non current. Items qualify as "current" if:

- the Group expects to realise the asset or settle the liability within 12 months or in its normal operating cycle;
- the assets and liabilities in question are held for the purpose of trading.

2.1 STANDARDS APPLIED

Pursuant to Regulation (EC) No. 1606/2002 of 19 July 2002, the financial statements of Groupe Partouche for the financial year ended 31 October 2019 have been prepared under International Financial Reporting Standards (IFRS) as adopted in the European Union.

The financial information was prepared for all the periods presented in compliance with the rules of measurement and recognition under IFRS.

IFRSs, as adopted by the European Union at 31 October 2019, are available under the IAS/IFRS and SIC-IFRIC interpretations adopted by the European Commission on the following website: https://ec.europa.eu/info/law.

2.1.1 IFRS/IFRIC Standards and Interpretations (International Financial Reporting Interpretations Committee)

The accounting policies and valuation methods applied for preparing the consolidated financial statements are the same as those used at 31 October 2018, except for new EU-adopted standards and interpretations that came into force at the beginning of the financial year under review.

- Standards and interpretations applied by the Group at 1 November 2018:
  - IFRS 9 Financial instruments (applicable with effect from 1 November 2018):

    IFRS 9 Financial instruments, published by the International Accounting Standards Board in July 2014, replaces IAS 39 Financial instruments, for the financial year beginning on 1 November 2018.

    This new norm consists of three sections:

    - **Classification and measurement of financial assets and liabilities:**

      Regarding the first section, the Group did not identify major changes in its financial assets and liabilities classification model;

    - **Impairment of non-current assets:**

      Section two of IFRS 9 establishes a new impairment model for financial assets based on expected credit losses, and replaces the model previously based on proven losses.

      The application of IFRS 9 in this respect did not have any material impact on the Group's financial statements at 31 October 2019. Therefore, no restatements were applied to the consolidated financial statements at 31 October 2019 or to the financial statements ended 31 October 2018.

    - **Hedge accounting:**

      The amendments introduced in the third section are intended to reconcile accounting methods for hedging transactions with company risk management. At 31 October 2019, the Group had no hedges in place due to the refinancing of its debt, so the application of IFRS 9 did not have any material impact on the Group's financial statements at 31 October 2019.

  - IFRS 15 Revenue from Contracts with Customers (applicable with effect from 1 November 2018);

    The adoption of these standards did not have a material impact on the consolidated financial statements.

- Standards and interpretations adopted or in the process of being adopted by the European Union and not applied early by the Group at 1 November 2018:
  - Annual Improvements to IFRSs 2015-2017 Cycle (applicable with effect from 1 November 2019);
  - IFRS 16 Leases (applicable with effect from 1 November 2019) (see below);

- IFRIC 23 Uncertainty over Income Tax Treatments (applicable with effect from 1 November 2019);
- Amendments to IAS 19 Plan amendment, curtailment or settlement" (applicable with effect from 1 November 2019);
- Amendments to IFRS 9 Prepayment features with negative compensation (applicable with effect from 1 November 2019).

Groupe Partouche is currently analysing the potential impact that applying these standards and amendments has on its statement of comprehensive income, balance sheet, cash flows and notes to the consolidated financial statements. At 31 October 2019, the Group had not adopted in advance any standards and interpretations not yet compulsory for the current financial year.

Norme IFRS 16

IFRS 16 is applicable to the Group as of the financial year beginning 1 November 2019. This standard eliminates the distinction between operating and finance leases. With the exception of leases not exceeding twelve months and leases of low-value assets, all leases must now be recognised in the lessee's balance sheet as a right-of-use asset in return for a lease liability representing the lease payments to be made over the determined lease term.

The transition was carried out based on the analysis of the main leases included in the Group's off balance sheet commitments. The majority of the Group's commitments are related to operating leases that concern property leases for its various operating sites and, to a lesser extent, machines and equipment. At 31 October 2019, the Group analysed all leases concerned by the standard.

The Group adopted the simplified approach referred to as the "modified retrospective approach" for its transition, which allows for the recognition of a liability at the transition date equal only to discounted residual lease payments, in return for a right of use adjusted by the amount of any prepaid lease payments or in accrued expenses.

The Group reviewed the following transition options:

- Exemptions: recognition of leases of less than twelve months or of low-value items (less than €5k) on a straight-line basis;
- Value of the right of use of the asset equal to the amount of the debt.

The main impact is expected to be the recognition of rights of use under assets and the recognition of the associated financial obligations under liabilities. Based on the work completed to date, the Group estimates that the impact on the balance sheet of the standard's initial application as of 1 November 2019 is in the region of 60 to 70 million euros, which may vary according to the latest analyses yet to be finalised, and key parameters such as the discount rate used to determine the debt.

2.2 ACCOUNTING JUDGMENTS AND ESTIMATES

2.2.1 Preparation principles

The consolidated financial statements are prepared on the basis of historical costs, with the exception of certain financial instruments which have been recorded since 1 November 2004, based on their fair value, namely:

- derivative financial instruments;
- available for sale financial assets.

Groupe Partouche closes its financial statements at 31 October. The subsidiaries that do not have a 31 October year-end prepare interim financial statements at that date.

Acquired subsidiaries are consolidated in the Group's financial statements as of the date of their acquisition, commencing on the most recent date of preparation of the most recent consolidated balance sheet.

Preparing the financial statements requires Groupe Partouche to perform estimates and make assumptions that may have an impact both on the amounts of assets, liabilities, income and expenses and on the information provided in the notes to the financial statements. The estimates and assumptions are made based on comparable historic data and other factors considered to be reasonable in view of the circumstances. They are therefore used as a basis to exercise judgment for the purpose of determining accounting values. The Group's management reviews these estimates and assumptions continually in order to ensure their pertinence with regard to the current economic environment. If such assumptions change, the items included in future financial statements may differ from current estimates. The impact of changes in accounting estimates is recognised during the period of the change and all subsequent affected periods.

The principal estimation bases applied by the Group are presented below and relate to:

- measurement in the balance sheet of tangible fixed assets, intangible assets and goodwill. The Group regularly reviews certain indicators which, where applicable, may lead to an impairment test;
- determination of deferred tax and the level of recognition of deferred tax assets based on the principles described below. Management has established a tax recoverability plan enabling the amount of deferred tax assets that may be recognised in the Group's consolidated balance sheet to be estimated;
- determination by the Group of the provision for retirement commitments and similar benefits and related expenses depends on the assumptions used in the actuarial provision calculation;
- analysis of contingencies and legal claims, including the estimate of the probability of the outcomes of litigation in progress and future litigation, which are intrinsically dependant on necessarily uncertain future events.

The financial statements reflect management's best estimates, on the basis of the information available to them on the date that the financial statements are approved for publication.

NOTE 3. CONSOLIDATION SCOPE

3.1 ACCOUNTING POLICIES RELATED TO THE CONSOLIDATION SCOPE

3.1.1 Consolidation principles

▸ Full consolidation

Subsidiaries over which the Group has exclusive control, whether directly or indirectly, are fully consolidated. The Group considers that it has exclusive control over an entity in which it has invested if:

- it has power over the investee;
- it is exposed or entitled to variable returns resulting from its links with the investee;
- it is able to exert its power over the entity in such a way as to influence the amount of returns it obtains from the entity.

The full consolidation method takes into account, after eliminating internal transactions and results, all assets, liabilities and income statement items of the companies in question; that portion of profits and equity due to Group companies (Group share) is distinguished from that relating to interests held by other shareholders (non-controlling interests). All significant transactions between consolidated companies and results within the consolidated group (including dividends) are eliminated.

▸ Equity-accounted joint arrangements and associates

A partnership agreement structures the control of a firm and ensures that it is jointly controlled by at least two partners. This type of firm is known as a joint arrangement, as defined in IFRS 11, retroactively applicable with effect from 1 January 2014, where the partners have rights over the firm's net assets.

Groupe Partouche also has significant influence over some companies, known as associates. Significant influence means the power to participate in decisions concerning a company's financial and operational policies without controlling or jointly controlling those policies. Significant influence is assumed where the Group holds more than 20% of the voting rights. Such joint arrangements and associates are recognised using the equity method.

Under this method, an investment in equity-accounted companies is recognised in the consolidated balance sheet at the date at which the company becomes an associate or a joint arrangement. This investment is initially recognised at acquisition cost. After the acquisition date, it is adjusted to reflect the Group's share of comprehensive income not distributed by the investee. This income may be adjusted to comply with the Group's accounting policies.

The rules for impairment testing of equity-accounted investments are governed by IAS 39 Financial Instruments: Recognition and Measurement, and IAS 28 (revised) Investments in Associates and Joint Ventures. Impairment losses on equity-accounted investments, as well as any profit or loss upon the re-measurement at fair value of the previously held share (when control of an equity-accounted company is acquired), are recognised under "Share in earnings of equity-accounted associates".

▸ Change in the percentage of interests held in companies without the loss of control

Under IAS 27 (revised), in the event that additional shares in a subsidiary are acquired, the difference between the price paid and the carrying amount of the acquired minority interest, as determined from the financial statements prior to the acquisition, is deducted from consolidated equity.

3.1.2 Foreign currency translation methods

▸ Translation of foreign companies' financial statements

The consolidated financial statements are presented in euros, which is the functional and presentation currency of the Group.

Foreign companies' financial statements are initially prepared in each subsidiary's functional currency. Balance sheet items are translated into euros on the basis of the exchange rates prevailing at the balance sheet date. Equity items are translated on the basis of the historical exchange rates, with translation differences from the previous financial year being aggregated under the heading "Translation differences" included in the statement of comprehensive income. The income statement and cash flow headings are translated using average rates during the financial year.

▸ Translation of foreign currency transactions

Receivables and payables expressed in foreign currencies are translated on the basis of the exchange rate prevailing at the balance sheet date. Income, expenses and transaction flows are translated on the basis of the exchange rates prevailing at the date they were recognised. The gains and losses resulting from the translation of the assets and liabilities are listed in the income statement.

▸ **Main conversion rates**

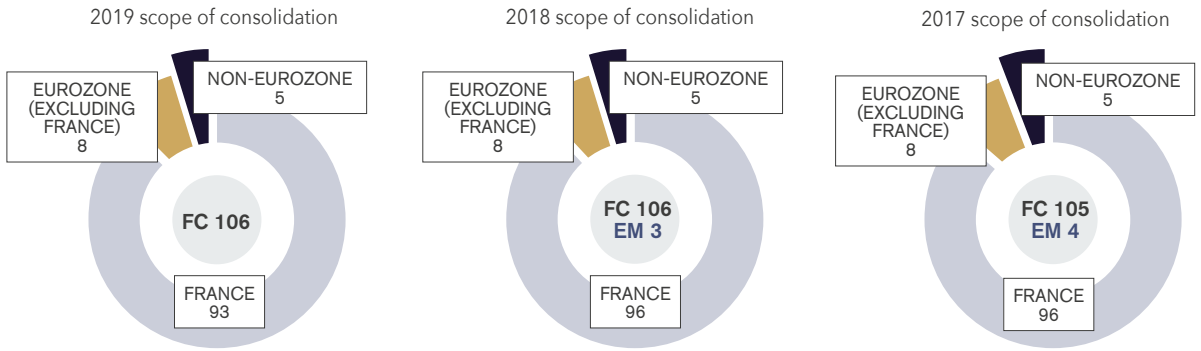
The main exchange rates applied outside the eurozone are as follows:

CURRENCIES / EURO	CLOSING RATE AT 31/10/2019	AVERAGE RATE AT 31/10/2019	CLOSING RATE AT 31/10/2018	AVERAGE RATE AT 31/10/2018	CLOSING RATE AT 31/10/2017	AVERAGE RATE AT 31/10/2017
CHF - Swiss franc	**1,100700**	**1,119060**	1,139900	1,160370	1,162200	1,096390
GBP - Pound sterling	**0,861330**	**0,883470**	0,888730	0,884050	0,878530	0,871380
TND - Tunisian dinar	**3,138568**	**3,304430**	3,264236	3,039970	2,913130	2,637120

3.2 CHANGES IN THE SCOPE OF CONSOLIDATION

Groupe Partouche's consolidated financial statements, prepared at 31 October 2019, comprise the financial statements of the companies listed in Note 17.

The graphics below summarise the number of entities consolidated by the full consolidation and equity methods.



France:

In 2019:

- *Deconsolidation of three equity-accounted companies;*

In 2018:

- *Consolidation of SCI Green Auron.*

3.2.1 Changes in scope

All the changes in percentage ownership interest are presented in Note 17.

The impact of changes in the Group's scope of consolidation in the 2019 financial year were not material and concerned the deconsolidation of the equity-accounted sub-group.

- Removals from the consolidation scope:
  - Disposal of Palm Beach Évènementiel, formerly wholly-owned by Cannes Balnéaire,
  - Disposal in the second half of the financial year of Palm Beach Cannes Côte d'Azur (PBCCA) and its subsidiary Cannes Balnéaire;
- Change in the percentage of interests held in companies

There were no other significant changes.

3.2.2 Gain (loss) on the sale of consolidated investments

€000 AT 31 OCTOBER	2019	2018	2017
Gain (loss) on the divestment of PBCCA	3 058	-	-
Gain (loss) on the deconsolidation of Casino de Vichy 4 Chemins	-	-	(1 124)
Gain (loss) on the deconsolidation of Casino de Tabarka	-	-	(129)
Gain (loss) on the divestment of Cannes Balnéaire	-	-	17 800
Total	**3 058**	**-**	**16 547**

3.2.3 Disposals of tangible fixed assets

Groupe Partouche did not dispose of any real estate assets during financial year 2019. At 31 October 2018, "Other non-current operating income and expenses" in the consolidated income statement to October 2018 reflected disposals of non-material assets for a total of €45k *(see Note 5.4.2)*.

3.2.4 Impact of companies added to the scope of consolidation on the consolidated income statement and financial position

No companies were added to the scope of consolidation during this financial year.

3.3 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Pursuant to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, an asset is classified as held for sale only if the sale is highly probable within a reasonable time frame, the asset is available for immediate sale in its current condition and management is committed to a plan to sell.

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

a) represents either a separate major line of business or a geographical area of operations; or

b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

c) is a subsidiary acquired exclusively with a view to resale.

At 31 October 2019, there were no assets held for sale.

NOTE 4. SEGMENT INFORMATION

Under IFRS 8 Operating Segments, division data is presented based on the internal reporting used by management to assess the performance of the Group's different divisions. The Group is currently managed as three divisions:

- the "Casino" division, which comprises gaming, catering and entertainment;
- the "Hotel" division, which comprises accommodation and hospitality services;
- the Group's "Other activities", which mainly comprise the business of Groupe Partouche SA, the Group's parent company, sports betting companies (Belgium), and all the other secondary businesses (holding companies, spa-related activities, real estate companies, IT services companies, beach resorts, etc.).

With regard to casino subsidiaries, the Group believes that its operating companies have a unique activity contributing to a global service offering for its customers. Several restrictions are attached to the operation of casinos, which, according to gaming regulations, are establishments comprising three distinct activities: gaming, entertainment and food services, together under a single management structure. The operating requirements to be followed therefore include ancillary services necessarily incidental to the main activity, gaming.

Current operating profit (loss) is the main benchmark indicator monitored across the various business sectors.

The current operating profit of online gaming activity in Belgium (excluding sports betting companies) is presented under "Casinos". It is part of the relevant companies' casino business. As always, online gaming licences in Belgium are awarded only to physical casino operators.

To make it easier to understand segment performance, Groupe Partouche presents segment information in the form set out below, with the contribution from each segment shown before intra-group eliminations between the Group's various business segments.

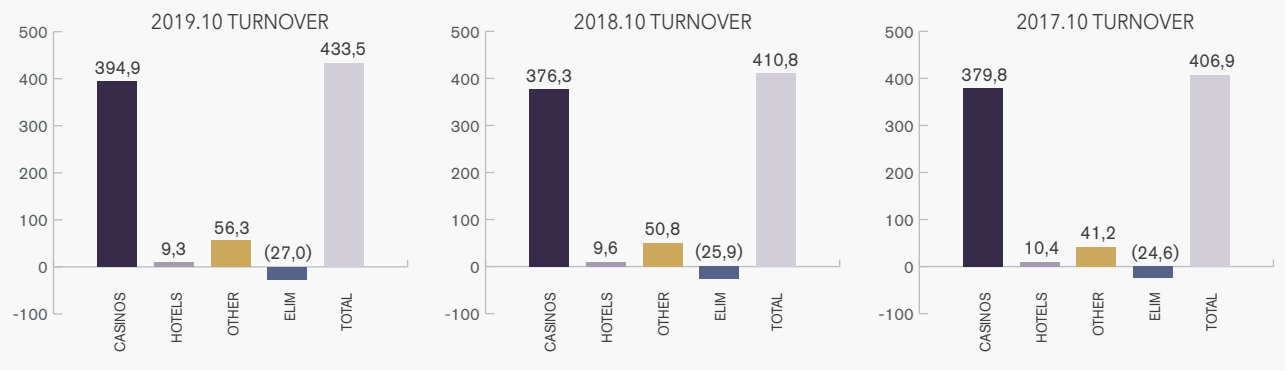
4.1 BUSINESS OVERVIEW BY SEGMENT

€000 AT 31 OCTOBER 2019	SECTORS BEFORE ELIMINATION				TOTAL ELIMINATION	CONSOLIDATED TOTAL
	TOTAL	CASINOS	HOTELS	OTHER		
Turnover	460 492	394 891	9 335	56 267	(26 999)	433 493
Purchases and external expenses	(173 309)	(129 426)	(5 064)	(38 819)	16 914	(156 396)
Taxes and duties	(26 493)	(24 600)	(639)	(1 254)	10 285	(16 208)
Employee expenses	(176 614)	(154 983)	(3 905)	(17 727)	(215)	(176 830)
Depreciation, amortisation and impairment of fixed assets	(44 175)	(38 338)	(1 010)	(4 827)	-	(44 175)
Other current operating income and expenses	(6 523)	(9 175)	19	2 633	16	(6 508)
Current operating profit	**33 377**	**38 369**	**(1 264)**	**(3 727)**	**-**	**33 377**

€000 AT 31 OCTOBER 2018	SECTORS BEFORE ELIMINATION				TOTAL ELIMINATION	CONSOLIDATED TOTAL
	TOTAL	CASINOS	HOTELS	OTHER		
Turnover	436 708	376 307	9 636	50 765	(25 864)	410 844
Purchases and external expenses	(163 278)	(122 943)	(5 096)	(35 239)	16 375	(146 903)
Taxes and duties	(27 412)	(25 100)	(751)	(1 561)	10 419	(16 993)
Employee expenses	(175 102)	(154 832)	(4 168)	(16 102)	(327)	(175 429)
Depreciation, amortisation and impairment of fixed assets	(40 193)	(35 726)	(1 054)	(3 412)	-	(40 193)
Other current operating income and expenses	(4 076)	(5 433)	140	1 217	(604)	(4 680)
Current operating profit	**26 647**	**32 274**	**(1 293)**	**(4 334)**	**-**	**26 647**

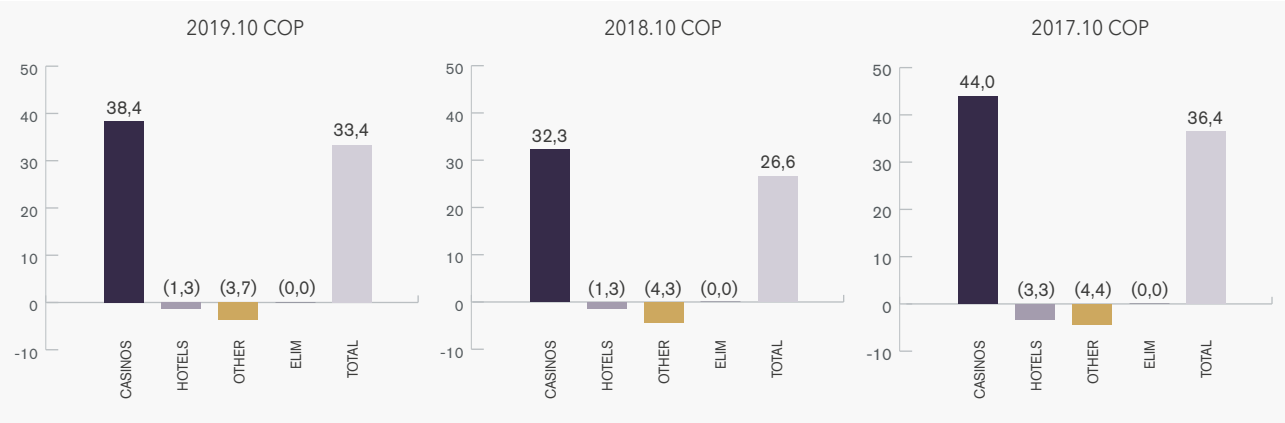
4.2 TURNOVER BY DIVISION (€M)

Breakdown of turnover by division (€m)

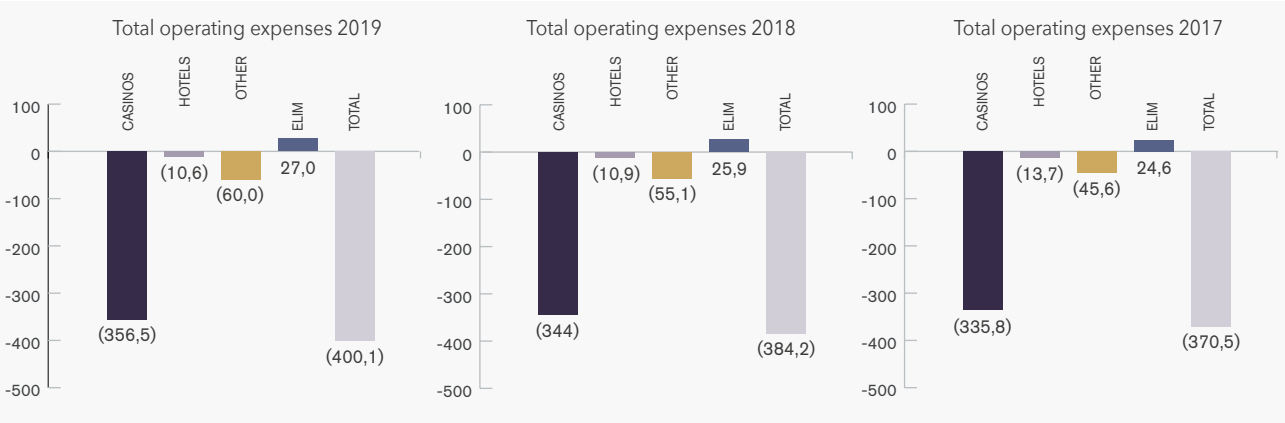


4.3 CURRENT OPERATING PROFIT BY DIVISION

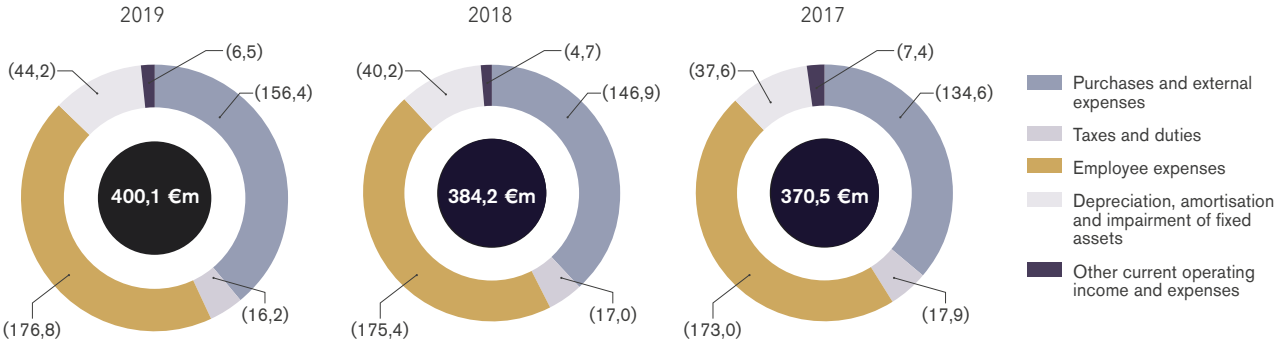
Breakdown of current operating profit by division (€m)



Operating expenses by business sector (€m)



Breakdown of operating expenses by type (€m)



4.4 BALANCE SHEET ITEMS BY DIVISION

€000 AT 31 OCTOBER	SEGMENT ASSETS		OF WHICH EQUITY-ACCOUNTED	
	2019	2018	2019	2018
Casinos	570 467	564 696	-	-
Hotels	14 392	14 936	-	-
Other	135 183	142 473	-	-
TOTAL	**720 042**	**722 105**	-	-

Financial statement reconciliation of segment liabilities:

€000 AT 31 OCTOBER	SEGMENT LIABILITIES	
	2019	2018
Casinos	167 563	161 546
Hotels	3 685	3 655
Other	156 879	184 978
TOTAL	**328 126**	**350 179**

€000 AT 31 OCTOBER	2019	2018
Segment liabilities	328 126	350 179
Equity	391 916	371 926
TOTAL LIABILITIES AND EQUITY	**720 042**	**722 105**

Cash flow items by business division:

€000 AT 31 OCTOBER	ACQUISITION OF INTANGIBLE ASSETS		ACQUISITION OF TANGIBLE FIXED ASSETS		ELIMINATION OF DEPRECIATION, AMORTISATION AND PROVISIONS	
	2019	2018	2019	2018	2019	2018
Casinos	(102)	(295)	(43 898)	(53 702)	38 858	38 134
Hotels	(2)	(14)	(656)	(290)	966	896
Other	(570)	(1 042)	(10 588)	(11 105)	6 786	3 300
TOTAL	**(674)**	**(1 350)**	**(55 143)**	**(65 097)**	**46 610**	**42 330**

NOTE 5. OPERATIONAL DATA

5.1 REVENUE RECOGNITION

Consolidated turnover recognised for the Group corresponding to income from ordinary activities as defined under IAS 18 mainly includes income generated by the following activities:

- net gaming revenue;
- sales of services.

Turnover is recognised on the accrual basis for net gaming revenue or in relation to the degree of completion for sales of services and lease agreements, provided that the price is fixed or may be determined and that the corresponding receivable is likely to be recovered. Turnover is measured at the fair value of the consideration received or to be received.

a. Net gaming revenue

This item corresponds to gross gaming revenue, less the corresponding gaming levies, in accordance with the chart of accounts for casinos. Net gaming revenue is known and recognised when the service is performed.

b. Sales of services

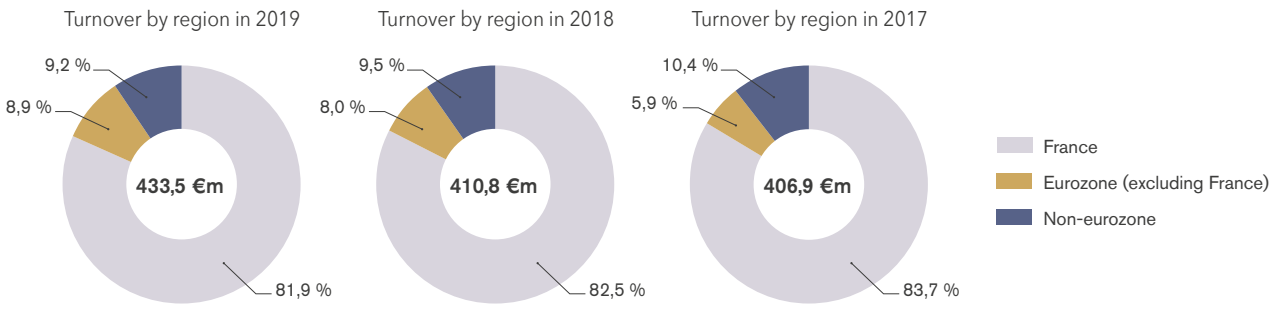
Turnover generated by sales of services includes proceeds arising from restaurant, hotel and entertainment activities constituting the full range of leisure services provided to the clientele of the Group's establishments in addition to gaming activities.

Turnover by geographical area

Geographic information is based on the breakdown of turnover by the geographic regions in which the Group operates, which are as follows:

- France;
- Eurozone (excluding France);
- Non-eurozone.

BREAKDOWN OF TURNOVER €000 AT 31 OCTOBER	2019	%	2018	%	2017	%
France	354 972	81,9 %	339 142	82,5 %	340 506	83,7 %
Eurozone (excluding France)	38 608	8,9 %	32 727	8,0 %	24 071	5,9 %
Non-eurozone	39 913	9,2 %	38 975	9,5 %	42 307	10,4 %
TOTAL	**433 493**	**100 %**	**410 844**	**100 %**	**406 885**	**100 %**



5.2 OPERATING PROFIT AND EBITDA

In order to aid in the understanding of its financial performance, the Group considers that it is pertinent to divide its operating profit into two components on its income statement: current operating profit and non-current operating profit.

Current operating profit (COP)

Current operating profit combines all of the income and expenses directly related to the Group's businesses to the extent that these items are recurring, usual items of the operating cycle or that they result from ad hoc events or decisions related to the Group's operations. This indicator used by the Group allows for the presentation of a level of operating performance able to facilitate a forward-looking approach to recurring performance. This aggregate is the operating profit before impairment of goodwill and other non-recurring operating income and expenses defined as follows: net gains/losses from the disposal of assets and exceptional items, income and expenses which are unusual in their frequency, nature or amount.

Non-current operating profit (NCOP)

Non-current operating profit comprises all non-current events that are not usually part of the operating cycle: it therefore comprises impairments of fixed assets, the gain or loss from the sale of consolidated investments, the gain or loss on the sale of assets, and other non-current operating income and expenses that are not related to the normal operating cycle.

Consolidated EBITDA

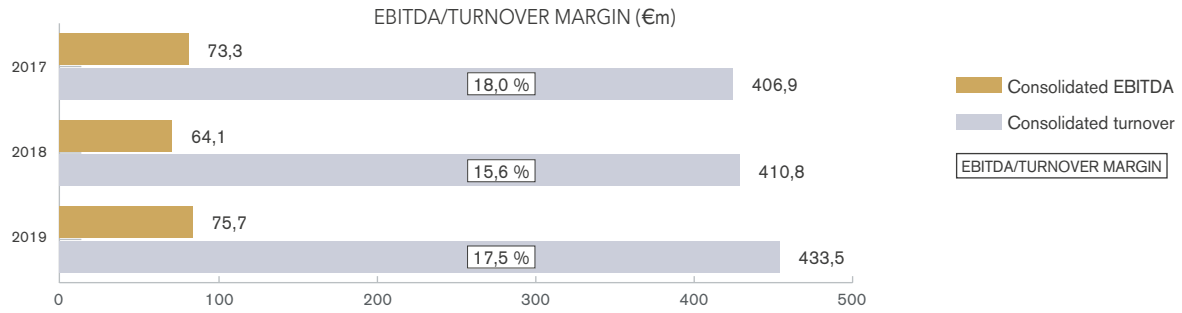
Consolidated EBITDA comprises the income and expense items constituting current operating profit (as defined in the interim and annual financial statements of Groupe Partouche), excluding depreciation and amortisation (allocations and reversals) and provisions (allocations and reversals) relating to the operating cycle and one-off items relating to the Group's activities that are included under current operating profit but are excluded from EBITDA given their non-recurring nature.

Adjustments to reconcile current operating profit to EBITDA at 31 October 2019

€000 AT 31 OCTOBER	2019 COP	RESTATEMENT RECLASSIFICATION	2019 EBITDA
Turnover	433 493	-	433 493
Purchases and external expenses	(156 396)	-	(156 396)
Taxes and duties	(16 208)	-	(16 208)
Employee expenses	(176 830)	281	(176 549)
Depreciation, amortisation and impairment of fixed assets	(44 175)	44 175	-
Other current operating income and expenses	(6 508)	(2 168)	(8 676)
Adjustments to reconcile COP to EBITDA	**33 377**	**42 288**	**75 666**

▸ **Adjustments to reconcile current operating profit to EBITDA at 31 October 2018**

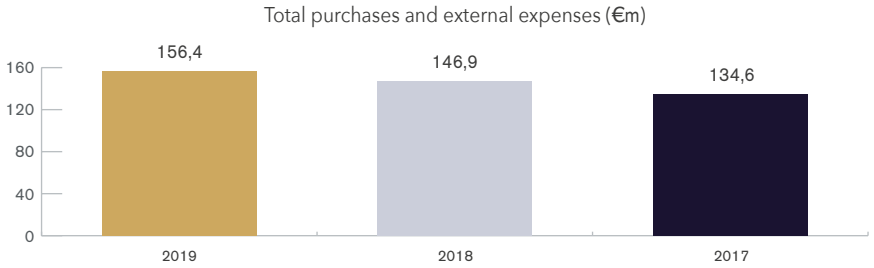
€000 AT 31 OCTOBER	2018 COP	RESTATEMENT RECLASSIFICATION	2018 EBITDA
Turnover	410 844	-	410 844
Purchases and external expenses	(146 903)	-	(146 903)
Taxes and duties	(16 993)	-	(16 993)
Employee expenses	(175 429)	(394)	(175 823)
Depreciation, amortisation and impairment of fixed assets	(40 193)	40 193	-
Other current operating income and expenses	(4 680)	(2 305)	(6 986)
Adjustments to reconcile COP to EBITDA	**26 647**	**37 494**	**64 141**



5.3 PURCHASES AND EXTERNAL EXPENSES

The lease agreements referenced at the level of the Group as a whole are in large part operating leases under which the lessor retains a significant portion of the risks and benefits inherent in ownership of the asset under lease. Payments made under these leases are recognised in expenses on a straight-line basis over the term of the leases. Only significant finance-lease agreements for fixed assets are restated. They give rise to recognition of an asset, the leased property, and a liability, the financial debt. These assets are depreciated in accordance with the schedule defined by the Group in respect of the fixed assets concerned.

Comparison of purchases and external expenses



Breakdown of purchases and external expenses (€m)

€M AT 31 OCTOBER	2019	2018	2017
Raw materials	41,4	39,1	37,9
Fixed asset leases	10,5	10,1	9,8
Current asset leases	10,0	8,4	7,5
Maintenance	9,5	9,9	9,5
Professional fees*	18,3	17,2	15,7
Advertising	19,8	21,3	21,0
Subcontracting expenses	35,2	29,5	22,0
Other	11,7	11,3	11,2
TOTAL	**156,4**	**146,9**	**134,6**

** Please refer to Section 21.3 "Statutory Auditors' fees" for details of the Statutory Auditors' fees.*
The increase in purchases and external expenses from October 2018 to October 2019, notably for €5.2m, is due to the increase in costs of subcontracting and similar costs for online gaming in Belgium (casinos and sports betting) in conjunction with the increase in the turnover from these activities over the financial year.

Breakdown of "Sundry" item

€000 AT 31 OCTOBER	2019	2018	2017
Insurance premiums	1 168	1 072	1 076
External staff	1 756	1 306	1 431
Entertainment	2 465	2 523	2 734
Post and telecoms	2 119	2 198	2 086
Banking fees	2 282	2 365	2 445
Other	1 902	1 884	1 475
TOTAL	**11 693**	**11 347**	**11 247**

5.4 OTHER OPERATING INCOME AND EXPENSES

5.4.1 Other current operating income and expenses

€000 AT 31 OCTOBER	2019	2018	2017
Net gain (loss) on asset disposals	(154)	(522)	(486)
Changes in impairment of current assets	1 509	536	486
Changes in provisions for contingencies	(553)	1 156	164
Sundry current operating income and expenses	(7 311)	(5 851)	(7 600)
Other current operating income and expenses	**(6 508)**	**(4 680)**	**(7 436)**

Breakdown of "Sundry current operating income and expenses" at 31 October 2019

Charges related to casino operating requirements	(11 481)
Gaming oversight fees	(622)
Other sundry current operating expenses*	(2 025)
Total sundry current operating expenses	**(14 127)**
Investments subsidies taken to income for the period	1 123
Other sundry current operating income**	5 693
Total sundry current operating income	**6 816**
Total sundry current operating income and expenses	**(7 311)**

** Mainly includes all other recurring operating costs (image costs, copyright, other royalties and miscellaneous operating costs, etc.) incurred by all the Group's companies.*

*** Mainly includes all other recurring operating revenue earned by all the Group's companies.*

"Other sundry current operating income" to 31 October 2019 consisted of €4.1m in accrued income from high-quality artistic events in the period and €0.7m in income related to allowances on Article 34 investments.

5.4.2 Other non-current operating income and expenses

€000 AT 31 OCTOBER	2019	2018	2017
Net gain (loss) on asset disposals*	-	45	236
Sundry operating income and expenses**	(2 291)	(1 123)	(1 911)
Total	**(2 291)**	**(1 078)**	**(1 675)**

** At 31 October 2018, this item solely comprised the net gain of €45k from the sale of a real estate asset owned by SCI Foncière de Contrexéville.*

*** Includes all non recurring sundry operating income and expenses not related to the Group's usual operating cycle.*

In the year to 31 October 2019, this included:

- €498k in exceptional depreciation charges on a number of establishments, mainly consisting of the Aix-en-Provence and Royat casinos (€316k and €182k respectively) corresponding to depreciation for obsolescence in connection with renovation work;
- as well as non-recurring costs arising from the closure of the Casino de Boulogne and Hôtel 3.14 businesses (€339k and €191k respectively);
- renovation costs of the Pasino d'Aix-en-Provence (for €1.5m);
- non-recurring fees and financial expenses incurred in refinancing Groupe Partouche SA (for €1,015k);
- the margin achieved through progress against the property development plan for the former operating premises of the La Grande-Motte casino (for €1.2m);

In the year to 31 October 2018, this included €301k in exceptional depreciation charges on a number of establishments, mainly consisting of the Aix-en-Provence and Pornic casinos (€121k and €93k respectively) corresponding to depreciation for obsolescence in connection with renovation work, as well as non-recurring costs arising from the closure of the Hôtel 3.14 business (€354k) and the sale of Cannes Balnéaire in October 2017 (€270k).

5.5 INVENTORIES AND SEMI-FINISHED GOODS

Inventories are stated at their acquisition cost. The costs of inventories sold are determined on the basis of the first-in-first-out method. An impairment loss is recognised when the carrying amount of inventories is higher than their net realisable value.

€000 AT 31 OCTOBER	2019	2018	2017
Inventories – Solids	789	723	703
Inventories – Liquids	1 808	1 729	1 816
Inventories – Other consumed purchases	263	301	284
Inventories – Production in progress*	4 442	5 029	3 476
Inventories – Finished and semi-finished products	-	-	-
Inventories – Merchandise inventories	1 888	1 595	1 506
GROSS AMOUNT	**9 190**	**9 377**	**7 785**
Provision	(2)	(5)	(29)
NET AMOUNT	**9 188**	**9 372**	**7 756**

** At 31 October 2017, the relevant fixed assets had been reclassified under "Inventories – Production" in progress in connection with the property development plan for the former casino building at La Grande-Motte, in accordance with IFRIC 15.*

The amount included in "Inventories in progress" in connection with this project at 31 October 2019 is €4.36m. At 31 October 2018, it was €4.9m, and at 31 October 2017, €3.4m.

5.6 RECEIVABLES AND OTHER DEBTORS

Receivables are recognised at their nominal value. An impairment provision is set aside whenever their fair value, based on the likelihood of their being recovered, is less than their nominal value.

€000 AT 31 OCTOBER	2019	2018	2017
Trade receivables	25 231	22 373	21 321
Provisions for trade accounts receivable	(5 674)	(9 602)	(9 485)
Total net value of trade receivables	**19 557**	**12 771**	**11 836**
Other debtors	51 300	59 533	56 401
Provisions for other debtors	(39 341)	(42 331)	(42 200)
Total net value of other debtors	**11 959**	**17 201**	**14 201**
Total net value of trade receivables and other debtors	**31 515**	**29 972**	**26 037**

Breakdown of net value of trade receivables

At 31 October 2019, the €6.8m increase in the "Net value of trade receivables" item mainly included the €7.6m increase in trade receivables in connection with the property development plan for the former casino building at La Grande-Motte.

Breakdown of other debtors

€000 AT 31 OCTOBER	2019	2018	2017
Suppliers: advances and down payments	1 873	823	699
Employee receivables – advances and down payments	165	169	159
Receivables from social security organisations	182	371	418
Tax receivables – excluding corporate income tax	7 586	9 720	8 090
Current accounts – assets	32 068	32 376	32 428
Receivables in respect of sales of property and equipment	3	1 881	20
Receivables in respect of sales of securities	1	1 362	1 113
Other receivables	9 084	12 377	12 876
Dividends receivable	-	-	-
Other income receivables	338	454	599
Total other debtors	**51 300**	**59 533**	**56 401**

Comments on other debtors:

At 31 October 2019, the item "Suppliers: advances and down payments" included the following:

- €0.5m in down payments for the real estate development project in connection with the property development plan for the former casino building at La Grande-Motte;
- €0.2m in down payments for the purchase of biometric cards.

At 31 October 2019, "Tax receivables – excluding corporate income tax" primarily included accrued income as tax relief for high-quality artistic events and/or hotel investments, the most individually material of which were €2.2m for the Aix-en-Provence casino (vs. €3.2m at 31 October 2018) and €1.3m for the Lyon Pharaon casino (vs. €1.4m at 31 October 2018).

"Receivables in respect of sales of property and equipment" included in particular a receivable from SCI Pietra Pornic's real estate loan, fully repaid at 31 October 2019.

Receivables from disposals of securities, which corresponded to the current portion (€890k) of the balance receivable in connection with the sale of Société Française de Casinos (SFC) to Tête Dans les Nuages (TDN) (receivable fully impaired) and the current portion (€471k) of the seller financing related to the divestment of the Dinant casino which took place in 2014, were repaid in full during the financial year ended 31 October 2019.

At 31 October 2019, "Other receivables" included in particular a longstanding €6.9m receivable from a third party that has yet to deliver a property title acquired under contract and against which proceedings have been filed. This receivable is provided for in full.

Breakdown of provisions for other debtors

€000 AT 31 OCTOBER	2019	2018	2017
Provisions on current accounts – assets	(31 160)	(31 246)	(31 285)
Provision for receivables in respect of sales of securities	-	(890)	(712)
Provision for other receivables	(8 181)	(10 196)	(10 204)
Provision for other debtors	**(39 341)**	**(42 331)**	**(42 200)**

Comments on provisions for other debtors:

Besides the impairment losses mentioned above, provisions for other debtors mainly include the following:

- a €2.1m provision recognised in previous financial years by Compagnie Européenne de Casinos in its dealings with a foreign company;
- an €8.3m provision for Groupe Partouche SA's current account with the Beaulieu casino (currently being liquidated; deconsolidated in 2010);
- an €18.9m current account provision against Vichy 4 Chemins (currently being liquidated; deconsolidated during the financial year 2017).

Accounts receivable aging of trade and other receivables

€000 AT 31 OCTOBER 2019 RECEIVABLES OUTSTANDING FOR	< 1 MONTH OR NOT OUTSTANDING	< 3 MONTHS	< 6 MONTHS	< 9 MONTHS	> 9 MONTHS	TOTAL
Net value of trade receivables	11 678	1 608	4 226	273	1 771	19 557
Net value of other debtors	5 883	1 138	25	993	3 920	11 959
Total trade and other receivables	**17 561**	**2 746**	**4 251**	**1 267**	**5 691**	**31 515**

Receivables outstanding for more than nine months include accrued income on additional allowances receivable linked to "Article 34" hotel investments and "high-quality artistic events". Its collection is dependent on the Ministry of the Interior approving applications filed by casinos in this regard, which can give rise to relatively long delays between the point at which casinos pay out the expenditure and the point at which the Ministry authorises the allowances. However, no unfavourable settlements have been recorded for these casinos in recent financial years.

5.7 INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

The Group's investments in equity-accounted associates and the percentage ownership interest are presented in the note relating to the scope of consolidation. The financial information relating to the Group's equity-accounted associates is summarised below:

Balances relating to equity-accounted associates

€000 AT 31 OCTOBER	2017	2018	SHARE IN PROFIT	CHANGES IN SCOPE	CAPITAL TRANSACTIONS	RECLASSIFICATION	2019
Investments in equity-accounted associates	-	-	(310)	310	-	-	-
Provision for share of negative equity	(511)	(1 768)	-	1 768	-	-	-
Total	**(511)**	**(1 768)**	**(310)**	**2 078**	**-**	**-**	**-**
Of which, goodwill relating to equity-accounted associates	-	-	-	-	-	-	-

NOTE 6. INTANGIBLE AND TANGIBLE FIXED ASSETS

6.1 GOODWILL

Determination of goodwill

Upon the acquisition of the shares of a consolidated company, the separately identifiable assets and liabilities are measured at their total fair value based on the Group's intended utilisation. The corresponding assets and liabilities are therefore recognised in the balance sheet at this revised value.

Goodwill is the difference between the acquisition cost of shares and the Group's share in the fair value of any identifiable assets and liabilities. Under the previous IFRS 3, all of the expenses representing external costs directly related to the acquisition are included in the acquisition cost. Most of the goodwill has been generated by external growth operations. However, as of the financial year ended 31 October 2010, and where no change in control has occurred, this difference is recorded directly as a reduction in equity, in accordance with IAS 27 (revised). Goodwill is accounted for in the functional currency of the acquired entity and is translated in the consolidated financial statements according to the rules of conversion as previously defined.

Upon the sale of a subsidiary, the amount of goodwill attributable to the company sold is included in the calculation of the gain or loss on disposal.

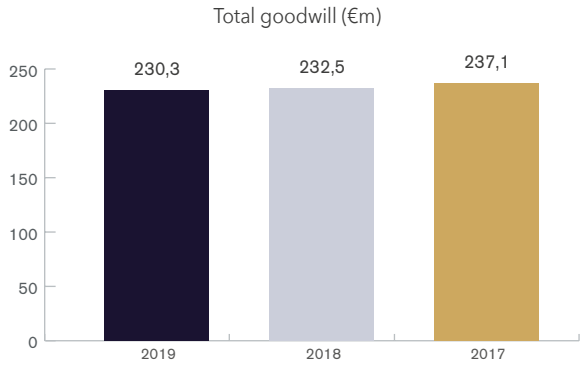
€000 AT 31 OCTOBER	2019	2018	2017
Net goodwill, excluding impairment for the financial year	232 504	237 166	241 795
Impairment for the financial year	(2 223)	(4 662)	(4 718)
Net goodwill	**230 280**	**232 504**	**237 076**

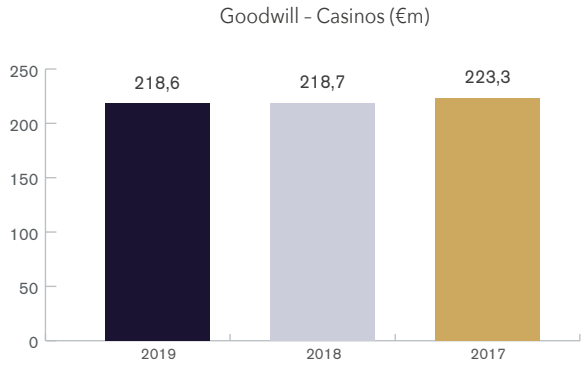
Impairment of goodwill in respect of financial year 2019, recognised in "Impairment of non-current assets" under "Non-current operating profit (loss)" in the consolidated income statement, totalled €2.2m and primarily concerned the SEGR Le Laurent restaurant based on its value in use.

The full methodology used for the impairment of goodwill is set out in Section 6.2 below.

No CGUs were rebundled or subdivided in relation to the previous financial year.

6.1.1 Breakdown of changes in goodwill by division





€000 AT 31 OCTOBER	2019	2018	2017
Casinos	218 556	218 671	223 333
Hotels	3 072	3 072	3 072
Other	8 652	10 761	10 672
TOTAL	**230 280**	**232 504**	**237 076**

Breakdown of changes

NET VALUE AT 31 OCTOBER 2018 IN €000	232 504
Increase	-
Decreases	-
Impairment	(2 223)
IFRS 5 reclassification	-
Net value at 31 October 2019	**230 280**

Breakdown of impairment

BREAKDOWN OF IMPAIRMENT IN €000	2019
Casino Boulogne	(9)
Casino Bandol	(105)
SEGR Le Laurent	(2 109)
Impairment	**(2 223)**

A goodwill impairment charge of €2,223k was recognised under line item "Impairment of non-current assets" within "Non-current operating profit" in the consolidated income statement.

6.1.2 Goodwill by company

The breakdown of accumulated goodwill (net of impairment) above €10m as at 31 October 2019 is as follows:

€M AT 31 OCTOBER	2019	2018
Casino Divonne	30,75	30,75
Casino Pornichet	30,13	30,13
Casino Annemasse	27,19	27,19
Casino La Grande-Motte	22,82	22,82
Casino Pornic	19,27	19,27
Casino La Roche-Posay	16,98	16,98
Casino Ostende	15,39	15,39
Casino Plouescat	12,98	12,98
SUBTOTAL	**175,52**	**175,52**
Other entities (aggregate)	54,76	56,99
TOTAL	**230,28**	**232,50**

6.2 IMPAIRMENT IN THE VALUE OF GOODWILL

6.2.1 Impairment testing of goodwill

Goodwill is not amortised, but is subject to impairment tests annually or more frequently if there is any indication of identified impairment in value. Besides external indicators that measure any loss in value related to the economic climate, the Group mainly uses changes in the following internal indicators: gross gaming revenue, turnover and EBITDA.

For the purposes of carrying out impairment testing, each goodwill item is allocated to a cash generating unit (CGU) representing the smallest group of identifiable assets that generate largely independent cash inflows, i.e. the lowest level at which goodwill is monitored for the purposes of monitoring for internal management purposes (generally a casino operating company). Monitoring the value of goodwill falls within the scope of application of paragraph 135 of IAS 36.

The impairment tests performed by the Group in application of IAS 36 consist of comparing the recoverable values of the cash generating units (CGUs) with the net carrying amount of the corresponding assets, including goodwill.

The recoverable value of a CGU is determined as the higher of the value in use and the fair value (less disposal costs).

The value in use of a CGU is determined by discounting the future cash flows generated by its assets. The data used for the value-in-use method is extracted from the annual budgets and multi-annual plans drawn up by management for a period of five years. These forecasts are drawn up by each operating segment, drawing on their financial targets and assumptions on the following factors: discount rate, the long-term growth rate used to calculate the terminal value, EBITDA, investment expenditure, competition environment, regulatory environment, changes in technology and level of marketing and selling costs.

Beyond the five-year period, a terminal value corresponding to the value of the CGU at the end of the explicit projection period was calculated using the capitalisation, for an unlimited time, of normative cash flows, taking into consideration a specific forecast long-term growth rate for each business segment.

The forecast cash flows and the terminal value have been discounted to present value at the assessment date using a discount rate equal to the weighted average cost of capital (WACC), including a risk premium for each business segment.

Should the tests, once performed, yield a loss in value, the impairment is deducted from goodwill. It is charged to «Impairment of non-current assets» under non-current operating profit. Under IFRS as adopted by the European Union, a recorded impairment of goodwill can never be reversed.

The main assumptions used at 31 October 2019 are shown below:

DISCOUNT RATE	GROWTH RATE	DEBT-FREE SEGMENT BETA	MARKET PREMIUM	TAX RATE
7,7%	Between 0% and 2%	0,71	7,8%	25%

The tests performed on the Group's goodwill at 31 October 2019 led to the recognition of additional impairment in the amount of €2,223k, as shown in the table in Note 6.1.1.

6.2.2 Sensitivity of impairment tests

Sensitivity to interest rate changes

Sensitivity tests of realisable value based on reasonably possible changes of a key assumption were carried out, and more specifically, sensitivity tests to changes of 0.5 points of the discount rate and the growth rate to infinity. They did not reveal any situations in which the realisable value of the main CGUs would become lower than their carrying amount, with the exception of the CGUs mentioned below:

CGU	IMPACT IN €M OF A CHANGE IN			
	DISCOUNT RATE		PERPETUAL GROWTH RATE	
	+1/2 POINT	-1/2 POINT	+1/2 POINT	-1/2 POINT
Casino d'Andernos	(0,20)	0,30	0,27	(0,17)
Casino de La Grande-Motte	(1,60)	2,28	1,82	(1,21)
Casino de Val-André	(0,19)	0,35	0,30	(0,15)
SEGR Le Laurent	(0,31)	0,38	0,31	(0,26)

The figures shown reflect the results of sensitivity tests, with the understanding that:

- a negative impact reflects an additional impairment charge, taking into account the change in the recoverable amount of the CGU against its carrying amount;
- a positive impact reflects a positive change in the recoverable amount of the CGU.

Sensitivity to changes in turnover and EBITDA

The Group carries out an analysis of the sensitivity of recoverable amounts to reasonably possible changes in assumptions impacting certain parameters of the budget forecasts used: turnover and EBITDA.

The results at 31 October 2019 are presented below:

CGU	IMPACT IN €M OF A CHANGE IN			
	TURNOVER		EBITDA	
	+1,5 %	-1,5 %	+2 %	-2 %
Casino d'Andernos	0,10	(0,04)	0,12	(0,07)
Casino de La Grande-Motte	0,60	(0,25)	0,62	(0,27)
SEGR Le Laurent	0,05	(0,05)	0,06	(0,06)

The figures shown reflect the results of sensitivity tests, with the understanding that:

- a negative impact reflects an additional impairment charge, taking into account the change in the recoverable amount of the CGU against its carrying amount;
- a positive impact reflects a positive change in the recoverable amount of the CGU.

6.3 INTANGIBLE ASSETS

Intangible assets with indefinite useful lives are not amortised. In light of the Group's sectors of activity, they represent assets in respect of which it is possible to verify the change in value. They are subject to periodic impairment testing.

Intangible assets with definite useful lives are amortised based on their expected useful lives and are impaired where there is an indication of impairment in value.

Other intangible assets notably include operating rights acquired to operating licences, client lists and lease rights.

€000	CONCESSIONS, PATENTS, BRANDS	INTERNALLY GENERATED GOODWILL	OTHER INTANGIBLE ASSETS	TOTAL
Gross value at 31 October 2017	**5 281**	**8 560**	**6 522**	**20 364**
Accumulated amortisation at 31 October 2017	(4 712)	(6 007)	(6 018)	(16 736)
Net value at 31 October 2017	**569**	**2 554**	**504**	**3 627**
Acquisitions	(20)	-	1 370	1 350
Assets sold or scrapped	(15)	-	(330)	(345)
Additions to the consolidation scope	-	-	-	-
Removals from the consolidation scope	-	-	-	-
Translation difference	-	-	6	6
Transfers, miscellaneous reclassifications, IFRS 5 reclassification	-	-	-	-
Amortisation charges and reversals	4	(81)	(48)	(125)
Gross value at 31 October 2018	**5 246**	**8 560**	**7 568**	**21 375**
Accumulated amortisation at 31 October 2018	(4 708)	(6 088)	(6 065)	(16 861)
Net value at 31 October 2018	**538**	**2 473**	**1 503**	**4 513**
Acquisitions	-	-	674	674
Assets sold or scrapped*	(3)	-	(286)	(289)
Additions to the consolidation scope	-	-	-	-
Removals from the consolidation scope	-	-	-	-
Translation difference	-	-	24	24
Transfers, miscellaneous reclassifications, IFRS 5 reclassification	533	-	(505)	28
Amortisation charges and reversals	(114)	(81)	(150)	(345)
Gross value at 31 October 2019	**5 776**	**8 560**	**7 475**	**21 811**
Accumulated amortisation at 31 October 2019	(4 823)	(6 169)	(6 215)	(17 206)
Net value at 31 October 2019	**953**	**2 392**	**1 260**	**4 605**

** At 31/10/2019 this item consisted wholly of assets scrapped..*

6.4 TANGIBLE FIXED ASSETS

Measurement

The Group's property and equipment is recognised at acquisition cost (acquisition price and acquisition costs of the fixed assets) or at production cost.

Borrowing costs directly attributable to the acquisition, construction or production of certain assets until the date on which they are brought into service are recognised in addition to the value of the corresponding asset.

Property and equipment is measured at each balance sheet date, based on the amortised cost model: at cost less depreciation and any impairment losses.

Assets under construction correspond to fixed assets for which the acquisition or production is not yet complete, with the result being that the expected initial return has yet to be realised.

Depreciation method and period

The main depreciation method used by the Group is the straight-line method.

Land is not depreciated. Depreciation is applied based on the expected useful life of the assets. The main useful lives fall within the following ranges:

- Buildings – structures 20 to 50 years
- Buildings – fluids 15 to 20 years
- Buildings – fixtures and fittings 8 to 15 years
- Equipment, fixtures and fittings 5 to 10 years
- Other tangible fixed assets 3 to 7 years

Moreover, slot machines within the Group are depreciated on a straight-line basis over five years and the coins and chips over ten years.

The residual values and useful lives of the assets are reviewed and, where applicable, are adjusted at the balance sheet date. The carrying amount of an asset is immediately impaired to bring it in line with its net realisable value when the carrying amount of the asset is higher than its estimated net realisable value.

Gains and losses on disposal are determined by comparing the proceeds on sale with the carrying amount of the asset sold. They are recognised in the income statement under "Other current operating income and expenses", or "Other non-current operating income and expenses" according to the principles described in Note 5.2.

€000 AT 31 OCTOBER	LAND	BUILDINGS	TECHNICAL EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	TOTAL
Gross value at 31 October 2017	**29 555**	**423 196**	**246 641**	**111 921**	**811 313**
Accumulated amortisation at 31 October 2017	(8 468)	(260 523)	(191 216)	(78 123)	(538 330)
Accumulated impairment losses at 31 October 2017	(20)	(10 603)	-	-	(10 623)
Net value at 31 October 2017	**21 068**	**152 070**	**55 425**	**33 798**	**262 361**
Acquisitions	126	10 481	26 235	28 768	65 610
Assets sold or scrapped	(222)	(2 617)	(14 309)	(4 493)	(21 642)
Additions to the consolidation scope	203	1 826	-	52	2 081
Removals from the consolidation scope	-	-	-	-	-
Translation difference	(32)	(24)	298	33	275
Transfers, miscellaneous reclassifications	2 513	1 731	(306)	(2 519)	1 420
Additions to/reversals from depreciation (including reductions in depreciation arising from retirements of fixed assets)	(174)	(11 937)	(5 678)	(1 939)	(19 728)
Impairment for the financial year	-	-	-	-	-
Gross value at 31 October 2018	**32 143**	**434 594**	**258 558**	**133 762**	**859 057**
Accumulated amortisation at 31 October 2018	(8 642)	(272 460)	(196 894)	(80 062)	(558 058)
Accumulated impairment losses at 31 October 2018	(20)	(10 603)	-	-	(10 623)
Net value at 31 October 2018	**23 481**	**151 532**	**61 664**	**53 700**	**290 377**
Acquisitions and assets under construction	270	9 432	16 711	26 866	53 279
Assets sold or scrapped	(295)	(15 668)	(11 056)	(9 742)	(36 761)
Additions to the consolidation scope	-	-	-	-	-
Removals from the consolidation scope	-	-	-	-	-
Translation difference	10	666	888	192	1 756
Transfers, miscellaneous reclassifications, IFRS 5 reclassification	29	35 200	482	(36 797)	(1 087)
Additions to/reversals from depreciation (including reductions in depreciation arising from retirements of fixed assets)	5	(1 013)	(11 140)	1 274	(10 874)
Impairment for the financial year	-	-	-	-	-
Gross value at 31 October 2019	**32 157**	**464 224**	**265 583**	**114 280**	**876 245**
Accumulated amortisation at 31 October 2019	(8 637)	(273 473)	(208 034)	(78 788)	(568 931)
Accumulated impairment losses at 31 October 2019	(20)	(10 603)	-	-	(10 623)
Net value at 31 October 2019	**23 500**	**180 148**	**57 549**	**35 493**	**296 691**

A total net increase of €6.3m in tangible fixed assets, mainly consisting of investments (+€53.3m), depreciation charges (-€43.6m) and scrapping of assets in connection with renovation work mainly affecting Aix-en-Provence, La Roche-Posay, Royat, SCI Les Thermes and Appolonia.

NOTE 7. EMPLOYEE EXPENSES AND BENEFITS

7.1 WORKFORCE

7.1.1 AVERAGE WORKFORCE

AT 31 OCTOBER	2019	2018	2017
France	3 884	3 969	4 016
Other countries	300	297	272
TOTAL	**4 184**	**4 266**	**4 288**

At 31 October 2019, 1,874 people worked in the gaming sector.

7.1.2 BREAKDOWN OF WORKFORCE BY PROFESSIONAL CATEGORY

AT 31 OCTOBER	2019	2018	2017
Executives	819	846	838
Junior executive staff	270	262	248
Non-executives	2 964	3 023	3 064
Manual workers	131	135	138
TOTAL	**4 184**	**4 266**	**4 288**

7.2 EMPLOYEE EXPENSES

€000 AT 31 OCTOBER	2019	2018	2017
Wages and salaries	130 695	129 862	127 638
Social security expenses	42 879	42 680	42 117
Employee profit-sharing	3 256	2 886	3 259
TOTAL	**176 830**	**175 429**	**173 013**

At 31 October 2019, the Group recognised €0.87m in income related to the CICE as a reduction in social security expenses (€5.7m at 31 October 2018 and €6.1m at 31 October 2017).

7.3 EMPLOYEE BENEFITS

▸ Retirement plans

The Group has set up various defined-contribution and defined-benefit retirement plans.

The provision recognised in the balance sheet for defined-benefit plans relates to the discounted value of the commitment for defined benefits at the balance sheet date, less the fair value of the plan's assets at that date, adjusted for actuarial gains or losses, and less the cost of past service. The provision relating to defined-benefit plans is calculated annually according to the projected unit of credit method. In accordance with IAS 19 (revised), since 1 November 2013 the Company recognises service cost for the period and net interest on the net defined-benefit liability in net profit or loss, and recognises remeasurements of the net defined-benefit liability, including actuarial gains and losses, in equity (items of other comprehensive income that may not be recycled to net profit).

The discounted value of commitments under defined-benefit plans is determined by discounting future disbursements with a market rate at the balance sheet date based on first-class corporate bonds, corresponding to the currency and to the estimated schedule of benefit payments.

For defined-contribution plans, the Group pays contributions to private or public insurance companies on a mandatory, contractual or voluntary basis. The Group's commitments are limited to contributions paid. Contributions are recorded in expenses when they are due. Contributions paid in advance are deferred to assets insofar as the payment in advance will result in a decrease in future payments or a cash reimbursement.

▸ Other post-employment benefit plans

Nearly all employees of the Company are covered by health insurance plans and life insurance plans financed by the public authorities. Consequently, the Company has no significant commitment in respect of its employees in terms of post-employment benefits other than retirement benefits; as a result, no provision has been established to this effect.

▸ Termination benefits

Termination benefits are employee benefits payable as a result of either the Group's decision to terminate an employee's employment contract before the normal retirement date or an employee's decision to accept benefits in connection with a voluntary redundancy. The Group recognises these termination benefits when it is demonstrably committed either to terminate the employment contract of a staff member in accordance with a detailed official plan without any real possibility of withdrawal or to grant termination benefits as a result of an offer made to encourage voluntary redundancy.

7.4 EMPLOYEE COMMITMENTS

These commitments were subject to an actuarial valuation based on the prospective method. The entire expense corresponding to rights acquired by the employees is determined based on the agreements in force at each company.

Provisions are calculated taking into account the probabilities of employees remaining at the Group until retirement (65 years), mortality based on gender, voluntary redundancy by the employee at retirement and on the following bases:

	2019	2018	2017
Discount rate	1,03 %	1,42 %	1,44 %
Salary inflation rate	1 %	1 %	1 %
Social charge provision rate	40 %	42 %	42 %

€000 AT 31 OCTOBER	2019	2018	2017
Provision at the beginning of the financial year	14 923	14 952	14 958
Impact recorded on employee expenses*	281	(394)	(58)
Impact on equity**	(207)	336	(39)
Changes in scope and translation adjustment	48	28	91
Total employee commitments	**15 045**	**14 923**	**14 952**
o/w non-current provision	14 937	14 688	14 607
o/w current provision	109	235	345

** Impact on employee expenses = current/past service cost for the period + net interest on the defined-benefit liability.*
*** Impact on equity = remeasurement of the net defined-benefit liability.*

7.5 DIRECTORS' REMUNERATION

For the financial year ended 31 October 2019, the amount of gross remuneration allocated to the management and supervisory bodies of Groupe Partouche SA amounted to €2,098,246. For the 2018-19 financial year, €120,000 in directors' fees was allocated by Groupe Partouche to the members of the Supervisory Board and paid in full during financial year 2019.

NOTE 8. OTHER CURRENT AND NON-CURRENT PROVISIONS

A provision is established when, at the balance sheet date, the Group has an obligation resulting from a past event that is likely to result in an outflow of resources representing future economic benefits, the amount of which may be estimated reliably.

The obligation may arise from an agreement or from legal or regulatory provisions or from any established legal precedent, or it may be implicit since, through its past practices, its stated policy or a recent, sufficiently explicit statement, the Group created a reasonable expectation among third parties that it will assume this liability.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the amount of the obligation cannot be evaluated with sufficient reliability, no provision is recognised.

If the effect of discounting is significant, the amount of the provision recognised relates to the discounted value of the expenditures that the Group expects to have to incur to settle the corresponding obligation.

In determining the possible outcomes of tax risks and litigation, the management uses as its basis the assessment performed by external consultants who have knowledge of each of the related issues and jurisprudence.

Groupe Partouche sets aside provisions for progressive jackpots at the end of the financial year. This provision is recognised in the line item "Current provisions" in the consolidated balance sheet. The jackpot provision is calculated at the balance sheet date on the basis of the jackpot amount displayed on all progressive slot machines, minus the amounts at the start of the period for each of these jackpots in addition to the amount saved in levies relating to the jackpot payout.

8.1 CHANGE IN PROVISIONS

€000 AT 31 OCTOBER	2017	2018	CHANGES IN 2019						2019
			CHARGES	REVERSALS NOT USED	REVER-SALS USED	TRANSLATION DIFFERENCE	RECLASS.	CHANGES IN SCOPE	
Non-current provisions	4 922	6 122	593	(22)	(844)	2	14	(1 768)	4 096
Current provisions	2 836	1 738	2 959	-	(2 133)	3	(14)	-	2 553
Total provisions	**7 758**	**7 860**	**3 552**	**(22)**	**(2 977)**	**5**	**0**	**(1 768)**	**6 649**

8.2 BREAKDOWN OF PROVISIONS BY TYPE

€000 AT 31 OCTOBER	TOTAL PROVISIONS		NON-CURRENT PORTION		CURRENT PORTION	
	2019	2018	2019	2018	2019	2018
Tax and social audits	2 339	2 080	1 900	1 731	439	349
Labour and redundancy disputes	1 951	2 304	1 363	1 783	588	520
Provision for net equity of companies accounted for under the equity method	-	1 768	-	1 768	-	-
Other contingency and loss provisions*	842	939	834	840	8	99
Jackpot provision	1 518	770	-	-	1 518	770
Total	**6 649**	**7 860**	**4 096**	**6 122**	**2 553**	**1 738**

** The "Other contingency and loss provisions" line consists of provisions across several entities that are not individually material. Details on the main disputes are provided in Section 20.5 of this Annual Report.*

NOTE 9. FINANCING AND FINANCIAL INSTRUMENTS

In accordance with IFRS 9, financial assets are separated into three categories:

▸ Financial assets measured at amortised cost

These are financial assets where the objective of the business model is to receive contractual payments, and where the contractual terms provide for payments at specified dates corresponding only to capital and interest repayments. They correspond in particular to loans and receivables attached to investments and to deposits and guarantees.

▸ Financial assets measured at fair value and recognized as other comprehensive income.

These are financial assets where the objective of the business model is both to receive contractual cash flows and to dispose of financial assets, and where the contractual terms and conditions provide, at specified dates, cash flows that consist exclusively of principal and interest payments on the outstanding principal amount. An impairment loss is recognised if the carrying amount is higher than the estimated realisable value.

▸ Financial assets measured at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income items.

The implementation of IFRS 9 eliminated the concept of available for sale securities:

Fair value is determined according to the methods defined by IFRS 13 and based on the three levels of the fair value hierarchy:

- Level 1, which includes valuations based on a quoted price in an active market; as a general rule, the market value corresponds to the last quoted price;
- Level 2, which includes valuations based on observable market data not included in Level 1;
- Level 3, which includes valuations based on non-observable market data; as a general rule, the valuation of shares in non-controlled companies is based on the share of net equity.

Fair values were determined on the basis of the information available at the balance sheet date (latest available statements) and therefore do not take into account the effect of subsequent changes.

There were no transfers of financial instruments between Level 1 and Level 2 and no transfers into or out of Level 3 in 2019.

9.1 OTHER NON-CURRENT FINANCIAL ASSETS

€000 AT 31 OCTOBER	2019	2018	2017
Available for sale securities	-	-	-
Non-consolidated investments (fair value through profit or loss)	3 230	3 216	3 028
Non-current investment securities	1	1	1
Employee loans	32	202	195
Loans, guarantees and other receivables	1 522	1 368	1 440
Receivables attached to investments*	-	10 428	11 300
Other non-current financial assets	**4 784**	**15 214**	**15 963**

** The "Receivables attached to investments" item included the €10.4m current account advance that Groupe Partouche SA granted to Palm Beach Cannes Côte d'Azur (now accounted for under the equity method). During the fiscal year ended 31 October 2019, this current account advance was fully repaid (see Note 1 "Key events – Disposal of the minority stake in Palm Beach Cannes Côte d'Azur»).*

Non-consolidated investments:

€000 AT 31 OCTOBER	GROSS VALUE IN 2019	IMPAIRMENT	NET VALUE IN 2019	NET VALUE IN 2018	NET VALUE IN 2017
Non-consolidated companies owned > 50%	2 867	(2 556)	311	280	241
Non-consolidated companies owned 20 to 50%	225	(155)	71	71	71
Non-consolidated companies owned < 20%	4 010	(1 162)	2 848	2 866	2 717
TOTAL	**7 103**	**(3 873)**	**3 230**	**3 216**	**3 029**

Financial assets and liabilities by category, fair value and effects on income:

€000 AT 31 OCTOBER	AMORTISED COST	FAIR VALUE LEVEL	2019		2018	
			BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
FINANCIAL ASSETS						
Non-current financial assets	✔	Niv 3	4 784	4 784	15 214	15 214
Investments in associates		Niv 3	-	-	-	-
Derivative financial instruments		Niv 2	-	-	-	-
Trade and other operating receivables	✔		32 807	32 807	35 408	35 408
Other current assets	✔		13 218	13 218	12 414	12 414
Short-term financial receivables	✔		-	-	1 361	1 361
Cash and cash equivalents		Niv 1	119 131	119 131	109 932	109 932
FINANCIAL LIABILITIES						
Bank loans and overdrafts	✔		161 668	161 668	179 574	179 574
Derivative financial instruments		Niv 2	-	-	61	61
Liabilities in respect of securities acquisitions		Niv 3	3	3	3	3
Trade and other payables	✔		87 928	87 928	87 831	87 831
Debt on fixed assets	✔		6 059	6 059	8 330	8 330

9.2 CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" includes cash as well as all immediately available short-term investments.

These investments are made in SICAV-type or FCP-type mutual fund units, the value of which is not subject to changes in stock market prices and which can be converted easily into a cash amount subject to negligible risk of change in value.

Cash and cash equivalents are financial assets held for trading and are valued at their fair value. Changes in value are recorded as results from financial items.

Cash presented in the consolidated cash flow statement includes cash and cash equivalents such as defined above, net of current bank overdrafts, which are an integral part of the Group's cash management.

Pursuant to IAS 7, the amount of significant cash and cash equivalents balances held which are not available for the Group is disclosed below.

€000 AT 31 OCTOBER	2019	2018	2017
Highly liquid cash management financial assets	9 170	3 482	3 372
Cash and cash equivalents	109 961	106 451	113 034
Cash and cash equivalents	**119 131**	**109 932**	**116 406**

€000 AT 31 OCTOBER	2019	2018	2017
Cash and cash equivalents (assets)	119 131	109 932	116 406
Cash (liabilities)	(19)	(14)	(16)
Neutralisation of impairment provision	-	-	-
Cash position per cash flow statement	**119 112**	**109 918**	**116 390**

Breakdown of cash management financial assets:

€000 AT 31 OCTOBER	2019	2018	2017
SICAV-type mutual fund units	9 177	3 485	3 373
FCP-type mutual fund units	-	-	-
Accrued interest / SICAV & FCP	-	-	-
Provision for impairment	(6)	(3)	(1)
Cash financial management assets	**9 170**	**3 482**	**3 372**

Breakdown of positive cash balances:

€000 AT 31 OCTOBER	2019	2018	2017
Bank	95 290	92 849	100 038
Cash	14 645	13 575	12 961
Interest receivable	25	27	34
Cash and cash equivalents	**109 961**	**106 451**	**113 034**

Cash less gaming levies:

€000 AT 31 OCTOBER	2019	2018	2017
Cash and cash equivalents (assets)	119 131	109 932	116 406
- Gaming levies	(32 569)	(30 239)	(30 708)
= Cash less gaming levies	**86 562**	**79 694**	**85 698**

In addition, regulations related to the Swiss gaming industry do not allow the gaming establishments to transfer free cash flow, with the exception of payment of dividends. This concerns two of the Group's casinos (Lac Meyrin casino and Crans-Montana casino) which had cash net of levies of €22.2m at 31 October 2019 (compared with €20.1m at 31 October 2018).

9.3 FINANCIAL DEBT

Financial debt is recognised at face value, net of related issuing costs and premiums. Subsequently, these borrowings are recognised at amortised cost using the effective interest-rate method, the difference between cost and repayment value being recognised in the income statement over the term of the borrowings.

The cost of net financial debt includes interest payable on borrowings, interest receivable on investments, and income from other dividends.

Financial debt is classified under current liabilities unless the Group has the unconditional right to defer the settlement of the debt at least twelve months after the balance sheet date, in which case those debts are classified as non-current liabilities.

€000 AT 31 OCTOBER	CURRENT PORTION IN 2019	NON-CURRENT PORTION IN 2019	TOTAL IN 2019	CURRENT PORTION IN 2018	NON-CURRENT PORTION IN 2018	TOTAL IN 2018	CURRENT PORTION IN 2017	NON-CURRENT PORTION IN 2017	TOTAL IN 2017
Bond	-	35 000	35 000	-	-	-	-	-	-
Bank borrowings	21 405	85 746	107 151	33 693	128 398	162 092	23 134	127 914	151 048
Interest accrued on loans	98	-	98	92	-	92	47	-	47
Restated capital lease	867	13 190	14 057	943	10 692	11 636	-	-	-
Bank overdrafts	19	-	19	14	-	14	16	-	16
Subtotal: Bank liabilities	**22 389**	**133 936**	**156 324**	**34 743**	**139 091**	**173 834**	**23 198**	**127 914**	**151 111**
Other borrowings	261	2 761	3 022	253	3 021	3 274	244	3 274	3 518
Employee profit-sharing	297	1 895	2 192	308	2 023	2 331	415	2 183	2 598
Deposits and guarantees	15	111	126	15	116	131	15	92	107
Liabilities in respect of investments in associates	-	4	4	-	4	4	-	4	4
Fair value remeasurement of hedging instruments	-	-	-	61	-	61	350	58	407
Total	**22 962**	**138 707**	**161 668**	**35 380**	**144 255**	**179 635**	**24 222**	**133 524**	**157 747**

Bond

With the aim of refinancing all of its bank debt, which includes the balance of (i) the €25m loan taken out on 23 March 2017 with a bank syndicate, (ii) the €3m loan taken out on 31 January 2018, and (iii) more specifically the €431m syndicated loan taken out on 25 September 2005, which was initially taken out under its Safeguard Plan (approved by the Paris Commercial Court on 29 September 2014, amended by the Paris Court on 2 November 2016, and revised on 8 December 2016) from which it consequently withdrew three years early (by ruling of the Paris Commercial Court on 4 November 2019), the parent company Groupe Partouche SA notably issued, at end October 2019, a seven-year bond in the form of a Euro PP private placement (maturing October 2026) to a well-known institutional investor for a par value of €35m.

The bond has a fixed annual interest rate, payable in arrears on an annual basis on 24 October of each year and for the first time on 24 October 2020. It will be reimbursed at the end of the term, on the maturity date on 24 October 2026.

The bond has no guarantees and the commitments made are similar to those made under the new syndicated loan *(see below)*, as the two loans are closely linked.

Bank borrowings

1. Syndicated loan

At the same time as the above bond and still with the aim of refinancing all its bank debt, Groupe Partouche SA took out a new syndicated loan from a consortium of six French banks at the end October 2019 for a total amount of €80m. It includes a €65m refinancing loan and a €15m revolving credit facility, with the final repayment date for both being 18 October 2025.

The refinancing loan is repayable in twenty-four consecutive instalments repayable in principal on 31 January, 30 April, 31 July and 31 October of each year, with the first instalment due on 31 January 2020. The principal amount repayable for each of the instalments will be €2,708,333, except for the last instalment, which will be €2,708,341.

Each drawdown under the revolving credit facility shall be repaid on the date of payment of interest on the drawdown in question, it being specified that the repayment of a drawdown may be made by renewing the drawdown by means of a renewal drawdown (for the amount of the renewal drawdown).

The outstanding principal amount of the refinancing loan and the revolving credit facility will yield interest at an annual rate corresponding to (i) the 3-month Euribor (or any other term agreed upon with the agent), (ii) the applicable margin, and (iii) any applicable mandatory costs. Interest will be payable in arrears.

No guarantees were granted under this syndicated credit facility. The credit agreement also stipulates disclosure commitments to the lenders, a commitment to maintain, on a half-yearly basis, the "leverage ratio" (consolidated net debt/consolidated EBITDA) below 2.50, as well as commitments to observe the usual do''s and don'ts for credit agreements of this type.

The pledges relating to the three bank debts of Groupe Partouche SA refinanced at the end of October 2019 were in the process of being raised at the close of financial year 2019.

2. Other bank borrowings

Lastly, certain operating subsidiaries also took out new borrowings totalling €13.96m in the year.

As part of the implementation of bank loans by Group subsidiaries, some of them have pledged business assets, which are included in the guarantees presented in Notes 14.2 "Debt secured by tangible assets" and 14.3 "Sureties and deposits granted".

3. Restated capital lease

The release of the residual balance of the property lease intended to finance the work on the Pornic casino was completed during the 2019 financial year at the same time as the completion of the work in question.

Financial debt in the consolidated financial statements at 31 October 2019 amounted to €14.06m (consisting of a current portion of €0.87m and non-current portion of €13.19m), including repayments initiated during the year.

4. Bank loans and overdrafts

"Other borrowings" included a €3.02m financial liability arranged by Partouche Immobilier with Ispar to cover a portion of the financing for construction work on the PleinAir casino in La Ciotat.

9.3.1 Maturity dates of financial debt

€000 AT 31 OCTOBER 2019	TOTAL	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Bond	35 000	-	-	35 000
Bank borrowings	107 151	21 405	64 919	20 826
Interest accrued on loans	98	98	-	-
Restated capital lease	14 057	867	3 680	9 510
Bank overdrafts	19	19	-	-
Other borrowings	3 022	261	1 130	1 631
Employee profit-sharing	2 192	297	1 813	82
Deposits and guarantees	126	15	53	58
Liabilities in respect of investments in associates	4	-	4	-
Fair value remeasurement of hedging instruments	-	-	-	-
Total	**161 668**	**22 962**	**71 599**	**67 107**

€000 AT 31 OCTOBER 2018	TOTAL	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Bank borrowings	162 092	33 693	117 614	10 785
Interest accrued on loans	92	92	-	-
Restated capital lease	11 636	943	3 595	7 098
Bank overdrafts	14	14	-	-
Other borrowings	3 274	253	1 094	1 927
Employee profit-sharing	2 331	308	1 896	128
Deposits and guarantees	131	15	108	8
Liabilities in respect of investments in associates	4	-	-	4
Fair value remeasurement of hedging instruments	61	61	-	-
Total	**179 635**	**35 380**	**124 307**	**19 949**

There is no foreign currency-denominated debt..

9.3.2 Change in bank borrowings and restated capital lease

€000 AT 31 OCTOBER	2017	2018	INCREASE	DECREASE	2019
Bank loans and restated capital leases	151 048	173 727	117 327	**134 847**	**156 207**

9.3.3 Analysis of bank loans and the restated capital lease by interest rate at the financial year-end

Please refer to Section 4.3.2 "Interest rate risk" of the Annual Report.

€000 AT 31 OCTOBER	BEFORE INTEREST RATE HEDGING IN 2019	AFTER INTEREST RATE HEDGING IN 2019	BEFORE INTEREST RATE HEDGING IN 2018	AFTER INTEREST RATE HEDGING IN 2018	BEFORE INTEREST RATE HEDGING IN 2017	AFTER INTEREST RATE HEDGING IN 2017
Fixed-rate debt	82 096	82 096	39 693	89 693	22 335	72 335
Variable-rate debt	74 111	74 111	134 035	84 035	128 713	78 713
Bank debt and restated capital leases at the financial year-end	**156 207**	**156 207**	**173 727**	**173 727**	**151 048**	**151 048**
Average interest rate – fixed	2,67 %	2,67 %	1,93 %	2,85 %	1,95 %	3,08 %
Average interest rate – variable	1,53 %	1,53 %	2,60 %	2,43 %	2,79 %	2,74 %
Weighted average interest rate at the financial year-end	**2,13 %**	**2,13 %**	**2,44 %**	**2,64 %**	**2,67 %**	**2,90 %**

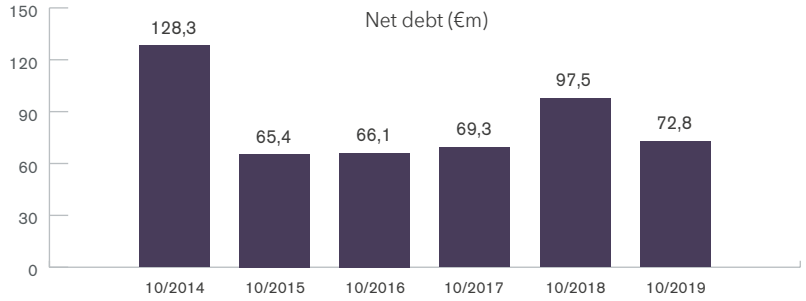
At the balance sheet date, variable rate debt, including the syndicated loan, represented only 47% of total bank or bond debt.

This debt was not hedged by a financial instrument.

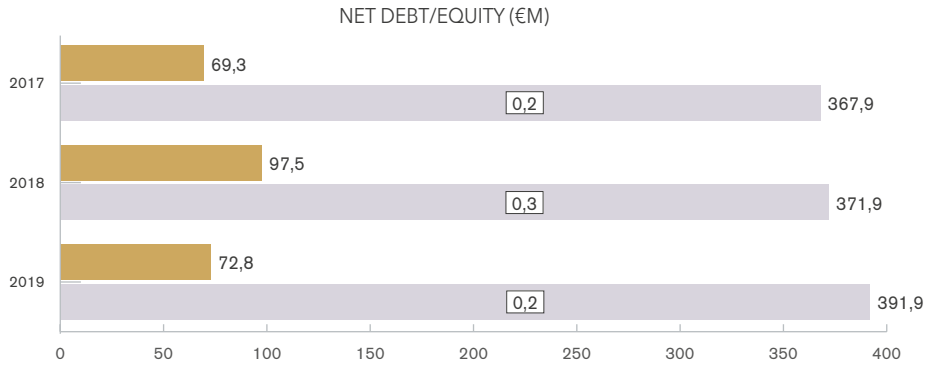
9.3.4 Net debt

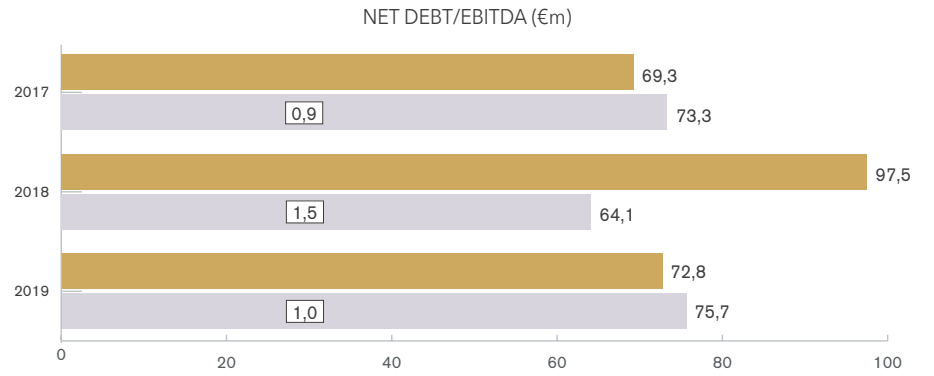
Gearing is the ratio of the Group's net debt to its equity. It is a measure of the risk associated with the Group's financial structure.

Leverage is the ratio of the net debt to consolidated Group EBITDA.



€000 AT 31 OCTOBER	2019	2018	2017
Bond	35 000	-	-
Bank loans and restated capital leases	121 207	173 727	151 048
Accrued interest	98	92	47
Sundry borrowings and financial liabilities	3 022	3 274	3 518
Financial instruments – assets	-	-	-
Financial instruments – liabilities	-	61	407
Bank overdrafts	19	14	16
Gross debt	**159 346**	**177 169**	**155 037**
Cash net of levies *(see Note 9.2)*	**86 562**	**79 694**	**85 698**
Other unavailable cash *(cash subject to conditions precedent)*	**-**	**-**	**-**
Net debt	**72 784**	**97 475**	**69 339**





9.4 FINANCIAL INCOME (EXPENSE)

Income from interest is recognised in the income statement when it is acquired, using the effective interest-rate method.

Income from dividends is recognised in the income statement when the Group acquires the right to collect the payments.

€000 AT 31 OCTOBER	2019	2018	2017
Cost of debt	(3 940)	(4 039)	(4 523)
Cost of interest rate hedging	(59)	(355)	(356)
Investment income	170	185	152
Net financial income (expenses)	**(3 829)**	**(4 209)**	**(4 726)**
Finance costs linked to finance leases	-	-	-
Change in the fair value of hedging instruments (ineffective portion)	-	-	-
Cost of financial debt (a)	**(3 829)**	**(4 209)**	**(4 726)**
Foreign exchange gains	2 120	2 091	2 082
Foreign exchange losses	(45)	(46)	(74)
Dividends (non-consolidated companies)	101	115	230
Other	1 655	379	555
Financial provision charges and reversals	**81**	266	(222)
Other financial income and expenses (b)	**3 912**	**2 805**	**2 571**
Financial income (expense) (a+b)	**82**	**(1 404)**	**(2 156)**

The decrease in net financial expenses was mainly due to the average annual interest rate being lower than the previous year and the end of interest rate hedging.

Regarding the fair value of interest rate hedging instruments, since the Company has opted for hedge accounting as described in the section on "Derivatives" above, the change in the effective portion of hedging instruments is recorded in equity (comprehensive income).

The "Other" line includes financial income of €1.133m paid to Groupe Partouche. This interest was collected pursuant to the terms of a court order to repay an outstanding debt.

9.5 FINANCIAL RISKS

The Group could be exposed to liquidity risks and interest rate risks in the line of its activity. The assessment of the Group's exposure to these risks and their management is presented in the annual report in Section 4.3 under "Risk Factors".
The following other financial risks were also identified:

9.5.1 FOREIGN EXCHANGE RISK

In order to measure the Group's exposure to exchange rate risk, it should be pointed out that Groupe Partouche's activities outside France are performed by subsidiaries which operate in the country in which they are located; the consolidated financial statements thus include 13 companies outside France, five of which are located outside the euro zone. Some foreign exchange risk exposure remains, however, given the Group's operations in Tunisia and Switzerland. The total of these activities represents less than 10% of total consolidated turnover.

Transactions carried out by these subsidiaries outside the euro zone are denominated in the local currency.

The Group's normal operations do not involve purchases of assets financed in currencies that could lead to the implementation of a forward hedging policy.

Regarding the significant portion of the Group's profit made in Switzerland, it should first of all be noted that the regulations related to the Swiss gaming industry do not allow these establishments to transfer free cash flow, with the exception of payment of dividends.

Considering this limited leeway, no specific measures have been taken to cover this risk.

The table below sets out the impact of a 1% change in the exchange rate parity with the Swiss franc on the Group's turnover and operating profit at 31 October 2019:

Impact of a +/-1% change in the exchange rate

€M AT 31 OCTOBER 2019	ON TURNOVER	% GROUP'S TOTAL	OPERATING PROFIT	% GROUP'S TOTAL
CHF	+ ou - 0,38	0,09%	+ ou - 0,12	0,38%

The table below sets out the impact of a 1% change in each exchange parity on the Group's turnover and operating profit at 31 October 2018:

Impact of a +/-1% change in the exchange rate

€M AT 31 OCTOBER 2018	ON TURNOVER	% GROUP'S TOTAL	OPERATING PROFIT	% GROUP'S TOTAL
CHF	+ ou - 0,38	0,09 %	+ ou - 0,13	0,64 %

The table below presents the local currency positions of receivables and payables denominated in thousands of Swiss francs, the main foreign currency at 31 October 2019:

- Under assets, the items that may be affected by exchange rate risk are trade receivables and other debtors with their related provisions, income tax receivables and other current assets with the provisions attached to them;
- Under liabilities, the items that may be affected by exchange rate risk are current and non-current borrowings, trade and other payables, current tax liabilities and other current and non-current liabilities.

CURRENCY BY COUNTRY	K CHF SWITZERLAND
ASSETS	877
LIABILITIES	10 127
Net position before hedging	**(9 250)**
Hedging position	-
Net position after hedging	**(9 250)**

The table below presents the local currency positions of receivables and payables denominated in thousands of Swiss francs, the main foreign currency in 2018:

CURRENCY BY COUNTRY	K CHF SWITZERLAND
ASSETS	1 052
LIABILITIES	10 537
Net position before hedging	**(9 485)**
Hedging position	-
Net position after hedging	**(9 485)**

9.5.2 Translation risk

Consolidating the financial statements of foreign subsidiaries entails the translation of the financial statements (assets, liabilities, income and expenses) denominated in foreign currencies into euros. This translation at the applicable year-end exchange rate, may, if exchange rates change, generate an impact on the Group's consolidated financial statements.

Given the long-term nature of these investments, Groupe Partouche does not hedge this exposure.

9.5.3 Equity risk

The Group's cash investments do not include any listed shares; money-market products and term-deposit accounts are used exclusively. Given that the investment policy for cash excludes investments in share-based products, no specific measures are used to monitor this risk.

Since 2000, Groupe Partouche has held some of its own shares (1,917) as part of a liquidity provider's agreement (see Section 21.1.3 «Acquisition by the Company of its own shares»), as well as 10,434 other shares as of 31 October 2019.

In light of the issues mentioned in Note 11.2, a 10% drop in the share price of Groupe Partouche would have a very limited impact on the parent company financial statements and none on the consolidated financial statements since the item "Treasury shares" is deducted from the consolidated reserves.

NOTE 10. TAXES

10.1 ANALYSIS OF THE TAX EXPENSE

€000 AT 31 OCTOBER	2019	2018	2017
Profit before tax	**32 003**	**19 503**	**44 356**
Current tax expense	(6 245)	(3 520)	(5 693)
Change in deferred tax	3 273	2 225	7 693
CVAE tax expense	(3 704)	(3 354)	(277)
Total tax expense	**(6 676)**	**(4 649)**	**1 723**
Total tax expense – CVAE tax excluded	**(2 972)**	**(1 295)**	**2 000**
Effective tax rate*	**9,29 %**	**6,64 %**	**(4,51) %**

** CVAE tax excluded.*

Rationalisation of the effective tax rate - Tax proof

€000 AT 31 OCTOBER	2019	2018	2017
Profit before tax	**32 003**	**19 503**	**44 356**
French corporate income tax rate	28,00 %	33,33 %	33,33 %
Tax charge based on current corporate income tax rate (theoretical)	**(8 961)**	**(6 500)**	**(14 784)**
Temporary differences	290	(1)	(1 059)
Permanent differences	7 191	17 153	12 005
Net effect of consolidation operations	(10 545)	(10 247)	14 216
Impact of the change in the rate*	-	1 664	3 617
Tax losses generated during the financial year	(5 084)	(15 102)	(14 158)
Impact of tax consolidation	12 601	12 075	12 296
Income taxed at the reduced tax rate, long-term capital gains or losses and effect of differences in foreign companies' tax rates	(1 884)	(1 215)	(8 644)
Tax loss carryforwards recognised as assets	1 792	(73)	(2 248)
Use of unrecognised tax loss carried forward	1 028	411	212
Tax credit and other	599	540	547
Total tax expense, excluding CVAE* tax expense	**(2 972)**	**(1 295)**	**2 000**
Consolidated net income before tax	**32 003**	**19 503**	**44 356**
Reconstituted Group tax rate	**9,29 %**	**6,64 %**	**(4,51) %**

** The 2018 Finance Act passed in late December 2017 provides for a tapered reduction out to 2022 in the standard rate of corporate income tax to 25% for all French businesses (from 33.33% at present for the Group's tax consolidation entities, beyond the 28% tax on the initial €500k).*

Under IAS 12, deferred tax assets and liabilities have to be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The Group's deferred taxes are recorded at the rates applicable to the estimated useful lives of the bases concerned.

10.1.1 Corporate income tax receivables

€000 AT 31 OCTOBER	2019	2018	2017
Current receivables from the French State	1 291	6 797	5 568
Current corporate income tax receivables	**1 291**	**6 797**	**5 568**

At 31 October 2019, "Accounts receivable from the French State" mainly included tax credits and income tax receivables for companies outside the tax consolidation group.

At 31 October 2018, this item also included the CICE tax credit of the companies making up the tax consolidation group for the 2017 calendar year.

10.1.2 Current tax liabilities

€000 AT 31 OCTOBER	2019	2018	2017
State – Gaming levies	32 569	30 239	30 708
State – Corporate income tax	1 254	73	530
TOTAL	**33 823**	**30 311**	**31 238**

10.2 DEFERRED TAX

The Group calculates its taxes in accordance with the tax legislation in force in the countries where the income is taxable.

Deferred taxes are determined each year for each tax entity using the liability method based on each company's tax position or on the income of all the companies that are included in the tax consolidation groups.

Deferred tax is calculated by applying the most recent tax rate enacted at the balance sheet date applicable to the period in which temporary differences reverse.

Deferred tax assets relating to tax losses carried forward are only recognised if the tax entity is reasonably certain that it will recover these amounts in later years.

All deferred tax liabilities are recognised unless the tax results from the initial recognition of goodwill.

In accordance with Section 39 of IAS 12, the Group did not recognise a deferred tax liability relating to the difference between the book value of equity-accounted investments and their tax bases.

In accordance with IAS 12, deferred taxes are classified as non-current assets and liabilities.

10.2.1 Deferred tax assets and liabilities

Deferred tax is recognised using the liability method on all differences between tax bases and carrying amounts. Deferred tax assets and liabilities are not discounted. A breakdown of the net change in deferred taxes (both assets and liabilities) is as follows:

€000	2019	2018
Deferred tax assets at the beginning of the period	2 181	2 427
Deferred tax liabilities at the beginning of the period	(15 753)	(18 249)
Net deferred tax at the beginning of the period	**(13 572)**	**(15 824)**
Impact of profit*	3 324	2 371
Impact of changes in scope	-	-
Impact of foreign exchange rates	31	18
Other movements**	(58)	(137)
Net deferred tax at 31 October	**(10 275)**	**(13 572)**
Deferred tax assets at 31 October	2 208	2 181
Deferred tax liabilities at 31 October	(12 483)	(15 753)

** The impact on profit includes in 2019 (including the change in tax rates referred to above):*
- a €51k impact arising from the change in deferred taxes on CVAE timing differences;
- a €66k impact arising from the change in deferred taxes on CVAE timing differences;
- a €1,158k impact arising from the change in deferred taxes caused by eliminations of internal provisions; and

- a €1,792k impact arising from the recognition of deferred tax assets linked to tax loss carryforwards;
- a €626k impact arising from the use of deferred taxes relating to the amortisation and depreciation of property assets.

In 2018, the impact of profit included the following:

- a €145k impact arising from the change in deferred taxes on CVAE timing differences;
- a (€169k) impact arising from the change in deferred taxes on CVAE timing differences;
- a €1,360k impact arising from the change in deferred taxes caused by eliminations of internal provisions; and
- a €1,196k impact arising from the use of deferred taxes relating to the amortisation and depreciation of property assets.

*** The other items mainly concern deferred taxes arising from changes in the fair value of financial instruments recognised in equity (recyclable component). These movements had no impact on profit for the period.*

Deferred tax was in relation to the following:

€000	2019	2018
Employee commitments	3 669	3 576
Derivative instruments	-	17
Revaluation adjustments / Real estate assets	(7 530)	(8 156)
Internal provisions	(12 087)	(13 245)
Tax loss carryforwards recognised as assets	4 144	2 352
Deferred tax on restatement of CVAE	(632)	(683)
Restatement of property leases	(628)	(607)
Other temporary items and consolidated adjustments	2 789	3 174
TOTAL	**(10 275)**	**(13 572)**

10.2.2 Tax losses carried forward

Deferred tax assets related to loss carryforwards are recognised on the balance sheet only when such losses are determined to be recoverable.

At 31 October 2019, the total amount of unrecognised tax in relation to uncapitalised loss carryforwards was around €19.8m (total for French companies at a rate of 28%).

At 31 October 2019, deferred tax assets recognised as capitalised loss carry-forwards were €4.1m, concerning the Groupe Partouche SA tax consolidation group.

To assess the capitalisation of loss carryforwards in the consolidated financial statements at 31 October 2019, the Group conducted an analysis of the expected use of the taxes over a reasonable horizon, while factoring in actual uses during the past few financial years.

NOTE 11. EQUITY

11.1 SHARE CAPITAL OUTSTANDING

SHARE CAPITAL AT 31 OCTOBER	2019	2018	2017
Amount of share capital	192 540 680 €	192 540 680 €	192 540 680 €
Shares issued, fully paid up	9 627 034	9 627 034	9 627 034
Nominal value	20 €	20 €	20 €

The share capital is fully paid up at 31 October 2019. Shares may be in registered or bearer form, based on the choice of the shareholder. In accordance with the Articles of Association, all of the shares have one voting right each.

11.2 TREASURY SHARES

IN EUROS AT 31 OCTOBER	2019	2018	2017
Treasury shares at historical cost held directly	416 361	411 483	309 551
Number of treasury shares held directly	12 351	13 001	6 257

Treasury shares are deducted from consolidated reserves. At 31 October 2019, treasury shares fell into one of two categories:

- Long-term shares held since the Extraordinary General Meeting of 10 November 2003: 1,917 treasury shares;
- Shares held through the liquidity provider's CM-CIC agreement: 10,434 treasury shares. The purpose of this liquidity agreement is to foster regular and liquid trading in the Company's shares.

The market price of Groupe Partouche shares at 31 October 2019 was €25.70.

IN EUROS AT 31 OCTOBER	2019	2018	2017
Number of CM-CIC treasury shares held	10 434	11 084	4 340
Value	247 587	242 709	140 777

11.3 CONSOLIDATED RESERVES

€000 AT 31 OCTOBER	2019	2018	2017
Revaluation reserve	(42 663)	(42 663)	(42 663)
Other reserves and retained earnings	175 492	169 946	169 788
Legal reserve	10 033	9 741	9 732
Group consolidation reserves	(6 637)	(7 030)	(44 311)
Other Group reserves	10 462	10 512	10 624
Consolidated reserves	**146 687**	**140 505**	**103 171**

The change in "Consolidated reserves" chiefly reflects:

- the appropriation of the €6,233k in net profit attributable to equity holders of the parent in the 2018 financial year;
- the €44k change in the fair value of the effective portion of financial instruments net of related deferred taxes;
- the negative €94k impact of remeasurements of net defined-benefit liabilities (provision for post-employment benefit obligations) recognised in equity under the revised IAS 19.

11.4 MINORITY INTERESTS

€000 AT 31 OCTOBER	2019	2018	2017
Non-group reserves	14 020	13 458	14 108
Non-group translation reserves	3 522	3 040	2 289
Non-group earnings	6 381	6 360	8 112
Minority interests	**23 923**	**22 859**	**24 509**

The change in minority interests primarily reflects:

- the €6.4m net profit in the 2019 financial year attributable to minority interests;
- the €6m in payments of non-Group dividends;
- the €0.48m positive change in translation reserves.

NOTE 12. ADDENDA TO THE CONSOLIDATED FINANCIAL STATEMENTS

12.1 OTHER CURRENT AND NON-CURRENT ASSETS

12.1.1 Other non-current assets

€000 AT 31 OCTOBER	GROSS VALUE IN 2019	IMPAIRMENT	NET VALUE IN 2019	2018	2017
Receivables from the French state*	5 865	-	5 865	7 376	7 252
Other non-current receivables	1 294	(28)	1 266	1 453	1 685
Other non-current assets	**7 159**	**(28)**	**7 131**	**8 829**	**8 938**

At 31 October 2019, the item "Receivables from the French state" included the balance of the CICE tax credit receivable for €3.4m. At 31 October 2018, this item recorded, in particular, the accrued income of the 2018 CICE tax credit, currently being acquired, for €4.7m.

Breakdown of "Other non-current receivables":

€000 AT 31 OCTOBER	GROSS VALUE IN 2019	IMPAIRMENT	NET VALUE IN 2019	2018	2017
Receivables on disposal of assets > 1 year	-	-	-	-	400
Other receivables – due in more than one year	140	(28)	112	188	188
Prepaid expenses – portion > 1 year	1 154	-	1 154	1 265	1 097
Other non-current receivables	**1 294**	**(28)**	**1 266**	**1 453**	**1 685**

At 31 October 2019, the receivable from Société Française de Casinos (SFC) had been repaid in full.

At 31 October 2018, "Current receivables from disposals of securities" included the non current portion of the receivable related to the sale of Société Française de Casinos (SFC) to Tête Dans les Nuages (TDN), provided for in full (€534k).

The current portion of this receivable is classified as a current asset under "Trade receivables and other debtors" (in the amount of €890k, provided for in full).

12.1.2 Other current assets

€000 AT 31 OCTOBER	2017	2018	INCREASE	DECREASE	2019
Accrued interest/receivables and loans	-	-	-	-	-
Employee loans	80	77	130	(121)	86
Loans, guarantees	359	360	92	(82)	371
Receivables from the French state	5 022	5 850	-	(30)	5 819
Prepaid expenses	6 963	6 126	816	-	6 942
TOTAL GROSS VALUE	**12 424**	**12 414**	**1 037**	**(233)**	**13 218**
Provision/impairment loss	-	-	-	-	-
NET VALUE	**12 424**	**12 414**	**1 037**	**(233)**	**13 218**

12.2 TRADE AND OTHER PAYABLES

€000 AT 31 OCTOBER	2019	2018	2017
Customers, advances and down payments received*	13 610	6 871	3 989
Trade accounts payable	14 999	17 453	15 882
Liabilities in respect of fixed asset acquisitions**	6 059	8 330	8 272
Liabilities in respect of securities acquisitions	3	3	3
Employees	2 876	3 160	3 491
Employee profit-sharing	3 373	2 978	3 347
Social security organisations	6 773	7 063	7 873
Paid vacation	15 960	16 779	16 809
Applicable levy	476	545	559
Current account and partner liabilities	3 090	3 001	568
State – VAT	2 496	3 413	3 211
State – expenses payable	5 772	8 086	7 907
Other	18 502	18 484	20 257
TOTAL	**93 990**	**96 164**	**92 170**

** At 31 October 2019, this line item included, in particular, advance payments on lots sold as part of the La Grande-Motte property development plan for an amount of €9.5m (€3.1m at October 2018).*

*** At 31 October 2019, as had been the case at 31 October 2018, this item resulted from the various renovation programmes underway at the Group's entities. At this closing, the main contributor was the Aix-en-Provence casino for €3.3m.*

12.3 OTHER CURRENT AND NON-CURRENT LIABILITIES

€000 AT 31 OCTOBER	2019	2018	2017
Tax liabilities	-	-	-
Other liabilities	-	-	1 995
Liabilities to suppliers of fixed assets	-	-	-
Deferred income – non-current portion	3 194	4 103	4 977
TOTAL OTHER NON-CURRENT LIABILITIES	**3 194**	**4 103**	**6 972**
Deferred income – current portion	1 275	1 429	1 579
TOTAL OTHER CURRENT LIABILITIES	**1 275**	**1 429**	**1 579**

At 31 October 2017, the "Other liabilities" (non-current) item included the current account advance from the principal shareholder Financière Partouche, reclassified as a current liability under "Trade and other payables" at 31 October 2018 in accordance with the clearance arrangements laid down in the amended Safeguard Plan.

Deferred income is mainly attributable to investment subsidies.

NOTE 13. BREAKDOWN OF THE CASH FLOW STATEMENT

13.1 BREAKDOWN OF CASH FLOW

Net cash from operating activities (before change in the working capital requirement, financial interest and taxes paid) totalled €78.5m, versus €66.3m in 2018, related to the change in EBITDA observed during the financial year.

Cash flow from operating activities

Total cash flow relating to operating activities, which came to €72.5m (vs. €49.3m in 2018), also reflects:

- a slightly unfavourable trend in the WCR, representing a €0.8m cash requirement;
- €3.8m in interest paid, down €0.1m from 2018;
- taxes "paid" representing a €1.4m outflow, compared with €3.4m in 2018, which notably included offsetting the corporate income tax and CVAE taxes paid, and the repayment of the CICE tax credit obtained in respect of the 2017 calendar year for €5.6m.

Cash flow from (used in) investing activities

Cash used in investing activities came to €39.3m, compared with €65.4m in the previous financial year. It chiefly consisted of:

- sale proceeds of consolidated companies for €2.9m relating to the disposal of the 49% minority stake held by Groupe Partouche in Palm Beach Cannes Côte d'Azur as well as the collection of receivables from sales completed during prior financial years;
- a €55.1m outflow for purchases of tangible fixed assets compared to €65.1m in 2018, including in particular €13.4m for slot machines and other electronic equipment (a significant decrease of €7.7m compared to 2018), various replacement investments, and, for construction projects, completion of the renovation work at the Aix-en-Provence casino, completion of the new Pornic casino and continued renovation work at the Royat casino.
- an inflow of €10.7m from repayments received on loans, mainly corresponding to the €10.5m repayment by Palm Beach Cannes Côte d'Azur of its current account, prior to Groupe Partouche's sale of its minority interest in this company.

Cash flow from (used in) financing activities

This item represented a net cash outflow of €24.5m compared to €9.1m in 2018, mainly consisting of the following:

- new borrowings totalling €117.3m, mainly linked to Group Partouche's refinancing with the issue of a €35m bond and the arrangement of a €65m refinancing loan (€15m revolving credit facility undrawn at 31 October 2019);
- the repayment of bank debt for €134.8m, mainly comprised of the early repayment of the following three loans as part of Groupe Partouche's refinancing: the syndicated loan included under the Safeguard Plan (€104.2m, including maturities for the financial year), the Capex loans (€17.4m, including maturities for the financial year) and the consolidated loan for the financing of the Aix-en-Provence casino (€2.4m);
- dividend payments to minority shareholders for €6.6m.

Based on these movements, cash amounted to €119.1m at the balance sheet date, up €9.2m compared with 31 October 2018.

13.2 BREAKDOWN OF WCR

Changes in items making up the working capital requirement are as follows:

€000	2019	2018	2017
Inventories and semi-finished goods	189	(1 242)	(501)
Trade receivables	(4 813)	(2 624)	(3 369)
Receivables and accrued and deferred items	1 219	(6 579)	(7 572)
Trade accounts payable	(2 404)	1 658	1 867
Other payables	5 057	(772)	(1 077)
IMPACT OF THE CHANGE IN WCR	**(752)**	**(9 558)**	**(10 654)**

NOTE 14. OFF BALANCE SHEET COMMITMENTS

14.1 RELATED TO THE SCOPE

Commitments given at 31 October 2019:

None.

Commitments received at 31 October 2019:

€000	2019	2018	2017
Sureties, deposits and pledges	-	1 424	2 136
TOTAL	**-**	**1 424**	**2 136**

At 31 October 2019, the receivable from Société Française de Casinos totalling €1,424k (fully impaired) had been repaid in full.

14.2 RELATED TO FINANCING

Commitments given at 31 October 2019:

€000	2019	PAYMENTS DUE PER PERIOD			2018	2017
		LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS		
Long-term liabilities (bank debts with guarantees)	20 316	4 012	11 054	5 250	136 784	134 921
Capital leases	5 475	2 007	3 467	-	3 752	1 255
TOTAL	**25 791**	**6 019**	**14 522**	**5 250**	**140 536**	**136 176**

The amount of commitments given in respect of long-term liabilities reflects the principal amount outstanding on the Group's secured borrowings (note that commitments on borrowings taken out by Partouche Immobilier and the Group's non-trading property companies (SCIs), as well as on the property lease of SCI Pietra Pornic, are shown under "Sureties and deposits" for commitments relating to operating activities, given these entities' main business).

The guarantees relating to the three long-term bank debts of Groupe Partouche SA refinanced at the end of October 2019 were in the process of being raised at the close of financial year 2019.

Individually non-material leases are not restated in the consolidated financial statements and are thus shown under commitments given and received related to financing.

Commitments received at 31 October 2019:

€000	2019	2018	2017
Capital leases	5 222	1 872	1 067
TOTAL	**5 222**	**1 872**	**1 067**

14.3 RELATED TO OPERATING ACTIVITIES

14.3.1 Contractual commitments

Commitments given at 31 October 2019:

€000	2019	PAYMENTS DUE PER PERIOD			2018	2017
		LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS		
Operating lease contracts (leases, non-real estate lease contracts, other)	48 181	10 570	24 192	13 419	52 957	56 761
Collateral or mortgages	-	-	-	-	-	505
Sureties and deposits	26 488	3 091	7 633	15 764	32 707	30 315
Notes issued	29	29	-	-	5	406
Liability guarantees	-	-	-	-	-	-
Other financial commitments	-	-	-	-	-	-
Other commercial commitments	12 990	7 527	5 463	-	13 765	9 408
EHB specification	55 345	6 776	27 213	21 356	61 651	61 866
TOTAL	**143 032**	**27 992**	**64 502**	**50 539**	**161 085**	**159 259**

The line item "Commitments in respect of operating requirements" includes all of the operator's obligations over the remaining term of the concession. The corresponding expenses, which are paid annually, are recognised in the income statement under "Other current operating income and expenses".

The "Sureties and deposits" item mainly consists of the following:

- a guarantee in respect of lease financing of work on the Pornic casino completed at the end of 2018, for which the outstanding amount at 31 October 2019 was €14.1m;
- a guarantee covering the medium-term loan taken out by Partouche Immobilier in 2017 (principal amount outstanding at 31 October 2019: €6m).

Commitments received at 31 October 2019:

€000	2019	2018	2017
Claw back	98	98	98
Operating lease contracts (leases, non-real estate lease contracts, other)	749	732	473
Sureties and deposits	1 464	1 479	1 479
Liability guarantee	-	-	-
Other commercial commitments	1 022	1 022	-
TOTAL	**3 333**	**3 332**	**2 051**

The Sureties and deposits line chiefly reflects the €750k in commitments made by the SEGR Le Laurent subsidiary.

14.3.2 INVESTMENT COMMITMENTS

Commitments given at 31 October 2019:

€000	2019	PAYMENTS DUE PER PERIOD			2018	2017
		LESS THAN 1 YEAR	1 TO 5 YEARS	MORE THAN 5 YEARS		
Commitments related to investments	8 626	6 293	2 333	-	22 551	36 115
TOTAL	**8 626**	**6 293**	**2 333**	**-**	**22 551**	**36 115**

At 31 October 2019, the commitments disclosed in this table corresponded to €4,740k in respect of the Royat casino's commitment to carry out renovation work in connection with the renewal of the public service concession and €3,557k in respect of outstanding work on the Aix-en-Provence Pasino.

Commitments received at 31 October 2019:

€000	2019	2018	2017
Other market commitments received	-	-	469
TOTAL	**-**	**-**	**469**

To the best of the Company's knowledge, there are no other significant off balance sheet commitments.

NOTE 15. RELATED-PARTY TRANSACTIONS

Concerning the provisions of IAS 24 on management remuneration, refer to Note 7, "Employee expenses and benefits".

Agreements with Financière Partouche SA

Groupe Partouche SA rents the premises of its registered office from Financière Partouche SA. The total rent, including charges and tax, was €310,420 for the 2018-19 financial year.

In addition, following the dividend payment approved at the Extraordinary Shareholders' Meeting of 5 September 2017, the portion attributable to Financière Partouche was recognised as an advance in line with the terms of the amended Safeguard Plan. It carries interest at a rate of 12-month Euribor plus a margin of 0.25 points.

The balance of the current account stood at €2,005k at 31 October 2019.

Investment agreement between Financière Partouche SA and Butler Capital Partners (BCP)

An investment agreement was executed on 19 April 2011 in order to define the terms and conditions of the entry of BCP in the share capital of the company, with the approval of the principal shareholder Financière Partouche SA. This agreement led in May 2011 to two capital increases.

Agreements with Ispar Holding SA

Ispar Holding SA, controlled and chaired by Isidore Partouche, provides assistance and advice to the Swiss casinos. With respect to the 2018-19 financial year, the expenses recognised in respect of the remuneration of Ispar Holding SA by the Crans-Montana and Meyrin casinos amounted to €98k and €196k, respectively.

Agreements with Shal & Co

Shal & Co, controlled and chaired by Hubert Benhamou, provides assistance with the management activities of certain Groupe Partouche casinos. The corresponding remuneration received for the 2018-19 financial year was €555k.

Intra-group loan

For reference, a €5.8m intra-group loan was signed on 6 October 2017 with the Cannes Centre Croisette subsidiary to cover investments representing renovation work. The outstanding balance at 31 October 2019 was €3.77m.

Accrued interest on the loan amounted to €6,975 during the financial year.

Furthermore, two intra-group loans totalling €8.2m were granted by Groupe Partouche SA to its subsidiaries CBM Dieppe (€3m on 8 December 2017) and La Roche-Posay casino (€5.2m on 12 June 2018) to finance refitting work. At 31 October 2019, the outstanding balance on the loan to CBM Dieppe was €1.950m, while that on the loan to the La Roche-Posay casino was €3.758m.

Accrued interest on the two loans in the financial year totalled €3,607 and €6,950 respectively.

Other

The other transactions in financial year 2018-19 with related parties as part of ordinary activities are not considered significant for the Group and were carried out at market conditions.

NOTE 16. POST-BALANCE SHEET EVENTS

The Groupe Partouche SA Safeguard Plan was approved by a ruling of the Paris Commercial Court on 29 September 2014 (valid for nine years) and amended by the Paris Commercial Court on 2 November 2016 (revised on 8 December 2016).

After completing its bank and bond refinancing exercise during the financial year, on 24 October 2019 Groupe Partouche repaid all outstanding amounts due under the syndicated loan covered by the Safeguard Plan.

The early execution of the Safeguard Plan was therefore acknowledged, after the balance sheet date, by a ruling of the Paris Commercial Court on 4 November 2019, which approved the closure of the Partouche SA Group Safeguard Plan three years ahead of schedule.

NOTE 17. CONSOLIDATION SCOPE

Companies joining the Group at 31/10/2019

Changes in percentage interest at 31/10/2019

Companies leaving the Group at 31/10/2019

The following companies are consolidated by Groupe Partouche SA:

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE IN 2019	INTEREST PERCENTAGE IN 2018	INTEREST PERCENTAGE IN 2017	CONSOLIDATION METHOD
SA GROUPE PARTOUCHE	France				Parent company
FULLY CONSOLIDATED COMPANIES					
CASINOS					
SA CASINO DE SAINT-AMAND	France	100,00	100,00	100,00	FC
SA GRAND CASINO DE CABOURG	France	100,00	100,00	100,00	FC
SA CASINO DU GRAND CAFÉ	France	61,90	61,90	61,90	FC
SA FORGES THERMAL	France	60,38	60,38	60,38	FC
SA CASINO ET BAINS MERS DE DIEPPE	France	100,00	100,00	100,00	FC
SA JEAN METZ	France	100,00	100,00	100,00	FC
SA LE TOUQUET'S	France	90,10	90,10	90,10	FC
SA CASINO DU TOUQUET	France	99,53	99,53	99,53	FC
CASINO DE CONTREXÉVILLE	France	100,00	100,00	100,00	FC
SA NUMA	France	100,00	100,00	100,00	FC
SA GRAND CASINO DE LYON	France	100,00	100,00	100,00	FC
3.14 CASINO	France	100,00	100,00	100,00	FC
SA LE GRAND CASINO DE DJERBA	Tunisia	99,90	99,90	99,90	FC
CASINO NUEVO DE SAN ROQUE	Spain	98,90	98,90	98,90	FC
SA CASINO LA TOUR DE SALVAGNY	France	99,86	99,86	99,86	FC
SA CASINO MUNICIPAL DE ROYAT	France	99,86	99,86	99,86	FC
SA CASINO LE LION BLANC	France	99,86	99,86	99,86	FC
SA EDEN BEACH CASINO	France	99,65	99,65	99,65	FC
SA CASINO MUNICIPAL D'AIX THERMAL	France	99,61	99,61	99,61	FC
SA CASINO PLEIN AIR	France	99,59	99,59	99,59	FC
SA CASINO DE PALAVAS	France	99,87	99,87	99,87	FC
CASINO DE PORNICHET	France	100,00	100,00	100,00	FC
CASINO DE PORNIC	France	100,00	100,00	100,00	FC
CASINO D'ANDERNOS	France	99,97	99,98	99,98	FC
CASINO D'ARCACHON	France	100,00	100,00	99,88	FC
CASINO DE SALIES DE BÉARN	France	100,00	100,00	100,00	FC
CASINO DE LA GRANDE-MOTTE	France	99,98	99,98	99,98	FC
CASINO DE GRÉOUX	France	100,00	100,00	100,00	FC
CASINO D'ÉVAUX-LES-BAINS	France	100,00	100,00	100,00	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE IN 2019	INTEREST PERCENTAGE IN 2018	INTEREST PERCENTAGE IN 2017	CONSOLIDATION METHOD
CASINO DE PLOMBIÈRES	France	100,00	100,00	100,00	FC
CASINO D'OSTENDE	Belgium	99,98	99,98	99,98	FC
CASINO DE LA ROCHE-POSAY	France	100,00	100,00	100,00	FC
CASINO D'AGON COUTAINVILLE	France	100,00	100,00	100,00	FC
CASINO DE HYÈRES	France	99,90	99,90	99,90	FC
CASINO DE VAL-ANDRÉ	France	100,00	100,00	100,00	FC
CASINO DE PLOUESCAT	France	97,00	97,00	97,00	FC
CASINO DE BANDOL	France	100,00	100,00	100,00	FC
CASINO LAC MEYRIN	Suisse	40,00	40,00	40,00	FC
CASINO DU HAVRE	France	100,00	100,00	100,00	FC
CASINO DE LA TRINITÉ	France	100,00	100,00	100,00	FC
CASINO DU PALAIS DE LA MÉDITERRANNÉE	France	100,00	100,00	100,00	FC
CASINO DE DIVONNE	France	98,71	98,71	98,71	FC
CASINO D'ANNEMASSE	France	100,00	100,00	99,92	FC
CASINO DE CRANS-MONTANA	Switzerland	57,00	57,00	57,00	FC
CASINO DE LA TREMBLADE	France	99,89	99,89	99,89	FC
CASINO TABARKA	Tunisia	0	0,00	99,89	FC
CLUB PARTOUCHE PARIS	France	100,00	100,00	100,00	FC
CLUB PARTOUCHE CAPITALE	France	100,00	100,00	100,00	FC
HOTELS					
SA ÉLYSÉE PALACE HOTEL	France	91,76	91,80	91,76	FC
SA HÔTEL INTERNATIONAL DE LYON	France	97,25	97,25	97,25	FC
SARL AQUABELLA	France	99,79	99,79	99,79	FC
HOTEL 3.14	France	100,00	100,00	100,00	FC
GRANDS HÔTELS DU PARC	France	100,00	100,00	100,00	FC
HÔTEL COSMOS	France	100,00	100,00	100,00	FC
SARL SINOCA	France	100,00	100,00	100,00	FC
GREEN 3.14	France	100,00	100,00	100,00	FC
OTHER					
SA CHM	France	87,04	87,04	87,04	FC
SA BARATEM	France	99,25	99,25	99,25	FC
SCI HOTEL GARDEN PINÈDE	France	100,00	100,00	100,00	FC
SCI RUE ROYALE	France	99,99	99,99	99,99	FC
ELYSÉE PALACE EXPANSION	France	91,76	91,80	91,76	FC
ELYSÉE PALACE SA	France	91,73	91,77	91,73	FC
SCI LES THERMES	France	99,99	99,99	99,99	FC
SARL THERM'PARK	France	99,99	99,99	99,99	FC
SA GROUPE PARTOUCHE INTERNATIONAL	Belgium	99,90	99,90	99,90	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE IN 2019	INTEREST PERCENTAGE IN 2018	INTEREST PERCENTAGE IN 2017	CONSOLIDATION METHOD
SARL SEK	France	99,86	99,86	99,86	FC
SCI PIETRA SAINT-AMAND	France	100,00	100,00	100,00	FC
SCI PALAVAS INVESTISSEMENT	France	99,88	99,88	99,88	FC
CBAP CENTRE BALNÉOTHÉRAPIE	France	99,99	99,99	99,99	FC
SCI FONCIÈRE DE VITTEL ET CONTREX	France	100,00	100,00	100,00	FC
EUROPÉENNE DE CASINO HOLDING	France	100,00	100,00	100,00	FC
BELCASINOS	Belgium	100,00	100,00	100,00	FC
CASINO CHAUDFONTAINE	Belgium	99,90	99,90	99,90	FC
SCI GAFA	France	100,00	100,00	100,00	FC
SCI LES MOUETTES	France	100,00	100,00	100,00	FC
SCI LES JARRES	France	100,00	100,00	100,00	FC
HOLDING LUDICA	France	100,00	100,00	100,00	FC
SCI JMB	France	100,00	100,00	100,00	FC
VZW	Belgium	100,00	100,00	100,00	FC
SCI PARC DE POSAY	France	100,00	100,00	100,00	FC
SARL PARC DU CHÂTEAU	France	100,00	100,00	100,00	FC
SCI DE L'ARVE	France	100,00	100,00	99,92	FC
SCI LA TREMBLADE	France	99,89	99,89	99,89	FC
PARTOUCHE IMMOBILIER	France	100,00	100,00	100,00	FC
SCI PIETRA PORNIC	France	100,00	100,00	100,00	FC
PARTOUCHE SPECTACLES	France	100,00	100,00	100,00	FC
KIOUSK	France	100,00	100,00	100,00	FC
GROUPEMENT DE MOYEN DES CASINOS	France	100,00	100,00	100,00	FC
CKO BETTING OSTENDE	Belgium	100,00	100,00	100,00	FC
PARTOUCHE INTERACTIVE	France	100,00	100,00	100,00	FC
QUARISMA	France	95,07	95,07	95,07	FC
PARTOUCHE PRODUCTION	France	75,43	75,43	75,43	FC
PARTOUCHE TECHNOLOGIES	France	100,00	100,00	100,00	FC
PARTOUCHE IMAGE	France	88,66	88,66	88,66	FC
PARTOUCHE TOURNOIS	France	100,00	100,00	100,00	FC
AFRIGAMBLING	France	88,66	88,66	88,66	FC
SEGR LE LAURENT	France	100,00	100,00	100,00	FC
PLAGE 3.14	France	100,00	100,00	100,00	FC
PARTOUCHE STUDIO	France	100,00	100,00	100,00	FC
WORLD SERIES OF BACKGAMON	United Kingdom	100,00	100,00	100,00	FC
APPOLONIA FRANCE	France	70,00	70,00	70,00	FC
PARTOUCHE INTERACTIVE HOLDING	Gibraltar	100,00	100,00	100,00	FC
PASINO BET	France	100,00	100,00	100,00	FC

COMPANY AT 31 OCTOBER	COUNTRY	INTEREST PERCENTAGE IN 2019	INTEREST PERCENTAGE IN 2018	INTEREST PERCENTAGE IN 2017	CONSOLIDATION METHOD
SOCIÉTÉ D'EXPLOITATION DU CASINO DE DIVONNE	France	96,00	96,00	96,00	FC
INTERNATIONAL GAMBLING SYSTEMS	Belgium	19,00	19,00	19,00	FC
SCI GREEN AURON	France	90,00	90,00	0,00	FC
COMPANIES CONSOLIDATED USING THE EQUITY METHOD					
OTHER					
PLAGE POINTE CROISETTE	France	0,00	0,00	49,00	EM
PALM BEACH ÉVÈNEMENTIEL	France	0,00	49,00	49,00	EM
PBCCA PALM BEACH CANNES CÔTE D'AZUR	France	0,00	49,00	49,00	EM
CANNES BALNÉAIRE	France	0,00	49,00	49,00	EM

20.2.2 FINANCIAL STATEMENTS OF THE COMPANY - 31 OCTOBER 2019

BALANCE SHEET – ASSETS (NET VALUES) €000 AT 31 OCTOBER	NOTES	2019	2018	2017
FIXED ASSETS				
Intangible assets	**2.1 / 2.2**			
Concession and similar rights		216	406	107
Internally generated goodwill		534	610	686
Other intangible assets		520	62	-
Advances and down payments on intangible assets		7	7	24
Tangible fixed assets	**2.1 / 2.2**			
Land		7 280	7 280	7 280
Buildings		9 494	10 137	10 879
Technical equipment		93	148	230
Other tangible fixed assets		392	422	541
Assets under construction		80	38	15
Long-term financial investments				
Other investments	2.3 / 2.4	627 349	633 461	632 415
Receivables attached to investments	2.3 / 2.5	9 495	13 018	6 404
Loans	2.5	34	35	44
Other financial investments	2.4 / 2.5	189	187	194
Total fixed assets		**655 682**	**665 809**	**658 819**
CURRENT ASSETS				
Merchandise		33	-	-
Advances and down payments to suppliers		302	22	17
Trade receivables	2.5	180	147	103
Other receivables	2.4 / 2.5	135 610	137 671	119 262
Marketable securities		5 990	980	901
Cash and cash equivalents		25 380	24 933	34 488
Prepaid expenses	2.5 / 2.9	836	875	1 891
Total current assets		**168 330**	**164 628**	**156 662**
REGULARISATION ACCOUNTS				
Translation adjustment – asset		-	-	-
GRAND TOTAL		**824 012**	**830 437**	**815 482**

BALANCE SHEET – LIABILITIES AND EQUITY €000 AT 31 OCTOBER	NOTES	2019	2018	2017
Share capital (o/w fully paid: 192,541)[1]	2.12	192 541	192 541	192 541
Share premium, merger and contribution reserves		70 056	70 056	70 056
Legal reserve		10 033	9 741	9 732
Other reserves		10 841	10 841	10 841
Retained earnings		155 544	149 998	149 840
NET PROFIT (LOSS) FOR THE FINANCIAL YEAR		(785)	5 838	166
Equity	**2.11**	**438 230**	**439 014**	**433 176**
Provisions for contingencies	2.4	-	107	107
Provisions for losses	2.4	-	-	-
Provisions for contingencies and losses		**-**	**107**	**107**
Other bonds		35 025	-	-
Bank loans and overdrafts	2.6	65 070	124 161	128 719
Sundry borrowings and financial liabilities	2.6	176	176	176
Advances and deposits on outstanding orders		-	-	-
Trade creditors	2.6	664	462	2 090
Tax and social security liabilities	2.6	2 898	2 826	2 713
Liabilities to fixed asset suppliers	2.6	123	44	19
Other liabilities	2.6	281 784	263 606	248 440
Deferred income	2.6 / 2.10	42	43	43
TOTAL[2]		**385 782**	**391 317**	**382 199**
Translation adjustment – liability		-	-	-
GRAND TOTAL		**824 012**	**830 437**	**815 482**
[1] Capitalised revaluation differential		294	294	294
[2] Liabilities and deferred income falling due or to be released in less than one year		296 429	154 456	129 433

INCOME STATEMENT €000 AT 31 OCTOBER	NOTES	2019	2018	2017
Merchandise sales		-	-	-
Sales of services		11 596	11 791	11 251
Net turnover	2.13	**11 596**	**11 791**	**11 251**
Self-constructed assets		-	-	-
Operational subsidies		-	-	-
Reversals of depreciation, amortisation, provisions and expense transfers[7]	2.14	1 519	1 521	1 574
Other revenue		-	-	-
Total operating revenue[2]		**13 114**	**13 312**	**12 824**
OPERATING EXPENSES				
Purchases of goods (and custom duties)		33	-	-
Change in inventory (goods)		(33)	-	-
Other purchases and external expenses[6a]		12 813	13 380	12 678
Tax		484	501	514
Wages and salaries		4 195	3 930	4 011
Social security expenses		1 752	1 620	1 655
Depreciation and amortisation charges and provision on fixed assets		1 145	1 296	1 270
Impairment of current assets		-	-	-
Other expenses		141	121	121
Total operating expenses[4]		**20 529**	**20 848**	**20 249**
OPERATING INCOME/(LOSS)		**(7 415)**	**(7 536)**	**(7 425)**
Income allocated or loss transferred		112	107	59
Loss borne or income transferred		-	-	-
Financial income from associates[5]	2.15	8 030	11 554	10 276
Income from other marketable securities and receivables[5]		-	-	-
Other interest income[5]		2 787	1 092	845
Provision reversals and expense transfers		26 539	1 423	87 883
Positive foreign exchange differences		-	-	-
Net gains on the disposal of marketable securities		-	-	-
Total financial income		**37 356**	**14 070**	**99 005**
FINANCE COSTS				
Depreciation, amortisation and provision charges		39 981	8 705	13 637
Interest expense[6]		3 269	4 104	4 691
Negative foreign exchange differences		1	14	4
Total finance costs		**43 250**	**12 824**	**18 333**
FINANCIAL ITEMS		**(5 894)**	**1 246**	**80 672**

INCOME STATEMENT €000 AT 31 OCTOBER	NOTES	2019	2018	2017
CURRENT INCOME BEFORE TAX		**(13 198)**	**(6 183)**	**73 307**
Exceptional income on management transactions		313	21	28
Exceptional income on capital transactions		1 172	36	11 536
Provision reversals and expense transfers		182	-	-
Total exceptional income		**1 667**	**57**	**11 564**
Exceptional expense on management transactions		187	1	2
Exceptional expense on capital transactions		1 028	110	96 723
Exceptional depreciation, amortisation and provision charges		-	-	167
Total exceptional expense		**1 215**	**111**	**96 892**
EXCEPTIONAL ITEMS	2.16	**452**	**(54)**	**(85 328)**
Employee profit-sharing				
Corporate income tax	2.17	(11 961)	(12 075)	(12 187)
Total income		**52 249**	**27 545**	**123 453**
Total expense		**53 033**	**21 707**	**123 287**
NET PROFIT OR LOSS		**(785)**	**5 838**	**166**

[2] *Includes property rental income*		1 226	1 218	1 086
[2] *Includes operating revenue relating to prior financial years*		24	21	24
[4] *Includes operating revenue relating to prior financial years*		-	-	-
[5] *Includes income from associated entities*		9 385	12 364	10 837
[6] *Includes interest from associated entities*		325	277	357
[6a] *Includes contributions made to organisations deemed to be in the public interest*		22	58	10
[7] *Includes expense transfers*		1 519	1 521	1 574

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Notes to the balance sheet before appropriation for the financial year ending 31 October 2019 which totals €824,012k and the income statement for the financial year, presented in list format, showing total income of €52,249k and net loss of €785k.

The financial year is a 12-month period, from 1 November 2018 to 31 October 2019.

The key highlights of this financial year were as follows:

- **Refinancing of bank debt**

To benefit from the extension of the average maturity of its debt and a reduction in its financial expenses, as well as to allow for the early exit from its Safeguard Plan after the balance sheet date, Groupe Partouche SA refinanced all of its bank debt by:

- Issuing, at end October 2019, a bond in the form of a seven-year Euro PP private placement (maturity October 2026) for a par value of €35m,
- Taking out, at end October 2019, a new syndicated loan from a consortium of French banks for a total amount of €80m. It includes a €65m refinancing loan and a €15m revolving credit facility, with the final repayment date for both being 18 October 2025.

The revolving credit facility was undrawn at the balance sheet date of 31 October 2019.

For more information about these loans, see Section 2.19 of these Notes and Note 9 "Financing and financial instruments" to the Partouche Group's consolidated financial statements.

Early repayment on 24 October 2019 of the outstanding capital of the syndicated loan included under the Safeguard Plan for an amount of €78.4m, and early repayment of the outstanding capital of the loans taken out in March 2017 and January 2018 with a consortium of banks for a combined amount of €15m;

- **Other information**

- The recapitalisation of Cannes Centre Croisette 3.14 Casino for an amount of €25.99m and of SCI Pietra Pornic for an amount of €2m, through the capitalisation of receivables,

- Disposal of the minority stake (49%) in Palm Beach Cannes Côte d'Azur for a total amount of €11.5m (including €1m in shares and €10.5m in a current account advance),
- Favourable resolution of a dispute with a third party under court-ordered debt recovery, which led to the collection over the financial year of the balance of the receivable held, for an amount of €1.4m (fully impaired at 31 October 2018), and interest on unfunded debt for an amount of €1.1m.

The notes and tables below are an integral part of the parent company financial statements.

There were no changes to methods or presentation affecting the parent company financial statements.

1 - ACCOUNTING POLICIES AND PRESENTATION

The Company's financial statements are prepared in accordance with French legislation and regulations. Accounting conventions have been applied in accordance with the provisions of the French Commercial Code and ANC Regulation 2014-03, including all amendments to date.

The main accounting policies applied are as follows:

1.1 INTANGIBLE ASSETS

Intangible assets related to software licences are written off over a period of one to four years.

A long lease charge is written off over a period of 30 years.

1.2 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated in the balance sheet at their historical acquisition cost (supplemented by acquisition expenses), at their production cost or at their contribution value in respect of SIHB SA fixed assets contributed as part of the merger-renunciation agreement concluded in 1994 with retroactive effect at 1 November 1993.

The straight-line method of depreciation is used over the expected useful lives of the assets.

Buildings:	Straight-line - 20 to 50 years
Facilities and equipment:	Straight-line - 3-8 years
Equipment, fixtures and fittings:	Straight-line - 5-10 years
Events equipment:	Straight-line - 3 years
Vehicles:	Straight-line - 5 years
Office and computer equipment:	Straight-line - 2 to 5 years

1.3 LONG-TERM FINANCIAL INVESTMENTS

Long-term financial investments are stated in the balance sheet at acquisition cost (excluding incidental expenses) or at contribution cost.

When their inventory value falls below their gross value, a provision for impairment is established for the amount of the difference.

The inventory value of investments is based on their value-in-use or fair value.

This value can notably be determined through:

- the calculation of their net asset value in the most recent financial statements of the subsidiary that owns them, adjusted for any unrecognised unrealised capital gains (internally generated goodwill, buildings, deferred tax, etc.);
- forward-looking data such as profitability prospects;

The securities contributed by SIHB SA are valued at their contribution value at the time of the merger.

The securities contributed under the terms of the transmission universelle du patrimoine (transfer of all assets and liabilities) in Groupe de Divonne SA completed in November 2007 were acquired at their carrying amount. The same applies to the securities contributed by means of the transmission universelle du patrimoine in respect of SAS Holding Garden Pinède and SAS Enderbury GR, which were completed in the 2017 financial year.

In accordance with ANC Regulation 2015-06, technical merger losses recognised in assets are attached to the underlying assets to which the unrealised capital gains apply.

The "Groupe de Divonne" merger loss has thus been shown under "Investment securities" since the financial year ended 31 October 2017.

1.4 RECEIVABLES

Receivables are recorded at their face value. A provision for impairment is established whenever their inventory value, based on the likelihood of their being recovered, is less than their carrying amount.

1.5 RECEIVABLES AND DEBTS DENOMINATED IN FOREIGN CURRENCIES

During the financial year, receivables in foreign currencies are translated on the basis of the exchange rate on the transaction date. At the end of the financial year, these receivables are translated on the basis of the closing rate, and the differences with respect to amounts previously accounted are recorded under "Unrealised gains or losses on foreign exchange transactions". Losses on foreign exchange are provided for under "Provisions for contingencies".

1.6 CASH AND CASH EQUIVALENTS

Marketable securities are recorded in the balance sheet at their acquisition cost.

Where the acquisition cost is greater than their net realisable value at the end of the financial year, a provision for impairment is established for the amount of the difference.

1.7 DIVIDENDS

Dividends received from foreign subsidiaries are recorded at their net amounts after any withholding taxes applicable under the relevant tax regulations.

1.8 PROVISIONS FOR CONTINGENCIES AND LOSSES

Claims have been estimated on the basis of information available at the balance sheet date.

1.9 DISTINCTION BETWEEN CURRENT PROFIT AND EXCEPTIONAL ITEMS

The "Exceptional items" income statement heading includes exceptional items resulting from ordinary activities, as well as extraordinary items. Exceptional items resulting from ordinary

activities are those whose achievement is not related to the Company's ordinary course of business, either because their amounts or impact are of abnormal nature or because they very rarely occur.

2 – ADDITIONAL INFORMATION IN RESPECT OF THE BALANCE SHEET AND INCOME STATEMENT (IN €000)

2.1 INTANGIBLE AND TANGIBLE FIXED ASSETS

€000 AT 31 OCTOBER 2019	GROSS VALUE OF FIXED ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR	INCREASES	
		REVALUATION DURING THE FINANCIAL YEAR	ACQUISITION, CREATION, INTER-ACCOUNT TRANSFER
Setup costs, research	-	-	-
Other intangible assets	**5 289**	**-**	**458**
Land	7 280	-	-
Buildings on own land	11 317	-	-
Buildings on other land	2 239	-	-
Fixtures and fittings – buildings	4 949	-	-
Machinery and equipment	405	-	43
Other equipment, fixtures and fittings	1 533	-	78
Vehicles	372	-	-
Office and computer equipment, furniture	816	-	30
Fixed assets under construction	38	-	65
Advances and down payments	-	-	-
Total tangible fixed assets	**28 949**	**-**	**216**
GRAND TOTAL	**34 238**	**-**	**675**

€000 AT 31 OCTOBER 2019	DECREASES		GROSS VALUE OF ASSET AT END OF FINANCIAL YEAR	LEGAL REVALUATION ORIGINAL VALUE AT END OF FINANCIAL YEAR
	BY INTER-ACCOUNT TRANSFER	BY SALE OR SCRAPPING		
Setup costs, research	-	-	-	-
Other intangible assets	**-**	**-**	**5 747**	**-**
Land	-	-	7 280	-
Buildings on own land	-	-	11 317	-
Buildings on other land	-	-	2 239	-
Fixtures and fittings – buildings	-	-	4 949	-
Machinery and equipment	-	-	447	-
Other equipment, fixtures and fittings	-	-	1 611	-
Vehicles	-	-	372	-
Office and computer equipment, furniture	-	-	846	-
Fixed assets under construction	23	-	80	-
Advances and down payments	-	-	-	-
Total tangible fixed assets	**23**	**0**	**29 142**	**-**
GRAND TOTAL	**23**	**0**	**34 889**	**-**

As a reminder, with a view to the application of CRC Regulation 2002.10, for the year ending 31 October 2005, the Company carried out an analysis of its buildings based on three components contributing to the net carrying amount of these assets as of 31 October 2005 which breaks down as follows:

- Structures: 51%
- Fluids: 24%
- Fixtures and fittings: 25%

2.2 DEPRECIATION AND AMORTISATION

€000 AT 31 OCTOBER 2019	POSITIONS AND MOVEMENTS DURING THE FINANCIAL YEAR			
	BEGINNING OF THE FINANCIAL YEAR	APPROPRIATION DURING THE FINANCIAL YEAR	DECREASE DURING THE FINANCIAL YEAR	END OF THE FINANCIAL YEAR
Setup costs, research	-	-	-	-
Other intangible assets	**4 205**	**266**	**-**	**4 471**
Land	-	-	-	-
Buildings on own land	2 911	354	-	3 265
Buildings on other land	2 164	70	-	2 234
Fixtures and fittings – buildings	3 294	218	-	3 512
Machinery and equipment	257	98	-	355
Other equipment, fixtures and fittings	1 295	42	-	1 338
Vehicles	259	54	-	313
Office and computer equipment, furniture	744	43	-	787
Recoverable packaging and other	-	-	-	-
TOTAL	**10 924**	**879**	**-**	**11 803**
GRAND TOTAL	**15 129**	**1 145**	**-**	**16 274**

2.3 INVESTMENTS

€000 AT 31 OCTOBER 2019	GROSS VALUE AT BEGINNING OF THE FINANCIAL YEAR	ACQUISITION, INTER-ACCOUNT TRANSFER
Other investments	710 246	27 988
Other long-term investment securities	-	-
Loans and other long-term investments	221	9
TOTAL	**710 467**	**27 997**

€000 AT 31 OCTOBER 2019	DECREASE BY INTER-ACCOUNT TRANSFER	DECREASE BY SALE OR SCRAPPING	GROSS VALUE OF ASSET AT END OF FINANCIAL YEAR	REVALUATION OF ORIGINAL VALUE AT FINANCIAL YEAR-END
Other investments	3 523	980	733 730	-
Other long-term investment securities	-	-	0	-
Loans and other long-term investments	6	-	224	-
TOTAL	**3 530**	**980**	**733 954**	**-**

The main movements recorded under "Other investments" were as follows:

- Acquisitions:
  - recapitalisation of Cannes Centre Croisette 3.14 Casino and of SCI Pietra Pornic, through the capitalisation of receivables for a total amount of €27,988k;
- Decreases:
  - repayments of intra-group loans granted by Groupe Partouche SA during the financial year to its subsidiaries CBM Dieppe, Casino Centre Croisette and Casino de La Roche-Posay totalled €2.9m,
  - reimbursement of the balance of dividends received from SA Forges Thermal for €0.6m,
  - disposal of shares in Palm Beach Cannes Côte d'Azur for €1m.

2.4 PROVISIONS

€000 AT 31 OCTOBER 2019	BEGINNING OF THE FINANCIAL YEAR	INCREASE / ALLOCATION	DECREASE / REVERSAL	END OF THE FINANCIAL YEAR
Provisions				
For litigation	-	-	-	-
For foreign exchange losses	-	-	-	-
For tax	-	-	-	-
Other contingency and loss provisions	107	-	107	-
TOTAL	**107**	**-**	**107**	**-**
For property and equipment	-	-	-	-
Other investments	63 767	33 368	248	96 887
Provisions for financial investments	-	-	-	-
Provisions for trade accounts receivable	115	-	-	115
Other provisions for impairment	156 601	6 613	26 366	136 848
TOTAL	**220 483**	**39 981**	**26 614**	**233 850**
GRAND TOTAL	**220 590**	**39 981**	**26 720**	**233 850**
Including:				
Operating allocations and recoveries		-	-	
Financial provision charges and reversals		39 981	26 539	
Exceptional allocations and reversals		-	182	
Movements by balance sheet accounts following the TUP		-	-	

A provision for employment tribunal risks of €107k was recovered during the financial year.

Additions to provisions on investments totalling €33.4m are, partly related to the recapitalisation of Cannes Centre Croisette (€25.9m)* and partly to the implementation of impairment charges in compliance with the methods described in paragraph 1.3 "Long-term financial investments", according to the estimated inventory value of the investments, determined in relation to their value in use or their market value.

"Other provisions for impairment" relates to:

- Current account receivables, which were provisioned in respect of the Group's subsidiaries in light of the methods described in paragraph 1.3 "Long-term financial assets" (see above) At the financial year-end, these provisions amounted to €129.1m.

** It should be noted that the recapitalisation of Cannes Centre Croisette by capitalisation of receivables led to a reversal of provisions on receivables totalling €22.2m in 2019;*

- The balance of other provisions at the financial year-end concerns receivables from various third parties, including in particular:
  - a receivable of €6.9m for contractually acquired goods never delivered. Legal proceedings are still in progress; for reasons of prudence, this receivable was fully impaired during prior years;
  - a Jatek (foreign third party) receivable provisioned in full for €0.8m during prior years.
- As detailed in the key events of the financial year, a receivable from a third party under court-ordered debt recovery was fully repaid during the financial year. The correlative provision was therefore fully reversed (€1.4m).

2.5 MATURITIES OF RECEIVABLES

€000 AT 31 OCTOBER 2019	GROSS AMOUNT	1 YEAR MAXIMUM	MORE THAN 1 YEAR
Receivables attached to investments	9 495	2 932	6 563
Loans	34	34	-
Other financial investments	189	-	189
Other trade receivables	295	295	-
Social security and other social benefits	3	3	-
Corporate income tax*	3 426	-	3 426
VAT	1 264	1 264	-
Other receivables	1	1	-
Subsidiaries and associates	247 838	247 838	-
Sundry receivables	19 799	19 799	-
Prepaid expenses	836	836	-
GRAND TOTAL	**283 181**	**273 003**	**10 178**
Loans granted during the financial year	-	-	-
Repayment of loans during the financial year	-	-	-

** The 2018 CICE tax credit for the Group's tax consolidation group came to €4,887k (2018 calendar year), which notably included the tax expense for the fiscal year during which the tax consolidation was carried out.*

2.6 MATURITIES OF DEBTS

€000 AT 31 OCTOBER 2019	GROSS AMOUNT	1 YEAR MAXIMUM	MORE THAN 1 YEAR	MORE THAN 5 YEARS
Bond	35 025	25	-	35 000
Bank loans and overdrafts	65 070	10 893	43 344	10 833
Sundry borrowings and financial liabilities	176	-	-	176
Trade accounts payable	664	664	-	-
Employee accounts payable	406	406	-	-
Social security and other social benefits	370	370	-	-
State and other public authorities:				
- VAT	1 819	1 819	-	-
- Other taxes	304	304	-	-
Liabilities to fixed asset suppliers	123	123	-	-
Subsidiaries and associates	281 423	281 423	-	-
Other liabilities	361	361	-	-
Deferred income	42	42	-	-
GRAND TOTAL	**385 782**	**296 429**	**43 344**	**46 010**
Bank loans contracted during the financial year	100 000	-	-	-
Bank loan repayments during the financial year	124 074	-	-	-

The bank refinancing operation carried out prior to exiting the Safeguard Plan led to a change in the composition and overall amount of financial debt, and settled the financial debts related to the plan before its closing. The outstanding capital under "Bonds" and "Borrowings from credit institutions" is broken down according to the maturities in force at 31 October 2019.

The early withdrawal from the Safeguard Plan occurred after the balance sheet date *(see §2.24 "Post-balance sheet events")* should not have had any impact on the presentation at 31 October 2019 of the maturities of the other liabilities concerned by the Safeguard Plan, particularly those relating to "Subsidiaries and associates".

However, for a clearer interpretation of the previous table, and considering the exit from the Safeguard Plan at the beginning of financial year Y+1, all liabilities related to "Subsidiaries and associates" have been presented in the "less than 1 year" column, including the portion concerned by the Safeguard Plan which should have been included in the "more than 1 year" column that amounted to €137,473k at 31 October 2019.

Balance at 31 October 2019 of debts concerned by the Safeguard Plan:

€000	TOTAL AT 31/10/2018	EXCLUDING RELATED PARTIES	OF WHICH: RELATED PARTIES	FINANCIAL YEAR MOVEMENTS	TOTAL AT 31/10/2019	EXCLUDING RELATED PARTIES	OF WHICH: RELATED PARTIES
Bank loans and overdrafts*	104 247	104 247		(104 247)	-		
Sundry borrowings and financial liabilities*	125		125	-	125		125
Trade accounts payable	71	69	2	-	71	69	2
State and other public authorities:							
- Other taxes	194	194		-	194	194	
Liabilities to fixed asset suppliers	18	18		-	18	18	
Subsidiaries and associates	138 285	-	138 285	(812)	137 473		137 473
GRAND TOTAL	**242 940**	**104 528**	**138 412**	**(105 060)**	**137 881**	**281**	**137 600**

** Changes during the financial year correspond to:*
– the instalment scheduled for 15 December 2018 under the Safeguard Plan (€20.1m);
– an early repayment (pursuant to the terms and conditions of the Safeguard Plan) following the disposal of the stake in Palm Beach Cannes Côte d'Azur (€5.7m)
– the early repayment of the remaining capital due in connection with the bank debt refinancing operation, as set out in "Key events" (€78.4m).

2.7 ACCRUED INCOME

ACCRUED INCOME RECOGNISED IN THE FOLLOWING BALANCE SHEET ACCOUNTS €000 AT 31 OCTOBER 2019	AMOUNT
Accrued interest	18
Other financial investments	**18**
Trade receivables	**0**
State, income receivable	**1**
Accrued income – management fees	11 698
Accrued income – other	71
Other receivables	**11 770**
Banks – accrued interest	**15**
Total	**11 803**

2.8 ACCRUED EXPENSES INCLUDED IN THE FOLLOWING BALANCE SHEET ITEMS

€000 AT 31 OCTOBER 2019	AMOUNT
Interest accrued on bonds	25
Accrued interest on borrowings and financial liabilities	19
Employees – paid vacation and social charges	565
Tax and social security liabilities	237
Other liabilities	359
Total	**1 205**

2.9 PREPAID EXPENSES

€000 AT 31 OCTOBER 2019	AMOUNT
Prepaid operating expenses	836
Prepaid expenses	-
Total prepaid expenses	**836**

2.10 DEFERRED INCOME

€000 AT 31 OCTOBER 2019	AMOUNT
Deferred income	42
Total deferred income	**42**

2.11 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

€000 at 31 October 2019

EQUITY ACCOUNTS	POSITION AT 31/10/2018	APPROPRIATION OF 2018 PROFIT	POSITION AFTER APPROPRIATION	FINANCIAL YEAR MOVEMENTS	POSITION AT 31/10/2019
Share capital	192 541		192 541		192 541
Share premium account, merger reserve	23 652		23 652		23 652
Contribution reserve	46 404		46 404		46 404
Revaluation reserve	-		-		-
Legal reserve	9 741	292	10 033		10 033
Statutory reserve	-		-		0
Other reserves	10 841		10 841		10 841
Retained earnings	149 998	5 547	155 544		155 544
Net profit (loss) for the year	5 838	(5 838)	-	(785)	(785)
Net shareholders' equity carried forward	**439 014**	**-**	**439 014**	**(785)**	**438 230**

2.12 BREAKDOWN OF SHARE CAPITAL

CATEGORIES OF SECURITIES	YEAR-END	NUMBER OF SHARES RETIRED DURING THE FINANCIAL YEAR	NOMINAL VALUE	TOTAL
Ordinary shares	9 627 034	-	20 €	192 540 680 €

TREASURY SHARES

At 31 October 2019, treasury shares fell into one of two categories:

- long-term shares held since the Extraordinary Shareholders' Meeting of 10 November 2003: 1,917 treasury shares;
- shares held through the liquidity provider's CM-CIC agreement: 10,434 treasury shares. The purpose of this liquidity agreement is to foster regular and liquid trading in the Company's shares.

These treasury shares are presented under marketable securities.

The market price of Groupe Partouche shares at 31 October 2019 was €25.70.

2.13 BREAKDOWN OF NET TURNOVER

€000 AT 31 OCTOBER 2019	FRANCE	REST OF WORLD	TOTAL AMOUNT
Merchandise sales	-		-
Group management fees	8 942	969	9 912
Rent	1 226		1 226
Other	458		458
Total	**10 626**	**969**	**11 596**

2.14 EXPENSE TRANSFERS

€000 AT 31 OCTOBER 2019	AMOUNT
Miscellaneous operating expense transfers	1 519
Total operating expense transfers	**1 519**

2.15 FINANCIAL INCOME FROM ASSOCIATES

€000 AT 31 OCTOBER 2019	AMOUNT
Dividends distributed by subsidiaries	7 774
Total	**7 774**

2.16 BREAKDOWN OF EXCEPTIONAL ITEMS

€000 AT 31 OCTOBER 2019	EXCEPTIONAL EXPENSE	EXCEPTIONAL INCOME
Sale of investment securities and corresponding income	980	980
Litigation indemnities	200	124
Premiums / discounts on treasury shares	34	68
Penalties and fines	1	-
Income tax refund/fully consolidated subsidiary	-	289
Various exceptional income and expenses for the previous period	-	24
Allocations and reversals of risks and exceptional charges.	-	182
TOTAL	**1 215**	**1 667**

2.17 BREAKDOWN OF CORPORATE INCOME TAX

€000 AT 31 OCTOBER 2019	PROFIT BEFORE TAX	TAX DUE	NET PROFIT AFTER TAX
Current profit	(13 198)	12 088	(1 110)
Exceptional profit	452	(126)	325
Accounting profit	**(12 746)**	**11 961**	**(785)**

It should be noted that Groupe Partouche SA is head of a tax consolidation group comprising 71 subsidiaries.

2.18 FINANCIAL COMMITMENTS

OFF BALANCE SHEET COMMITMENTS RELATED TO SUBSIDIARIES

€000 AT 31 OCTOBER 2019	
COMMITMENTS GIVEN	AMOUNT
Sureties and deposits	-
TOTAL	**-**
COMMITMENTS RECEIVED	AMOUNT
Clawback commitments	41 367
TOTAL	**41 367**

OFF BALANCE SHEET COMMITMENTS RELATED TO FINANCING

€000 AT 31 OCTOBER 2019	
COMMITMENTS GIVEN	AMOUNT
Guaranteed bank debt	-
TOTAL	**-**
COMMITMENTS RECEIVED	AMOUNT
Other commitments received	9 477
TOTAL	**9 477**

OFF BALANCE SHEET COMMITMENTS RELATED TO BUSINESS ACTIVITY

€000 AT 31 OCTOBER 2019	
COMMITMENTS GIVEN	AMOUNT
Sureties and deposits*	39 852
Retirement indemnities	138
Operating lease contract	3 184
Other commitments given	220
TOTAL	**43 394**
COMMITMENTS RECEIVED	AMOUNT
Sureties and deposits	5
Operating lease contract	6 138
TOTAL	**6 143**

** Includes a €14m commitment in connection with the outstanding capital due on 31 October 2019 under the lease entered into by SCI Pietra Pornic, a €6m commitment in respect of the principal amount outstanding on the medium-term borrowing taken out by Partouche Immobilier, joint and several guarantees to secure the loans (€15m) and leases (€2.2m) taken out by the subsidiaries, as well as €1.8m granted as commitments to continue to lease under various contracts entered into by the subsidiaries.*

2.19 OTHER INFORMATION

2.19.1 BANK REFINANCING

Borrowings taken out to refinance all bank debt consist of a bond and a syndicated loan.

1 - Bond

This consists of 350 bonds with a unit value of €100,000 each corresponding to a total amount of €35m.

The bond has a fixed annual interest rate, payable in arrears on an annual basis on 24 October of each year and for the first time on 24 October 2020.

It will be reimbursed at the end of the term on 24 October 2026 at its par value.

The bond has no guarantees and the commitments made are similar to those made under the new syndicated loan (see below), as the two loans are closely linked.

2 - Syndicated loan

A new syndicated loan was taken out for a total amount of €80m. It includes a €65m refinancing loan and a €15m revolving credit facility.

2.1 - Refinancing loan of €65m

The terms and conditions of repayment are as follows:

Repayment schedule in K euros:

MATURITY DATES	PRINCIPAL AMOUNT OUTSTANDING BEFORE REPAYMENT	REPAYMENT	PRINCIPAL AMOUNT OUTSTANDING AFTER REPAYMENT
30/01/2020	65 000	2 708	62 292
29/04/2020	62 292	2 708	59 583
30/07/2020	59 583	2 708	56 875
30/10/2020	56 875	2 708	54 167
30/01/2021	54 167	2 708	51 458
29/04/2021	51 458	2 708	48 750
30/07/2021	48 750	2 708	46 042
30/10/2021	46 042	2 708	43 333
30/01/2022	43 333	2 708	40 625
29/04/2022	40 625	2 708	37 917
30/07/2022	37 917	2 708	35 208
30/10/2022	35 208	2 708	32 500
30/01/2023	32 500	2 708	29 792
29/04/2023	29 792	2 708	27 083
30/07/2023	27 083	2 708	24 375
30/10/2023	24 375	2 708	21 667
30/01/2024	21 667	2 708	18 958
30/04/2024	18 958	2 708	16 250
30/07/2024	16 250	2 708	13 542
30/10/2024	13 542	2 708	10 833
30/01/2025	10 833	2 708	8 125
29/04/2025	8 125	2 708	5 417
30/07/2025	5 417	2 708	2 708
17/10/2025	2 708	2 708	-

2.2 - Revolving credit facility of €15m

The €15m revolving credit facility had not been drawn at 31 October 2019.

The outstanding principal amount of the refinancing loan and the revolving credit facility will yield interest at an annual rate corresponding to (i) the 3-month Euribor (or any other term agreed upon with the agent), (ii) the applicable margin, and (iii) any applicable mandatory costs. Interest will be payable in arrears.

A non-drawdown fee in connection with the revolving credit facility will be applied at a rate of 0.375%, payable quarterly in arrears.

No guarantees were granted under this syndicated credit facility. The credit agreement also stipulates disclosure commitments to the lenders, a commitment to maintain, on a half-yearly basis, the "leverage ratio" (consolidated net debt/consolidated EBITDA) below 2.50, as well as commitments to observe the usual do''s and don'ts for credit agreements of this type.

2.19.2 LOANS TO SUBSIDIARIES

The loan signed on 23 March 2017 with a bank syndicate in an aggregate amount of €25m to finance investments by certain subsidiaries was also repaid by the Partouche Group in 2019. It included the following credit lines:

- Capex 1: €5.5m drawn down. After amortisation, the balance at 31 October 2018 was €4.959m;
- Capex 2: €14m drawn down. After amortisation, the balance at 31 October 2018 was €12.391m.

With regard to Capex 2 drawdowns, despite the early repayment made by our company during the financial year, the loans granted by Groupe Partouche SA to its subsidiaries Casino Cannes Centre Croisette (€5.8m on 6 October 2017), CBM Dieppe (€3m on 8 December 2017) and La Roche-Posay casino (€5.2m on 12 June 2018), in order to finance their renovation work, have been maintained and their terms and conditions remain unchanged.

The interest rate on these loans is as follows: 3-month Euribor plus 1.48%;

The repayment schedule of subsidiaries to Groupe Partouche is as follows:

(€K)	LOANS
Less than 1 year	2 914
2 to 5 years	6 563
More than 5 years	-
Total	**9 477**

2.19.3 €3M LOAN

The €3m loan agreement entered into by Groupe Partouche SA on 28 February 2018, at a fixed rate of 1.38%, to consolidate funding of renovation work at the Aix-en-Provence casino by extending a current account advance to the latter and whose/of which the principal amount outstanding at 31 October 2018 was €2.437m, was also prepaid in full during the financial year.

2.20 AVERAGE WORKFORCE

AT 31 OCTOBER 2019	STAFF
Executives	21
Non-executives	19
TOTAL	**40**

2.21 REMUNERATION AWARDED TO THE EXECUTIVE AND SUPERVISORY BODIES

This remuneration (before attendance fees) totalled €1,693,633, broken down as follows:

- remuneration allocated to the members of the Supervisory Board: €592,200;
- remuneration allocated to the members of the Executive Board: €1,101,433.

The shareholders voted at the Combined Shareholders' Meeting of 27 March 2019 to set the total amount of directors' fees allocated to the Supervisory Board at €120,000. At 31 October 2019, this amount had been paid.

2.22 COMMITMENTS FOR PENSIONS AND OTHER RETIREMENT COSTS

Due to their insignificant amount, no provisions were established in respect of pensions and other retirement costs.

2.23 SITUATION FISCALE DIFFÉRÉE

€000 AT 31 OCTOBER 2019	AMOUNT
Tax to be paid on:	
Pre-deducted expenses	-
Prepaid tax on:	
Temporarily non-deductible expenses	7
(to be deducted in the following financial year)	6
Taxed revenue to be deducted at a later date	**13**
Net deferred tax	

2.24 POST-BALANCE SHEET EVENTS

The Groupe Partouche SA Safeguard Plan was approved by a ruling of the Paris Commercial Court on 29 September 2014 (valid for nine years) and amended by the Paris Commercial Court on 2 November 2016 (revised on 8 December 2016).

After completing its bank and bond refinancing exercise during the financial year, on 24 October 2019 Groupe Partouche repaid all outstanding amounts due under the syndicated loan covered by the Safeguard Plan.

The early execution of the Safeguard Plan was therefore acknowledged, after the balance sheet date, by a ruling of the Paris Commercial Court on 4 November 2019, which approved the closure of the Partouche SA Group Safeguard Plan three years ahead of schedule.

3 – LIST OF SUBSIDIARIES AND INVESTMENTS AT 31 OCTOBER 2019

€000

NAME	REGISTERED OFFICE	CAPITAL	EQUITY*
SUBSIDIARIES (OVER 50%)			
Cie EUROPÉENNE DE CASINOS	PARIS	24 813	322 689
HÔTEL COSMOS	CONTREXÉVILLE	50	(4 565)
SOC EXPLOIT° CASINO ET HÔTELS CONTREXÉVILLE	CONTREXÉVILLE	75	181
SOCIÉTÉ DU CASINO DE ST-AMAND-LES-EAUX	ST-AMAND-LES-EAUX	17 786	39 265
SOCIÉTÉ DU GRAND CASINO DE CABOURG	CABOURG	300	1 346
SOCIÉTÉ TOURISTIQUE DE LA TRINITÉ	PARIS	38	(2 271)
JEAN METZ	BERCK-SUR-MER	80	(99)
NUMA	PARIS	80	379
GRAND CASINO DE LYON	LYON	750	8 634
SOCIÉTÉ DU CASINO ET DES BAINS DE MER	DIEPPE	396	(776)
SOCIÉTÉ FONCIÈRE DE VITTEL ET CONTREXÉVILLE	CONTREXÉVILLE	50	182
GRAND CASINO DU HAVRE	LE HAVRE	150	(2 306)
SCI LES THERMES	AIX-EN-PROVENCE	150	2 398
SCI DE LA RUE ROYALE	PARIS	134	197
CASINO CENTRE CROISETTE	CANNES	38	(248)
GROUPE PARTOUCHE INTERNATIONAL	BRUSSELS	144	(31 368)
SATHEL	LA TOUR DE SALVAGNY	323	26 944
CASINO DES 4 SAISONS	LE TOUQUET	392	1 301
HOLDING IMMOBILIÈRE DE LYON	LYON	300	2 043
LE TOUQUET'S	CALAIS	92	1 631
ÉLYSÉE PALACE EXPANSION	PARIS	40	(1 146)
ÉLYSÉE PALACE HÔTEL	PARIS	40	(1 148)
SOC CHEMINS FER ET HÔTELS MONTAGNE PYRÉNÉES	PARIS	701	1 495
CASINO DE LA TREMBLADE	LA TREMBLADE	39	841
FORGES THERMAL	FORGES-LES-EAUX	15 600	25 648
TTH DIVONNE	DIVONNE-LES-BAINS	2 442	29 366
CASINO D'ANNEMASSE – SGCA	ANNEMASSE	200	12 250
CASINO DE CRANS-MONTANA	CRANS-MONTANA (SWITZERLAND)	4 543	8 497
PARTOUCHE INTERACTIVE	PARIS	370	(55 158)

	% HELD	DIVIDENDS RECEIVED	GROSS VALUE OF SHARES	NET	GROSS VALUE OF LOANS AND ADVANCES	GUARANTEES	TURNOVER	NET PROFIT
	100,00 %	-	316 504	316 504	-	-	291	12 671
	100,00 %	-	50	-	5 059	-	1 549	(236)
	100,00 %	-	9 633	181	618	-	2 737	41
	100,00 %	-	18 371	18 371	-	-	25 694	4 240
	100,00 %	500	2 769	2 769	-	-	5 977	5
	100,00 %	-	4 476	-	4 409	-	-	(106)
	100,00 %	-	3 025	3 025	1 429	-	3 265	(181)
	100,00 %	500	3 458	379	-	-	3 136	249
	100,00%	3 700	20 000	20 000	-		17 224	4 034
	100,00 %	-	4 611	4 611	4 828	-	6 671	(570)
	100,00 %	120	50	50	534	-	302	110
	100,00 %	-	9 450	9 450	6 085	-	11 362	(1 098)
	99,99 %	400	-	-	2 158	-	1 464	440
	99,99 %	-	534	534	-	-	141	77
	100,00 %	-	58 856	-	6 918	-	5 259	(3 823)
	99,90 %	-	153	-	37 505	-	-	2 603
	99,86 %	-	93 513	93 513	-	-	24 692	4 608
	99,53 %	49	5 593	5 593	518	-	3 444	(99)
	97,25 %	486	4 207	4 207	-	-	543	226
	90,10 %	423	4 668	4 668	-	-	3 643	507
	79,68 %	-	1 308	-	4 474	-	-	(12)
	79,68 %	-	1 240	-	655	-	-	(5)
	76,63 %	-	602	602	-	-	-	(16)
	99,89 %	-	1 488	840	-	-	2085	237
	60,38 %	269	11 837	11 837	-	-	25 062	1 414
	98,71 %	-	62 182	62 182	-	-	25 757	4 369
	100,00 %	-	41 098	41 098	-	-	11 162	1 794
	57,00 %	1 259	5 776	5 776	-	-	10 505	2054
	100,00 %	-	9 706	-	56 289	-	-	(2 683)

NAME	REGISTERED OFFICE	CAPITAL	EQUITY*
SCI PIETRA SAINT-AMAND	PARIS	152	221
PARTOUCHE IMMOBILIER	PARIS	12 000	17 258
SCI PIETRA PORNIC	PARIS	100	1 451
PARTOUCHE SPECTACLES & ÉvènementS	PARIS	37	(1 367)
SEGR – LE LAURENT	PARIS	842	(2 930)
CLUB PARTOUCHE PARIS	PARIS	150	138
CLUB PARTOUCHE CAPITALE	PARIS	150	139
SCI HOTEL GARDEN PINÈDE	PARIS	2	(17)
3.14 GREEN	PARIS	100	(250)
CENTRE FORMATION PROFESSIONNEL CASINOS	PARIS	8	20
CASINOS DE VICHY (undergoing court-ordered liquidation)	VICHY	-	-
GRAND CASINO DE BEAULIEU (undergoing court-ordered liquidation)	BEAULIEU	-	-
INVESTMENTS (10-50%)			
SOCIÉTÉ DU CASINO MUNICIPAL D'AIX THERMAL	AIX-EN-PROVENCE	2 160	(4 953)
SOCIETAT DE L'OCI DELS PYRENEUS	ESCALDES ENGORDANY	38	NC
BASTIDE II RICH TAVERN	MONTPELLIER	46	NC
PALAVAS INVESTISSEMENT	PALAVAS-LES-FLOTS	8	212
CIE DE LOISIRS DES PORTES DE GENÈVE	SAINT-JULIEN-EN-GENEVOIS	11 783	-
SUD CONCERTS	MARSEILLE	61	71
OTHER SECURITIES			
CASINO DE PALAVAS	PALAVAS-LES-FLOTS	330	1 089
CASINO MUNICIPAL DE ROYAT	ROYAT	240	1 627
EDEN BEACH CASINO	JUAN-LES-PINS	1 056	6 242
SCI TREMBLADE	LA TREMBLADE	1	149
SEMTEE	ESCALDES ENGORDANY	29 403	42 421
SOCIÉTÉ THERMALE DE PLOMBIÈRES-LES-BAINS	PLOMBIÈRES-LES-BAINS	38	NC
CASINO LE LION BLANC	ST-GALMIER	240	503
PLEIN AIR CASINO	LA CIOTAT	200	(3 997)
CASINO LE MIAMI	ANDERNOS	268	462
SCI LUNA JUAN	PARIS	3 400	3 112
SCI DE L'ARVE	ANNEMASSE	381	1 642

** Shareholders' equity: this includes share capital, reserves and retained earnings, net profit for the year, investment subsidies and regulated provisions.*

	% HELD	DIVIDENDS RECEIVED	GROSS VALUE OF SHARES	NET	GROSS VALUE OF LOANS AND ADVANCES	GUARANTEES	TURNOVER	NET PROFIT
	99,00 %	-	151	151	38	-	44	25
	100,00 %	-	12 600	12 600	7 457	-	3 135	743
	100,00 %	-	2 100	2 100	255	-	834	(484)
	100,00 %	-	2 354	-	1 455	-	280	(488)
	100,00 %	-	4 300	-	2 677		5 208	(1 288)
	100,00 %	-	150	150	-	-	-	(4)
	100,00 %	-	150	150	-	-	-	(4)
	99,00 %	-	2	2	-	-	-	(3)
	100,00 %	-	100	100	488	-	38	(140)
	100,00 %	-	702	20	73	-	348	115
	-	-	371	-	18 329	-	-	-
	-	-	152	-	8 276	-	-	-
	38,63 %	-	2 780	2 780	25 435	-	21 594	(8 177)
	33,00 %	-	13	-	51	-	NC	NC
	25,00 %	-	46	-	-	-	NC	NC
	10,00 %	-	122	122	-	-	228	204
	18,00 %	92	2 224	2 224	-	-	-	-
	39,83 %	-	71	71	610	-	7 248	8
	9,09 %	52	183	183	-	-	7 085	615
	1,91 %	15	73	73	-	-	7 007	802
	1,44 %	-	155	155	12 295	-	5 166	(167)
	1,00 %	-	-	-	488	-	332	175
	0,61 %	-	181	181	-	-	15 022	434
	0,00 %	-	2	-	-	-	NC	NC
	0,16 %	-	-	-	-	-	5 770	206
	0,02 %	-	-	-	7 431	-	9 943	(1 029)
	0,00 %	-	-	-	272	-	3 085	82
	2,94 %	-	100	100	-	-	338	64
	0,04 %	-	-	-	-	-	943	542


ROTISSERIE
PLANCHA
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4A - CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€000)

Contributing company: SIHB, company absorbed by Compagnie Fermière des Eaux (now Groupe Partouche)

Beneficiary company: Groupe Partouche
141 bis rue de Saussure – 75017 Paris, France

Type of operation: Merger

Date of the operation: Extraordinary Shareholders' Meeting of 29 July 1994 which authorised the merger with retroactive effect as of 1 November 1993

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

LAND

ITEM	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
Cliff	1	-	(1)

INVESTMENTS IN ASSOCIATES

NAME	NUMBER OF SHARES	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
SAS CASINO DES 4 SAISONS 26 rue St-Jean 62520 Le Touquet	22 050	1 210	5 488	4 278
SA EDEN BEACH CASINO Boulevard Edouard Baudouin 06160 Juan-les-Pins	924	305	155	-150
SA FORGES THERMAL Avenue des Sources 76440 Forges-les-Eaux	6 210	2 310	9 072	6 762
SAS JEAN METZ Avenue du Général de Gaulle 62600 Berck-sur-Mer	992	27	3 025	2 998
SAS NUMA 141 bis rue de Saussure 75017 Paris	4 930	113	3 457	3 344
SAS CASINO ET BAINS DE MER DIEPPE Boulevard de Verdun 76200 Dieppe	4 600	991	3 825	2 834
SA SATHEL 200 avenue du Casino 69890 La Tour de Salvagny	10 008	10 965	29 104	18 139
SAS LE TOUQUET'S 59 rue Royale 62100 Calais	1 801	210	4 668	4 458
SUBTOTAL		**16 131**	**58 794**	**42 663**

RECEIVABLES

ITEM	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
JATEK	778	778	-

CAPITAL GAINS ON DEPRECIABLE ASSETS*

Buildings

ITEM	TAX AND BOOK VALUE	CONTRIBUTION VALUE	CAPITAL GAINS CARRIED FORWARD FOR TAX PURPOSES
Cellar Granville	0	1	1
Appartement Saint-Placide	19	76	57
Subtotal	**19**	**77**	**58**
TOTAL	**16 929**	**59 649**	**42 720**

** Capital gains on depreciable assets have been recognised.*

4B - CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€000)

Contributing company: Groupe de Divonne SA
141 bis rue de Saussure – 75017 Paris, France

Beneficiary company: Groupe Partouche
141 bis rue de Saussure – 75017 Paris, France

Type of operation: Transmission universelle de patrimoine

Date of the operation: 2 November 2007

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

NON-DEPRECIABLE ASSETS	TAX VALUE	BOOK VALUE	BALANCING AMOUNT RECEIVED	BALANCING AMOUNT TAXED	EXCHANGE OR CONTRIBUTION VALUE
Internally generated goodwill					
Other intangible assets					
Land					
Investments in associates	40 368	112 066			112 066
Other financial investments – Loan of securities	15	15			15

CAPITAL GAINS ON DEPRECIABLE ASSETS

DEPRECIABLE ASSETS	REINTEGRATION PERIOD	AMOUNT NET OF CAPITAL GAINS REALISED	AMOUNT PREVIOUSLY REINTEGRATED	AMOUNT AS A PROPORTION OF NET PROFIT FOR THE FINANCIAL YEAR	AMOUNT REMAINING TO BE REINTEGRATED
Patents					
Other intangible rights					
Land used for business operations			NONE		
Buildings					
Machinery and equipment					
Other tangible fixed assets					

4C - CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€000)

Contributing company: Holding Garden Pinède SAS
141 bis rue de Saussure – 75017 Paris, France

Beneficiary company: Groupe Partouche
141 bis rue de Saussure – 75017 Paris, France

Type of operation: Transmission universelle de patrimoine

Date of the operation: 26 December 2016

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

NON-DEPRECIABLE ASSETS	TAX VALUE	BOOK VALUE	BALANCING AMOUNT RECEIVED	BALANCING AMOUNT TAXED	EXCHANGE OR CONTRIBUTION VALUE
Internally generated goodwill					
Other intangible assets					
Land					
Investments in associates	2	2			2
Other financial investments – Loan of securities					

CAPITAL GAINS ON DEPRECIABLE ASSETS

DEPRECIABLE ASSETS	REINTEGRATION PERIOD	AMOUNT NET OF CAPITAL GAINS REALISED	AMOUNT PREVIOUSLY REINTEGRATED	AMOUNT AS A PROPORTION OF NET PROFIT FOR THE FINANCIAL YEAR	AMOUNT REMAINING TO BE REINTEGRATED
Patents					
Other intangible rights					
Land used for business operations			NONE		
Buildings					
Machinery and equipment					
Other tangible fixed assets					

4D - CAPITAL GAINS ON WHICH TAX HAS BEEN DEFERRED (€000)

Contributing company: Enderbury GR SAS
141 bis rue de Saussure – 75017 Paris, France

Beneficiary company: Groupe Partouche
141 bis rue de Saussure – 75017 Paris, France

Type of operation: Transmission universelle de patrimoine

Date of the operation: 25 October 2017

CAPITAL GAINS ON NON-DEPRECIABLE ASSETS

NON-DEPRECIABLE ASSETS	TAX VALUE	BOOK VALUE	BALANCING AMOUNT RECEIVED	BALANCING AMOUNT TAXED	EXCHANGE OR CONTRIBUTION VALUE
Internally generated goodwill					
Other intangible assets					
Land					
Investments in associates	4 300	4 300			4 300
Other financial investments – Loan of securities					

CAPITAL GAINS ON DEPRECIABLE ASSETS

DEPRECIABLE ASSETS	REINTEGRATION PERIOD	AMOUNT NET OF CAPITAL GAINS REALISED	AMOUNT PREVIOUSLY REINTEGRATED	AMOUNT AS A PROPORTION OF NET PROFIT FOR THE FINANCIAL YEAR	AMOUNT REMAINING TO BE REINTEGRATED
Patents					
Other intangible rights					
Land used for business operations			NONE		
Buildings					
Machinery and equipment					
Other tangible fixed assets					

5 – RESULTS OF THE LAST FIVE FINANCIAL YEARS (EXPRESSED IN EUROS)

INDICATION	FINANCIAL YEAR ENDED 31/10/2015 (12 MONTHS)	FINANCIAL YEAR ENDE 31/10/2016 (12 MONTHS)	FINANCIAL YEAR ENDED 31/10/2017 (12 MONTHS)	FINANCIAL YEAR ENDED 31/10/2018 (12 MONTHS)	FINANCIAL YEAR ENDED 31/10/2019 (12 MONTHS) BEFORE APPROVAL AT SHAREHOLDERS' MEETING
I- SHARE CAPITAL AT THE END OF THE FINANCIAL YEAR					
Share capital	193 631 200	193 631 200	192 540 680	192 540 680	192 540 680
Number of existing ordinary shares	9 681 560	9 681 560	9 627 034	9 627 034	9 627 034
Number of preference shares	-	-	-	-	-
(without voting rights) outstanding	-	-	-	-	-
Maximum number of shares that may be created in the future	-	-	-	-	-
By conversion of bonds	-	-	-	-	-
By exercising share subscription options	-	-	-	-	-
II- RESULTS FOR THE FINANCIAL YEAR					
Turnover excluding tax	11 033 414	10 943 046	11 250 558	11 790 948	11 595 601
Profit before tax, employee profit-sharing, depreciation, amortisation and provisions	18 885 536	1 401 613	-84 830 598	2 341 255	1 659 514
Corporate income tax	-13 009 088	-11 263 808	-12 187 177	-12 075 264	-11 961 495
Employee profit-sharing for the financial year	-	-	-	-	-
Depreciation, amortisation and provision charges	16 850 147	11 693 241	-72 809 077	8 578 042	14 405 557
Net profit	15 044 477	972 181	165 655	5 838 477	-784 548
Distributed profit	-	-	3 001 284	-	-
III- EARNINGS PER SHARE					
Profit after tax and employee profit-sharing, but before depreciation, amortisation and provisions	3.29	1.31	-7.55	1.50	1.41
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	1.55	0.10	0.02	0.61	-0.08
Dividend per share	0.00	0.00	0.31	0.00	0.00
IV- EMPLOYEES					
Average workforce during the financial year issued during the financial year	45	44	45	43	42
Payroll for the financial year	3 704 299	3 808 042	4 011 178	3 929 714	4 195 179
Social benefits paid for the financial year	1 485 930	1 545 647	1 655 172	1 619 674	1 751 657

20.3 VERIFICATION OF HISTORICAL ANNUAL FINANCIAL INFORMATION

20.3.1 STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 31 OCTOBER 2019

To the shareholders of Groupe Partouche SA,

OPINION

In accordance with our engagement by your shareholders as Statutory Auditors, we have audited the consolidated financial statements of Groupe Partouche SA for the year ended 31 October 2019, as appended hereto.

In accordance with IFRS as adopted by the European Union, we hereby certify that the consolidated financial statements give a true and fair view of the results of the operations of the group of persons and entities included in the scope of consolidation for the financial year under review, as well as its financial position and its assets and liabilities at the financial year-end.

The opinion set out above is consistent with the content of our report to the Audit Committee.

BASIS OF OUR OPINION

AUDIT STANDARDS

We performed our audit in accordance with professional standards applicable in France. We believe that the evidence we have gathered provides a sufficient and reasonable basis for our opinion.

The responsibilities that fall to us under these standards are indicated in the section of this report titled "Statutory Auditors' responsibilities in relation to the audit of the consolidated financial statements".

INDEPENDENCE

We performed our audit in compliance with independence rules applicable to us over the period from 1 November 2018 to the date on which we issued our report. In particular, we provided no services prohibited by the first paragraph of Article 5 of Regulation (EU) No. 537/2014 or by the code of ethics adopted by the statutory audit industry.

JUSTIFICATION OF ASSESSMENTS AND KEY AUDIT MATTERS

Pursuant to Articles L.823-9 and R.823-7 of the French Commercial Code on the justification of our assessments, we hereby report on the key audit matters in relation to those risks of material misstatement which, in our professional judgment, were greatest for the audit of the consolidated financial statements, as well as on our responses to those risks.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and the formation of our opinion set out above. We have no opinion to express on items in these consolidated financial statements taken individually.

IDENTIFIED KEY AUDIT MATTER: MEASUREMENT OF GOODWILL

Risks identified

In the course of its development, the Group has entered into targeted external growth transactions and recognised goodwill on a number of occasions.

At 31 October 2019, this goodwill totalled €230,280 thousand (equating to 32% of consolidated balance sheet assets at that date).

Goodwill has been allocated to groups of cash-generating units (CGUs) within those businesses into which the acquired companies were integrated, and mainly corresponds to casino operations, as indicated in Notes 6.1 and 6.2 to the consolidated financial statements.

These notes also explain that management carries out annual checks to ensure that the carrying amount of goodwill does not exceed its recoverable amount, and that there is no risk of impairment.

We consider the measurement of goodwill to constitute a key audit matter, given:

- the significance of goodwill within the Group's financial statements;
- the method used to determine the carrying amount of goodwill, based on forecast discounted future cash flows or the fair value of the CGU, requiring the use of assumptions, estimates and assessments by management, as indicated in Notes 6.1 and 6.2 to the consolidated financial statements;
- that any unfavourable change in those assumptions, estimates and assessments is liable to alter the recoverable amount of goodwill and lead to the recognition of an impairment loss.

Audit procedures followed in light of the risks identified

We obtained details of impairment tests carried out by management and reviewed the methodology used, the procedures used to carry out the tests and their compliance with accounting standards in force.

We assessed the reasonableness of key assumptions used to determine recoverable amounts, and in particular, future cash flows in conjunction with underlying operational data. We also assessed the consistency of cash flow forecasts with past performance, the economic environment and the market outlook.

With the help of experts, we assessed the discount rate used, including its various components, as well as the long-term growth rate applied to future cash flows.

We obtained and reviewed sensitivity analyses carried out by management.

Lastly, we also verified the appropriateness of information provided in the notes to the consolidated financial statements.

SPECIFIC CHECKS

We also performed the specific procedures in accordance with professional standards applicable in France and required by law and regulations in relation to the information about the Group provided in the Executive Board's management report.

We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

We confirm that the consolidated statement of non-financial performance provided for by Article L.225-102-1 of the French Commercial Code is included in the information about the Group given in the Management Report. In accordance with the provisions of Article L.823-10 of that code, we have checked neither the truthfulness of the information contained in that statement nor its consistency with the consolidated financial statements; that information must be the subject of a report by an independent third party.

INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

APPOINTMENT OF STATUTORY AUDITORS

We were appointed Statutory Auditors of Groupe Partouche at the Shareholders' Meetings of 24 April 2007 (MCR Walter France) and 20 April 2010 (France Audit Expertise).

At 31 October 2019, MCR Walter France was in its thirteenth year of uninterrupted service, while France Audit Expertise was in its tenth.

RESPONSIBILITIES OF MANAGEMENT AND INDIVIDUALS CHARGED WITH CORPORATE GOVERNANCE WITH REGARD TO THE CONSOLIDATED FINANCIAL STATEMENTS

It is management's responsibility to draw up consolidated financial statements that provide a true and fair view in accordance with IFRS as adopted in the European Union, and to put in place the internal control arrangements it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether the latter are the result of fraud or error.

When preparing the consolidated financial statements, it falls to management to assess the company's ability to continue to operate, to set out in the financial statements, as the case may be, the necessary information on business continuity and to apply the going concern basis of accounting, unless it is planned to wind up the company or cease operations.

It is the Audit Committee's responsibility to monitor the process of preparing financial information and the effectiveness of internal control, risk management and, as the case may be, internal audit systems, as regards procedures relating to the preparation and processing of accounting and financial information.

The consolidated financial statements were approved for publication by the Executive Board.

STATUTORY AUDITORS' RESPONSIBILITIES IN RELATION TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT OBJECTIVE AND APPROACH

It is our responsibility to prepare a report on the consolidated financial statements. Our goal is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not include any material misstatements. While reasonable assurance corresponds to a high level of assurance, it does not guarantee that an audit performed in accordance with professional standards will always detect every material misstatement. Misstatements may be the result of fraud or of errors. They are considered material if it can reasonably be expected that they might, taken individually or together, influence financial decisions made by users of the financial statements on the basis of those statements.

As laid down in Article L.823-10-1 of the French Commercial Code, our engagement to certify the financial statements does not consist of guaranteeing the viability or quality of management of your company.

In performing an audit in accordance with professional standards applicable in France, the Statutory Auditor exercises his or her professional judgment throughout that audit. Furthermore, the Statutory Auditor:

- identifies and assesses risks that the consolidated financial statements might include material misstatements, whether as a result of fraud or error, defines and implements audit procedures in light of those risks, and gathers what he or she considers sufficient and appropriate information on which to base his or her opinion. The risk of not detecting a material misstatement is greater when that misstatement is the result of a fraud than when it is the result of an error, since fraud may entail collusion, falsification, deliberate omissions, false declarations and the bypassing of internal control;
- familiarises him- or herself with internal control arrangements relevant to the audit so as to be able to define audit procedures appropriate to the circumstances, and not so as to express an opinion on the effectiveness of internal control;
- assesses the appropriateness of the accounting policies adopted and the reasonableness of accounting estimates made by management, as well as information set out in the consolidated financial statements pertaining thereto;

- assesses the appropriateness of management's application of the going concern basis of accounting and, based on the information gathered, assesses whether or not there is significant uncertainty regarding events or circumstances liable to call into question the company's ability to continue to operate. This assessment is supported by information gathered up to the date of his or her report, though it should be borne in mind that subsequent circumstances or events may call into question the company's ability to continue to operate. If the Statutory Auditor concludes that there is significant uncertainty, he or she alerts readers of his or her report on the information set out in the consolidated financial statements to that uncertainty or, if the information has not been provided or is not relevant, qualifies or withholds his or her certification;
- assesses the overall presentation of the consolidated financial statements and evaluates whether they present a true and fair view of underlying operations and events;
- as regards financial information concerning persons or entities included in the scope of consolidation, he or she collects what he or she considers sufficient and appropriate information to express an opinion on the financial statements. The Statutory Auditor is responsible for overseeing, supervising and performing the audit of the consolidated financial statements, as well as for the opinion expressed on the financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee setting out, in particular, the extent of our audit work and the programme of work carried out, together with the resulting findings. Where applicable, we also notify the Audit Committee of any significant weaknesses we have identified in the internal control system as regards procedures relating to the preparation and processing of accounting and financial information.

The information set out in our report to the Audit Committee includes those risks of material misstatement that we deem to have been the most significant for the audit of the consolidated financial statements and which, as such, constitute the key audit matters which we are required to present in this report.

In accordance with Article 6 of Regulation (EU) No. 537-2014, we also provide the Audit Committee with written confirmation of our independence, within the meaning of rules applicable in France, in particular as laid down in Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics adopted by the statutory audit industry.

Where applicable, we discuss any risks to our independence, and any safeguards put in place, with the Audit Committee.

Marseille and Paris, 24 February 2020

MCR Walter France	**France Audit Expertise**
Emmanuel Mathieu	José David

STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 31 OCTOBER 2019

To the shareholders of Groupe Partouche SA,

OPINION

In accordance with our engagement by your shareholders as Statutory Auditors, we have audited the parent company financial statements of Groupe Partouche SA for the financial year ended 31 October 2019, as appended hereto.

In our opinion, the parent company financial statements give a true and fair view of the financial position and the assets and liabilities of the Company at the balance sheet date and of the results of its operations for the financial year then ended, in accordance with French accounting regulations.

The opinion set out above is consistent with the content of our report to the Audit Committee.

BASIS OF OUR OPINION

AUDIT STANDARDS

We performed our audit in accordance with professional standards applicable in France. We believe that the evidence we have gathered provides a sufficient and reasonable basis for our opinion.

The responsibilities that fall to us under these standards are indicated in the section of this report titled "Statutory Auditors' responsibilities in relation to the audit of the parent company financial statements".

INDEPENDENCE

We performed our audit in compliance with independence rules applicable to us over the period from 1 November 2018 to the date on which we issued our report. In particular, we provided no services prohibited by the first paragraph of Article 5 of Regulation (EU) No. 537/2014 or by the code of ethics adopted by the statutory audit industry.

JUSTIFICATION OF ASSESSMENTS AND KEY AUDIT MATTERS

Pursuant to Articles L.823-9 and R.823-7 of the French Commercial Code on the justification of our assessments, we hereby report on the key audit matters in relation to those risks of material misstatement which, in our professional judgment, were greatest for the audit of the parent company financial statements, as well as on our responses to those risks.

These assessments were made in the context of our audit of the parent company financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report. We have no opinion to express on items in these parent company financial statements taken individually.

IDENTIFIED KEY AUDIT MATTER: MEASUREMENT OF INVESTMENT SECURITIES

Risks identified

Investment securities, recognised on the balance sheet for a net amount of €627,349k at 31 October 2019, constitute the largest single item on the balance sheet. They are recognised at cost at their balance sheet entry date and depreciated on the basis of their present value, taken as the higher of value in use and market value less costs to sell.

As indicated in Note 1.3 to the parent company financial statements, "Long-term financial investments", management estimates the carrying amount of securities based on the value of the relevant entities' equity at the balance sheet date, as well as their profitability and forecast revenue.

In estimating the carrying amount of these securities, management must exercise its judgment in selecting which information to consider for each investment, which may, depending on the investment, include historical information or forecast information (notably subsidiaries' profitability outlook).

Competition and the economic environment facing certain subsidiaries may result in lower revenue and a deterioration in operating profit. Against this backdrop, and given the uncertainty inherent in certain items, including in particular the likelihood of forecasts coming to pass, we considered that the correct measurement of investment securities, and of related loans and current account advances, constituted a key audit matter.

Audit procedures followed in light of the risks identified

To assess the reasonableness of estimated carrying amounts of investment securities, on the basis of the information provided to us, our work mainly consisted of checking that these estimated amounts, determined by management, are supported by an appropriate justification of the measurement method and figures used, as well as, depending on the securities in question:

- for measurements based on historical information:
  - checking that the equity values used are consistent with the financial statements of audited or analysed entities, and that any adjustments applied to those equity values are supported by conclusive documentation;
- for measurements based on forecast information:
  - obtaining forecast cash flows and operating performance for the entities concerned, prepared under the responsibility of the company's management,
  - assessing the reasonableness of assumptions used to determine future cash flows in conjunction with underlying operational data,
  - assessing the consistency of assumptions made with past performance, the economic environment at each balance sheet and reporting date, and the market outlook,
  - checking that the value resulting from forecast cash flows has been adjusted to reflect the amount of debt carried by each entity.

As well as assessing the carrying amounts of investment securities, our work also consisted of:

- assessing the recoverability of related loans and current account advances in light of our analysis of investment securities;
- verifying that a provision for impairment of a loan, or a provision for liabilities, has been recognised in cases where the company has committed to bear the losses of a subsidiary with negative equity.

SPECIFIC CHECKS

We have also performed the other procedures required by law and regulations in accordance with professional standards applicable in France.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND OTHER DOCUMENTS ADDRESSED TO SHAREHOLDERS ON THE FINANCIAL POSITION AND THE PARENT COMPANY FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and consistency with the financial statements of the information given in the Executive Board's management report and in the other documents addressed to shareholders with respect to the financial position and the parent company financial statements.

We confirm that the information on payment terms referred to in Article D.441-4 of the French Commercial Code is truthful and consistent with the parent company financial statements.

REPORT ON CORPORATE GOVERNANCE

We confirm that the Supervisory Board's report on corporate governance includes the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

We checked the disclosures made pursuant to Article L.225-37-3 of the French Commercial Code concerning the remuneration and benefits paid to the corporate officers and the commitments entered into in their favour, for consistency with the financial statements or with the data used to draw up those financial statements and, where applicable, with the information provided to your Company by the companies controlled by it or that it controls. On the basis of our audit, we hereby certify the truthfulness and accuracy of this information, and the fair view provided by it.

OTHER INFORMATION

Pursuant to the law, we have verified that the management report contains the appropriate disclosures as to the shareholders' identities, ownership interests and voting rights.

INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

APPOINTMENT OF STATUTORY AUDITORS

We were appointed Statutory Auditors of Groupe Partouche at the Shareholders' Meetings of 24 April 2007 (MCR Walter France) and 20 April 2010 (France Audit Expertise).

At 31 October 2019, MCR Walter France was in its thirteenth year of uninterrupted service, while France Audit Expertise was in its tenth.

RESPONSIBILITIES OF MANAGEMENT AND INDIVIDUALS CHARGED WITH CORPORATE GOVERNANCE WITH REGARD TO THE PARENT COMPANY FINANCIAL STATEMENTS

It is management's responsibility to draw up parent company financial statements that provide a true and fair view in accordance with accounting principles generally accepted in France, and to put in place the internal control arrangements it deems necessary for the preparation of parent company financial statements free of material misstatement, whether the latter are the result of fraud or error.

When preparing the parent company financial statements, it falls to management to assess the company's ability to continue to operate, to set out in the financial statements, as the case may be, the necessary information on business continuity and to apply the going concern basis of accounting, unless it is planned to wind up the company or cease operations.

It is the Audit Committee's responsibility to monitor the process of preparing financial information and the effectiveness of internal control, risk management and, as the case may be, internal audit systems, as regards procedures relating to the preparation and processing of accounting and financial information.

The financial statements have been approved by the Executive Board.

STATUTORY AUDITORS' RESPONSIBILITIES IN RELATION TO THE AUDIT OF THE PARENT COMPANY FINANCIAL STATEMENTS

AUDIT OBJECTIVE AND APPROACH

It is our responsibility to prepare a report on the parent company financial statements. Our goal is to obtain reasonable assurance that the parent company financial statements taken as a whole do not include any material misstatements. While reasonable assurance corresponds to a high level of assurance, it does not guarantee that an audit performed in accordance with professional standards will always detect every material misstatement. Misstatements may be the result of fraud or of errors. They are considered material if it can reasonably be expected that they might, taken individually or together, influence financial decisions made by users of the financial statements on the basis of those statements.

As laid down in Article L.823-10-1 of the French Commercial Code, our engagement to certify the financial statements does not consist of guaranteeing the viability or quality of management of your company.

In performing an audit in accordance with professional standards applicable in France, the Statutory Auditor exercises his or her professional judgment throughout that audit. Furthermore, the Statutory Auditor:

- identifies and assesses risks that the parent company financial statements might include material misstatements, whether as a result of fraud or error, defines and implements audit procedures in light of those risks, and gathers what he or she considers sufficient and appropriate information on which to base his or her opinion. The risk of not detecting a material misstatement is greater when that misstatement is the result of a fraud than when it is the result of an error, since fraud may entail collusion, falsification, deliberate omissions, false declarations and the bypassing of internal control;
- familiarises him- or herself with internal control arrangements relevant to the audit so as to be able to define audit procedures appropriate to the circumstances, and not so as to express an opinion on the effectiveness of internal control;
- assesses the appropriateness of the accounting policies adopted and the reasonableness of accounting estimates made by management, as well as information set out in the parent company financial statements pertaining thereto;
- assesses the appropriateness of management's application of the going concern basis of accounting and, based on the information gathered, assesses whether or not there is significant uncertainty regarding events or circumstances liable to call into question the company's ability to continue to operate. This assessment is supported by information gathered up to the date of his or her report, though it should be borne in mind that subsequent circumstances or events may call into question the company's ability to continue to operate. If the Statutory Auditor concludes that there is significant uncertainty, he or she alerts readers of his or her report on the information set out in the parent company financial statements to that uncertainty or, if the information has not been provided or is not relevant, qualifies or withholds his or her certification;
- assesses the overall presentation of the parent company financial statements and evaluates whether they present a true and fair view of the underlying operations and events.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee setting out, in particular, the extent of our audit work and the programme of work carried out, together with the resulting findings. Where applicable, we also notify the Audit Committee of any significant weaknesses we have identified in the internal control system as regards procedures relating to the preparation and processing of accounting and financial information.

The information set out in our report to the Audit Committee includes those risks of material misstatement that we deem to have been the most significant for the audit of the parent company financial statements and which, as such, constitute the key audit matters which we are required to present in this report.

In accordance with Article 6 of Regulation (EU) No. 537-2014, we also provide the Audit Committee with written confirmation of our independence, within the meaning of rules applicable in France, in particular as laid down in Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of ethics adopted by the statutory audit industry.

Where applicable, we discuss any risks to our independence, and any safeguards put in place, with the Audit Committee.

Marseille and Paris, 24 February 2020

MCR Walter France	**France Audit Expertise**
Emmanuel Mathieu	José David

20.3.2 OTHER INFORMATION VERIFIED BY THE STATUTORY AUDITORS

No other information has been verified by the Statutory Auditors other than the information cited in their reports presented above *(Section 20.3.1).*

20.3.3 FINANCIAL INFORMATION NOT CONTAINED IN THE FINANCIAL STATEMENTS

There is no other financial information not contained in the financial statements.

20.4 DIVIDEND DISTRIBUTION POLICY

The net dividends distributed for the previous five financial years are as follows:

FINANCIAL YEAR FOR WHICH THE DIVIDEND WAS PAID YEAR ENDED 31 OCTOBER	DIVIDEND DISTRIBUTED (€000)	DIVIDEND PER SHARE (EUR)
2014	-	-
2015	-	-
2016 (Extraordinary Shareholders' Meeting of 05/09/2017)	3 001	0,31
2017	-	-
2018	-	-

During the financial year ending 31 October 2019, no interim dividend was paid.

Any dividend that remains unclaimed within five years of falling due is payable under applicable legal provisions to the French state.

The Safeguard Plan approved in a ruling by the Paris Commercial Court on 29 September 2014 (modified on 2 November 2016 and rectified on 8 December 2016) imposed restrictions on distribution. In the last five financial years, the Group thus paid only exceptional dividends of €3,001k, charged entirely to reserves in financial year 2017. On 4 November 2019, three years ahead of schedule, the Paris Commercial Court noted the appropriate execution of exit of the Safeguard Plan, thus freeing the Group from any constraints related to its dividend distribution policy.

A dividend distribution of €3.0m for financial year 2019 will be proposed to the Shareholders' Meeting of 1 April 2020, for a payment date, in cash, of 31 July 2020 at the latest.

20.5 LEGAL AND ARBITRATION PROCEEDINGS

See Note 8 to the consolidated financial statements, "Other current and non-current provisions".

A very longstanding legal claim relating to operations that occurred in 1991 concerning the creation of the Hyères casino and calling into question the actions at that time of a local notary and Crédit Foncier was reactivated in 2011. The implication of the company CDTH operating the Hyères casino as an alleged indirect beneficiary at the time of these disputed wrongdoings appears unfounded and simply opportunistic. The legal proceedings have not given rise to any ruling to date, and all of the defendants have petitioned for the initial claim to be time-barred.

A conflict arose between the company Grand Casino de La Trinité-sur-Mer and the local council, which claimed that it could take over the assets of the casino as being essential to public service; our subsidiary has contested this claim on the grounds that gaming activities are not primarily a public service and that these assets are not of an essential nature. The Conseil d'État recently confirmed the ruling of the Adminstrative Court, however which upheld the petition of the Commune in this matter. It should be understood that the properties concerned must be returned at their net carrying amount. We believe, and will bring the case before other jurisdictions having capacity in this matter, that this decision was made without sufficient justification and constitutes a serious infringement of property rights.

Active tax-related claims have been estimated on the basis of information available at the balance sheet date. Evaluations of any tax-related claims are conducted within each subsidiary, on a case-by-case basis and in detail with respect to each of the grounds presented for reassessment. Provisions are recognised for any claims for which a favourable outcome does not seem likely.

Following the refinancing of Groupe Partouche SA at end-October 2019, which enabled it to reimburse the syndicated loan it took out in September 2005, the Paris Commercial Court noted, on 4 November 2019, three years ahead of schedule, the successful execution and exit of the Safeguard Plan which had been laid down by a judgment of the Paris Commercial Court on 29 September 2014 (modified on 2 November 2016 and rectified on 8 December 2016).

CLAIMS INVOLVING THE COMPANY OR THE GROUP

To the best of the Company's knowledge, there are no governmental, legal or arbitration proceedings, including any proceedings that might be suspended or threatened, which may have or which have had a direct or indirect material impact on the Company's or the Group's financial position or profitability during the twelve-month period under review.

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ADDITIONAL INFORMATION

21.1 SHARE CAPITAL

21.1.1 SHARE CAPITAL AT 31 OCTOBER 2019

The company's share capital is one hundred and ninety-two million five hundred and forty thousand six hundred and eighty euros (€192,540,680), comprised of nine million six hundred and twenty-seven thousand and thirty four (9,627,034) fully paid shares with a nominal value of twenty (20) euros each, with their nominal value fully paid up.

21.1.2 SECURITIES THAT DO NOT REPRESENT THE SHARE CAPITAL

There are no securities that do not represent the share capital, since all of the shares issued are the same type.

21.1.3 ACQUISITION BY THE COMPANY OF ITS OWN SHARES

PURCHASE TRANSACTIONS RELATING TO THE SHARES OF THE COMPANY BY THE COMPANY IN RESPECT OF FINANCIAL YEAR 2018-2019

Since the Shareholders' Meeting of 24 April 1998, Groupe Partouche SA has had an authorisation relating to the purchase of treasury shares each year in compliance with the provisions of Article L.225-209 of the French Commercial Code.

At the Annual Ordinary Shareholder's Meeting of 27 March 2019, the Executive Board was once again authorised, for a period of 18 months, to purchase shares in the Company, and the terms and limits to which these purchases are subject were specified.

It was decided that the shares thus purchased could only be:

- cancelled in full or in part, with the Executive Board having moreover been authorised to reduce the share capital;
- awarded to the employees and/or corporate officers of the Company and/or existing or future related companies, under the conditions laid down in law, and in accordance with any formula permitted by law, particularly within the framework of share awards covered by Article L.225-209 Paragraph 5 of the French Commercial Code;
- held and subsequently exchanged or used as payment for future acquisitions;
- used to help ensure the liquidity and regularity of trading in the company's shares under a liquidity contract with a provider of investment services and in compliance with the code of conduct of the Autorité des Marchés Financiers, the French financial markets authority.

NUMBER OF TREASURY SHARES HELD

Groupe Partouche held 1,917 treasury shares at 31 October 2019. These shares are to be allocated, without consideration, to Company employees or officers pursuant to Article L.225-209-5 of the French Commercial Code. They are shown in Groupe Partouche's balance sheet at a nominal value of €38,340 and in the annual financial statements at a carrying amount of €49,267.

The Executive Board also implemented a share buyback programme to help ensure the liquidity and regularity of trading in the Company's shares under a liquidity contract with CIC, an investment services provider, and held 10,434 shares for this purpose at the end of the financial year on 31 October 2019, shown in Groupe Partouche's balance sheet at a nominal value of €208,680 and in its annual financial statements at a carrying amount of €247,587.

SHARE BUYBACK PROGRAMME

The following Groupe Partouche shares were purchased and sold under the share buyback programme (transactions carried out by CM-CIC) between 1 January 2019 and 31 December 2019:

Transaction type	Number	Amount	Average price
Purchase	39 021	894 899	22,93 €
Sale	44 121	1 034 963	23,46 €

In respect of the liquidity provider's agreement entered into by Groupe Partouche and CIC, the liquidity account contained the following shares and cash at 31 December 2019:

- 8,215 Groupe Partouche shares;
- €258,218 in cash.

EXISTING AUTHORISATION

At the Annual Ordinary Shareholders' Meeting of 27 March 2019, the Executive Board was granted renewed authorisation to repurchase the Company's own shares on the stock market under the provisions of Article L.225-209 of the French Commercial Code, in order to allocate those shares to employees or senior executives in the event of a bonus share award falling under the terms set forth in the fifth paragraph of Article L.225-209 of the French Commercial Code, remit those shares under the terms of an external growth transaction, or enhance the liquidity and regularity of share quotations.

The maximum purchase price has been set at €80 per share with an overall ceiling of €75,000,000. This authorisation, valid for a maximum of 18 months, will expire on 26 September 2020.

21.1.4 OTHER SECURITIES GIVING ACCESS TO THE CAPITAL

None.

21.1.5 SHARE CAPITAL SUBSCRIBED, BUT NOT PAID UP - CAPITAL INCREASE - CAPITAL DECREASE

The Executive Board benefits from the following authorisations, which may lead to the buyback of treasury shares and the issuance of securities conferring access to the share capital. These authorisations, granted to it at the Extraordinary Shareholders Meeting of 11 April 2018 and the Ordinary and Extraordinary Shareholders' Meetings of 27 March 2019, are summarised in the table below:

TYPE OF OPERATION AUTHORISED	DURATION AND EXPIRATION OF AUTHORISATION	MAXIMUM AMOUNT	TERMS
Buyback of own shares under Art L.225-209 of the French Commercial Code (OSM of 27 March 2019)	18 months 26 September 2020	Maximum amount of 10% of the share capital	
Capital increase ▪ In cash (ESM of 27 March 2019)	26 months 26 May 2021	30 000 000 €	With and without preferential right of subscription
Capital increase ▪ By capitalisation of reserves, share premium or net profit (ESM of 27 March 2019)	26 months 26 May 2021	Amount of premiums, reserves and earnings available	
Capital increase ▪ By private placement (ESM of 27 March 2019)	26 months 26 May 2021	Maximum amount of 20% of the share capital per year	Without preferential right of subscription
Capital increase ▪ By in-kind contributions (ESM of 27 March 2019)	26 months 26 May 2021	Maximum amount of 10% of the share capital	Without preferential right of subscription
Capital decrease ▪ By retiring shares bought back under the conditions laid down in Article L.225-209 of the French Commercial Code (ESM of 27 March 2019)	18 months 26 September 2020	Maximum amount of 10% of the share capital	

These authorisations were not used during the financial year ended 31 October 2019, nor to date.

21.1.6 SHARE CAPITAL UNDER OPTION

None.

21.1.7 HISTORY OF THE SHARE CAPITAL

Changes in share capital over the five preceding financial years:

FINANCIAL YEAR (FROM 1 NOVEMBER 2015 TO 31 OCTOBER 2019)	TYPE OF OPERATION	AMOUNT OF CHANGE IN SHARE CAPITAL	SUCCESSIVE AMOUNTS OF SHARE CAPITAL	CUMULATIVE NUMBER OF SHARES
2015	Capital increase Reverse stock split 26 January 2015	18 €	193 631 200 €	9 681 560
2016			193 631 200 €	9 681 560
2017	Capital decrease of 19 October 2017 via cancellation of treasury shares	-1 090 520 €	192 540 680 €	9 627 034
2018			192 540 680 €	9 627 034
2019			192 540 680 €	9 627 034

21.1.8 MARKET IN THE COMPANY'S FINANCIAL INSTRUMENTS

Groupe Partouche shares are listed on the Euronext Paris stock exchange – Eurolist Comp. B (ISIN: FR0012612646).

Share transfers and payments of dividends are handled by CM-CIC Securities (6 rue de Provence, 75009 Paris, France).

The table below shows changes in the share price and trading volume of Groupe Partouche shares:

PERIOD	PERIOD HIGH AND LOW (IN EUROS)		NUMBER OF SHARES TRADED	CAPITAL (IN €M)
	HIGH	LOW		
2018				
January	36,5	32,0	51 738	1,77
February	36,0	32,8	13 321	0,45
March	33,8	25,4	92 790	2,59
April	28,0	25,8	23 490	0,63
May	28,3	25,6	18 945	0,51
June	26,1	23,7	105 083	2,67
July	28,4	25,1	31 476	0,83
August	26,5	24,8	36 971	0,95
September	25,0	23,0	24 244	0,59
October	24,4	20,0	90 532	1,97
November	22,1	19,8	44 110	0,92
December	21,8	18,8	36 307	0,71

PERIOD	PERIOD HIGH AND LOW (IN EUROS)		NUMBER OF SHARES TRADED	CAPITAL (IN €M)
	HIGH	LOW		
2019				
January	21,2	18,6	27 792	0,55
February	20,6	18,8	18 638	0,37
March	19,4	17,9	11 248	0,21
April	25,2	18,3	37 996	0,83
May	22,0	20,0	8 099	0,17
June	26,3	20,7	34 642	0,81
July	26,3	24,8	23 594	0,60
August	25,7	23,0	27 190	0,66
September	24,1	22,7	13 570	0,32
October	26,0	22,1	18 908	0,45
November	28,0	24,9	28 372	0,76
December	28,9	26,5	19 957	0,56

21.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

Memorandum and Articles of Association (see Section 5.1.3)

Pursuant to Article 37 of the Articles of Association, the latter may only be amended by an Extraordinary Shareholders' Meeting, notably in respect of a change to the type of the Company. However, an Extraordinary Shareholders' Meeting cannot increase the commitments of the shareholders, subject to operations resulting from the groupings of shares as provided by the law.

21.2.1 PURPOSE

Pursuant to Article 3 of the Articles of Association, the purpose of the Company in France and all other countries is:

- the administrative, financial and accounting management of all the present or future companies operating mainly in the entertainment, hotel and gaming sectors;
- the acquisition of equity stakes of all types in such companies;
- assisting these companies in improving their growth by providing all types of services;
- all transactions in shares in French and foreign markets;
- acquisition and sale of real estate fixed assets and current assets.

And in general all types of industrial and commercial operations related to:

- the creation, acquisition, rental, lease or operation of all types of business in any of the aforementioned sectors of activity;
- the acquisition, operation or sale of any process or patent related to these activities;
- the direct or indirect participation in any type of financial, real estate or personal property operations or commercial enterprise transaction related to the aforementioned purpose or any other connected purpose.

21.2.2 PROVISIONS IN THE ARTICLES OF ASSOCIATION OR ELSEWHERE RELATING TO EXECUTIVE AND MANAGEMENT BODIES

OPERATION OF THE SUPERVISORY BOARD

(See Section 14.3 on the internal rules of procedure)

Members of the Supervisory Board must own at least one share.

The Supervisory Board's organisational and operating methods are detailed in Section 14.3, which relates to the internal rules of procedure it adopted on 27 October 2005, last amended by decision of the Board on 11 December 2017, as well as in Articles 21 and 22 of Groupe Partouche SA's Articles of Association, reproduced below:

ARTICLE 21 - ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

▸ The Supervisory Board elects natural persons from among its members as Chairman and Vice-Chairman, responsible for convening Supervisory Board meetings and chairing these meetings. They are appointed for the period of their mandate on the Supervisory Board. The Board determines their remuneration, if any. The Board may appoint a secretary who need not be a shareholder.

▸ The Board meets as often as the interests of the Company dictate. However, the Chairman must convene a meeting of the Board no more than 15 days after the request date, when at least one member of the Executive Board or at least one-third of the members of the Supervisory Board presents him with a substantiated request to do so. Meetings take place at the registered office or at any other location indicated in the meeting notice. Any member of the Board may, via letter or telegram, mandate another advisor to represent him at a Board meeting. The effective presence of at least half of the members of the Board is required for its operations to be valid. The Board's deliberations shall be valid if at least half of its members are present or deemed present; each member present or represented has one vote and each member present only has one vote. In the event of a tie, the Chairman casts the deciding vote.

▸ A register is kept and signed by the members of the Board who attend the meeting. The Supervisory Board's deliberations are officially established by minutes kept in a special record filed at the Company's registered office. Copies or extracts of minutes presenting the Board's deliberations are provided and certified in accordance with the law.

ARTICLE 22 - POWERS OF THE SUPERVISORY BOARD

The Supervisory Board performs a permanent control of the way in which the Company is managed by the Executive Board.

It appoints the members of the Executive Board and designates its Chairman, and, where applicable, the General Managers; it proposes their removal to the shareholders and determines their remuneration.

It convenes the Shareholders' Meeting, if convocation is not issued by the Executive Board.

It gives the Executive Board the authorisations required prior to the operations falling within the provisions of Article 19 of the Articles of Association.

It authorises agreements governed by Article 24 of the Articles of Association. At any time, it may perform verifications and controls as it sees fit, and may receive any document it deems useful to accomplish its mission. It presents its observations on the Executive Board report and the accounts for the financial year to the Annual Ordinary Shareholders' Meeting.

The Supervisory Board may decide to transfer the registered office within the same department or to an adjoining department, subject to the ratification of this decision by the next Ordinary Shareholders' Meeting.

The Supervisory Board may grant one or more of its members any special mandates for one or more pre-determined purposes and set their remuneration for this end.

EXECUTIVE BOARD ORGANISATION AND PROCEDURES

The organisation and procedures of the Executive Board are stipulated in Articles 16 and 18 of Groupe Partouche SA's Articles of Association, reproduced below:

ARTICLE 16 - COMPOSITION OF THE EXECUTIVE BOARD

1 - The Company is managed by an Executive Board under control of the Supervisory Board.

The Executive Board is formed by at least two members (seven at most) appointed by the Supervisory Board.

2 - The members of the Executive Board must be individual entities who may be selected apart from the shareholders, even from among the Company's paid personnel.

Should a member of the Supervisory Board be appointed to the Executive Board, this member's first mandate shall come to an end as soon as he or she takes office on the Executive Board.

Subject to legal exceptions, no member may simultaneously belong to more than two Executive Boards, nor exercise the functions of General Manager or Chairman of the Board of Directors in more than two limited companies with their head offices in metropolitan France.

A member of the Executive Board may not accept an appointment to another company's Executive Board or as another company's sole General Manager without the prior authorisation of the Supervisory Board.

3 - The appointment of any member of the Executive Board may be revoked at an Ordinary Shareholders' Meeting upon recommendation of the Supervisory Board.

If the member concerned has an employment contract with the Company, the revocation of his or her appointment as a member of the Executive Board does not lead to the termination of his or her employment contract.

4 - The Supervisory Board sets the remuneration of each member of the Executive Board upon their appointment.

ARTICLE 18 - ORGANISATION AND PROCEDURES OF THE EXECUTIVE BOARD

1 - The Supervisory Board appoints one of the members of the Executive Board as Chairman.

The Executive Board meets as often as the interests of the Company dictate, as convened by its Chairman or at least half of its members, at the registered office or at any other location indicated in the meeting notice.

The Chairman of the Executive Board presides over its meetings and appoints a secretary, who need not be a member of the Executive Board.

The Executive Board's deliberations are only valid if at least half of its members are in attendance.

The Executive Board's decisions are taken based on the majority of the votes of its members. Voting by proxy is prohibited.

In the event of a tie, the Chairman casts the deciding vote.

2 - The deliberations of the Executive Board may be officially established by minutes kept in a special record, signed by the members of the Executive Board having attended the meeting.

The minutes mention the names of the members in attendance and those of the absent members.

Copies or extracts of these minutes are certified by the Chairman of the Executive Board or by one of its members and, in the event of liquidation, by the authorised liquidator.

3 - The members of the Executive Board may divide among themselves all management tasks, subject to the authorisation of the Supervisory Board. However, this allocation of tasks may not under any circumstances absolve the Executive Board from its obligation to meet regularly and deliberate upon the most important issues faced in managing the Company, nor may it prevent its members from acting collectively to ensure the management of the Company.

ARTICLE 19 - POWERS AND OBLIGATIONS OF THE EXECUTIVE BOARD

1 - The Executive Board is invested with the most extensive powers to act in all circumstances in the name of the Company in its relations with third parties, within the limits of the Company's purpose and subject to the powers that the law expressly confers upon the Supervisory Board and the Shareholders' Meeting.

In its relations with third parties, the Company is bound even by acts of the Executive Board that are not within the Company's purpose, unless it can prove that the third party knew that the act went beyond this purpose or could not have been unaware thereof given the circumstances, mere publication of the Articles not being sufficient to constitute such proof.

The disposal of property, the full or partial disposal of shareholdings and the pledging of collateral, guarantees, security and warranties are subject to authorization by the Supervisory Board. Failure to comply with this provision may not be invoked against third parties except as provided for by law.

Should the Supervisory Board refuse to authorise one of the aforementioned operations, the Executive Board may, if it deems necessary, call an Ordinary Shareholders' Meeting on an extraordinary basis, which may grant the authorisation requested and draw all the necessary conclusions from the dispute arising between the management bodies.

The Executive Board calls Shareholders' Meetings, sets the agenda for these meetings and carries out the decisions there made.

2 - The Executive Board submits a management report to the Supervisory Board at least once per quarter. Within three months following the close of the financial year, it submits the annual financial statements and if necessary the consolidated financial statements to the Supervisory Board for verification and control.

3 - The Company is represented by the Chairman of the Executive Board in its relations with third parties.

The Supervisory Board may allot the same representative power to one or more of the members of the Executive Board, who are then called Group Managing Directors.

All documents committing the Company with regard to third parties must be signed by either the Chairman of the Executive Board, one of the Group Managing Directors or any other person authorised to this effect.

As provided by Article 8 of the Articles of Association, the Executive Board is also entrusted with the powers necessary to increase the Company's share capital.

I - Capital increases

[...] Capital increases are decided upon or authorised at an Extraordinary Shareholders' Meeting, at which the shareholders may delegate to the Executive Board the necessary powers to carry out capital increases in one or more stages, to set their terms and conditions, to formally record the execution of these increases and to amend the Articles of Association accordingly. A capital increase must be carried out within five years of the date of the Shareholders' Meeting at which the increase was decided upon or authorised, except in the case of capital increases resulting from the conversion of bonds into shares or additional increases reserved for bondholders who will have opted for conversion, or for capital increases decided upon pursuant to the provisions of Article L.225-229-III of the French Commercial Code […]

21.2.3 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHING TO SHARES

These are stipulated in Article 15 of the Articles of Association, which is reproduced below:

ARTICLE 15 - RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

1 - Each share entitles its holder to a share in the Company's profits and assets proportional to that portion of the amount of share capital it represents, as stipulated in Articles 40 and 43 hereafter.

2 - Ownership of a share automatically implies acceptance of the Company's Articles of Association and of resolutions passed at Shareholders' Meetings.

The rights and obligations attached to a share pass to the acquirer thereof, whoever he or she may be.

The heirs or creditors of a shareholder may not, on any grounds whatsoever, demand that seals be affixed to the property of the Company or request the division or public sale by auction of same, or interfere in any way in the Company's administration; to exercise their rights, they must refer to the company registers and decisions made at Shareholders' Meetings.

3 - Shareholders are only liable for the debts of the Company up to the par value of the shares they hold.

21.2.4 CHANGES TO SHAREHOLDERS' RIGHTS

By reference to Article 21.2.4 of Annex I of Commission Regulation (EC) No. 809/2004, no actions exist to modify shareholders' rights that are stricter than those provided by law.

21.2.5 SHAREHOLDERS' MEETINGS

(See Articles 27 to 37 of the Articles of Association, Article R.225-61 et seq. of the French Commercial Code; Decree of 23 June 2010)

COMMON RULES

Meeting notice methods and timing – Announcements to shareholders

Shareholders' Meetings may be convened by the Executive Board, or failing this, by the Supervisory Board or the Statutory Auditors, as provided by Article R.225-162 of the French Commercial Code, or by a proxy designated by the President of the Commercial Court rendering a decision under a summary procedure, upon the request of one or more shareholders together holding at least one twentieth of the share capital, or by the official liquidator.

Shareholders' Meetings are held at either the head office or any other location that should be specified in the meeting notice.

Notices are published in one of the newspapers entitled to receive legal notices in the departmental region of the head office, as well as in the French Bulletin des annonces légales obligatoires. Shareholders who have held nominative shares for at least one month at the announcement's publication date are convened by an ordinary letter. They may ask to receive notices by registered letter if they remit the relevant postage costs to the Company.

Letters must be sent and/or publication must take place at least fifteen days before the meeting date for the first notice, and ten days before the meeting date for the second notice and any subsequent notices.

The meeting notice should include the name of the Company and if possible its logo, company type, share capital amount, head office address and registration number, as well as the meeting date, time, location, nature and agenda.

Pursuant to Article R.225-85 of the Decree of 23 June 2010, it shall also contain a clear and exact description of the terms under which particular faculties of shareholders may be exercised.

Should a meeting be adjourned due to a failure to obtain an adequate quorum, a second meeting shall be convened in the same form and manner, and notice thereof shall include the date of the first meeting.

Any meeting that has not been convened in the required form and manner may be annulled. However, recourse to such voidability is withdrawn should all shareholders have attended or been represented.

The proxy form addressed by the Company, or the person designated by it, to the shareholders shall clearly inform them that should the proxy form omit to indicate the name of the nominated representative, they will be considered to have voted in favour of resolutions submitted or approved by the Executive Board; the documents listed in Article R.225-81 of the French Commercial Code must be attached to the proxy form.

Announcements to shareholders, in advance of any meeting, may be made by any of the following means:

- Sending, at their request, the agenda of the meeting, all draft resolutions, notices in respect of the members of the Executive and Supervisory Boards and the candidates to these positions, the report of the Executive Board, the observations of the Supervisory Board, and a summary of the Company's financial position and net profit for the past five years. Moreover, the following should be enclosed:
  - in advance of an Annual Shareholders' Meeting, the income statement, the balance sheet and the special report of the Statutory Auditors,
  - in advance of an Extraordinary Shareholders' Meeting, the Statutory Auditors' report, if applicable;
- Making the aforementioned documents available to shareholders at the Company's head office, along with the list of companies, the company registers, and the indication of the total compensation paid to the Company's five or ten highest-earning individuals, as well as the Statutory Auditors' report and, if applicable, any merger or disposal proposals.

VOTING BY CORRESPONDENCE

Any shareholder may vote by correspondence by completing an official form established in accordance with the law. To be considered valid, this form must be received at least three days prior to the date of the Shareholders' Meeting. Forms which do not indicate a clear vote or which express an abstention are considered nay votes. Once a shareholder has cast his/her vote by correspondence or requested an admission card, he/she can no longer choose any other method of participating in the meeting.

ADMISSION TO MEETINGS

(Article 28 of the Articles of Association; Article L.225-106-1 of the French Commercial Code

All shareholders may attend and vote at Shareholders' Meetings, irrespective of the number of the shares they hold. Shareholders may be represented by any person of their choosing, under the statutory and regulatory conditions laid down in Article L.225-106-1 of the French Commercial Code. The right to participate in Shareholders' Meetings is contingent upon the shares being registered in the name of the shareholder, or of the intermediary registered on the shareholder's behalf, three business days before the date of the meeting, at the location indicated in the notice of meeting, and upon the provision of a certificate issued by the authorised intermediary confirming that such shares are not available for sale or transfer from the date of such delivery until the date of the meeting.


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VOTING RIGHTS

(Article 31 of the Articles of Association)

Voting rights attaching to shares in the Company shall be proportional to the share of the capital those shares represent, with each share in the Company entitling its holder to one vote. Shares in the Company (including any bonus shares that might be allotted as part of an increase in the share capital by way of capitalisation of reserves, earnings or issue premiums) shall not qualify for double voting rights, in accordance with the final paragraph of Article L.225-123 of the Commercial Code."

MULTIPLE VOTING RIGHTS

None.

QUORUM

(Article 34 of the Articles of Association for Ordinary Shareholders' Meetings and Article 36 for Extraordinary Shareholders' Meetings; Article 6 of the Law of 26 July 2005)

The Extraordinary Shareholders' Meeting decides on changes to the Articles of Association, subject to a majority quorum as provided by Article 36 reproduced below:

1 - The deliberations of the Extraordinary Shareholders' Meeting are deemed valid when the shareholders present or represented own one-quarter for a first convening or one-fifth for the second convening of the Company shares with voting rights. Should this quorum fail to be reached, the second Shareholders' Meeting may be postponed for up to two months following the date upon which it was initially convened.

The quorum for all Shareholders' Meetings is calculated after the deduction of shares with no voting rights as provided by the law or the regulations in force.

2 - The resolutions voted on at all Extraordinary Shareholders' Meetings, whether on first or second convening, are deemed valid with at least two thirds of the voting rights of shareholders present or represented.

Shareholders' Meetings held on second convening may only deliberate on the agenda of the first Shareholders' Meeting.

3 - At constitutive Extraordinary General Meetings, the quorum and majority requirements set out under point 1 above are only calculated after deducting shares issued in return for contributions in kind or held by the recipients of special benefits, who have no voting rights either for themselves or as representatives.

21.2.6 CLAUSES DELAYING, DEFERRING OR PREVENTING A CHANGE OF CONTROL

There are no clauses that restrict a change of control.

Article 13 of the Articles of Association stipulates:

ARTICLE 13 - TRANSMISSION OF SHARES

Shares may be freely exchanged subject to legal provisions. Transmission is effected by account transfer under the terms and conditions specified by the texts in force.

21.2.7 CROSSING OF OWNERSHIP THRESHOLDS

CROSSING OF STATUTORY THRESHOLDS AND PENALTIES IN THE EVENT OF NON-COMPLIANCE WITH DISCLOSURE REQUIREMENTS

(Article 12 of the Articles of Association)

Pursuant to Article L.233-7 §5 of the French Commercial Code, and Article 12 of the Articles of Association, shareholders must notify the Company of the number of shares held directly or indirectly, alone or in concert, whenever their holding crosses the threshold of 2% of the share capital or a multiple of this percentage. In the event of non-compliance with this disclosure obligation, shares exceeding the non-disclosed fraction will be deprived of their voting rights at the request, recorded in the minutes of the Shareholders' Meeting, of one or more shareholders, holding at least 5% of the Company's capital, when the shares of the Company are officially listed on a stock exchange.

21.2.8 CHANGES IN THE SHARE CAPITAL

Article 8 of the Articles of Association stipulates:

ARTICLE 8 - CHANGES IN THE SHARE CAPITAL

I - Capital increases

The share capital may be increased either by issuing new shares or by increasing the par value of the existing shares.

The new shares shall be paid for either in cash or through compensation with debts in liquid funds due and payable by the Company, through capitalisation of reserves, income or share issue premiums, with assets in kind or through bond conversion.

The new shares are issued either at their par value or at this value increased by an issue premium: they may be ordinary shares or preferred shares enjoying certain advantages over other shares and entitling their holders to preferential rights to income or assets or any other indirect advantage.

Capital increases are decided upon or authorised by the Extraordinary Shareholders' Meeting, which may delegate to the Executive Board the necessary powers to carry out capital increases in one or more stages, to set their terms and conditions, to formally record the performance of these increases and to amend the Articles of Association accordingly. A capital increase must be carried out within five years of the date of the Shareholders' Meeting having decided upon or authorised the increase, except in the case of capital increases resulting from the conversion of bonds into shares or additional increases reserved for bondholders who will have opted for conversion, or for capital increases decided pursuant to the provisions of Article L.225-229-III of the French Commercial Code.

When a capital increase takes place through the capitalisation of reserves, income or share issue premiums, the Shareholders' Meeting deciding upon the increase must meet the quorum and majority requirements for Ordinary Shareholders' Meetings.

In the event of an issue of new shares to be paid for in cash, the share capital of the Company prior to the proposed increase must first be fully paid up and the shareholders shall be entitled to exercise their pre-emptive right to subscribe to shares as provided by law. The entitlement of usufructuaries and bare owners to the pre-emptive subscription right is governed by the aforementioned Article.

If the new shares are paid for through compensation with debts due and payable by the Company, the latter shall be disclosed in financial statements prepared by the Executive Board, certified as valid by the Statutory Auditors and attached to the statement of subscription and payment.

The minimum subscription period is ten trading days, with the option for early termination of this period once the capital increase is subscribed by shareholders in proportion to their existing holdings.

The Shareholders' Meeting that decides upon the capital increase may elect to exclude the pre-emptive subscription right upon examining the reports of the Executive Board and the Statutory Auditors.

Capital increases shall be carried out notwithstanding the existence of fractional rights. Those shareholders not possessing the number of subscription or share rights exactly required to obtain a whole number of new shares, shall have to personally arrange for the purchase or sale of fractional rights to bring their holdings to a whole number.

In conjunction with any decision to increase the Company's share capital, the Extraordinary Shareholders' Meeting shall also need to consider a draft resolution intended to authorise a capital increase reserved for employees. Moreover, a draft resolution of this kind must be presented, once every five years for the approval of an Extraordinary Shareholders' Meeting convened for this purpose, as long as the shares held by the employees of the Company and of any affiliated company as defined under Article L.225-180 of the French Commercial Code represent less than 3% of the total share capital.

II - Redemption of share capital

The share capital may, upon the decision of the Extraordinary Shareholders' Meeting, be redeemed by way of an equivalent reimbursement for each share, through transfer of income or reserves, with the exception of the legal reserve.

Dividend shares thus created may be reconverted into capital shares, either through an obligatory transfer of the portion of Company profits attributable to these shares, or through an optional payment by each of the owners of dividend shares.

III - Réduction du capital

The share capital may be reduced in one or more stages for any reason, either by reducing the par value of shares or the number of shares. If a capital decrease is not entailed by losses, bondholders and creditors may oppose the decrease.

A decision to reduce the share capital to a level below the minimum required by law, regardless of the motivation behind this decision, may only be taken if a capital increase can be effected to increase the share capital to a level above said minimum, unless the Company is to be transformed into a company of another form not requiring a capital amount greater than its share capital following the decrease.

Should this condition not be met, any interested party may apply for a court order requiring the dissolution of the Company. The dissolution of the Company shall not take effect if, on the date when the court's decision is rendered, the share capital has been brought back up to the legal minimum.

The Company is not authorised to buy back its own shares. However, the Shareholders' Meeting having decided upon a capital decrease not entailed by losses may authorise the Executive Board to buy back a specified number of shares as to cancel them. This buyback shall be proportional to the number of shares held by each shareholder and limited to shares available in the market.

Capital decreases are decided or authorised by the Extraordinary Shareholders' Meeting, which may delegate to the Executive Board the necessary powers to carry them out.

In all cases, the proposal for a reduction in the share capital is communicated to the Statutory Auditors no less than 45 days prior to the Shareholders' Meeting of shareholders convened to decide upon this proposal.

The meeting examines the report of the Statutory Auditors, who present their assessment of the justification and conditions for the capital decrease.

If the capital decrease is carried out by reducing the number of shares, shareholders are required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares may be exchanged for new shares.

IV - Reverse stock splits

In the event of a reverse stock split, shareholders are also required to sell any excess shares or to buy shares to make up any shortage, so that the existing shares may be exchanged for new shares.

21.2.9 PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

(Articles 39 and 40 of the Articles of Association)

ARTICLE 39 – PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

I - Presentation of the accounts

At the end of each financial year, the Executive Board establishes the schedule of the assets and liabilities existing at that date.

It also draws up the income statement and the balance sheet.

The Executive Board prepares a written report on the results for the financial year, the situation of the Company and its business activity during the period under review.

These documents are made available to the Statutory Auditors at the Company's registered office at least 45 days prior to the Shareholders' Meeting convened to approve the parent company financial statements, with the exception of the report on the results for the financial year and the situation of the Company, which may be made available to the Statutory Auditors no less than 20 days prior to the meeting. Copies of these documents must be forwarded to the Statutory Auditors should they request them.

II - Presentation and measurement methods

The income statement and the balance sheet are established each year in accordance with the same presentation guidelines and measurement methods used in previous years. However, in the event of any proposed changes, the Shareholders' Meeting, upon examining the financial statements established in accordance with both the proposed and existing presentation guidelines and methods, as well as the reports of the Executive Board and the Statutory Auditors, shall render its decision upon the proposed changes.

If methods other than those required by applicable legal and regulatory provisions were used for the measurement of the Company's assets in the schedule and in the balance sheet, mention is made of this fact in the report presented by the Executive Board.

III - Depreciation, amortisation and provisions

All necessary depreciation, amortisation and provisions are recognised even if there has not been any profit or it has been insufficient, to ensure that the balance sheet provides a fair view of the Company's financial position.

An impairment charge is recognised for any impairment in the carrying amount of assets, whether due to wear, change in techniques, or any other causes.

Provisions are recognised for all capital losses on other assets as well as probable future losses and expenses.

The Company's incorporation costs are amortised prior to any distribution of profit.

Capital increase expenses are amortised no later than the end of the fifth financial year following the one in which these expenses were incurred. These expenses may be charged to the amount of the issue premium relating to the capital increase.

IV - Deposits, sureties and guarantees

The amounts of deposits, sureties or guarantees given are mentioned at the foot of the balance sheet.

ARTICLE 40 - APPROPRIATION AND ALLOCATION OF EARNINGS

- Net earnings consist of the net profit for the financial year, less overheads and other Company expenditure, as well as the depreciation or amortisation of Company assets and all provisions for commercial and industrial contingencies.
- Net earnings are appropriated and allocated as follows:
  - A deduction of 5% is taken from net profit for the year after the offset of any prior year losses carried forward, for the purpose of creating the legally required "legal reserves", until these reserves equal one tenth of the Company's share capital;
  - Net earnings to be appropriated consist of the net profit for the financial year, less prior-year losses and legally required reserves, plus retained earnings carried forward;
  - The Shareholders' Meeting then allocates the amounts it deems appropriate to the optional, ordinary and/or extraordinary reserves, and to retained earnings.

The resulting balance, if any, is allocated among all shareholders proportionately to their paid-up outstanding shareholdings. Accordingly, and until expiry of the two-year period following the start date of the share consolidation published by the Company in the Bulletin des Annonces Légales Obligatoires in accordance with the resolution adopted by the shareholders at the Extraordinary Shareholders' Meeting of 15 January 2015, each unconsolidated share shall entitle its holder to one tenth of the amount of dividend paid in respect of each consolidated share. However, except in the event of a reduction in the share capital, no distributions may be made to shareholders if net assets are and/or would be following such a distribution less than the amount of the share capital plus reserves which may not be distributed under the law or the Articles of Association.

The Shareholders' Meeting may decide to allocate amounts deducted from the optional reserves either in order to provide or supplement a dividend or for the purpose of allocating exceptional provisions. In this case, the resolution shall expressly indicate the reserve categories from which these deductions are to be made.

After the approval of the financial statements by the Shareholders' Meeting, any losses are recorded in a special account for offset against profit of future years until the expiry of their availability for carry forward.

The Shareholders' Meeting convened to approve the financial statements for a given year may grant to each shareholder, in respect of all or a part of the dividend set aside for distribution, an option to be paid either in cash or in shares, the price of which is previously determined as provided by law. The offer of payment in shares must be made simultaneously to all shareholders. Requests by shareholders in this regard must be made during a period determined by the Shareholders' Meeting, which may not last longer than three months from the date of this meeting.

21.3 STATUTORY AUDITORS' FEES

	MCR				FRANCE AUDIT EXPERTISE			
	AMOUNT (€K)		%		AMOUNT (€K)		%	
AT 31 OCTOBER	2019	2018	2019	2018	2019	2018	2019	2018
Audit								
Statutory audit, certification, audit of the individual company and consolidated financial statements								
Issuer GP SA	180	158	34 %	34 %	180	158	17 %	15 %
Fully consolidated subsidiaries	338	294	63 %	63 %	846	846	80 %	82 %
SUBTOTAL	**518**	**452**	**97 %**	**97 %**	**1 026**	**1 004**	**98 %**	**97 %**
Other work (services other than certification of the financial statements, directly related checks and other work)								
Issuer GP SA	16	16	3 %	3 %	26	26	2 %	3 %
Fully consolidated subsidiaries								
SUBTOTAL	**16**	**16**	**3 %**	**3 %**	**26**	**26**	**3 %**	**3 %**
TOTAL	**534**	**468**	**100 %**	**100 %**	**1 052**	**1 030**	**100 %**	**100 %**

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MATERIAL CONTRACTS

SYNDICATED LOAN

In the context of the refinancing operation of the entire balance of its bank debt, namely (i) the loan arranged on 23 March 2017 with a bank syndicate for an aggregate amount of €25m, (ii) the loan arranged on 31 January 2018 in the amount of €3m and (iii) in particular the syndicated loan taken out on 25 September 2005 for an initial amount of €431m mentioned in the Safeguard Plan (approved in a ruling by the Paris Commercial Court on 29 September 2014 and amended in a ruling by the Paris Commercial Court on 2 November 2016, revised on 8 December 2016), Groupe Partouche SA finalised a new syndicated loan at the end of October 2019 for a total amount of €80m. It includes a refinancing loan in the amount of €65m and a revolving credit of €15m, both with a final repayment date set for 18 October 2025.

No collateral was agreed to in the terms of this syndicated loan. Furthermore, the loan contract provides for the reporting obligations of the lenders, the semi-annual obligation to maintain the "leverage ratio" (net consolidated debt / consolidated EBITDA) below 2.50 as well as standard commitments for loan contracts of this type.

BOND ISSUE

In addition to the syndicated loan, Groupe Partouche SA issued, at the end of October 2019, a bond in the form of a EuroPP private placement, with a maturity of seven years (October 2026), for a par value of €35m.

The bond is unsecured and the commitments made are similar to those for the new syndicated loan, as these two borrowings are closely related.

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THIRD-PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF INTEREST

Article L.225-102-7 of the Decree of 9 August 2017 on the statement of non-financial performance stipulates that data disclosed on this subject must be verified by an independent third party in accordance with the terms laid down in an Order.

Accounting firm Compta Durable, an Accounting Lab brand, located at 14 Boulevard de Douaumont, 75017 Paris, France, was commissioned by Groupe Partouche to carry out these verifications.

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DOCUMENTS ON DISPLAY

24.1 DOCUMENTS ON DISPLAY

During the period of validity of this Universal Registration Document, the following documents (or copy of these documents) may, where applicable, be consulted:

a) the memorandum and Articles of Association of the issuer;

b) all reports, correspondence and other documents, historical financial information, valuations and declarations established by an expert at the request of the issuer, some of which are included or referred to in the Reference Document;

c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiaries for each of the two financial years preceding the publication of the Reference Document.

The documents above may be consulted at the registered office of the Company - Groupe Partouche SA, 141 bis rue de Saussure 75017 Paris, France.

24.2 PERSON RESPONSIBLE FOR THE INFORMATION

Valérie Fort, Finance Director

Telephone: +33 (0)1 47 64 33 45

24.3 FINANCIAL COMMUNICATION CALENDAR

Results for the financial year ended 31 October 2019	> Wednesday, 29 January 2020, in the evening
First quarter financial information to 31 January 2020	> Wednesday, 11 March 2020, in the evening
Turnover for the second quarter ending 30 April 2020	> Wednesday, 10 June 2020, in the evening
Results for the first half-year ending 30 April 2020	> Wednesday, 24 June 2020, in the evening
Third quarter financial information to 31 July 2020	> Wednesday, 09 September 2020, in the evening
Turnover for the fourth quarter ending 31 October 2020	> Wednesday, 09 December 2020, in the evening
Results for the financial year ended 31 October 2020	> Wednesday, 27 January 2021, in the evening

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INFORMATION ON SUBSIDIARIES AND EQUITY INVESTMENTS

Please refer to the table listing the Company's subsidiaries and equity investments presented in Point 3 of the notes to the parent company financial statements in Section 20.2.2 above, and to Note 17 to the Group's consolidated financial statements for the financial year ended 31 October 2019, presented in Section 20.2.1 of this document.

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CROSS-REFERENCE TABLE

In order to facilitate the reader's access to information in the annual report, for which the original French version has been registered as a Universal Registration Document, the following cross-reference table presents the headings relating to the minimum disclosure requirements in this Universal Registration Document.

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AUTORITÉ
DES MARCHÉS FINANCIERS

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This document is a free translation into English of the original French "Document d'enregistrement universel", hereafter referred to as the "Universal Registration Document". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

The original French-language version of this Universal Registration Document was registered with the Autorité des Marchés Financiers (AMF) on 24 February 2020, in its capacity as relevant authority in connection with Regulation (EU) No. 2017/1129, without prior approval pursuant to Article 9 of this regulation.

The original French-language version of this Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of securities to negotiation in a regulated market if accompanied by an offer document and, where applicable, a summary and all amendments made to the Universal Registration Document. The AMF then approves this collection of documents, in accordance with Regulation (EU) No. 2017/1129.

"This document was prepared by the issuer, and its signatories may be held liable for its content."

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