CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2020

Consolidated financial statements at 31 December 2020

Notes to the consolidated financial statements at 31 December 2020

Consolidated income statement for the period

(in € millions)	Notes	2020	2019
Revenue (*)	**1-2**	**43,234**	**48,053**
Concession subsidiaries' revenue derived from works carried out by non-Group companies		696	699
Total revenue		43,930	48,753
Revenue from ancillary activities	4	188	198
Operating expenses	4	(41,260)	(43,216)
Operating income from ordinary activities	**1-4**	**2,859**	**5,734**
Share-based payments (IFRS 2)	30	(239)	(291)
Profit/(loss) of companies accounted for under the equity method	4-10	(146)	212
Other recurring operating items	4	38	48
Recurring operating income	**4**	**2,511**	**5,704**
Non-recurring operating items	4	(52)	(40)
Operating income	**4**	**2,459**	**5,664**
Cost of gross financial debt		(609)	(592)
Financial income from cash investments		21	41
Cost of net financial debt	**5**	**(589)**	**(551)**
Other financial income and expense	6	(47)	(71)
Income tax expense	7	(807)	(1,634)
Net income		**1,015**	**3,408**
Net income attributable to non-controlling interests	23.5	(226)	148
Net income attributable to owners of the parent		**1,242**	**3,260**
Basic earnings per share *(in €)*	8	2.23	5.88
Diluted earnings per share *(in €)*	8	2.20	5.82

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

Consolidated comprehensive income statement for the period

(in € millions)	2020	2019
Net income	**1,015**	**3,408**
Changes in fair value of cash flow and net investment hedging instruments (*)	130	(214)
Hedging costs	(22)	(8)
Tax (**)	46	39
Currency translation differences	(795)	215
Share of profit/(loss) of companies accounted for under the equity method, net	(44)	(84)
Other comprehensive income that may be recycled subsequently to net income	**(684)**	**(53)**
Equity instruments	(2)	(1)
Actuarial gains and losses on retirement benefit obligations	143	(313)
Tax	(27)	77
Share of profit/(loss) of companies accounted for under the equity method, net	-	(2)
Other comprehensive income that may not be recycled subsequently to net income	**114**	**(239)**
Total other comprehensive income recognised directly in equity	**(570)**	**(292)**
Comprehensive income	**445**	**3,117**
of which attributable to owners of the parent	*757*	*2,951*
of which attributable to non-controlling interests	*(312)*	*165*

(*) Changes in the fair value of cash flow hedges are recognised in equity for the effective portion. Cumulative gains and losses in equity are taken to profit or loss at the time when the cash flow affects profit or loss.
In 2020, those changes consisted of a negative €165 million impact related to cash flow hedges and a positive €295 million impact related to net investment hedges.
(**) Tax effects relating to changes in the fair value of cash flow hedging financial instruments (effective portion) and hedging costs.

Consolidated balance sheet

Assets

(in € millions)	Notes	31/12/2020	31/12/2019 (*)
Non-current assets			
Concession intangible assets	13	25,886	26,869
Goodwill	9	11,619	11,647
Other intangible assets	17	6,846	7,410
Property, plant and equipment	17	9,760	10,189 (*)
Investments in companies accounted for under the equity method	10	1,035	1,870
Other non-current financial assets	11-14-18	2,237	1,525
Derivative financial instruments – non-current assets	27	1,250	1,051
Deferred tax assets	7	493	370
Total non-current assets		**59,126**	**60,931**
Current assets			
Inventories and work in progress	19	1,428	1,434
Trade and other receivables	19	12,493	14,523
Other current assets	19	5,719	5,300
Current tax assets		266	166
Other current financial assets		30	53
Derivative financial instruments – current assets	27	201	210
Cash management financial assets	26	137	287
Cash and cash equivalents	26	11,765	8,257
Total current assets		**32,039**	**30,229**
Total assets		**91,165**	**91,159**

(*) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

Consolidated balance sheet

Equity and liabilities

(in € millions)	Notes	31/12/2020	31/12/2019 (*)
Equity			
Share capital	23.1	1,471	1,513
Share premium	23.1	11,527	10,879
Treasury shares	23.2	(2,111)	(3,083)
Consolidated reserves		10,605	9,252
Currency translation reserves		(723)	(18)
Net income attributable to owners of the parent		1,242	3,260
Amounts recognised directly in equity	23.4	(1,148)	(1,364)
Equity attributable to owners of the parent		**20,863**	**20,438**
Equity attributable to non-controlling interests	23.5	2,161	2,604
Total equity		**23,024**	**23,042**
Non-current liabilities			
Non-current provisions	20	1,140	1,341
Provisions for employee benefits	29	1,733	1,911
Bonds	25	23,136	23,300
Other loans and borrowings	25	3,548	3,075
Derivative financial instruments - non-current liabilities	27	434	473
Non-current lease liabilities	21	1,407	1,358 (*)
Other non-current liabilities		669	451
Deferred tax liabilities	7	2,606	2,701
Total non-current liabilities		**34,673**	**34,610**
Current liabilities			
Current provisions	19	4,973	4,741
Trade payables	19	8,876	8,514
Other current liabilities	19	14,668	14,839
Current tax liabilities		221	292
Current lease liabilities	21	501	504 (*)
Derivative financial instruments – current liabilities	27	319	399
Current borrowings	25	3,909	4,217
Total current liabilities		**33,468**	**33,507**
Total equity and liabilities		**91,165**	**91,159**

(*) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

Consolidated cash flow statement

(in € millions)	Notes	2020	2019
Consolidated net income for the period (including non-controlling interests)		**1,015**	**3,408**
Depreciation and amortisation	4.3	3,171	3,040
Net increase/(decrease) in provisions and impairment		218	90
Share-based payments (IFRS 2) and other restatements		89	64
Gain or loss on disposals		(147)	(67)
Change in fair value of financial instruments		33	(4)
Share of profit/(loss) of companies accounted for under the equity method and dividends received from unconsolidated companies		142	(218)
Cost of net financial debt recognised	5	589	551
Capitalised borrowing costs		(40)	(41)
Financial expense on leases	6	42	40
Current and deferred tax expense recognised	7.1	807	1,634
Cash flows from operations before tax and financing costs	**1**	**5,919**	**8,497**
Changes in operating working capital requirement and current provisions	19.1	2,330	428
Income taxes paid		(1,054)	(1,547)
Net interest paid		(590)	(458)
Dividends received from companies accounted for under the equity method		71	170
Net cash flows (used in)/from operating activities	**I**	**6,675**	**7,090**
Purchases of property, plant and equipment and intangible assets		*(1,117)*	*(1,365)*
Proceeds from sales of property, plant and equipment and intangible assets		*124*	*117*
Operating investments (net of disposals)	1.1	(994)	(1,249)
Investments in concession fixed assets (net of grants received)		*(1,043)*	*(1,031)*
Financial receivables (PPP contracts and others)		*(42)*	*(34)*
Growth investments in concessions and PPPs	1.1	(1,085)	(1,065)
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*(302)*	*(3,611)* (*)
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*25*	*43*
Net financial investments		(277)	(3,568)
Other		(85)	(90)
Net cash flows (used in)/from investing activities	**II**	**(2,442)**	**(5,972)**
Share capital increases and decreases and repurchases of other equity instruments		669	560
Transactions on treasury shares	23.2	(336)	(903)
Non-controlling interests in share capital increases and decreases of subsidiaries		(1)	394 (*)
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)		(20)	(21)
Dividends paid	24	(721) (**)	(1,772)
- to shareholders of VINCI SA		*(694)*	*(1,504)*
- to non-controlling interests	23.5	*(27)*	*(267)*
Proceeds from new long-term borrowings	25.1	2,349	4,626
Repayments of long-term borrowings	25.1	(2,136)	(2,335)
Repayments of lease liabilities and financial expense on leases		(607)	(575)
Change in cash management assets and other current financial debts	25	760	(630)
Net cash flows (used in)/from financing activities	**III**	**(42)**	**(656)**
Other changes	IV	(112)	102
Change in net cash	**I+II+III+IV**	**4,080**	**564**
Net cash and cash equivalents at beginning of period		**7,346**	**6,782**
Net cash and cash equivalents at end of period	**26.1**	**11,426**	**7,346**

(*) Including the acquisition of London Gatwick Airport, completed on 13 May 2019.

(**) Including dividends paid in shares for €422 million.

Change in net financial debt during the period

(in € millions)	Notes	2020	2019
Net financial debt at beginning of period		**(21,654)**	**(15,554)**
Change in net cash		4,080	564
Change in cash management assets and other current financial debts		(760)	630
(Proceeds from)/repayment of loans		(213)	(2,291)
Other changes		558	(5,003)
Of which debts assumed during business combinations (*)		*(43)*	*(4,757)*
Change in net financial debt		**3,665**	**(6,100)**
Net financial debt at end of period	**25**	**(17,989)**	**(21,654)**

(*) Including the acquisition of London Gatwick Airport, completed on 13 May 2019.

Consolidated statement of changes in equity

(in € millions)	Equity attributable to owners of the parent									
	Share capital	Share premium	Treasury shares	Consolidated reserves	Net income	Currency translation reserves	Amounts recognised directly in equity	Total attributable to owners of the parent	Non-controlling interests	Total
Reported balance at 31/12/2018	**1,494**	**10,339**	**(2,323)**	**7,767**	**2,983**	**(213)**	**(861)**	**19,185**	**633**	**19,818**
Impact of changed methods [*]	-	-	-	(2)	-	-	-	(2)	-	(3)
Adjusted balance at 01/01/2019	**1,494**	**10,339**	**(2,323)**	**7,765**	**2,983**	**(213)**	**(861)**	**19,183**	**633**	**19,815**
Net income for the period	-	-	-	-	3,260	-	-	3,260	148	3,408
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	181	(404)	(223)	17	(206)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	10	(97)	(86)	-	(86)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**3,260**	**191**	**(500)**	**2,951**	**165**	**3,116**
Increase in share capital	19	540	-	-	-	-	-	560	394	954
Decrease in share capital	-	-	-	-	-	-	-	-	-	-
Transactions on treasury shares	-	-	(760)	(142)	-	-	-	(903)	-	(903)
Allocation of net income and dividend payments	-	-	-	1,479	(2,983)	-	-	(1,504)	(267)	(1,772)
Share-based payments (IFRS 2)	-	-	-	195	-	-	-	195	-	195
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	(7)	-	(1)	-	(9)	(1)	(10)
Changes in consolidation scope	-	-	-	(7)	-	7	-	-	1,681	1,681
Other	-	-	-	(30)	-	(2)	(3)	(34)	-	(35)
Balance at 31/12/2019	**1,513**	**10,879**	**(3,083)**	**9,252**	**3,260**	**(18)**	**(1,364)**	**20,438**	**2,604**	**23,042**
Net income for the period	-	-	-	-	1,242	-	-	1,242	(226)	1,015
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	(682)	242	(441)	(85)	(526)
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	(20)	(24)	(44)	-	(44)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1,242**	**(702)**	**217**	**757**	**(312)**	**445**
Increase in share capital	21	648	-	-	-	-	-	669	-	669
Decrease in share capital	(63)	-	1,118	(1,055)	-	-	-	-	(1)	(1)
Transactions on treasury shares	-	-	(145)	(190)	-	-	-	(336)	-	(336)
Allocation of net income and dividend payments	-	-	-	2,566	(3,260)	-	-	(694)	(27)	(721)
Share-based payments (IFRS 2)	-	-	-	167	-	-	-	167	-	167
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	(7)	-	-	-	(7)	3	(5)
Changes in consolidation scope	-	-	-	4	-	(3)	(1)	-	(104)	(104)
Other	-	-	-	(132)	-	1	-	(131)	(2)	(133)
Balance at 31/12/2020	**1,471**	**11,527**	**(2,111)**	**10,605**	**1,242**	**(723)**	**(1,148)**	**20,863**	**2,161**	**23,024**

(*) Change in accounting methods related to the first-time adoption of IFRS 16 "Leases".

A. Key events, accounting policies and specific arrangements made in the context of the health crisis

1. Key events

Covid-19 pandemic

Covid-19 was declared a pandemic by the World Health Organization on 11 March 2020. Faced with this unprecedented global health crisis, VINCI's absolute priorities are the safety of its staff, partners, subcontractors, customers and stakeholders, along with the continuity of the public services for which it is responsible.

The Group's business levels and earnings were badly affected by the pandemic, in both Concessions and Contracting.

- Consolidated revenue totalled €43.2 billion in 2020, down 10.0% relative to 2019 and down 11.1% like-for-like.
- Operating income from ordinary activities was sharply lower than in 2019, amounting to €2,859 million. Operating margin on ordinary activities was 6.6% (11.9% in 2019).
- Recurring operating income – including a negative contribution from companies accounted for under the equity method – totalled €2,511 million (€5,704 million in 2019).
- Consolidated net income attributable to owners of the parent was €1,242 million in 2020, compared with €3,260 million in 2019.
- Net financial debt at 31 December 2020 was €18.0 billion, down around €3.7 billion relative to end-2019, due to very strong free cash flow of €4 billion, close to the 2019 figure of €4.2 billion.

The report of the Board of Directors contains information on the operating performance of the Group's various business lines.

The Group has not changed its financial performance indicators. The effects of the pandemic are spread across the income statement and certain elements cannot be isolated, either because they resulted in a decline in revenue or because the Covid-19 impact cannot be determined reliably.

Recurring operating income was affected by the fall in revenue, which resulted in lower-than-normal business activity – particularly in France during the first lockdown – along with reduced productivity because of the introduction of new health standards and containment measures on worksites. Additional costs mainly concern:

- the cost of demobilising, shutting down and remobilising worksites, and measures taken by the Group to ensure the on-site safety of staff members given the health risks;
- fixed personnel costs, partly offset by furlough compensation payments;
- the cost of unused premises and equipment.

These additional expenses incurred in 2020, and more specifically in the second quarter of the year, are not included in the measurement of progress towards completion of construction contracts, and so did not result in the recognition of any revenue.
Some income statement items – such as impairment charges on goodwill and certain material assets, and restructuring costs relating to consolidated subsidiaries – are presented under non-recurring items, as they had already been in the past. However, non-recurring items relating to subsidiaries accounted for under the equity method are presented under recurring operating income.

Financing transactions and liquidity management

The Group took steps to protect and strengthen its financial position in 2020.

At 31 December 2020, VINCI had total liquidity (including commercial paper) of €19.2 billion, comprising:

- managed net cash of €10.0 billion, resulting from excellent control over the operational cash position during the year;
- a confirmed revolving credit facility remaining unused by VINCI, totalling €8.0 billion, due to expire in November 2024, extended in November for one year for €7.7 billion;
- €1.2 billion of commercial paper in issue at 31 December 2020 (€0.8 billion at 31 December 2019).

Given its very high level of liquidity, the Group did not exercise the extension options for its €3.3 billion short-term credit facility arranged with a syndicate of 11 banks between April and May and due to expire in October 2020.

2. Accounting policies

2.1 Basis for preparing the financial statements

Pursuant to Regulation (EC) No. 1606/2002 of 19 July 2002, VINCI's consolidated financial statements for the period ended 31 December 2020 have been prepared under the International Financial Reporting Standards (IFRS) as endorsed by the European Union at 31 December 2020.(*)

The accounting policies used at 31 December 2020 are the same as those used in preparing the consolidated financial statements at 31 December 2019, except for the standards and/or amendments of standards described below, adopted by the European Union and mandatorily applicable as from 1 January 2020.

The Group's consolidated financial statements are presented in millions of euros, rounded to the nearest million. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

The information relating to 2018, presented in the 2019 universal registration document filed with the AMF under number D.20-0090 on 2 March 2020 and amended on 17 April 2020 in the context of the Covid-19 pandemic, is deemed to be included herein.

The consolidated financial statements were adopted by the Board of Directors on 4 February 2021 and will be submitted for approval at the Shareholders' General Meeting on 8 April 2021.

As regards the presentation of the financial statements in the annual financial report, the Group decided to apply the single electronic reporting format, as defined in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018, only to financial periods beginning on or after 1 January 2021.

New standards and interpretations applied from 1 January 2020

Standards and interpretations mandatorily applicable from 1 January 2020 had no material impact on VINCI's consolidated financial statements at 31 December 2020. These are mainly:

- Amendments to IFRS 3 "Business Combinations" – "Definition of a Business";
- Amendments to IAS 1 and IAS 8 "Definition of Material";
- Amendments to References to the Conceptual Framework in IFRS Standards;
- Amendments to IFRS 9 and IFRS 7 – "Interest Rate Benchmark Reform – Phase 1":

These amendments allow the Group not to take into account the effects of the interest rate reform, including when assessing the highly probable nature of hedged interest flows, until the transition to new indices becomes effective.
They amend certain provisions relating to hedge accounting. Accordingly, the Group is paying greater attention to arrangements in relation to new financing. IBOR rates continue to serve as benchmarks in the financial markets and are used to value financial instruments due to mature after those rates are expected to be discontinued.
The Group has applied these two amendments early from 1 January 2019.

- IFRS IC interpretation relating to the assessment of non-cancellable periods of leases and the amortisation period of leasehold improvements:

The Group has implemented the decisions taken by the IFRS IC, published on 16 December 2019, concerning the assessment of lease terms for leases renewable by tacit agreement and cancellable leases (with no particular contractual end-date). The IFRS IC confirmed that the non-cancellable period must be determined, taking an economic view as well as assessing the lease's legal characteristics. The leases concerned are mainly property leases.
The IFRC IC also confirmed that the amortisation period for non-removable leasehold improvements must not exceed the lease term.
The Group has applied this interpretation with retroactive effect from 1 January 2019, the date on which IFRS 16 "Leases" was adopted for the first time. The impact of that application is limited and caused the Group to recognise an additional €57 million of right-of-use assets, with a balancing addition in an equivalent amount to lease liabilities.

- Amendment to IFRS 16 "Leases" – "Covid-19-related Rent Concessions", approved by the European Union on 12 October 2020. This amendment has no material impact on VINCI's consolidated financial statements at 31 December 2020.

Standards and interpretations adopted by the IASB but not yet applicable at 31 December 2020

The Group has not applied early the following standards and interpretations that could concern the Group and of which application was not mandatory at 1 January 2020:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – "Interest Rate Benchmark Reform – Phase 2". These amendments will be applicable to accounting periods beginning on or after 1 January 2021. VINCI has set up a working group focusing specifically on this reform, bringing together all stakeholders concerned (Treasury and Financing Department, Budgets and Consolidation Department, Information Systems Department) in order to identify impacts and anticipate any consequences as effectively as possible;
- Amendments to IAS 1 "Presentation of Financial Statements" – "Classification of Liabilities as Current or Non-current";

(*) Available at: http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_en.htm

- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" – "Onerous Contracts – Cost of Fulfilling a Contract";
- Amendments to IAS 16 "Property, Plant and Equipment" – "Proceeds before Intended Use";
- Amendments to IFRS 3 "Business Combinations" – "Reference to the Conceptual Framework";
- Annual Improvements 2018-2020.

A study of the impacts and practical consequences of applying these amendments is under way. However, they do not contain any provisions that are contrary to the Group's current accounting practices.

2.2 Consolidation methods

In accordance with IFRS 10, companies in which the Group holds, whether directly or indirectly, the majority of voting rights in shareholders' general meetings, in the Boards of Directors or in the equivalent management bodies, giving it the power to direct their operational and financial policies, are generally deemed to be controlled and are fully consolidated. To determine control, VINCI carries out an in-depth analysis of governance arrangements in place and of the rights held by other shareholders. Where necessary, an analysis is performed in relation to instruments held by the Group or by third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) that, if exercised, could alter the type of influence exerted by each party.
For some infrastructure project companies operating under concessions or public-private partnership (PPP) contracts and in which VINCI is not the only capital investor, in addition to the analysis of the governance arrangements with each partner, the Group may look at the characteristics of subcontracting contracts to check that they do not confer powers that could lead to a situation of de facto control. This most often concerns construction contracts and contracts to operate/maintain concession assets.
An analysis is performed if a specific event takes place that may affect the level of control exerted by the Group, such as a change in an entity's ownership structure or governance, or the exercise of a dilutive financial instrument.

In accordance with IFRS 11, the joint arrangements in which the Group is involved fall into two categories (joint ventures and joint operations), depending on the nature of the rights and obligations held by each party. Classification is generally determined by the legal form of the project vehicle. The Group has joint control over all of these joint arrangements.
Joint operations: most joint arrangements in the Contracting business are joint operations because of the legal form of the vehicles used. In France, for example, parties generally use *sociétés en participation* (SEPs) to contractualise their joint works activities.
In some situations, where the facts and circumstances show that a company's activities amount to providing production to the parties, it is regarded as a joint operation even where the vehicle's legal form does not establish transparency between the joint operators' assets and those of the joint arrangement. In that situation, the parties have the rights to substantially all of the economic benefits associated with the company's assets, and will settle its liabilities.
Within the VINCI Group, this situation concerns certain coating plants held and used by Eurovia in its road infrastructure construction and renovation activities.
Associates are entities over which the Group exerts significant influence. They are accounted for under the equity method in accordance with IAS 28. Significant influence is presumed where the Group's stake is more than or equal to 20%. However, it may arise where the ownership interest is lower, particularly where the Group is represented on the Board of Directors or any equivalent governance body, and therefore takes part in determining the entity's operational and financial policies and strategy. At 31 December 2020, this applied in particular to the Group's stake in CFE.
Joint ventures: French property development joint arrangements contractualised in the form of *sociétés civiles de construction-vente* (SCCVs) are joint ventures under IFRS 11 and accounted for under the equity method. The same is true of the Group's other joint arrangements to carry out a specific project through an entity with legal personality and where the partners do not take all of the joint venture's production.

The holding company that owns London Gatwick Airport's operations has material non-controlling interests (49.99%): the information required by IFRS 12 regarding non-controlling interests is provided in Note I.23.5, "Non-controlling interests". The Group's consolidation scope does not include any other individually material joint venture or associate. That assessment is based on the impact of those interests on the Group's financial performance, consolidated balance sheet and cash flow. VINCI does not own any interest in structured entities as defined by IFRS 12.

VINCI's consolidated financial statements include the financial statements of all companies with revenue of more than €2 million, and of companies whose revenue is below this figure but whose impact on certain of the Group's balance sheet and income statement indicators is material.

In accordance with Regulation no. 2016-09 of 2 December 2016, issued by the Autorité des Normes Comptables (ANC, the French accounting standards authority), the list of companies included in the consolidation scope and shares in unconsolidated subsidiaries and affiliates is available on VINCI's website at https://www.vinci.com/vinci.nsf/en/investors-composition-group.htm.

2.3 Use of estimates

The preparation of financial statements under IFRSs requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements. Given the current health crisis, the Group has carried out an in-depth examination of these assumptions and estimates. Those estimates are made on a going concern basis in light of the Group's liquidity, order book and the recovery in its business levels. They reflect information available at the time. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

The consolidated financial statements for the period have been prepared with reference to the immediate environment, in particular as regards the estimates given below.

Measurement of revenue from construction and service contracts

For revenue and income or losses on construction and service contracts, the Group applies general revenue recognition rules based on progress towards completion.
Progress towards completion and the revenue to be recognised are determined on the basis of a large number of estimates made by monitoring the work performed. Adjustments may therefore be made to initial estimates throughout contracts and may materially affect future results.

Measurement of the fair value of identifiable assets and liabilities acquired in business combinations

Business combinations are recognised according to IFRS 3 "Business Combinations" and IFRS 10 "Consolidated Financial Statements".
When the Group acquires control over a company, the business combination is measured and recognised using the acquisition method.
Assets and liabilities are therefore measured at fair value on the date of the acquisition except for those that fall within the scope of IAS 12 "Income Taxes" and IAS 19 "Employee Benefits". To measure the fair value of identifiable assets and liabilities, assumptions and estimates must be formulated.

Measurement of leases

The assumptions and estimates made to determine the value of right-of-use assets in respect of leases and the related liabilities relate in particular to discount rates and lease terms.
The Group takes into account all economic facts and circumstances of which it is aware when determining the non-cancellable period of leases and ensures that this period is not shorter than the amortisation period of non-removable leasehold improvements.

Measurement of amortisation calculated using the unit of production method

Amortisation calculated using the unit of production method applies mainly to the concession intangible assets at VINCI Airports and to quarrying rights at Eurovia. This amortisation method is based on the following physical indicators: passenger traffic at VINCI Airports and volumes of aggregates extracted at Eurovia.

Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of goodwill, intangible assets and property, plant and equipment relate in particular to the assessment of market prospects needed to estimate the cash flow, and the discount rates adopted. Any change in these assumptions could have a material effect on the recoverable amount. The main assumptions used by the Group are described in Note E.9, "Goodwill and goodwill impairment tests" and in Note H.17, "Other intangible assets and property, plant and equipment".

Measurement of provisions

The factors that may cause a material change in the amount of provisions are:

- the estimates made using statistical methods on the basis of expenses incurred in previous years to determine after-sales-service provisions;
- the forecasts of expenditures on major maintenance over several years used as a basis for the provisions for obligations to maintain the condition of concession assets. These forecasts are estimated taking account of indexation clauses included in construction and civil engineering contracts (mainly the TP01, TP02 and TP09 indexes for France);
- the estimates of forecast profit or loss on construction contracts, which serve as a basis for the determination of losses on completion (see Note G.16, "Contracting business and VINCI Immobilier: construction and service contracts" and Note H.19.3, "Breakdown of current provisions");
- the discount rates used.

Measurement at fair value

Fair value is the price that would be received from selling an asset or paid to transfer a liability in a normal transaction. It is recognised on the basis of the asset or liability's main market (or the most advantageous market if there is no main market), i.e. the one that offers the highest volume and activity levels. The fair value of derivative financial instruments includes a "counterparty risk" component for derivatives carried as assets and an "own credit risk" component for derivatives carried as liabilities.

The Group mainly uses fair value in measuring, on a consistent basis, the derivative instruments, cash and cash equivalents, shares in unconsolidated subsidiaries and affiliates, cash management financial assets and identifiable assets and liabilities acquired in business combinations on its balance sheet. The fair value of other financial instruments (particularly debt instruments and assets measured at amortised cost) is stated in Note J.28, "Book and fair value of financial instruments by accounting category".

To determine these fair values, the Group uses the following measurement methods:
- market-based approaches, based on observable market prices or transactions;
- revenue-based approaches, which convert future cash flow into a single present value;
- cost-based approaches, which take into account the asset's physical, technological and economic obsolescence.

The following three-level hierarchy of fair values is used:
- Level 1 – price quoted on an active market. Marketable securities, some shares in unconsolidated subsidiaries and affiliates and listed bond issues are measured in this way;
- Level 2 – internal model using internal measurement techniques with observable factors: these techniques are based on usual mathematical computation methods, which incorporate observable market data (forward prices, yield curves, etc.). The calculation of the fair value of most derivative financial instruments (swaps, caps, floors, etc.) traded over the counter is made on the basis of models commonly used to price such financial instruments.
Every quarter, the internally calculated values of derivative instruments are checked for consistency with those sent to VINCI by the counterparties;
- Level 3 – internal model using non-observable factors: this model applies to customer relationships and contracts acquired through business combinations, as well as to holdings of unlisted shares, which, in the absence of an active market, are measured at their cost of acquisition plus transaction costs.

Measurement of retirement benefit obligations

The Group is involved in defined contribution and defined benefit retirement plans. For defined-benefit plans, obligations are measured using the actuarial projected unit credit method based on assumptions such as the discount rate, future increases in wages and salaries, employee turnover, mortality rates and the rate of increase of health expenses. Those obligations may therefore change if assumptions change, most of which are updated annually. Details of the assumptions used and how they are determined are given in Note K.29, "Provisions for employee benefits". The Group considers that the actuarial assumptions used are appropriate and justified in the current conditions.

Measurement of share-based payment expense

The Group recognises a share-based payment expense relating to performance share plans and Group savings plans offered to employees or some of its employees. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.
The main actuarial assumptions (volatility, return on shares, etc.) adopted by the Group are described for each plan in Note K.30, "Share-based payments".

3. Specific arrangements made in the context of the health crisis

Against the background of the current health crisis and to ensure that the correct accounting treatment is applied to the consequences of the Covid-19 pandemic on the Group's performance indicators and financial position at 31 December 2020, specific instructions were sent to all Group subsidiaries.

3.1 Contract-related expenses and obligations

Revenue relating to construction and service contracts is recognised in accordance with IFRS 15. Progress with construction and service contracts is measured using either the physical progress towards completion method or the cost-to-cost method.

Incurred costs that do not contribute to an entity's progress in satisfying the performance obligation (costs of significant inefficiencies such as the unexpected costs of losses of materials, labour hours expended or other resources consumed) are not included in measuring progress towards completion and do not therefore generate revenue. In the context of the health crisis in 2020, this mainly concerned worksite demobilisation, shutdown and remobilisation costs.

The Group has also reviewed its long-term contract completion forecasts, with the yet-to-come portion now including Covid-19-related additional costs and future disruption costs. Where those additional costs resulted in an onerous contract, a provision to cover the future loss on completion was set aside at 31 December 2020. VINCI has also worked hard to comply with its contractual obligations. At 31 December 2020, it did not identify any material events such as contract terminations, late performance penalties or disputes with clients or suppliers capable of materially affecting the financial statements.

3.2 Goodwill and intangible assets

In accordance with IAS 36 "Impairment of Assets", an entity must assess on each reporting date whether there is any indication that an asset may be impaired. The material decrease in revenue in the Concessions and Contracting businesses in 2020 constitutes an indication that assets may be impaired. Impairment tests were carried out at 31 December 2020 for:
- all of the Group's cash-generating units (CGUs) and intangible assets with indefinite lives;

- intangible assets or property, plant and equipment with definite lives where there is an indication that they may be impaired; based on analysis carried out by the Group, the consequences of the health crisis could cause the recoverable amounts of these assets to fall below their carrying amounts.

Additional information is provided in Note E.9, "Goodwill and goodwill impairment tests" and in Note H.17, "Other intangible assets and property, plant and equipment".

3.3 Trade receivables

Financial difficulties related to the health crisis are creating an increased risk of bankruptcy for certain clients and/or partners. The Group's exposure to credit risk was the subject of specific analysis and an in-depth review of trade receivables, which led to additional impairment being recognised, particularly in relation to airlines but also to amounts receivable from clients operating in countries deemed risky. Additional information is provided in Note H.19.2, "Current operating assets and liabilities".

3.4 Deferred tax assets

The periods for recovering deferred tax assets were also specifically assessed at 31 December 2020.

3.5 Hedge accounting and covenants

The Group has not reviewed its hedging strategies and has maintained its hedge accounting policies as described in the financial statements in Note J.27, "Financial risk management".
The main exposures hedged concern interest rate risk and currency translation risk. At 31 December 2020, the Covid-19 crisis had had little effect on the highly probable nature of the hedged cash flows. Construction and debt drawdown schedules had not been materially affected.
As regards currency translation risk, the net positions of hedged subsidiaries were closely monitored. The change consisted of the partial derecognition of hedges relating to London Gatwick Airport to take account of the reduction in its equity in an equivalent amount.
The principles used to measure financial instruments take into account changes in counterparty credit risk, along with the Group's own credit risk. VINCI's risk management policy already included setting strict limits on the basis of counterparties' ratings, and so the impact of the crisis has been limited.

The Group also paid particular attention to finance agreements that could give rise to risks of it failing to comply with financial ratios in the short and medium term. Additional information is provided in Note J.25.3, "Credit ratings and financial covenants".

B. Changes in consolidation scope

1. Changes in consolidation scope during the period

1.1 Acquisitions and disposals during the period

VINCI did not carry out any material acquisitions of companies in 2020.
The main changes in the period concern the acquisition of some 20 companies by VINCI Energies in France, elsewhere in Europe, Canada and South America. In relation to these companies, VINCI assessed the fair value of the identifiable assets and liabilities acquired in accordance with IFRS 3. The values allocated to identifiable acquired assets and liabilities on the dates when control was acquired in 2020 were not adjusted materially. The allocation of purchase prices resulted in the recognition of goodwill measured at €216 million, including €70 million allocated to the VINCI Energies Germany cash-generating unit (CGU) in respect of Actemium Energy Projects (formerly Converse Energy Projects) and €40 million allocated to the VINCI Energies North America CGU in respect of Transelec Common Inc. in Canada.

Other changes in scope relate mainly to legal restructuring within the Group.

	31/12/2020			31/12/2019		
(number of companies)	**Total**	France	Foreign	**Total**	France	Foreign
Controlled companies	**2,052**	1,106	946	**2,047**	1,106	941
Joint ventures (*)	**162**	102	60	**151**	98	53
Associates (*)	**39**	19	20	**38**	20	18
Total	**2,253**	**1.227**	**1,026**	**2,236**	**1,224**	**1,012**

(*) Entities accounted for under the equity method.

1.2 Loss of significant influence over Groupe ADP

Xavier Huillard, Chairman and Chief Executive Officer of VINCI, tendered VINCI's resignation from ADP's Board of Directors, on which he was VINCI's permanent representative.
VINCI's term of office as Director ended on 15 December 2020, resulting in the loss of its significant influence over Groupe ADP.
Accordingly, from that date, Groupe ADP left VINCI's consolidation scope, having previously been accounted for under the equity method in VINCI's financial statements (see Note D.4 "Operating income"). VINCI's shares in ADP are now recognised as financial assets, specifically as equity instruments, and measured at fair value in accordance with IFRS 9. The Group has opted to recognise changes in fair value in "Other financial income and expense".

2. Changes in consolidation scope in previous periods

The main transaction in 2019 was the acquisition by VINCI Airports of a 50.01% stake in the holding company that controls Gatwick Airport Limited on 13 May 2019.
In accordance with IFRS 3, VINCI assessed the fair value of the identifiable assets and liabilities acquired. The allocation of values to the identifiable assets and liabilities acquired on the date when control was taken in 2019 was finalised in the first half of 2020. It resulted in the definitive recognition of €1,443 million of goodwill at 31 December 2020.

Details of this transaction are provided in Note B.1.1, "Changes in consolidation scope" in the 2019 universal registration document.

The other transactions taking place in 2019 included the acquisition of around 30 companies by VINCI Energies and VINCI Immobilier's purchase of a 49.9% stake in Urbat. VINCI also reviewed the value of identifiable assets and liabilities on the dates those companies were acquired. No material adjustment has been made in the financial statements.

C. Financial indicators by business line and geographical area

1. Information by operating segment

Based on the Group's organisational structure and internal reporting system, segment information is presented by business line.

The Group consists of two core businesses (Concessions and Contracting) and a business line that reports directly to the holding company, namely VINCI Immobilier. Each business in turn consists of business lines.

Concessions business

- VINCI Autoroutes: motorway concessions in France (ASF, Escota, Cofiroute, Arcour and Arcos).
- VINCI Airports: operation of airports in France and abroad under full ownership, concession contracts and/or delegated management.
- Other concessions: VINCI Highways (motorway and road infrastructure, mainly outside France), VINCI Railways (rail infrastructure) and VINCI Stadium (stadium management).

Contracting business

- VINCI Energies: services to the manufacturing sector, infrastructure, facilities management, and information and communication technology.
- Eurovia: building and maintenance of roads, motorways and railways, urban infrastructure, production of materials (asphalt mixes), quarries, and services.
- VINCI Construction: design and construction of buildings (residential and commercial property) and civil engineering infrastructure, specialised civil engineering, water and pipeline infrastructure, major projects and works for the oil and gas sector.

VINCI Immobilier: property development (residential properties, business properties), operation of managed residences and property services.

1.1 Information by business

The data below is for the Concessions business and each Contracting business line separately and is stated before elimination, at their own level, of transactions with the rest of the Group. Performance indicators that do not appear on the face of the financial statements are defined in Note 3 in this section.

Comments regarding the impact of the Covid-19 crisis on the Group's main operational indicators are included in the report of the Board of Directors.

2020

(in € millions)	Concessions	Contracting				VINCI Immobilier and holding companies	Eliminations	Total
		VINCI Energies	Eurovia	VINCI Construction	Total			
Income statement								
Revenue (*)	**5,839**	**13,661**	**9,575**	**13,641**	**36,878**	**1,189**	**(672)**	**43,234**
Concession subsidiaries' works revenue	864	-	-	-	-	-	(168) (**)	696
Total revenue	6,703	13,661	9,575	13,641	36,878	1,189	(840)	43,930
Operating income from ordinary activities	**1,586**	**773**	**335**	**136**	**1,244**	**29**	**-**	**2,859**
% of revenue (*)	*27.2%*	*5.7%*	*3.5%*	*1.0%*	*3.4%*	-	-	*6.6%*
Recurring operating income	**1,459**	**688**	**290**	**58**	**1,035**	**17**	**-**	**2,511**
Operating income	**1,555**	**642**	**291**	**(49)**	**884**	**20**	**-**	**2,459**
Cash flow statement								
Cash flow from operations before tax and financing costs	**3,491**	**1,057**	**659**	**472**	**2,188**	**240**	**-**	**5,919**
% of revenue (*)	*59.8%*	*7.7%*	*6.9%*	*3.5%*	*5.9%*	-	-	*13.7%*
Depreciation and amortisation	1,828	412	394	492	1,299	43	-	3,171
Operating investments (net of disposals)	(178)	(150)	(242)	(275)	(667)	(148)	-	(994)
Repayment of lease liabilities (***)	(34)	(278)	(102)	(157)	(536)	(36)	-	(607)
Operating cash flow	**2,023**	**1,191**	**904**	**479**	**2,574**	**477**	**-**	**5,075**
Growth investments in concessions and PPPs	(1,035)	-	-	(50)	(50)	-	-	(1,085)
Free cash flow	**988**	**1,191**	**904**	**429**	**2,524**	**477**	**-**	**3,990**
Balance sheet								
Capital employed at 31/12/2020	**39,304**	**4,181**	**1,036**	**260**	**5,477**	**1,477**	**-**	**46,258**
of which investments in companies accounted for under the equity method	*451*	*18*	*123*	*275*	*416*	*168*	-	*1,035*
of which right-of-use assets in respect of leases	*283*	*779*	*324*	*374*	*1,476*	*157*	-	*1,917*
Net financial surplus/(debt)	**(32,718)**	**(256)**	**939**	**1,272**	**1,955**	**12,774**	**-**	**(17,989)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession-operating companies.
(***) Including associated financial expense.
PPP: Public-private partnership.

2019

(in € millions)	Concessions	Contracting: VINCI Energies	Contracting: Eurovia	Contracting: VINCI Construction	Contracting: Total	VINCI Immobilier and holding companies	Eliminations	Total
Income statement								
Revenue [1]	**8,544**	**13,749**	**10,209**	**14,926**	**38,884**	**1,320**	**(695)**	**48,053**
Concession subsidiaries' works revenue	1,038	-	-	-	-	-	(338) [2]	699
Total revenue	9,581	13,749	10,209	14,926	38,884	1,320	(1,033)	48,753
Operating income from ordinary activities	**3,989**	**827**	**430**	**396**	**1,654**	**92**	**-**	**5,734**
% of revenue [1]	*46.7%*	*6.0%*	*4.2%*	*2.7%*	*4.3%*	-	-	*11.9%*
Recurring operating income	**4,146**	**729**	**394**	**337**	**1,461**	**97**	**-**	**5,704**
Operating income	**4,167**	**723**	**363**	**314**	**1,400**	**97**	**-**	**5,664**
Cash flow statement								
Cash flow from operations before tax and financing costs	**5,796**	**1,065**	**694**	**688**	**2,446**	**254**	**-**	**8,497**
% of revenue [1]	*67.8%*	*7.7%*	*6.8%*	*4.6%*	*6.3%*	-	-	*17.7%*
Depreciation and amortisation	1,762	387	382	472	1,241	37	-	3,040
Operating investments (net of disposals)	(241)	(144)	(298)	(411)	(853)	(154)	-	(1,249)
Repayment of lease liabilities [3]	(26)	(259)	(101)	(157)	(516)	(32)	-	(575)
Operating cash flow	**3,800**	**781**	**466**	**234**	**1,482**	**(16)**	**-**	**5,266**
Growth investments in concessions and PPPs	(1,026)	2	-	(42)	(39)	-	-	(1,065)
Free cash flow	**2,774**	**784**	**466**	**193**	**1,443**	**(16)**	**-**	**4,201**
Balance sheet								
Capital employed at 31/12/2019 [4]	**41,030**	**4,805**	**1,761**	**912**	**7,478**	**1,550**	**-**	**50,058**
of which investments in companies accounted for under the equity method	*1,273*	*11*	*113*	*280*	*404*	*193*	-	*1,870*
of which right-of-use assets in respect of leases [4]	*307*	*739*	*313*	*384*	*1,436*	*136*	-	*1,879*
Net financial surplus/ (debt)	**(33,952)**	**(1,186)**	**100**	**918**	**(168)**	**12,466**	**-**	**(21,654)**

(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(2) Intragroup revenue of the Contracting business derived from works carried out for the Group's concession-operating companies.
(3) Including associated financial expense.
(4) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.
PPP: Public-private partnership.

1.2 Information relating to the Concessions business

2020

(in € millions)	Concessions: VINCI Autoroutes	Concessions: VINCI Airports	Concessions: VINCI Highways, VINCI Railways, VINCI Stadium and others	Total
Income statement				
Revenue (*)	**4,613**	**990**	**235**	**5,839**
Concession subsidiaries' works revenue	558	298	8	864
Total revenue	5,171	1,288	243	6,703
Operating income from ordinary activities	**1,981**	**(369)**	**(26)**	**1,586**
% of revenue (*)	*42.9%*	*(37.3%)*	*(11.0%)*	*27.2%*
Recurring operating income	**1,968**	**(597)**	**87**	**1,459**
Operating income	**1,968**	**(498)**	**85**	**1,555**
Cash flow statement				
Cash flow from operations before tax and financing costs	**3,231**	**146**	**114**	**3,491**
% of revenue (*)	*70.0%*	*14.7%*	*48.3%*	*59.8%*
Depreciation and amortisation	1,271	463	95	1,828
Operating investments (net of disposals)	(21)	(138)	(19)	(178)
Repayment of lease liabilities (**)	(6)	(17)	(11)	(34)
Operating cash flow	**2,405**	**(422)**	**40**	**2,023**
Growth investments in concessions and PPPs	(731)	(310)	6	(1,035)
Free cash flow	**1,674**	**(732)**	**46**	**988**
Balance sheet				
Capital employed at 31/12/2020	**20,388**	**16,143**	**2,773**	**39,304**
of which investments in companies accounted for under the equity method	*14*	*256*	*181*	*451*
of which right-of-use assets in respect of leases	*10*	*240*	*33*	*283*
Net financial surplus (debt)	**(18,318)**	**(11,053)**	**(3,347)**	**(32,718)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Including associated financial expense.
PPP: Public-private partnership.

2019

	Concessions			
(in € millions)	VINCI Autoroutes	VINCI Airports	VINCI Highways, VINCI Railways, VINCI Stadium and others	Total
Income statement				
Revenue (*)	**5,593**	**2,631**	**319**	**8,544**
Concession subsidiaries' works revenue	834	198	6	1,038
Total revenue	6,427	2,829	325	9,581
Operating income from ordinary activities	**2,967**	**1,016**	**6**	**3,989**
% of revenue (*)	*53.0%*	*38.6%*	*2.0%*	*46.7%*
Recurring operating income	**2,948**	**1,187**	**11**	**4,146**
Operating income	**2,948**	**1,179**	**41**	**4,167**
Cash flow statement				
Cash flow from operations before tax and financing costs	**4,178**	**1,466**	**152**	**5,796**
% of revenue (*)	*74.7%*	*55.7%*	*47.8%*	*67.8%*
Depreciation and amortisation	1,238	427	97	1,762
Operating investments (net of disposals)	(24)	(205)	(12)	(241)
Repayment of lease liabilities (**)	(5)	(11)	(10)	(26)
Operating cash flow	**2,822**	**899**	**78**	**3,800**
Growth investments in concessions and PPPs	(775)	(248)	(3)	(1,026)
Free cash flow	**2,048**	**651**	**75**	**2,774**
Balance sheet				
Capital employed at 31/12/2019 (***)	**20,774**	**17,153**	**3,104**	**41,030**
of which investments in companies accounted for under the equity method	*14*	*1,082*	*176*	*1,273*
of which right-of-use assets in respect of leases (***)	*10*	*256*	*41*	*307*
Net financial surplus (debt)	**(19,964)**	**(10,530)**	**(3,458)**	**(33,952)**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Including associated financial expense.
(***) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.
PPP: Public-private partnership.

2. Breakdown of revenue by geographical area

Accounting policies

The Group's consolidated revenue corresponds to revenue from the Contracting business lines, the Concessions business and VINCI Immobilier.
IFRS 15 "Revenue from Contracts with Customers" requires a contract as well as the various performance obligations contained in the contract to be identified. The number of performance obligations depends on the types of contracts and activities. Most of the Group's contracts involve only one performance obligation.
Under IFRS 15, recognition of revenue from contracts with customers must reflect:

- the rate at which performance obligations are fulfilled, corresponding to the transfer to a customer of control of a good or service;
- the amount to which the seller expects to be entitled as consideration for its activities.

The way in which transfer of control of a good or service is analysed is crucial, since that transfer determines the recognition of revenue. The transfer of control of a good or service may take place continuously (revenue recognition on a progress towards completion basis) or on a specific date that corresponds to the completion of works.

Revenue from concession contracts consists of:

- tolls for the use of motorway infrastructure operated under concession, revenue from airport service concessions, and ancillary income such as fees from commercial installations, rental of telecommunications infrastructure and advertising space; and
- revenue in respect of the construction of new infrastructure under concession and recognised on a progress towards completion basis.

Consolidated revenue in the Contracting business (VINCI Energies, Eurovia and VINCI Construction) includes the total of the work, goods and services generated by the consolidated subsidiaries pursuing their main activity and the revenue for the construction of infrastructure under concession.
In the French property sector, revenue arising on lots sold is recognised as the property development proceeds, in accordance with IFRS 15 and statutory provisions relating to off-plan sales. In that respect, to measure progress towards completion of works, VINCI Immobilier uses the cost-based method. The cost of land is included in the progress towards completion calculation at the start of each contract.

Revenue from ancillary activities mainly relates to revenue from leases, sales of equipment, materials and merchandise, study work and fees.

The method for recognising revenue under concession contracts is explained in Note F, "Concessions business: PPP contracts, concession contracts and other infrastructure". The method for recognising revenue from construction and service contracts is explained in Note G.16, "Information on construction and service contracts".

(in € millions)	2020	%	2019	%
France	**22,912**	**53.0%**	**26,307**	**54.7%**
Germany	3,213	7.4%	3,140	6.5%
United Kingdom	2,589	6.0%	3,002	6.2%
Central and Eastern Europe (*)	2,214	5.1%	2,219	4.6%
Portugal	435	1.0%	1,011	2.1%
Other European countries	3,825	8.8%	3,734	7.8%
Europe excluding France	**12,277**	**28.4%**	**13,106**	**27.3%**
Europe (**)	**35,188**	**81.4%**	**39,413**	**82.0%**
of which European Union	*34,113*	*78.9%*	*38,292*	*79.7%*
North America	3,364	7.8%	3,166	6.6%
of which United States	*2,268*	*5.2%*	*2,197*	*4.6%*
Central and South America	946	2.2%	1,264	2.6%
Africa	1,386	3.2%	1,603	3.3%
Russia, Asia Pacific and Middle East	2,350	5.4%	2,607	5.4%
International excluding Europe	**8,046**	**18.6%**	**8,640**	**18.0%**
International excluding France	**20,322**	**47.0%**	**21,746**	**45.3%**
Total revenue (***)	**43,234**	**100.0%**	**48,053**	**100.0%**

(*) Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.
(**) Including the eurozone for €28,887 million (66.8% of total revenue) in 2020 and for €32,727 million (68.1% of total revenue) in 2019.
(***) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

The Covid-19 crisis resulted in a sharp decrease in revenue in 2020 compared with 2019. Revenue generated in France amounted to €22,912 million in 2020, down around 13% compared with 2019.

Revenue generated outside France amounted to €20,322 million in 2020, down 6.5% compared with 2019. It accounted for 47.0% of revenue excluding concession subsidiaries' revenue derived from works carried out by non-Group companies (45.3% in 2019).

3. Reconciliation and presentation of key performance indicators

3.1 Cash flow statement indicators

(in € millions)	2020	2019
Net cash flows (used in)/from operating activities	**6,675**	**7,090**
Operating investments (net of disposals)	(994)	(1,249)
Repayments of lease liabilities and financial expense on leases	(607)	(575)
Operating cash flow	**5,075**	**5,266**
Growth investments in concessions and PPPs	(1,085)	(1,065)
Free cash flow	**3,990**	**4,201**
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	(302)	(3,611)
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)	25	43
Net impact of changes in scope including net debt assumed	(7)	(4,677)
Net financial investments	**(285)**	**(8,245)**
Other	(85)	(90)
Total net financial investments	**(370)**	**(8,335)**

3.2 Capital employed

Reconciliation between capital employed and the balance sheet

(in € millions)	Note	31/12/2020	31/12/2019
Capital employed – Assets		**74,997**	**78,445**
Concession intangible assets	13	25,886	26,869
- Deferred tax on business combination fair value adjustments		(2,555)	(2,708)
Goodwill, gross	9	11,885	11,873
Other intangible assets	17.1	6,846	7,410
Property, plant and equipment	17.2	9,760	10,189 (*)
Investments in companies accounted for under the equity method	10	1,035	1,870
Other non-current financial assets	11-14-18	2,237	1,525
- Collateralised loans and receivables (at more than one year)	25-27	(4)	(4)
Inventories and work in progress	19	1,428	1,434
Trade and other receivables	19	12,493	14,523
Other current assets	19	5,719	5,300
Current tax assets		266	166
Capital employed – Liabilities		**(28,739)**	**(28,387)**
Current provisions	19	(4,973)	(4,741)
Trade payables	19	(8,876)	(8,514)
Other current liabilities	19	(14,668)	(14,839)
Current tax liabilities		(221)	(292)
Total capital employed		**46,258**	**50,058**

(*) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

Capital employed by geographical area

(in € millions)	31/12/2020	31/12/2019 (*)
France	25,761	27,216
Germany	142	379
United Kingdom	9,643	10,646
Portugal	2,572	2,544
Other European countries	2,851	2,928
Total Europe excluding France	**15,208**	**16,497**
Total Europe	**40,969**	**43,713**
North America	1,883	2,117
of which United States	*1,428*	*1,712*
Central and South America	2,727	3,329
Africa	(62)	12
Russia, Asia Pacific and Middle East	741	887
Total capital employed	**46,258**	**50,058**

(*) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

At 31 December 2020, capital employed in the eurozone was €30.0 billion and made up 65% of the total (€31.6 billion and 63% of the total in 2019).

D. Main income statement items

4. Operating income

Accounting policies

Operating income from ordinary activities measures the operational performance of fully consolidated Group subsidiaries. It excludes share-based payment expense (IFRS 2), other recurring operating items (including the share of profit or loss of companies accounted for under the equity method) and non-recurring operating items.

Recurring operating income is obtained by taking operating income from ordinary activities and adding the IFRS 2 expense associated with share-based payments (Group savings plans and performance share plans), the Group's share of profit or loss of subsidiaries accounted for under the equity method, and other recurring operating income and expense. The latter category includes recurring income and expense relating to companies accounted for under the equity method and to non-consolidated companies (financial income from shareholder loans and advances granted by the Group to some of its subsidiaries, dividends received from non-consolidated companies, etc.). Recurring operating income is intended to present the Group's operational performance excluding the impact of non-recurring transactions and events during the period.

Operating income is calculated by taking recurring operating income and adding non-recurring income and expense, which mainly includes goodwill impairment losses, restructuring charges and income and expense relating to changes in scope (capital gains or losses on disposals of securities and the impact of changes in control).

(in € millions)	2020	2019
Revenue (*)	**43,234**	**48,053**
Concession subsidiaries' revenue derived from works carried out by non-Group companies	696	699
Total revenue	43,930	48,753
Revenue from ancillary activities (**)	188	198
Purchases consumed	(9,681)	(10,382)
External services (***)	(4,726)	(5,384)
Temporary staff	(1,178)	(1,412)
Subcontracting (including concession operating companies' construction costs)	(9,262)	(9,776)
Taxes and levies	(1,105)	(1,192)
Employment costs	(11,642)	(11,836)
Other operating income and expense	(8)	84
Depreciation and amortisation	(3,171)	(3,040)
Net provision expense	(486)	(279)
Operating expenses	**(41,260)**	**(43,216)**
Operating income from ordinary activities	**2,859**	**5,734**
% of revenue (*)	*6.6%*	*11.9%*
Share-based payments (IFRS 2)	(239)	(291)
Profit/(loss) of companies accounted for under the equity method	(146)	212
Other recurring operating items	38	48
Recurring operating income	**2,511**	**5,704**
Goodwill impairment losses	(95)	(21)
Impact from changes in scope and gain/(loss) on disposals of shares	167	(18)
Other non-recurring operating items	(124)	-
Total non-recurring operating items	*(52)*	*(40)*
Operating income	**2,459**	**5,664**

(*) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(**) Revenue from ancillary activities mainly comprises rental income, sales of equipment, materials and merchandise, study work and fees other than those generated by concession operators.
(***) Including lease payments of €877 million in 2020 and €989 million in 2019 not restated following the application of IFRS 16: low-value leases, short-term leases and variable lease payments.

The decrease in operating income from ordinary activities and recurring operating income in 2020 are the consequences of the Covid-19 pandemic.

Operating income from ordinary activities reflects fixed running costs, additional costs arising from the crisis, operational cost-cutting plans introduced by the Group and furlough payments recognised as a reduction in employment costs.
The net provision expense includes impairment charges for certain ongoing investment projects whose continuation is considered uncertain for €76 million as well as impairment on trade receivables in the total amount of €74 million.

Recurring operating income amounted to €2,511 million. As well as the impact of share-based payments (IFRS 2), this includes the negative contribution of companies accounted for under the equity method, particularly in the airports sector, whereas the impact was positive in 2019. Other recurring operating items include financial income from shareholder loans and advances granted by the Group to certain associates.

Non-recurring operating items represented a net expense of €52 million in 2020 and included:

- €95 million of goodwill impairment charges relating in particular to the activities of VINCI Energies in North America (€67 million);
- restructuring costs, mainly at VINCI Airports (€48 million) and VINCI Construction (€47 million);
- a €167 million positive effect from changes in the consolidation scope, mainly reflecting the change in consolidation method for Groupe ADP after VINCI ceased to have a significant influence over it;

In 2019, they produced a net expense of €40 million, including:

- a negative scope effect of €18 million, due to net gains/losses on the sale of the stakes held by the Concession business in TJH (the concession holder of a motorway in Jamaica) and Toll Collect, Eurovia's disposal of its business in Romania and Entrepose's withdrawal from drilling activities, along with earn-out payments and acquisition costs at VINCI Energies, Eurovia and VINCI Airports.
- goodwill impairment losses of €21 million, mainly relating to Eurovia's rail construction business.

4.1 Employment costs

(in € millions)	Note	2020	2019
Wages and other employment-related expense - I		**(11,481)**	**(11,632)**
Of which wages and salaries		*(8,679)*	*(8,841)*
Of which employer social contributions		*(2,172)*	*(2,151)*
Of which contributions to defined contribution plans	29.1	*(630)*	*(641)*
Profit-sharing and incentive plans - II		**(161)**	**(204)**
Total (I+II)		**(11,642)**	**(11,836)**

The Group's average headcount was 219,400 on a full-time-equivalent basis in 2020, stable relative to 2019.

	2020	2019
Average number of employees (in full-time equivalent)	**219,400**	**219,267**
Of which managers	*43,913*	*43,109*
Of which other employees	*175,488*	*176,158*

4.2 Other operating income and expense

(in € millions)	2020	2019
Net gains or losses on disposal of intangible assets and property, plant and equipment	39	45
Share in operating income or loss of joint operations	12	16
Other	(59)	23
Total	**(8)**	**84**

4.3 Depreciation and amortisation

Depreciation and amortisation break down as follows:

(in € millions)	2020	2019
Concession intangible assets	(1,330)	(1,329)
Other intangible assets	(65)	(62)
Property, plant and equipment	(1,776)	(1,648)
Depreciation and amortisation	**(3,171)**	**(3,040)**

In 2020, amortisation estimates for VINCI Airports' concession intangible assets were changed (see Note F, "Concessions business: PPP contracts, concession contracts and other infrastructure"). This amortisation is now calculated using the unit of production method (number of passengers) and the impact on amortisation in 2020 was €55 million.

In 2020, depreciation of property, plant and equipment included €582 million relating to right-of-use assets under leases (€548 million in 2019).

5. Cost of net financial debt

Accounting policies

The cost of net financial debt includes:

- the cost of gross financial debt, which includes the interest expense calculated at the effective interest rate, and gains and losses on interest rate derivatives allocated to gross financial debt whether designated as hedges for accounting purposes or not;
- financial income from investments, which comprises the return on investments of cash and cash equivalents measured at fair value through profit and loss;
- recycling of financial hedging costs.

In 2020, the cost of net financial debt amounted to €589 million (€551 million in 2019), an increase of €38 million.
The portion of the cost of net financial debt related to long-term debt remained stable in 2020, as the impact of the London Gatwick Airport acquisition over the full-year period was offset by a lower average interest rate on long-term debt after refinancing took place in 2019 and 2020 at interest rates lower than those of the debt being repaid. In addition, although returns on cash investments were higher over the period, they were negatively affected by the lower interest rates.

The cost of net financial debt can be analysed as follows:

(in € millions)	2020	2019
Financial liabilities at amortised cost	(754)	(754)
Financial assets and liabilities at fair value through profit and loss	20	41
Derivatives designated as hedges: assets and liabilities	137	151
Derivatives at fair value through profit and loss: assets and liabilities	8	11
Total cost of net financial debt	**(589)**	**(551)**

The "Derivatives designated as hedges: assets and liabilities" item breaks down as follows:

(in € millions)	2020	2019
Net interest on derivatives designated as fair value hedges	227	225
Change in value of derivatives designated as fair value hedges	253	459
Change in value of the adjustment to fair value hedged financial debt	(253)	(459)
Ineffective portion of fair value hedges	(2)	(1)
Reserve recycled through profit or loss in respect of cash flow and net investment hedges	(95)	(62)
Ineffective portion of cash flow and net investment hedges	7	(11)
Gains and losses on derivative instruments allocated to net financial debt	**137**	**151**

6. Other financial income and expense

Accounting policies

Other financial income and expense comprises mainly discounting effects, the impact of capitalised borrowing costs, foreign exchange gains and losses relating to financial items and changes in the value of derivatives not allocated to hedging interest rate or exchange rate risk, along with financial expense relating to lease liabilities since the adoption of IFRS 16.

Capitalised borrowing costs relate to infrastructure under concession and are included during the construction period in the value of those assets. They are determined as follows:

- to the extent that funds are borrowed specifically for the purpose of constructing an asset, the borrowing costs eligible for capitalisation on that asset are the actual borrowing costs incurred during the period less any investment income arising from the temporary investment of those borrowings;
- when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds for construction work, other than those specifically intended for the construction of given assets.

This does not relate to the construction of concession assets accounted for using the financial asset model (see Note F.14, "PPP financial receivables").

Other financial income and expense break down as follows:

(in € millions)	2020	2019
Effect of discounting to present value	(31)	(80)
Borrowing costs capitalised	40	41
Financial expenses on lease liabilities	(42)	(40)
Foreign exchange gains and losses and other changes in fair value	(15)	8
Total other financial income and expense	**(47)**	**(71)**

The more limited effect of discounting to present value was due mainly to provisions for retirement benefit obligations in the amount of €15 million in 2020 (€30 million in 2019) and obligations to maintain the condition of concession assets, which declined from €26 million in 2019 to €3 million in 2020. Fixed fees at more than one year in relation to Salvador Bahia Airport in Brazil and Belgrade Airport in Serbia totalled €13 million in 2020 (€15 million in 2019).

In 2020, capitalised borrowing costs mainly related to Arcos for €21 million (€16 million in 2019), Belgrade Airport in Serbia and London Gatwick Airport in the United Kingdom for a total of €15 million (€12 million in 2019), and the ASF group for €4 million (€9 million in 2019).

7. Income tax expense

Accounting policies

Income tax is computed in accordance with the tax legislation in force in the countries where the income is taxable.

In accordance with IAS 12, deferred tax is recognised on the temporary differences between the carrying amount and the tax base of assets and liabilities. It is calculated using the latest tax rates enacted or substantively enacted at the accounts closing date. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs, except where they relate to transactions recognised under other comprehensive income or directly in equity.

Deferred tax relating to share-based payments (IFRS 2) is taken to income to the extent that the deductible amount does not exceed the fair value of plans established according to IFRS 2.

Whenever subsidiaries have distributable reserves, a deferred tax liability is recognised in respect of the probable distributions that will be made in the foreseeable future. Moreover, shareholdings in associates and certain joint ventures give rise to recognition of a deferred tax liability in respect of all the differences between the carrying amount and the tax base of the shares.

Net deferred tax is determined on the basis of the tax position of each entity or group of entities included in the tax group under consideration and is shown under assets or liabilities for its net amount per tax group. Deferred tax is reviewed at each balance sheet date to take account of the impact of changes in tax law and the prospect of recovery. Deferred tax assets are only recognised if their recovery is probable.

Deferred tax assets and liabilities are not discounted.

7.1 Breakdown of net tax expense

(in € millions)	2020	2019
Current tax	(844)	(1,791)
Deferred tax	37	157
of which temporary differences	*(48)*	*115*
of which losses carried forward	*85*	*42*
Total	**(807)**	**(1,634)**

The net tax expense for the period comprises:

- a tax expense recognised by French subsidiaries for €581 million (€1,165 million in 2019), including €585 million at VINCI SA, the lead company in the tax consolidation group that comprises 984 subsidiaries (€1,136 million in 2019);
- a tax expense of €227 million for foreign subsidiaries (€469 million in 2019).

Tax totalled €807 million, as opposed to €1,634 million in 2019. The net tax expense included a deferred tax expense of €97 million following the decision on 1 April 2020 to cancel the cut in the corporate income tax rate in the United Kingdom, which means that the rate will remain at 19% as opposed to the previously decided reduction to 17% as well as tax income resulting from the favourable conclusion of a previous dispute.

7.2 Effective tax rate

The Group's effective tax rate was 41.0% in 2020 compared with 33.8% in 2019.

Excluding non-recurring items:

- in France, based on positive net income generated mainly by VINCI Autoroutes, the effective tax rate was 30%;
- outside France, based on positive net income, the effective tax rate was 32% excluding Gatwick and 17% for Gatwick.

The effective tax rate for 2020 is higher than the theoretical tax rate of 28.92% in force in France, because French subsidiaries with revenue of over €250 million are taxed at 32.02%. The difference between the tax calculated using the standard tax rate in force in France and the amount of tax effectively recognised in the year can be analysed as follows:

(in € millions)	2020	2019
Income before tax and profit/(loss) of companies accounted for under the equity method	1,969	4,831
Theoretical tax rate in France	28.9%	32.0%
Theoretical tax expense expected	**(569)**	**(1,547)**
Impact of taxes due on income taxed at a lower rate in France	-	-
Tax rate differential on foreign income (*)	(144)	70
Impact of tax loss carryforwards and other temporary differences that are not recognised or that have previously been subject to limitation	(54)	3
Goodwill impairment losses	(25)	(7)
Permanent differences and other (**)	(15)	(154)
Tax expense recognised	**(807)**	**(1,634)**
Effective tax rate (***)	**41.0%**	**33.8%**

(*) Including €97 million relating to the recognition of a deferred tax expense by UK subsidiaries at the rate of 19% (compared with 17% in 2019).
(**) Including €69 million of current tax related to the different tax rate applied to French companies with revenue of over €250 million.
(***) Excluding the Group's share of companies accounted for under the equity method.

7.3 Breakdown of deferred tax assets and liabilities

		Changes			
(in € millions)	31/12/2020	Income	Equity	Other	31/12/2019
Deferred tax assets					
Losses carried forward	565	124	(36)	(10)	487
Temporary differences on retirement benefit obligations	397	(3)	(21)	-	421
Temporary differences on provisions	685	76	(10)	(5)	624
Temporary differences on financial instruments	141	(12)	30	-	123
Temporary differences related to leases	365	38	(3)	9	322
Other	684	38	(23)	33	636
Netting of deferred tax assets and liabilities by tax group	(1,891)	-	-	(76)	(1,815)
Total deferred tax assets before impairment	**947**	**262**	**(64)**	**(49)**	**798**
Impairment	(454)	(54)	32	(3)	(428)
Total deferred tax assets after impairment	**493**	**208**	**(32)**	**(53)**	**370**
Deferred tax liabilities					
Remeasurement of assets (*)	(3,552)	(80)	137	42	(3,652)
Temporary differences related to leases	(338)	(30)	2	(8)	(302)
Temporary differences on financial instruments	(22)	2	13	-	(37)
Other	(585)	(62)	5	(2)	(525)
Netting of deferred tax assets and liabilities by tax group	1,891	-	-	76	1,815
Total deferred tax liabilities	**(2,606)**	**(170)**	**158**	**107**	**(2,701)**
Net deferred tax	**(2,113)**	**37**	**126**	**55**	**(2,331)**

(*) Including measurement at fair value of the assets and liabilities of London Gatwick Airport, ASF, Lima Expresa, Aéroports de Lyon and ANA at their dates of first consolidation, i.e. €1,169 million, €840 million, €169 million, €142 million and €110 million respectively at 31 December 2020.

In the context of the Covid-19 crisis, the Group paid particular attention to its ability to use its tax loss carryforwards, depending on specific local circumstances.

Deferred tax assets arising from tax loss carryforwards totalled €565 million at 31 December 2020, with impairment losses recognised in the amount of €341 million. The net balance of deferred tax assets arising from tax loss carryforwards thus comes to €224 million, mainly related to certain countries in which tax losses can generally be carried forward indefinitely, including the United Kingdom, the United States and Germany.

Impairment of deferred tax assets as a whole amounted to €454 million at 31 December 2020 (€428 million at 31 December 2019), including €428 million outside France (€412 million at 31 December 2019).

8. Earnings per share

Accounting policies

Basic earnings per share is the net income for the period after non-controlling interests, divided by the weighted average number of shares outstanding during the period less the weighted average number of treasury shares.

In calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the potentially dilutive effect of all equity instruments issued by the company, in particular share subscription options and performance shares. The dilution resulting from the exercise of share subscription options and from performance shares is determined using the method defined in IAS 33. In accordance with this standard, plans of which the stock market price is greater than the average price during the period are excluded from the diluted earnings per share calculation.

In calculating basic and diluted earnings per share, earnings are also adjusted as necessary for changes in income and expenses taken directly to equity resulting from the conversion into shares of all potentially dilutive instruments.

The table below shows the reconciliation between basic and diluted earnings per share:

	2020			2019		
	Average number of shares	**Net income** *(in € millions)*	**Earnings per share** *(in €)*	**Average number of shares**	**Net income** *(in € millions)*	**Earnings per share** *(in €)*
Total shares	**608,321,456**			**601,090,748**		
Treasury shares	(50,769,442)			(46,548,305)		
Basic earnings per share	**557,552,014**	**1,242**	**2.23**	**554,542,443**	**3,260**	**5.88**
Subscription options				42,222		
Group savings plan	164,835			328,423		
Performance shares	5,402,691			5,494,713		
Diluted earnings per share	**563,119,540**	**1,242**	**2.20**	**560,407,801**	**3,260**	**5.82**

E. Investments in other companies

9. Goodwill and goodwill impairment tests

Accounting policies

Goodwill is the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition, recognised on first consolidation.

Goodwill in fully consolidated subsidiaries is recognised under goodwill in consolidated assets. Goodwill relating to companies accounted for under the equity method is included in the line item "Investments in companies accounted for under the equity method".

Goodwill is not amortised but is tested for impairment at least annually or when there is an indication that an impairment loss has arisen. If a goodwill impairment loss is recognised as a result, the difference between its carrying amount and its recoverable amount is charged irreversibly to operating income in the period.

Negative goodwill is taken to income in the year of acquisition.

Under IFRS 3 (amended), an option is available to measure non-controlling interests on the acquisition date either at fair value (the full goodwill method) or for the portion of the net assets acquired that they represent (the partial goodwill method). The choice can be made for each business combination.

9.1 Main goodwill items

Changes in the period were as follows:

(in € millions)	31/12/2020	31/12/2019
Net at beginning of period	**11,647**	**9,792**
Goodwill recognised during the period	219	1,737
Impairment losses	(95)	(21)
Currency translation differences	(263)	90
Other movements	111	50
Net at end of period	**11,619**	**11,647**

Goodwill recognised in the period mainly concerned acquisitions made by VINCI Energies in Canada and Europe.

The increase in 2019 mainly arose from the recognition of goodwill relating to the acquisition of London Gatwick Airport, allocated to the VINCI Airports CGU. At 31 December 2020, the definitive amount of that goodwill was €1,443 million.

The main items of goodwill at 31 December 2020 were as follows:

	31/12/2020			31/12/2019
(in € millions)	Gross	Impairment losses	Net	Net
VINCI Airports	2,519	-	2,519	2,525
VINCI Energies France	2,454	-	2,454	2,442
ASF group	1,935	-	1,935	1,935
VINCI Energies Germany	790	-	790	707
VINCI Energies North America	631	(62)	568	639
VINCI Energies Benelux	433	-	433	431
VINCI Energies Scandinavia	347	-	347	330
VINCI Energies Switzerland	222	-	222	205
VINCI Highways	216	-	216	256
Eurovia USA	197	-	197	215
Soletanche Bachy	171	-	171	171
VINCI Energies Spain	160	-	160	158
Other	1,812	(204)	1,608	1,633
Total	**11,885**	**(266)**	**11,619**	**11,647**

9.2 Goodwill impairment tests

Accounting policies

In accordance with IAS 36 "Impairment of Assets", the goodwill and other non-financial assets of cash-generating units (CGUs) were tested for impairment losses.

CGUs are identified in line with operational reporting and their recoverable amounts are based on a value in use calculation. Values in use are determined by discounting the forecast operating cash flow before tax (operating income plus depreciation and amortisation plus/minus the change in non-current provisions minus operating investments plus/minus the change in operating working capital requirement) at the rates indicated below.

For concessions, forecast cash flow is determined across the length of contracts by applying a variable discount rate, determined for each period depending on the debt to equity ratio of the entity in question.

In the specific case of VINCI Airports, the CGU includes both concession contracts and owned airports. For the latter, projected cash flows are established over a 30-year period. At the end of that period, a terminal value is determined by capitalising the final year's projected cash flow over an infinite period, and that value is discounted to present value.

For the other CGUs, projected cash flow is generally established for a five-year period on the basis of management forecasts. At the end of that period, a terminal value is determined by capitalising the final year's projected cash flow over an infinite period, and that value is discounted to present value.

Goodwill was tested for impairment losses using the following assumptions:

	Parameters of the model applied to cash flow forecasts				Impairment losses recognised in the period	
			Discount rates			
(in € millions)	Growth rate (years n+1 to n+5)	Growth rate (terminal value)	31/12/2020	31/12/2019	2020	2019
VINCI Airports	(*)	(*)	7.1%	7.6%	-	-
VINCI Energies France	2.0%	1.0%	7.0%	7.2%	-	-
ASF group	(*)	(*)	6.4%	6.8%	-	-
VINCI Energies Germany	1.2%	1.0%	6.3%	6.6%	-	-
VINCI Energies North America	4.1%	2.0%	8.3%	8.4%	(67)	-
VINCI Energies Benelux	1.5%	1.0%	6.5%	6.9%	-	-
VINCI Energies Scandinavia	1.5%	1.0%	6.1%	6.1%	-	-
VINCI Highways	(*)	(*)	8.6%	9.8%	-	-
VINCI Energies Switzerland	1.0%	1.0%	5.1%	5.6%	-	-
Eurovia USA	2.1%	1.5%	9.7%	10.0%	-	-
Soletanche Bachy	3.5%	1.5%	8.6%	8.6%	-	-
VINCI Energies Spain	1.5%	1.0%	8.7%	9.7%	-	-
Other	-7% to 19%	1% to 5%	5% to 19%	6% to 13%	(28)	(21)
Total	**-**	**-**	**-**	**-**	**(95)**	**(21)**

(*) For concessions, cash flow projections are determined over the length of concession contracts.
The average revenue growth rate for the ASF group (ASF and Escota), based on the residual periods of contracts, is 2.4%. Those used by VINCI Airports and VINCI Highways are respectively 7.0% and 6.6%.

Given the Covid-19 situation, impairment tests at 31 December 2020 were conducted on the basis of management assumptions for the various business lines and divisions, in accordance with macroeconomic forecasts in their business areas and the regions in which they operate:

- VINCI Airports: assumption that passenger numbers will return to pre-crisis (2019) levels between 2023 and 2026 depending on airport and type of customer. Return of passenger numbers to their level initially projected for 2030;
- VINCI Highways: assumption that traffic levels will return to pre-crisis levels in 2022;
- ASF group: assumption that traffic levels will rise back in 2022 close to their 2019 level;
- VINCI Energies North America: operating assumptions have been reviewed as a result of the Covid-19 crisis, which had a particularly significant impact on some activities and areas of this CGU in the first half of 2020. An impairment loss of €67 million was recognised in 2020, of which €50 million at 30 June 2020.

The vast majority of other CGUs in the Contracting business saw business levels return close to 2019 levels in the second half of 2020.

Sensitivity of the value in use of CGUs to the assumptions made
The following table shows the sensitivity of enterprise value to the assumptions made for the main goodwill items:

Sensitivity to discount and perpetual growth rates and to cash flow

	Sensitivity to rates				Sensitivity to cash flows	
	Discount rate for cash flows		Perpetual growth rate for cash flows		Change in forecast operating cash flows (before tax)	
(in € millions)	+0.5%	-0.5%	+0.5%	-0.5%	+5.0%	-5.0%
VINCI Airports	(2,044)	2,293	(*)	(*)	1,293	(1,293)
VINCI Energies France	(536)	633	517	(438)	357	(357)
ASF group	(750)	787	(*)	(*)	1,215	(1,215)
VINCI Energies Germany	(249)	301	251	(208)	149	(149)
VINCI Energies North America	(60)	70	57	(48)	43	(43)
VINCI Energies Benelux	(111)	133	110	(92)	68	(68)
VINCI Energies Scandinavia	(69)	84	70	(58)	39	(39)
VINCI Highways	(134)	145	(*)	(*)	124	(124)
VINCI Energies Switzerland	(105)	134	116	(91)	50	(50)
Eurovia USA	(32)	37	26	(23)	29	(29)
Soletanche Bachy	(198)	228	180	(156)	151	(151)
VINCI Energies Spain	(17)	20	15	(13)	15	(15)

(*) Forecasts of cash flows are determined over the residual periods of the concession contracts.

These sensitivity calculations show that a change of 50 basis points in the assumptions for discount and perpetual growth rates or a ±5% change in projected operating cash flow would not have a material impact on the results of impairment tests or, therefore, on the Group's consolidated financial statements at 31 December 2020.

Given the uncertainty caused by the Covid-19 crisis in the air transport sector, additional sensitivity tests were carried out for VINCI Airports CGU at 31 December 2020. A 100 basis point increase in the assumed discount rates would result in a €3.9 billion reduction in value in use. However, in this case, value in use would remain higher than this CGU's net carrying amount at 31 December 2020.

10. Investments in companies accounted for under the equity method: associates and joint ventures

Accounting policies

Investments in companies accounted for under the equity method are initially recognised at the cost of acquisition, including acquisition costs and any goodwill. Their carrying amount is then increased or decreased to recognise the Group's share of the entity's profits or losses after the date of acquisition. Whenever the cumulative losses are greater than the value of the Group's net investment in the equity-accounted company, those losses are not recognised unless the Group has entered into a commitment to recapitalise the company or provide it with funding.

If there is an indication that an impairment loss has arisen, the investment's recoverable amount is tested in a way similar to that described in Note E.9.2, "Goodwill impairment tests". Impairment losses shown by impairment tests are recognised in profit and loss and as a deduction from the carrying amount of the corresponding investments.

In order to present business lines' operational performance in the best way possible, the profit or loss of companies accounted for under the equity method is reported on a specific line for the determination of recurring operating income.

The terms "associates" and "joint ventures" are defined in Note A.2.2, "Consolidation methods".

10.1 Movements during the period

	2020			2019		
(in € millions)	**Associates**	**Joint ventures**	**Total**	**Associates**	**Joint ventures**	**Total**
Value of shares at beginning of period	**1,199**	**671**	**1,870**	**1,154**	**520**	**1,674**
of which Concessions	*782*	*491*	*1,273*	*745*	*398*	*1,143*
of which Contracting	*415*	*82*	*497*	*408*	*90*	*497*
of which VINCI Immobilier	*2*	*98*	*100*	*2*	*32*	*34*
Increase in share capital of companies accounted for under the	1	8	9	-	33	33
Group share of profit or loss for the period	(50)	(96)	(146)	30	182	212
Group share of other comprehensive income for the period	(2)	(42)	(44)	(15)	(71)	(86)
Dividends paid	(5)	(66)	(71)	(46)	(124)	(170)
Changes in consolidation scope and other	(692)	(2)	(694)	22	41	63
Reclassifications (*)	(24)	136	112	53	91	144
Value of shares at end of period	**428**	**608**	**1,035**	**1,199**	**671**	**1,870**
of which Concessions	*31*	*420*	*451*	*782*	*491*	*1,273*
of which Contracting	*395*	*93*	*488*	*415*	*82*	*497*
of which VINCI Immobilier	*2*	*95*	*96*	*2*	*98*	*100*

(*) Reclassifications of shares in the negative net equity of equity-accounted companies under provisions for financial risks.
NB: The terms "associates" and "joint ventures" are defined in Note A.2, "Consolidation methods".

At 31 December 2020, the Group's interests in companies accounted for under the equity method included, for the Concessions business, the stake in Kansai Airports (€238 million) and, for the Contracting business, the stake in the CFE group (€238 million).
Changes in scope concern VINCI's loss of significant influence over Groupe ADP (see Note B, "Changes in consolidation scope).

Impacts included under "Group share of other comprehensive income for the period" relate mainly to cash flow and interest rate hedging transactions on concession and public-private partnership projects.

10.2 Aggregated financial information

The contribution of equity-accounted companies to the Group's consolidated comprehensive income is as follows:

	2020			2019		
(in € millions)	**Associates**	**Joint ventures**	**Total**	**Associates**	**Joint ventures**	**Total**
Net income	**(50)**	**(96)**	**(146)**	**30**	**182**	**212**
of which Concessions	*(45)*	*(115)*	*(160)*	*7*	*115*	*121*
of which Contracting	*(5)*	*4*	*(1)*	*24*	*42*	*66*
of which VINCI Immobilier	*-*	*15*	*15*	*-*	*25*	*25*
Other comprehensive income	(2)	(42)	(44)	(15)	(71)	(86)
of which Concessions	*10*	*(46)*	*(36)*	*(10)*	*(67)*	*(77)*
of which Contracting	*(13)*	*4*	*(8)*	*(5)*	*(5)*	*(9)*
Comprehensive income	**(52)**	**(138)**	**(191)**	**15**	**110**	**126**
of which Concessions	*(35)*	*(161)*	*(196)*	*(4)*	*48*	*44*
of which Contracting	*(18)*	*8*	*(10)*	*19*	*37*	*57*
of which VINCI Immobilier	*-*	*15*	*15*	*-*	*25*	*25*

The revenue of companies accounted for under the equity method breaks down as follows (data reflecting the Group's share):

	2020			2019		
(in € millions)	**Associates**	**Joint ventures**	**Total**	**Associates**	**Joint ventures**	**Total**
Revenue (*)	**1,069**	**1,390**	**2,459**	**1,459**	**2,199**	**3,658**
of which Concessions	*521*	*579*	*1,100*	*848*	*1,229*	*2,078*
of which Contracting	*547*	*554*	*1,101*	*609*	*667*	*1,276*
of which VINCI Immobilier	*1*	*257*	*257*	*1*	*303*	*304*

(*) Excluding works revenue related to concession activities.

In accordance with IAS 28, the Group's recognition of its share of potential losses at associates and joint ventures is limited to its liabilities. At 31 December 2020, losses thus unrecognised amounted to €197 million (€175 million at 31 December 2019).

The main features of concession and PPP contracts are given in Note F, "Concessions business: PPP contracts, concession contracts and other infrastructure". The list of companies accounted for under the equity method is available on the Group's website at https://www.vinci.com/vinci.nsf/en/investors-composition-group.htm.

10.3 Controlled subsidiaries' transactions with associates and joint ventures

The financial statements include certain commercial transactions between controlled subsidiaries and associates and joint ventures. The main transactions are as follows:

	31/12/2020			31/12/2019		
(in € millions)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Revenue	302	305	**606**	363	480	**843**
Trade receivables	46	73	**120**	62	90	**152**
Purchases	4	20	**24**	3	19	**23**
Trade payables	-	2	**2**	1	3	**4**

11. Other non-current financial assets

Accounting policies

At the balance sheet date, shares in unconsolidated subsidiaries and affiliates are measured either at their fair value through profit and loss or through equity, depending on the choice made at initial recognition, as detailed below. The fair value of shares in listed companies is determined on the basis of the stock market price at the relevant balance sheet date. For unlisted shares, if their fair value cannot be determined reliably, they continue to be measured at their initial fair value, of which the best estimate is the cost of acquisition plus transaction costs, adjusted for any increases or decreases in value determined by analysing the change in the proportion of equity.

Whenever further shares in subsidiaries and affiliates are acquired, an analysis of the Group's management intention is carried out to determine whether they will be measured at fair value through profit and loss or through equity.

At 31 December 2020, "Financial assets measured at amortised cost" mainly comprised receivables relating to shareholdings, such as shareholders' advances to subsidiaries managing concessions or PPP projects.

(in € millions)	31/12/2020	31/12/2019
Financial assets measured at amortised cost (*)	1,034	1,160
PPP financial receivables (*)	252	207
Equity instruments	951	158
Other non-current financial assets	**2,237**	**1,525**

(*) Information relating to "PPP financial receivables" is provided in Note F.14 and information relating to "Financial assets measured at amortised cost" is provided in Note H.18.

During the period, the change in equity instruments broke down as follows:

(in € millions)	31/12/2020	31/12/2019
Net at beginning of period	**158**	**101**
Acquisitions during period	19	78
Fair value adjustments	-	-
Impairment losses	(10)	(15)
Changes in consolidation scope	837	(5)
Other movements and currency translation differences	(54)	(2)
Net at end of period	**951**	**158**

The main change in the period was due to shares in ADP being reclassified under equity instruments (see Note B.1, "Changes in consolidation scope during the period"). Since 15 December 2020, those shares have been measured at fair value through profit or loss.

F. Concessions business: PPP contracts, concession contracts and other infrastructure

Accounting policies

Under the terms of IFRIC 12 "Service Concession Arrangements", a concession operator may have two types of activities:

- a construction activity in respect of its obligations to design, build and finance new infrastructure to be constructed on behalf of the grantor;
- an operating and maintenance activity in respect of concession assets.

Revenue from each activity is recognised in accordance with IFRS 15.

In return for its activities, the operator receives remuneration from:

- **users: in this case, the intangible asset model applies.** The operator has a right to receive tolls (or any other form of remuneration) from users (vehicles, airlines, etc.) depending on traffic and passenger levels in consideration for the financing, construction and operation of the infrastructure.

The intangible asset model also applies whenever the concession grantor remunerates the concession operator based on the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to it (under "pass through" or "shadow toll" agreements).

Under this model, the right to receive toll payments (or any other form of remuneration), net of any investment grants received, is recognised in the concession operator's balance sheet under "Concession intangible assets". This right corresponds to the fair value of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the economic benefit derived from the concession asset is consumed by the entity, starting from the entry into service of the asset.

Motorway concession companies generally use the straight-line method of amortisation for concession intangible assets.

Rights to operate airports under concession were previously also amortised on a straight-line basis. Because of the material and sustained fall in passenger numbers, the Group took the view that the straight-line method no longer reflected the rate at which the economic benefits produced by concession assets were being consumed, and from 1 July 2020 opted to amortise them using the unit of production method, depending on passenger numbers.

The intangible asset model applies to most infrastructure concessions, in particular the concessions of VINCI Autoroutes in France, the main airports managed by VINCI Airports and certain bridges.

- **the grantor: in this case, the financial asset model applies.** The operator has an unconditional contractual right to receive payments from the concession grantor, irrespective of the amount of use made of the infrastructure.

Under this model, the operator recognises a financial receivable, attracting interest, in its balance sheet, in consideration for the services it provides (design and construction). On the balance sheet, this financial receivable is classified under "Other financial assets". The receivable is settled by means of the grantor's payments received. The income calculated on the basis of the effective interest rate is recognised under revenue from ancillary activities.

In the case of **bifurcated models**, the operator may be remunerated partly by users and partly by the grantor. The part of the investment that is covered by an unconditional contractual right to receive payments from the grantor (in the form of grants or rental) is recognised as a financial receivable up to the amount guaranteed. The unguaranteed balance, of which the amount is dependent on the extent of use of the infrastructure, is recognised under "Concession intangible assets".

VINCI Airports owns certain airports including London Gatwick Airport, which was acquired on 13 May 2019. Its rights to operate these airports are presented in Note H.17.1, "Other intangible assets".

12. Details of the main contracts in the Concessions business

Details of the main contracts in the Concessions business are set out by business line in the table below.

	Country	Concession end date	Model	Consolidation method
VINCI Autoroutes (*)				
ASF group				
ASF 2,730 km of toll motorways	France	2036	Intangible asset	FC
Escota 471 km of toll motorways	France	2032	Intangible asset	FC
Cofiroute				
Intercity network 1,100 km of toll motorways	France	2034	Intangible asset	FC
A86 Duplex 11 km toll tunnel west of Paris	France	2086	Intangible asset	FC
Arcour				
A19 101 km of toll motorways	France	2070	Intangible asset	FC
Arcos				
A355 24 km of toll motorways	France	2070	Intangible asset	FC
VINCI Airports (**)				
Société Concessionnaire Aéroports du Grand Ouest Nantes Atlantique and Saint-Nazaire Montoir airports	France	(***)	Intangible asset	FC
Aéroports de Lyon Lyon-Saint Exupéry and Lyon Bron airports	France	2047	Intangible asset	FC
ANA group 10 airports	Portugal	2063	Intangible asset	FC
Belfast International Airport	United Kingdom	2993	Full ownership	FC
London Gatwick Airport	United Kingdom	n/a	Full ownership	FC
Belgrade Airport Nikola Tesla Airport	Serbia	2043	Intangible asset	FC
Salvador Bahia Airport Deputado Luís Eduardo Magalhães Airport	Brazil	2047	Intangible asset	FC
Cambodia Airports Phnom Penh, Siem Reap and Sihanoukville airports	Cambodia	2040	Intangible asset	FC
Orlando Sanford International Airport	United States	2039	Intangible asset	FC
Aerodom Six airports	Dominican Republic	2030	Intangible asset	FC
Nuevo Pudahuel Santiago Arturo Merino Benítez Airport	Chile	2035	Intangible asset	EM
Liberia International Airport Daniel Oduber Quirós International Airport	Costa Rica	2030	Bifurcated model: intangible asset and financial asset	EM
Kansai Airports Kansai, Osaka and Kobe airports	Japan	2060	Intangible asset	EM

(*) Remuneration is based on the pricing law as defined in the concession contract, and price increases must be validated by the grantor.

(**) Remuneration comes from both users and from airlines. Air tariffs are generally regulated.

(***) On 17 January 2018, Prime Minister of France announced his decision not to proceed with plans to build the proposed Notre Dame des Landes airport. That termination on the grounds of public interest was confirmed on 24 October 2019, and the termination is due to take effect on 15 December 2021 at the earliest and no later than the signing date of the new concession contract.

FC: Full consolidation; EM: Equity method.

	Country	Concession end date	Model	Consolidation method
VINCI Highways				
Gefyra Toll bridge between Rion and Antirion	Greece	2039	Intangible asset	FC
Lima Expresa Línea Amarilla: 25 km toll expressway in Lima	Peru	2049	Intangible asset	FC
A4 Horselberg A-Modell 45 km	Germany	2037	Intangible asset	EM
A5 Malsch-Offenburg A-Modell 60 km to be renovated, including 41.5 km to be widened to 2x3 lanes	Germany	2039	Intangible asset	EM
A7 Göttingen-Bockenen A-Modell 60 km to be renovated, including 29 km to be widened to 2x3 lanes	Germany	2047	Financial asset	EM
A9 Six-lane A-Modell – Via Gateway Thüringen 47 km	Germany	2031	Financial asset	EM
Olympia Odos Toll motorway connecting Elefsina, Corinth and Patras	Greece	2038	Intangible asset	EM
Hounslow Rehabilitation and maintenance of roadways, traffic signs and lighting	United Kingdom	2037	Financial asset	EM
Isle of Wight Rehabilitation and maintenance of roadways, traffic signs and lighting	United Kingdom	2038	Financial asset	EM
Moscow–St Petersburg motorway section 1 First section (43.2 km) of M11 motorway between Moscow and St Petersburg	Russia	2040	Intangible asset	EM
Moscow–St Petersburg motorway sections 7 and 8 Sections 7 and 8 (138 km) of M11 motorway between Moscow and St Petersburg	Russia	2041	Financial asset	EM
Granvia R1 Expressway	Slovakia	2041	Financial asset	EM
Regina Bypass 61 km expressway bypassing Regina	Canada	2049	Financial asset	EM
Via 40 Express Toll motorway connecting Bogotá and Girardot (141 km including construction of a third lane over 65 km)	Colombia	2042	Intangible asset	EM
Ohio River Bridges East and Crossing Bridge over the Ohio River and access tunnel	United States	2051	Financial asset	EM
VINCI Railways				
LISEA South Europe Atlantic high-speed rail line (302 km) between Tours and Bordeaux	France	2061	Bifurcated model: intangible asset and financial asset	EM
VINCI Stadium				
Consortium Stade de France 80,000-seat stadium at Saint Denis	France	2025	Intangible asset	FC

FC: Full consolidation; EM: Equity method.

Certain contracts may benefit from investment grants from the grantor. This relates mainly to contracts under the financial asset model and certain contracts with traffic level risk (Arcour (A19), Gefyra, section 1 of the Moscow–St Petersburg motorway, LISEA and Consortium Stade de France). When the contracts end, the concession infrastructure is returned in principle to the grantor for no consideration. In the event that the contract is terminated or the concession asset is bought out early by the grantor, compensation is generally payable to the concession holders. Its amount is determined in accordance with contractual or statutory provisions.

13. Concession intangible assets

(in € millions)	VINCI Autoroutes	VINCI Airports	Other concessions	Total
Gross				
01/01/2019	**32,927**	**5,251**	**2,365**	**40,542**
Acquisitions during period (*)	859	208	5	1,072
Disposals during period	(1)	(6)	-	(6)
Currency translation differences	-	14	70	83
Changes in scope and other	11	(29)	1	(17)
	33,797	**5,437**	**2,440**	**41,674**
Grants received	(7)	-	-	(7)
31/12/2019	**33,789**	**5,437**	**2,440**	**41,667**
Acquisitions during period (*)	582	260	8	851
Disposals during period	(2)	-	-	(2)
Currency translation differences	-	(213)	(311)	(524)
Changes in scope and other	16	(17)	2	1
	34,386	**5,468**	**2,139**	**41,992**
Grants received	(11)	(5)	(3)	(18)
31/12/2020	**34,375**	**5,463**	**2,136**	**41,974**
Amortisation and impairment losses				
01/01/2019	**(12,548)**	**(612)**	**(264)**	**(13,424)**
Amortisation during period	(1,087)	(170)	(71)	(1,329)
Impairment losses	-	(14)	-	(14)
Disposals during period	-	1	-	1
Currency translation differences	-	(5)	(3)	(8)
Other movements	(14)	(4)	(7)	(24)
31/12/2019	**(13,649)**	**(804)**	**(345)**	**(14,798)**
Amortisation during period	(1,133)	(122) (**)	(74)	(1,330)
Impairment losses	-	(44)	-	(44)
Disposals during period	-	-	-	-
Currency translation differences	-	35	28	63
Other movements	(15)	37	(2)	21
31/12/2020	**(14,797)**	**(898)**	**(393)**	**(16,088)**
Net				
01/01/2019	**20,379**	**4,639**	**2,101**	**27,118**
31/12/2019	**20,141**	**4,633**	**2,095**	**26,869**
31/12/2020	**19,578**	**4,564**	**1,744**	**25,886**

(*) Including capitalised borrowing costs.
(**) See Note D.4.3, "Depreciation and amortisation".

In 2020, acquisitions of concession intangible assets amounted to €851 million. They included investments by the ASF group for €253 million (€419 million in 2019), by Cofiroute for €174 million (€158 million in 2019), by Arcos for €107 million (€243 million in 2019) and by VINCI Airports for €247 million (€190 million in 2019).

Concession intangible assets include assets under construction for €1,697 million at 31 December 2020 (€1,775 million at 31 December 2019). These relate to VINCI Autoroutes subsidiaries for €1,344 million (including Arcos for €570 million, ASF for €328 million, Cofiroute for €310 million and Escota for €134 million) and VINCI Airports for €346 million.

14. PPP financial receivables (controlled companies)

The main PPP contracts operated by Group subsidiaries are presented on the asset side of the consolidated balance sheet for their part at more than one year under "Other non-current financial assets" and concern:

- Caraibus (right-of-way public transport system in Martinique): this contract is recognised under the financial asset model;
- MMArena (Le Mans stadium in France) and Park Azur (business complex for car rental firms at Nice-Côte d'Azur Airport in France): both contracts are recognised under the bifurcated model (intangible asset and financial asset).

Their change during the period and their breakdown by maturity are as follows:

(in € millions)	31/12/2020	31/12/2019
Beginning of period	**207**	**172**
Acquisitions during period	62	49
Acquisitions as part of business combinations	5	-
Redemptions	(20)	(15)
Other movements and currency translation differences	(2)	-
End of period	**252**	**207**
Of which:		
Between 1 and 5 years	97	47
Over 5 years	155	159

15. Off-balance sheet commitments in the Concessions business

15.1 Companies controlled by the Group

Contractual investment and renewal obligations

(in € millions)	31/12/2020	31/12/2019
ASF group	804	1,024
Cofiroute	602	762
Belgrade Airport (Serbia)	289	441
ANA group (Portugal)	136	220
Lima Expresa (Peru)	96	127
Cambodia Airports	71	132
Arcos	59	143
Société Concessionnaire Aéroport du Grand Ouest (Scago)	35	35
ADL - Aéroports de Lyon	34	36
London Gatwick Airport (United Kingdom)	26	96
Other	24	44
Total	**2,175**	**3,060**

Contractual investment obligations of motorway concession companies consist mainly of undertakings made under concession contracts, multi-year master contracts as part of the 2015 motorway stimulus plan and the motorway investment plan approved in 2018. In 2020, progress with works by VINCI Autoroutes companies led to a €464 million reduction in their commitments to €1,465 million at 31 December 2020.

The above amounts do not include obligations relating to maintenance expenditure on infrastructure under concession, in respect of which specific provisions based on maintenance plans are set aside (see Note H.19.3, "Breakdown of current provisions").

Where the financial asset or bifurcated model applies, subsidiaries receive a guarantee of payment from the concession grantor in return for their investment commitment.

Collateral security connected with financing

Collateral security (in the form of pledges of shares and mortgages on building land) is generally granted to secure financing arranged within subsidiaries, and breaks down as follows:

(in € millions)	Start date	End date	Amount at 31/12/2020
London Gatwick Airport	2011	2049	2,405
Arcour	2008	2047	593
Arcos	2018	2045	391
Aerodom	2017	2029	358
Lima Expresa	2016	2037	261
ADL - Aéroports de Lyon	2016	2032	225
Belgrade Airport	2018	2035	184
Gefyra	1997	2029	167
Caraibus	2015	2035	62
Other concession operating companies			120

15.2 Companies accounted for under the equity method

Contractual investment obligations

At 31 December 2020, the Group's share of investment commitments given by these companies amounted to €344 million (€529 million at 31 December 2019). They relate mainly to projects involving infrastructure under construction in the Concessions business, the Via 40 Express motorway between the cities of Bogotá and Girardot in Colombia (€261 million) and a section of the A7 motorway in Germany (€38 million).

The €186 million decrease in these commitments during the year was due to progress with works carried out on projects, particularly works on Santiago Airport in Chile and on a section of the A7 motorway in Germany.

Collateral security connected with financing

Collateral security has been granted in the form of pledges of shares in companies accounted for under the equity method.
The net carrying amount of the shares pledged at 31 December 2020 was €43 million and included shares in WVB East End Partners (the company holding the concession for the Ohio River Bridges – East End Crossing project in the United States) for €18 million, Synérail (the PPP contract for the GSM-Rail system, under the Global System for Mobile communications – Railway standard) for €12 million and SMTPC (the holder of the concession for the Prado Carénage road tunnel in Marseille) for €11 million.

Funding commitments

The Group has made commitments to provide funding (capital and/or subordinated loans) to companies accounted for under the equity method. At 31 December 2020, those commitments amounted to €32 million (€85 million at 31 December 2019). They mainly concern the company holding the concession for Santiago Airport in Chile for €14 million at 31 December 2020 (€39 million at 31 December 2019) and the A7 motorway project in Germany for €13 million.

G. Contracting business and VINCI Immobilier: construction and service contracts

16. Information on construction and service contracts

Accounting policies

Consolidated revenue relating to construction and service contracts is recognised in accordance with IFRS 15.

In view of the Group's main activities, construction and service contracts generally involve only one performance obligation, which is fulfilled as the contract is completed.
However, where a contract includes several distinct performance obligations, the Group allocates the overall price provided for by the contract between the performance obligations in accordance with IFRS 15.
Where the price to which the Group considers itself entitled includes a variable component, that component is recognised where its receipt is regarded as highly probable.

Progress with construction and service contracts is measured using either the physical progress towards completion or cost-to-cost method, depending on the type of activities involved.

Contract amendments, relating in particular to the price and/or scope of the contract, are recognised when approved by the client. If amendments relate to new goods or services regarded as distinct under IFRS 15, and if the contract price increases by an amount reflecting "stand-alone selling prices" of the additional goods or services, those amendments are recognised as a distinct contract.

Where a third party (such as a subcontractor) is involved in the supply of a distinct good or service, the Group must determine whether it obtains control of that good or service before it is transferred to the client. Where control is obtained before transfer to the client, the Group recognises as revenue the gross amount to which it expects to be entitled in exchange for the corresponding good or service. However, where control is not obtained, the Group takes the view that it is not the principal in the transaction and only recognises as revenue the amount corresponding to its remuneration as intermediary.

The Group's trade receivables represent the unconditional right to receive payment when the goods or services to be provided to the customer under the contract have been provided. In accordance with IFRS 15, the opening and closing balances of trade receivables are presented in Note H.19, "Working capital requirement and current provisions".

Contract assets correspond to invoices not yet raised, advances paid to subcontractors or retention payments. They are included in the "Trade and other receivables" item on the asset side of the consolidated balance sheet. In accordance with IFRS 9, contract assets are analysed to assess any risk of non-recovery ("credit risk"). Contract liabilities mainly consist of advances received and prepaid income. They are included in the "Other current liabilities" item on the liabilities side of the consolidated balance sheet.
Where a payment due to the Group is dependent on the transfer of other goods or services and/or the completion of milestones or stages defined in the contract, the Group regards the amount representing that "conditional" right as a contract asset.
Amounts relating to any Group obligation to transfer goods or services for which it has already received a payment, or for which the right to such payment is enforceable, are regarded as contract liabilities under IFRS 15.

If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion in accordance with IAS 37, regardless of progress towards completion, and based on the best estimates of income, including, if need be, any rights to additional revenue or claims, where it is regarded as highly probable and can be reliably estimated. Provisions for losses on completion are shown under liabilities (see Note H.19.3, "Breakdown of current provisions").

16.1 Financial information on contracts

Contract assets

(in € millions)		31/12/2020	Changes: Business-related changes	Changes: Changes in consolidation scope	Changes: Other changes (*)	31/12/2019
VINCI Energies		2,641	17	57	(41)	2,608
Eurovia		522	(83)	-	(10)	615
VINCI Construction		2,981	(278)	(3)	(55)	3,317
Contracting	I	6,143	(344)	54	(107)	6,540
VINCI Immobilier	II	99	(50)	-	-	149
Contract assets	**I+II**	**6,242**	**(393)**	**54**	**(107)**	**6,689**
Of which advances received		*384*	*12*	*-*	*(7)*	*378*

(*) Including currency translation differences.

Contract assets relate to the portion of performance obligations fulfilled by the Group for which the definitive right to be paid is subject to the achievement of other work specified in the relevant contracts. Contract assets turn into receivables as works are accepted by the client, giving rise to the Group's unconditional right to be paid.

Scope effects relate to acquisitions of new companies during the period, particularly at VINCI Energies.

Contract liabilities

(in € millions)		31/12/2020	Changes: Business-related changes	Changes: Changes in consolidation scope	Changes: Other changes (*)	31/12/2019
VINCI Energies		2,912	269	23	(12)	2,632
Eurovia		951	145	(1)	(14)	821
VINCI Construction		2,404	86	-	(30)	2,348
Contracting	I	6,267	501	22	(56)	5,801
VINCI Immobilier	II	309	(313)	-	-	622
Contract liabilities	**I+II**	**6,577**	**188**	**22**	**(56)**	**6,424**
Of which advances received		*1,711*	*106*	*3*	*(18)*	*1,621*

(*) Including currency translation differences.

Those liabilities mainly correspond to advances and payments on account received on orders and other current liabilities, such as prepaid income. The fulfilment of the performance obligations will extinguish these liabilities as the counterpart of revenue recognition.

16.2 Order book

(in € billions)	31/12/2020	Book-to-bill ratio (number of months of average business activity represented by the order book)
VINCI Energies	9.9	9
Eurovia	8.4	11
VINCI Construction	24.1	21
Contracting	**42.4**	**14**
VINCI Immobilier	1.1	n/a

The order book in the Contracting business represents the volume of business yet to be carried out on projects where the contract is in force (in particular after service orders have been obtained or after conditions precedent have been met) and financed.
At 31 December 2020, the total order book of the Contracting business lines (VINCI Energies, Eurovia and VINCI Construction) stood at €42.4 billion, up 16% year on year (€36.5 billion at 31 December 2019).

VINCI Immobilier's order book corresponds to the revenue, recognised on a progress towards completion basis, that is yet to be generated with respect to property sales confirmed by a notarised deed or with respect to property development contracts on which the works order has been given by the project owner. At 31 December 2020, it amounted to €1.1 billion, stable relative to 31 December 2019.

16.3 Commitments made and received in connection with construction and service contracts

In connection with these contracts, the Group makes and receives guarantees (personal sureties or collateral security).
The amount of the guarantees given below consists mainly of guarantees on works contracts, issued by financial institutions or insurance companies.
Group companies, meanwhile, benefit from guarantees issued by financial institutions at the request of the joint contractors or subcontractors (guarantees received).

	31/12/2020		31/12/2019	
(in € millions)	**Guarantees given**	**Guarantees received**	**Guarantees given**	**Guarantees received**
Performance guarantees and performance bonds	6,551	842	6,328	994
Retentions	3,589	457	3,673	425
Deferred payments to subcontractors and suppliers	1,600	510	1,543	456
Bid bonds	179	2	215	1
Real security interests	76	3	74	3
Total	**11,995**	**1,814**	**11,832**	**1,880**

Whenever events such as late completion or disputes about the execution of a contract make it likely that an execution risk covered by a guarantee will materialise, a provision is taken in respect of that risk.

In general, any risk of loss in connection with performance of a commitment given by VINCI or its subsidiaries results in a provision being recognised in the Group's financial statements. However, VINCI considers that the off-balance sheet commitments above are unlikely to have a material impact on the Group's financial position or net assets.

VINCI also grants after-sales service warranties covering several years in its normal course of business. These warranties lead to provisions estimated either on a statistical basis having regard to past experience or on an individual basis in the case of any problems identified. These commitments are therefore not included in the above table.

In addition, guarantees related to construction contracts on behalf of companies accounted for under the equity method had been given in a total amount of €270 million at 31 December 2020 (€364 million at 31 December 2019). That decrease arose mainly from progress with the Testimonio II property development project in Monaco.

Joint and several guarantees covering unconsolidated partnerships (SNCs, economic interest groupings, etc.)

Part of VINCI's construction and roadworks business is conducted through unincorporated joint venture partnerships (SEPs). Since the partners in a partnership are legally jointly and severally liable for its debts to third parties, the Group may set up crossed counter guarantees with its partners.

Whenever the Group is aware of a particular risk relating to a joint venture partnership's activity that could lead to an outflow of resources for the Group, a provision is set aside.

The amount shown under off-balance sheet commitments in respect of joint and several guarantees is the Group's share of the liabilities of the partnerships in question less equity and financial debt (loans or current account advances) due to partners. That amount was €53 million at 31 December 2020 (€50 million at 31 December 2019), as opposed to total commitments of €124 million at 31 December 2020 (€123 million at 31 December 2019). Given the quality of its partners, the Group considers that the risk of its guarantee being invoked in respect of these commitments is not material.

H. Other balance sheet items and business-related commitments

17. Other intangible assets and property, plant and equipment

17.1 Other intangible assets

Accounting policies

Other intangible assets are measured at cost less amortisation and any cumulative impairment losses.

They include:

- rights to operate owned airports. Since those rights are analogous to a perpetual licence, in accordance with IAS 38 "Intangible assets" they are not amortised. They are tested for impairment annually or whenever there is an indication that an asset may be impaired;
- quarrying rights, which are amortised as materials are extracted (volumes extracted during the period are compared with the estimated total volume of deposits to be extracted from the quarry over its useful life) in order to reflect the decline in value due to depletion;
- other intangible assets, which are amortised on a straight-line basis over their useful life.

(in € millions)	Patents and licenses	Software	Other intangible assets	Total
Gross				
31/12/2019	**253**	**551**	**7,221**	**8,026**
Acquisitions as part of business combinations	-	3	8	11
Other acquisitions during period	3	22	48	73
Disposals during period	(9)	(49)	(2)	(60)
Currency translation differences	(2)	(5)	(370)	(376)
Changes in scope and other	(1)	26	(222)	(197)
31/12/2020	**246**	**549**	**6,683**	**7,478**
Amortisation and impairment losses				
31/12/2019	**(46)**	**(450)**	**(121)**	**(616)**
Amortisation during period	(2)	(50)	(12)	(65)
Impairment losses	-	(1)	(5)	(6)
Reversals of impairment losses	-	1	4	5
Disposals during period	5	45	2	52
Currency translation differences	-	2	2	5
Other movements	1	(7)	(2)	(8)
31/12/2020	**(42)**	**(459)**	**(130)**	**(632)**
Net				
31/12/2019	**208**	**101**	**7,101**	**7,410**
31/12/2020	**203**	**89**	**6,553**	**6,846**

At 31 December 2020, the net value of other intangible assets was €6,846 million (€7,410 million at 31 December 2019). This amount includes the operating right of London Gatwick Airport for €6,151 million. The main change of the year resulted from movements in the sterling exchange rate since 31 December 2019.

Amortisation recognised during the period totalled €65 million (€62 million in 2019).

17.2 Property, plant and equipment

Accounting policies

Items of property, plant and equipment are recorded at their acquisition or production cost net of any investment grants received, less cumulative depreciation and impairment losses. They are not remeasured. They also include concession operating assets not controlled by the grantor but necessary for operation of the concession: buildings intended for operational use, signage and data transmission equipment, vehicles and other equipment.

Depreciation is generally calculated on a straight-line basis over the period of use of the asset. Accelerated depreciation may sometimes be used when it appears more appropriate to the conditions under which the asset is used.
For certain complex assets comprising several components, each component of the asset is depreciated over its own period of use. To reflect the consumption of economic benefits associated with the asset, quarries are depreciated as materials are extracted (volumes extracted during the period are compared with the estimated total volume of deposits to be extracted from the quarry over its useful life).

Investment property is property held to earn rentals or for capital appreciation. It is recorded at its acquisition cost less cumulative depreciation and any impairment losses.

The main periods of use of the various categories of items of property, plant and equipment are as follows:

Constructions:	
- Structure	Between 20 and 50 years
- General technical installations	Between 5 and 20 years
Site equipment and technical installations	Between 3 and 12 years
Vehicles	Between 3 and 5 years
Fixtures and fittings	Between 8 and 10 years
Office furniture and equipment	Between 3 and 10 years

Depreciation commences as from the date when the asset is ready to enter service.

Right-of-use assets under leases are amortised on a straight-line basis over the lease term, and adjusted each time that the lease liability is remeasured.

(in € millions)	Concession operating fixed assets	Land	Constructions and investment property	Plant, equipment and fixtures	Right-of-use assets in respect of leases: Concession operating fixed assets	Right-of-use assets in respect of leases: Property (*)	Right-of-use assets in respect of leases: Movable assets	Total
Gross								
01/01/2019	**4,316**	**1,121**	**1,551**	**7,551**	**13**	**1,046**	**800**	**16,398**
Acquisitions as part of business combinations	-	141	1,676	1,170	-	44	244	3,275
Other acquisitions during period	150	20	600	651	-	1	3	1,425
Disposals during period	(53)	(13)	(65)	(469)	-	-	-	(599)
Currency translation differences	4	15	39	80	-	7	8	152
Changes in scope and other	11	(10)	(335)	173	3	240	264	346
31/12/2019	**4,429**	**1,273**	**3,465**	**9,156**	**16**	**1,338**	**1,319**	**20,997**
Acquisitions as part of business combinations	-	14	6	79	-	15	8	123
Other acquisitions during period	126	16	549	505	-	-	4	1,200
Disposals during period	(24)	(11)	(39)	(433)	-	-	-	(507)
Currency translation differences	(26)	(39)	(113)	(231)	-	(14)	(33)	(457)
Scope effects, changes in leases and other	29	(26)	(255)	195	3	291	139	376
31/12/2020	**4,533**	**1,229**	**3,612**	**9,271**	**19**	**1,630**	**1,437**	**21,731**
Depreciation and impairment losses								
01/01/2019	**(3,012)**	**(349)**	**(653)**	**(5,315)**	**(3)**	**(95)**	**(282)**	**(9,710)**
Depreciation during period	(236)	(23)	(102)	(739)	(5)	(248)	(295)	(1,648)
Impairment losses	-	-	(3)	(7)	-	-	-	(11)
Reversals of impairment losses	-	1	1	5	-	-	-	7
Disposals during period	48	6	22	444	-	-	-	520
Currency translation differences	(2)	(2)	(4)	(42)	-	(1)	(2)	(53)
Other movements	5	(3)	(6)	(47)	3	21	113	86
31/12/2019	**(3,197)**	**(371)**	**(745)**	**(5,702)**	**(5)**	**(324)**	**(466)**	**(10,809)**
Depreciation during period	(222)	(21)	(134)	(817)	(5)	(263)	(314)	(1,776)
Impairment losses	-	(1)	(49)	(35)	-	-	-	(85)
Reversals of impairment losses	-	1	2	8	-	-	-	10
Disposals during period	22	6	17	387	-	-	-	432
Currency translation differences	15	6	10	116	-	5	8	161
Other movements	(51)	(1)	(1)	(46)	1	35	158	95
31/12/2020	**(3,432)**	**(381)**	**(900)**	**(6,088)**	**(9)**	**(547)**	**(613)**	**(11,971)**
Net								
01/01/2019	**1,304**	**772**	**898**	**2,236**	**10**	**951**	**518**	**6,689**
31/12/2019	**1,232**	**903**	**2,720**	**3,455**	**11**	**1,015**	**853**	**10,189**
31/12/2020	**1,101**	**847**	**2,712**	**3,183**	**10**	**1,083**	**823**	**9,760**

(*) Adjusted for the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

Property, plant and equipment include assets under construction for €1,094 million at 31 December 2020 (€1,023 million at 31 December 2019).

The leases to which the Group is a party mainly concern properties, vehicles and certain equipment required for the construction and maintenance businesses.

In 2019, the "Acquisitions as part of business combinations" item mainly concerned London Gatwick Airport.

At 31 December 2020, the breakdown of property, plant and equipment by business was as follows:

(in € millions)	Concessions	Contracting				VINCI Immobilier and holding companies	Total
		VINCI Energies	Eurovia	VINCI Construction	Total		
Concession operating fixed assets	1,100	-	-	-	-	-	1,101
Land	136	53	584	73	710	1	847
Constructions and investment property	1,531	163	222	294	680	501	2,712
Plant, equipment and fixtures	1,079	329	868	889	2,086	17	3,183
Right-of-use assets in respect of leases	283	779	324	374	1,476	157	1,917
Total at 31 December 2020	**4,130**	**1,324**	**1,998**	**1,630**	**4,953**	**677**	**9,760**
Total at 31 December 2019	**4,596**	**1,240**	**2,120**	**1,718**	**5,077**	**458**	**10,131**

17.3 Impairment tests on property, plant and equipment and intangible assets

Accounting policies

Impairment tests are performed on property, plant and equipment and intangible assets where evidence of an impairment loss arises. For intangible assets with an indefinite useful life and construction work in progress, a test is performed at least annually or whenever there is an indication that an asset may be impaired.

Assets to be tested for impairment losses are grouped within cash-generating units (CGUs) that correspond to homogeneous groups of assets that generate identifiable cash inflows from their use.
In accordance with IAS 36, the criteria adopted to assess indications that an impairment loss has arisen are either external (e.g. a material change in market conditions) or internal (e.g. a material reduction in revenue), without distinction.

Other intangible assets include €6,151 million corresponding to the right to operate London Gatwick Airport at 31 December 2020. Since that right to operate is analogous to a perpetual licence, it is not amortised but undergoes an impairment test once per year. That test was carried out at 31 December 2020 on the basis of the following assumptions:

- Cash flow projections cover a 30-year period and take into account a gradual recovery from the Covid-19 crisis, with a return of passenger numbers to 2019 levels in 2025 and a return to the levels projected prior to the crisis by 2030. At the end of that period, a terminal value is determined by capitalising the final year's projected cash flow to infinity, and that value is discounted to present value.
- The pre-tax discount rate used is 6.06%.

At 31 December 2020, the recoverable amount of that right to operate based on the above assumptions remained higher than its net carrying amount.

Sensitivity calculations show that a increase of 50 basis points in the discount rate or a 5% decrease in projected operating cash flow would reduce value in use by €1.3 billion and €0.7 billion, respectively. In this case, value in use would remain higher than the net carrying amount for the right to operate the airport.

Given the uncertainty relating to the Covid-19 crisis, additional sensitivity tests were carried out at 31 December 2020. A 100 basis point increase in the discount rate would reduce value in use by €2.4 billion. In this case, value in use would still remain higher than the asset's net carrying amount at 31 December 2020.

18. Financial assets measured at amortised cost

Accounting policies

Financial assets measured at amortised cost mainly consist of loans and receivables.
When first recognised, loans and receivables are recognised at their fair value less the directly attributable transaction costs.
From the outset, the Group recognises impairment on its loans and receivables in relation to their risk of non-recovery, in accordance with IFRS 9 "Financial instruments".

At each balance sheet date, these assets are measured at their amortised cost using the effective interest method and the Group analyses credit risk to determine whether further impairment must be recognised.
If credit risk is found to have increased, additional impairment will be recognised in profit and loss, taking into account this risk over the asset's life.

Loans and receivables at amortised cost mainly comprise receivables relating to shareholdings, including shareholders' advances to Concessions or PPP project companies for €775 million (€842 million at 31 December 2019). They are presented on the asset side of the consolidated balance sheet under "Other non-current financial assets" (for the part at more than one year). The part at less than one year of loans and receivables is included under "Other current financial assets" for €12 million at 31 December 2020 (€47 million at 31 December 2019).

Changes in loans and receivables at amortised cost during the period and their breakdown by maturity are as follows:

(in € millions)	2020	2019
Beginning of period	**1,160**	**1,059**
Acquisitions during period	111	146
Acquisitions as part of business combinations	1	21
Impairment losses	(103)	(4)
Disposals during period	(45)	(59)
Other movements and currency translation differences	(90)	(3)
End of period	**1,034**	**1,160**
Of which:		
Between 1 and 5 years	*233*	*534*
Over 5 years	*801*	*626*

19. Working capital requirement and current provisions

Accounting policies

Trade receivables are current financial assets and are initially measured at their fair value, which is generally their nominal value, barring any discounting effect.
The Group uses the simplified approach as defined in IFRS 9, and therefore records impairment on its trade receivables to correspond with the expected credit loss at maturity.

At each balance sheet date, trade receivables are measured at their amortised cost less any impairment losses in the event of any non-recovery risks. The assessment of that risk takes into account payment delays and guarantees obtained.

Trade payables are current financial liabilities and are initially measured at their fair value, which is generally their nominal value, barring any discounting effect.

Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. At each balance sheet date, they are measured at the lower of cost and net realisable value.

19.1 Change in working capital requirement

				Changes		
(in € millions)		31/12/2020	31/12/2019	Business-related change in the WCR	Changes in consolidation scope	Other changes (*)
Inventories and work in progress (net)		1,428	1,434	6	11	(22)
Trade and other receivables		12,493	14,523	(2,006)	146	(170)
Other current assets		5,719	5,300	452	38	(70)
- Non-operating assets		(24)	(48)	17	-	7
Inventories and operating receivables	I	**19,616**	**21,209**	**(1,532)**	**195**	**(256)**
Trade payables		(8,876)	(8,514)	(292)	(61)	(10)
Other current liabilities		(14,668)	(14,839)	(56)	(76)	303
- Non-operating liabilities		*429*	*662*	*(134)*	-	*(99)*
Trade and other operating payables	II	**(23,115)**	**(22,691)**	**(482)**	**(138)**	**195**
Working capital requirement (excluding current provisions)	I+II	**(3,499)**	**(1,482)**	**(2,014)**	**58**	**(61)**
Current provisions		**(4,973)**	**(4,741)**	**(316)**	**(40)**	**124**
of which part at less than one year of non-current provisions		*(182)*	*(193)*	*15*	*(5)*	*1*
Working capital requirement (including current provisions)		**(8,473)**	**(6,223)**	**(2,330)**	**18**	**63**

(*) Mainly currency translation differences.

The net change in the operating working capital requirement and current provisions produced an inflow of more than €2.3 billion in 2020 as opposed to €0.4 million in 2019. This improvement was largely down to the three Contracting business lines, which achieved very strong cash inflows from customers, particularly at the end of the year, and to an increase in current provisions.

19.2 Current operating assets and liabilities

Current operating assets and liabilities break down as follows:

			Maturity				
			Within 1 year				
(in € millions)		31/12/2020	1 to 3 months	3 to 6 months	6 to 12 months	Between 1 and 5 years	After 5 years
Inventories and work in progress		1,428	494	71	561	300	2
Trade and other receivables		12,493	9,974	691	1,214	561	53
Other current operating assets		5,696	4,617	360	374	340	4
Inventories and operating receivables	**I**	**19,616**	**15,085**	**1,122**	**2,150**	**1,200**	**59**
Trade payables		(8,876)	(7,669)	(484)	(476)	(236)	(12)
Other current operating liabilities		(14,239)	(11,638)	(758)	(922)	(753)	(168)
Trade and other operating payables	**II**	**(23,115)**	**(19,306)**	**(1,242)**	**(1,398)**	**(989)**	**(179)**
Working capital requirement connected with operations	**I+II**	**(3,499)**	**(4,222)**	**(120)**	**752**	**211**	**(120)**

			Maturity				
			Within 1 year				
(in € millions)		31/12/2019	1 to 3 months	3 to 6 months	6 to 12 months	Between 1 and 5 years	After 5 years
Inventories and work in progress		1,434	590	64	364	412	4
Trade and other receivables		14,523	11,438	808	1,109	1,112	55
Other current operating assets		5,252	4,076	365	481	314	15
Inventories and operating receivables	**I**	**21,209**	**16,104**	**1,237**	**1,955**	**1,838**	**75**
Trade payables		(8,514)	(7,266)	(496)	(433)	(312)	(6)
Other current operating liabilities		(14,177)	(11,150)	(626)	(768)	(1,478)	(155)
Trade and other operating payables	**II**	**(22,691)**	**(18,416)**	**(1,122)**	**(1,201)**	**(1,790)**	**(162)**
Working capital requirement connected with operations	**I+II**	**(1,482)**	**(2,312)**	**115**	**754**	**48**	**(87)**

Breakdown of trade receivables

(in € millions)	31/12/2020	31/12/2019
Trade receivables	6,880	8,306
Allowances against trade receivables	(653)	(612)
Trade receivables, net	**6,227**	**7,694**

In the context of the Covid-19 crisis, the Group adopted closer monitoring of its trade receivables. Impairment of Group trade receivables includes a net charge of €74 million added for 2020, relating in particular to industry sectors or countries hit hardest by the pandemic.
At 31 December 2020, trade receivables between six and 12 months past due amounted to €381 million (compared with €435 million at 31 December 2019). Impairment in the amount of €35 million has been recognised in consequence (€64 million at 31 December 2019). Receivables more than one year past due amounted to €449 million (€386 million at 31 December 2019) and impairment of €321 million has been recognised in consequence (€276 million at 31 December 2019).

19.3 Breakdown of current provisions

Accounting policies

Current provisions are directly related to the operating cycle. They are recognised in accordance with IAS 37 and include the part at less than one year of non-current provisions not directly linked to the operating cycle.

These provisions are recognised at their present value. The effect of discounting provisions is recognised under "Other financial income and expense".

Provisions are taken for contractual obligations to maintain the condition of concession assets. They concern the motorway concession operating companies and cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels and hydraulic infrastructure. They also include expenses to be incurred by airport concession companies (repairs to runways, traffic lanes and other paved surfaces) and are calculated on the basis of maintenance expense plans spanning several years, which are updated annually. These expenses are reassessed on the basis of appropriate indexes (mainly the TP01, TP02 and TP09 indexes in France). Provisions are also taken whenever signs of defects are encountered on certain infrastructure.

Provisions for after-sales service cover Group entities' commitments under statutory warranties relating to completed projects, in particular the 10-year warranty on building projects in France. They are estimated statistically on the basis of expenses incurred in previous years or individually on the basis of specifically identified events.

Provisions for losses on completion of contracts and for construction project liabilities are set aside mainly when end-of-contract projections, based on the most likely estimated outcome, indicate a loss, or to cover work yet to be carried out in respect of completed projects under completion warranties.

Provisions for disputes connected with operations relate mainly to disputes with customers, subcontractors, joint contractors or suppliers.

Restructuring provisions include the cost of plans and measures for which there is a commitment whenever these have been announced before the period end.

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2019	**4,322**	**1,534**	**(1,339)**	**(196)**	**92**	**42**	**(2)**	**4,452**
Obligation to maintain the condition of concession assets	903	182	(110)	(15)	(14)	-	1	946
After-sales service	391	135	(117)	(12)	(4)	-	3	396
Losses on completion and construction project liabilities	1,346	804	(701)	(66)	37	-	8	1,428
Disputes	513	168	(120)	(32)	2	-	1	533
Restructuring costs	31	18	(14)	(6)	(2)	-	-	27
Other current liabilities	1,035	542	(321)	(56)	15	-	3	1,219
Reclassification of the part at less than one year	234	-	-	-	(24)	(17)	-	193
31/12/2019	**4,452**	**1,849**	**(1,384)**	**(186)**	**11**	**(17)**	**17**	**4,741**
Obligation to maintain the condition of concession assets	946	176	(95)	(34)	(1)	-	(6)	987
After-sales service	396	131	(108)	(11)	-	-	(6)	401
Losses on completion and construction project liabilities	1,428	904	(656)	(45)	(58)	-	(14)	1,558
Disputes	533	185	(126)	(30)	(4)	-	(5)	553
Restructuring costs	27	45	(10)	(6)	2	-	-	58
Other current liabilities	1,219	471	(351)	(121)	35	-	(19)	1,235
Reclassification of the part at less than one year	193	-	-	-	5	(15)	(1)	182
31/12/2020	**4,741**	**1,912**	**(1,346)**	**(247)**	**(20)**	**(15)**	**(52)**	**4,973**

At 31 December 2020, contractual obligations to maintain the condition of concession assets mainly comprised €486 million for the ASF group (€453 million at 31 December 2019), €274 million for Cofiroute (€269 million at 31 December 2019), and €196 million for VINCI Airports (€194 million at 31 December 2019) including €93 million for the ANA group (€85 million at 31 December 2019).

Provisions for other current liabilities mainly consist of individual provisions with a value of less than €2 million each.
They include provisions for worksite restoration and removal costs for €194 million (€195 million at 31 December 2019).

20. Non-current provisions

Accounting policies

Non-current provisions are recognised whenever, at the balance sheet date, the Group has a legal or constructive present obligation towards non-Group companies arising from a past event, whenever it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and whenever a reliable estimate can be made of the amount of the obligation. These provisions are measured at their present value, corresponding to the best estimate of the outflow of resources required to settle the corresponding obligation.

The part at less than one year of provisions not directly linked to the operating cycle is reported under "Current provisions".
The part at less than one year of other employee benefits is reported under "Other current liabilities".

Detail of non-current provisions

(in € millions)	Opening	Provisions taken	Provisions used	Other reversals not used	Changes in consolidation scope and miscellaneous	Change in the part at less than one year	Currency translation differences	Closing
01/01/2019	**1,053**	**169**	**(155)**	**(29)**	**139**	**(42)**	**1**	**1,135**
Financial risks	826	20	(13)	-	145	-	-	978
Other liabilities	544	120	(81)	(58)	30	-	2	557
Reclassification of the part at less than one year	(234)	-	-	-	24	17	-	(193)
31/12/2019	**1,135**	**140**	**(94)**	**(59)**	**199**	**17**	**2**	**1,341**
Financial risks	978	8	(8)	(1)	42	-	-	1,019
Other liabilities	557	82	(49)	(15)	(265)	-	(6)	303
Reclassification of the part at less than one year	(193)	-	-	-	(5)	15	1	(182)
31/12/2020	**1,341**	**90**	**(58)**	**(16)**	**(228)**	**15**	**(5)**	**1,140**

Provisions for financial risks

Provisions for financial risks include the Group’s share of the negative net equity of companies accounted for under the equity method. That negative net equity results from the measurement of interest rate derivative instruments (cash flow hedges) at fair value in the financial statements of the companies concerned.

Provisions for other liabilities

Provisions for other liabilities, not directly linked to the operating cycle, include provisions for disputes and arbitration, some of which are described in Note M “Note on litigation”. These amounted to €303 million at 31 December 2020 (€557 million at 31 December 2019), including €155 million at more than one year (€382 million at 31 December 2019).

21. Lease liabilities

Accounting policies

At the start of the lease, the liability is measured on the basis of the present value of payments remaining payable to the lessor, i.e.:

- fixed lease payments, minus any sums received from the lessor as an incentive to enter into the lease;
- variable lease payments that are determined by an index or interest rate, with future payments determined on the basis of the index level or interest rate on the lease start date;
- payments to be made by the lessee under a residual value guarantee;
- the exercise price of an option to buy if the lessee is reasonably certain to exercise that option;
- penalties to be paid if an option to terminate the lease is exercised, if the lease term was determined on the assumption that the lessee would exercise the option.

The liability may be remeasured in the following situations: adjustment of the lease term; adjustment related to the assessment of whether the exercise of an option is reasonably certain or not; a new estimate relating to residual value guarantees; revision of interest rates or indices on which lease payments are based at the time that lease payments are adjusted.

At 31 December 2020, lease liabilities amounted to €1,907 million, including €1,407 million for the part at more than one year and €501 million for the part at less than one year.

They amounted to €1,862 million at 31 December 2019, after taking into account the application of the IFRS IC interpretation published on 16 December 2019 clarifying the assessment of the non-cancellable period of a lease with retroactive effect from 1 January 2019.

The net change of €45 million in 2020 breaks down as follows:

- new lease liabilities: €625 million;
- repayments of lease liabilities: negative amount of €565 million;
- other changes: negative effect of €15 million.

Maturity schedule of non-current lease liabilities

(in € millions)	Non-current lease liabilities	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Lease liabilities related to property assets	**900**	278	329	293
Lease liabilities related to movable assets	**507**	201	140	166
31/12/2020	**1,407**	**479**	**469**	**459**

The residual lease expense recognised on the income statement under "External services" for leases of low value, of short duration or with variable lease payments amounted to €877 million in 2020 (€989 million in 2019).

22. Other contractual obligations of an operational nature and other commitments given and received

22.1 Other contractual obligations of an operational nature

(in € millions)	31/12/2020	31/12/2019
Purchase and capital expenditure obligations (*)	593	538
Obligations related to quarrying rights	116	119

(*) Excluding capital investment obligations related to concession and PPP contracts (see Note F, "Concessions business: PPP contracts, concession contracts and other infrastructure").

Purchase and capital expenditure obligations, excluding those relating to concession contracts, mainly concern Eurovia, VINCI Energies and VINCI Immobilier. The increase in those commitments results mainly from VINCI Immobilier's office property development activities and its commitment to buy the remaining shares in Urbat after it acquired a 49,9% stake in February 2019.

Obligations related to quarry operations include quarrying rights and quarry leases, which mainly concern Eurovia.

22.2 Other commitments made and received

The Group's off-balance sheet commitments are subject to specific reporting at each full-year and half-year closing. They are presented according to the activity to which they relate, in the corresponding notes.

(in € millions)	31/12/2020	31/12/2019
Other commitments made	958	1,119
Other commitments received	412	361

These amounts include various tax and social security-related guarantees as well as personal sureties provided as performance guarantees relating to work done by concession companies, described in Note F.15.1, "Contractual investment and renewal obligations".

The commitments made and received by the Group in connection with concession contracts, construction and service contracts and items connected with unrecognised retirement benefit obligations are shown in the following notes:

- Note F.15, "Off-balance sheet commitments in the concessions business";
- Note G.16.3, "Commitments made and received in connection with construction and service contracts";
- Note K.29.1, "Provisions for retirement benefit obligations".

I. Equity

23. Information on equity

Capital management policy

VINCI has a share repurchase programme approved in its Shareholders' General Meeting of 17 April 2019 and a new programme approved in the Shareholders' General Meeting of 18 June 2020 for a period of 18 months, with a maximum purchase amount of €2 billion at a maximum share price of €130. In the first quarter of 2020, almost 3.5 million shares were bought at an average price of €96.09, for a total of €335 million.

Treasury shares (see Note I.23.2, "Treasury shares") are allocated to financing external growth transactions and to covering performance share plans and the employer contributions to international employee share ownership plans. They may also be cancelled.

Following the decision taken by the Board of Directors on 17 December 2020, VINCI SA cancelled 25 million shares for €1,118 million.

VINCI's employee savings policy aims to make it easier for Group employees to become shareholders. At 31 December 2020, over 55% of the Group's employees were VINCI shareholders through employee shareholding plans (90% in France). Since those funds own 8.93% of the company's shares, the Group's current and former employees form its largest group of shareholders.

There are no financial covenants that take into account the Group's consolidated equity or the equity of parent company VINCI SA.

23.1 Share capital

At 31 December 2020, the parent company's share capital was represented by 588,519,218 ordinary shares of €2.5 nominal value each.

The changes in the number of shares during the period were as follows:

	31/12/2020	31/12/2019
Number of shares at beginning of period	**605,237,689**	**597,515,984**
Increases in share capital	8,281,529	7,721,705
Cancelled treasury shares	(25,000,000)	
Number of shares at end of period	**588,519,218**	**605,237,689**
Number of shares issued and fully paid	588,519,218	605,237,689
Nominal value of one share *(in €)*	2.5	2.5
Treasury shares held directly by VINCI	26,457,495	50,491,699
of which shares allocated to covering performance share plans and employee share ownership plans	*21,779,619*	*21,328,744*

The changes in capital during 2020 and 2019 break down as follows:

	Increases (reductions) in share capital *(in €)*	Share premiums arising on contributions or mergers *(in €)*	Number of shares representing the share capital
01/01/2019	**1,493,789,960**	**10,442,009,956**	**597,515,984**
Group savings plans	18,153,947	523,555,381	7,261,579
Exercise of share subscription options	1,150,315	16,813,004	460,126
31/12/2019	**1,513,094,222**	**10,982,378,341**	**605,237,689**
Group savings plans	7,304,553	239,862,638	2,921,821
Payment of dividend in shares	13,399,270	408,463,347	5,359,708
Cancelled treasury shares	(62,500,000)		(25,000,000)
31/12/2020	**1,471,298,045**	**11,630,704,326**	**588,519,218**

23.2 Treasury shares

Accounting policies

Treasury shares held by the Group are booked as a deduction from equity at their cost of acquisition. Any gains or losses connected with the purchase, sale or cancellation of treasury shares are recognised directly in equity without affecting the income statement.

Changes in treasury shares were as follows:

	31/12/2020	31/12/2019
Number of shares at beginning of period	**50,491,699**	**42,749,600**
Shares repurchased during the period	3,482,269	10,104,964
Shares granted to employees (2016 performance share plan)	778	(2,009,323)
Shares granted to employees (2017 performance share plan)	(2,139,259)	(900)
Shares granted to employees (2018 performance share plan)	(3,130)	(900)
Shares granted to employees (2019 performance share plan)	(2,930)	(1,050)
Shares granted to employees (2020 performance share plan)	(915)	
Delivery of shares in connection with the Castor International plan	(371,017)	(350,692)
Cancelled treasury shares	(25,000,000)	
Number of shares at end of period	**26,457,495**	**50,491,699**

At 31 December 2020, the total number of treasury shares held was 26,457,495. These were recognised as a deduction from consolidated equity for €2,111 million.
A total of 21,779,619 shares are allocated to covering long-term incentive plans and employee share ownership transactions and 4,677,876 are intended to be used as payment in external growth transactions, sold or cancelled.

23.3 Distributable reserves and statutory reserve

At 31 December 2020, VINCI SA's distributable reserves amounted to €29 billion (€30 billion at 31 December 2019) and its statutory reserve to €151 million (€150 million at 31 December 2019).

23.4 Amounts recognised directly in equity

The main amounts recognised directly in equity are as follows:

		31/12/2020			31/12/2019		
(in € millions)		Attributable to owners of the parent	Attributable to non-controlling interests	Total	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Hedging costs							
Reserve at beginning of period		**(7)**	**-**	**(7)**	**2**	**-**	**2**
Gross reserve before tax effect at balance sheet date	**I**	**(28)**	**-**	**(28)**	**(7)**	**-**	**(7)**
Cash flow hedge and net investment hedges							
Reserve at beginning of period		**(1,002)**	**-**	**(1,002)**	**(663)**	**-**	**(664)**
Changes in fair value of companies accounted for under the equity method		(35)	-	(35)	(121)	-	(121)
Other changes in fair value in the period		35	-	35	(277)	-	(277)
Fair value items recognised in profit or loss		95	-	95	62	-	62
Changes in consolidation scope and miscellaneous		-	-	-	(3)	-	(3)
Gross reserve before tax effect at balance sheet date	**II**	**(906)**	**-**	**(906)**	**(1,002)**	**-**	**(1,002)**
of which gross reserve relating to companies accounted for under the equity method		*(707)*	-	*(707)*	*(671)*	-	*(671)*
Total gross reserve before tax effects (items that may be recycled to income)	**I+II**	**(934)**	**-**	**(934)**	**(1,008)**	**-**	**(1,009)**
Associated tax effect		289	-	289	233	-	233
Reserve net of tax (items that may be recycled to income)	**III**	**(645)**	**-**	**(645)**	**(775)**	**-**	**(776)**
Equity instruments							
Reserve at beginning of period		**-**	**-**	**-**	**1**	**-**	**1**
Gross reserve before tax effect at balance sheet date	**IV**	**(2)**	**-**	**(2)**	**-**	**-**	**-**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(589)**	**(17)**	**(606)**	**(367)**	**-**	**(367)**
Actuarial gains and losses recognised in the period		111	32	143	(295)	(20)	(315)
Associated tax effect		(22)	(6)	(27)	73	4	77
Changes in consolidation scope and miscellaneous		(1)	-	(1)	-	-	(1)
Reserve net of tax at end of period	**V**	**(500)**	**10**	**(491)**	**(589)**	**(17)**	**(606)**
Total reserve net of tax (items that may not be recycled to income)	**IV+V**	**(502)**	**10**	**(492)**	**(589)**	**(17)**	**(606)**
Total amounts recognised directly in equity	**III+IV+V**	**(1,148)**	**10**	**(1,138)**	**(1,364)**	**(17)**	**(1,381)**

The amounts recorded directly in equity relate to cash flow hedging transactions (negative effect of €1,092 million), net investment hedging transactions (positive effect of €186 million) and actuarial gains and losses on retirement benefit obligations (negative effect of €491 million after tax).
Transactions relating to the hedging of interest rate risk had a negative effect of €1,066 million, comprising:
- a negative effect of €370 million concerning fully consolidated subsidiaries, including VINCI SA (negative effect of €175 million), VINCI Airports (negative effect of €94 million) and VINCI Autoroutes (negative effect of €85 million);
- a negative effect of €696 million relating to companies accounted for under the equity method, including LISEA (negative effect of €451 million).

These transactions are described in Note J.27.1.2, "Cash flow hedges".

23.5 Non-controlling interests

Non-controlling interests amounted to €2,161 million at 31 December 2020 (€2,604 million at 31 December 2019).

At 31 December 2020, the Group owned one subsidiary in which there were material non-controlling interests. This was the holding company indirectly owning a 50.01% stake in London Gatwick Airport. VINCI Airports and Global Infrastructure Partners, acting on behalf of non-controlling shareholders, signed a shareholders' agreement determining control over London Gatwick airport. That agreement covers matters including the composition of the Board of Directors, the ability to appoint certain key executives (including the CEO "Chief Executive Officer") and a mechanism for approving substantive decisions such as those regarding the business plan and annual budget. In addition, a procedure has been established for resolving any disputes that may arise, which in certain scenarios will allow minority shareholders, after acceptance by VINCI, to sell their shares to VINCI.

The condensed financial information is presented below. It was prepared in accordance with IFRSs, adjusted where appropriate for fair value remeasurements on the date control was acquired (13 May 2019) and adjustments to harmonise accounting policies with those of the Group. The amounts at 31 December 2020 are presented before eliminations of intercompany accounts and transactions.

(in € millions)	**London Gatwick Airport**
Revenue	246
Net income	(489)
of which attributable to non-controlling interests	*(245)*
Other comprehensive income	37
Comprehensive income for the period	(452)
of which attributable to non-controlling interests	*(226)*
Non-current assets	9,279
Current assets	473
Non-current liabilities	(5,648)
Current liabilities	(1,024)
Net assets	**3,080**
of which attributable to non-controlling interests	*1,539*
Net operating cash flows	(278)
Net cash flows from investing activities	(133)
Net cash flows from financing activities	728
Other changes	(4)
Change in net cash	**314**

24. Dividends

The distribution of a dividend amounting to €2.04 per share in respect of 2019 was approved in the Shareholders' General Meeting of 18 June 2020.
As an interim dividend of €0.79 was paid in November 2019, the final dividend to be paid was €1.25 per share. Shareholders were offered the option of receiving the final dividend in cash or in new shares at the price of €78.71 per share.
Of a total of 554,379,328 shares with dividend rights, shareholders elected to receive payment in new shares in respect of 336,226,351 existing shares, i.e. over 60% of the total, and in cash in respect of 218,152,977 existing shares.
A total of 5,359,708 new shares were issued, representing 0.88% of the company's capital. They were admitted to trading on Euronext Paris from 16 July 2020 and confer dividend rights from 1 January 2020.

VINCI paid the final dividend in respect of 2019 on 16 July 2020. Following this operation, the Group's consolidated equity increased by €422 million.

A dividend of €2.04 in respect of 2020 (see Note N.33, "Appropriation of 2020 net income") will be submitted for approval at the Shareholders' Ordinary General Meeting to be held on 8 April 2021.

Dividends paid by VINCI SA to its shareholders in respect of 2020 and 2019 break down as follows:

	2020	2019
Dividend per share *(in €)*		
Interim dividend		0.79
Final dividend	2.04	1.25
Net total dividend	**2.04**	**2.04**
Amount of dividend *(in € millions)*		
Interim dividend	-	440
Final dividend	1,153	693
Amount paid in VINCI shares		*420*
Amount paid in cash	*1,153* (*)	*273*
Net total dividend	**1,153**	**1,133**

(*) Estimate based on the number of shares with dividend entitlement at 25 January 2021, i.e. 565,062,746 shares.

J. Financing and financial risk management

25. Net financial debt

Accounting policies

Bonds, other loans and financial debt are recognised at amortised cost using the effective interest method. The effective interest rate is determined after taking account of redemption premiums and issuance expenses. Under this method, the interest expense is measured actuarially and reported under the cost of gross financial debt.

The economic benefit of a loan at a significantly below-market rate of interest, which is the case in particular for project finance granted by public sector organisations, is treated as a government grant and recognised as a reduction of the debt and the related investments, in accordance with IAS 20.

Certain financing contracts provide for early redemption options, for amounts that are always close to the amortised cost of the financial liabilities that are recognised as a result. Consequently, the Group does not recognise any derivative financial instrument separately from the original contracts.

The part at less than one year of borrowings is included in "Current borrowings".

At 31 December 2020, net financial debt, as defined by the Group, stood at almost €18 billion, down €3.7 billion compared with 31 December 2019. It breaks down as follows:

Analysis by accounting heading	*(in € millions)*	Note	31/12/2020 Non-current	31/12/2020 Current (*)	31/12/2020 Total	31/12/2019 Non-current	31/12/2019 Current (*)	31/12/2019 Total
Financial liabilities at amortised cost	Bonds	25.1	(23,136)	(1,707)	(24,842)	(23,300)	(1,795)	(25,094)
	Other bank loans and other financial debt	25.1	(3,548)	(253)	(3,801)	(3,075)	(630)	(3,705)
	Long-term financial debt (**)	25.1	**(26,684)**	**(1,959)**	**(28,643)**	**(26,374)**	**(2,425)**	**(28,799)**
	Commercial paper	26.2	-	(1,194)	(1,194)	-	(800)	(800)
	Other current financial liabilities	26.1	-	(375)	(375)	-	(50)	(50)
	Bank overdrafts	26.1	-	(339)	(339)	-	(911)	(911)
	Financial current accounts - liabilities	26.1	-	(42)	(42)	-	(31)	(31)
	I - Gross financial debt		**(26,684)**	**(3,909)**	**(30,593)**	**(26,374)**	**(4,217)**	**(30,591)**
	of which impact of fair value hedges		*(1,144)*	*(7)*	*(1,151)*	*(889)*	*(10)*	*(898)*
	of which effect of recognising London Gatwick's debt at fair value in VINCI's consolidated financial statements		*(453)*	-	*(453)*	*(516)*	-	*(516)*
Financial assets at amortised cost	Loans and collateralised financial receivables		4	-	4	4	-	4
	Financial current accounts - assets	26.1	-	95	95	-	47	47
Financial assets measured at fair value through profit or loss	Cash management financial assets	26.1	-	43	43	-	239	239
	Cash equivalents	26.1	-	5,646	5,646	-	3,083	3,083
	Cash	26.1	-	6,119	6,119	-	5,174	5,174
	II - Financial assets		**4**	**11,903**	**11,906**	**4**	**8,543**	**8,548**
Derivatives	Derivative financial instruments - liabilities	27	(434)	(319)	(753)	(473)	(399)	(872)
	Derivative financial instruments - assets	27	1,250	201	1,450	1,051	210	1,261
	III - Derivative financial instruments		**816**	**(118)**	**698**	**579**	**(189)**	**390**
	Net financial debt (I+II+III)		**(25,864)**	**7,875**	**(17,989)**	**(25,791)**	**4,137**	**(21,654)**
	Net financial debt breaks down by business as follows:							
	Concessions		*(35,595)*	*2,877*	*(32,718)*	*(35,783)*	*1,831*	*(33,952)*
	Contracting		*(3,735)*	*5,690*	*1,955*	*(4,093)*	*3,924*	*(168)*
	Holding companies and VINCI Immobilier		*13,466*	*(693)*	*12,774*	*14,084*	*(1,618)*	*12,466*

(*) The current part includes accrued interest not matured.
(**) Including the part at less than one year.

Change in net financial debt

(in € millions)	Opening	Cash flows	Ref.	"Non-cash" changes: Changes in consolidation scope	Exchange rate effect	Changes in fair value	Other changes	Total "non-cash"	Ref.	Closing
Bonds (non-current)	(23,300)	(1,184)	*(3)*	-	475	(255)	1,128	1,348	*(4)*	(23,136)
Other loans and borrowings (non-current)	(3,075)	(753)	*(3)*	(27)	104	1	201	279	*(4)*	(3,548)
Current borrowings	(4,217)	1,605		(57)	71	2	(1,313)	(1,297)		(3,909)
of which the part at less than one year of long-term debts	*(2,042)*	*1,646*	*(3)*	*(2)*	*27*	*2*	*(1,248)*	*(1,221)*	*(4)*	*(1,617)*
of which current financial debts at inception	*(881)*	*(611)*	*(2)*	*(19)*	*2*	*-*	*(97)*	*(114)*	*(4)*	*(1,606)*
of which accrued interest on bank debts	*(384)*	*-*	*(4)*	*-*	*6*	*-*	*31*	*37*	*(4)*	*(347)*
of which bank overdrafts	*(911)*	*570*	*(1)*	*(36)*	*35*	*-*	*2*	*1*	*(1)*	*(339)*
Collateralised loans and receivables	4	-	*(4)*	-	(1)	-	-	(1)	*(4)*	4
Cash management financial assets	287	(149)		(5)	(1)	-	6	-		137
of which cash management financial assets (excluding accrued interest)	*286*	*(149)*	*(2)*	*(5)*	*(1)*	*-*	*6*	*(1)*	*(4)*	*137*
of which accrued interest on cash management assets	*-*	*-*	*(4)*	*-*	*-*	*-*	*-*	*-*	*(4)*	*1*
Cash and cash equivalents	8,257	3,621	*(1)*	71	(173)	(2)	(9)	(113)	*(1)*	11,765
Derivative financial instruments	390	77		-	173	66	(8)	231		698
of which fair value of derivatives	*265*	*77*	*(3)*	*-*	*173*	*66*	*-*	*239*	*(4)*	*581*
of which accrued interest on derivatives	*125*	*-*	*(4)*	*-*	*-*	*-*	*(8)*	*(8)*	*(4)*	*117*
Net financial debt	**(21,654)**	**3,219**	***(5)***	**(18)**	**648**	**(188)**	**5**	**446**	***(5)***	**(17,989)**

Cash flows for the period (inflow of €3.2 billion) reflect in particular the €3.6 billion increase in cash and cash equivalents, resulting from the improvement in the operational cash position.

The positive exchange rate effect of €648 million arises for the most part from long-term foreign currency debts, mainly denominated in sterling (GBP) and US dollars (USD), both of which depreciated against the euro over the period.

The table below reconciles changes in net financial debt with the cash flow statement.

Reconciliation of net financial debt with financing flows on the cash flow statement:

(in € millions)	Ref.	2020
Change in net cash	*(1)*	4,080
Change in cash management assets and other current financial debts	*(2)*	(760)
(Proceeds from)/repayment of loans	*(3)*	(213)
Other changes	*(4)*	558
Change in net financial debt	*(5)*	3,665

25.1 Detail of long-term financial debt by business

The breakdown of net long-term financial debt (including the part at less than one year) by business at 31 December 2020 was as follows:

(in € millions)	31/12/2020 Concessions	31/12/2020 Contracting	31/12/2020 Holding companies and VINCI Immobilier	31/12/2020 Total	31/12/2019 Concessions	31/12/2019 Contracting	31/12/2019 Holding companies and VINCI Immobilier	31/12/2019 Total
Bonds	(18,063)	-	(6,779)	(24,842)	(18,054)	-	(7,040)	(25,094)
Other bank loans and other financial debt	(3,410)	(147)	(244)	(3,801)	(3,338)	(112)	(255)	(3,705)
Long-term financial debt	**(21,473)**	**(147)**	**(7,023)**	**(28,643)**	**(21,392)**	**(113)**	**(7,295)**	**(28,799)**

At 31 December 2020, long-term financial debt amounted to €28.6 billion, down €156 million relative to 31 December 2019 (€28.8 billion). The decrease was due mainly to the following transactions:

- VINCI SA redeemed €750 million of bonds issued in 2012 bearing interest at 3.375% in March and issued €500 million of eight-year zero-coupon green bonds in November;

- In April, ASF redeemed €650 million of bonds issued in 2010 with a coupon of 4.125% and repaid €55 million of borrowings from the European Investment Bank during the second quarter of 2020;
- In May, as part of its EMTN programme, Cofiroute issued €950 million of 11-year bonds with a coupon of 1%. The entity repaid €54 million of borrowings from the European Investment Bank during the period;
- In April, London Gatwick Airport arranged a £300 million 12-month credit facility, with two six-month extensions at the borrower's discretion, which has been fully drawn since April;
- In November, Lima Expresa, which holds the concession for the Lima expressway in Peru, extended the maturity of its bridging loan by 18 months, raising its amount from 1.2 billion to 1.3 billion Peruvian sol;
- ANA, the company holding the concessions for the airports in Portugal, repaid €57 million of its amortising debt with the European Investment Bank.

Details of the Group's main financial debts are given in the tables below:

Concessions

(in € millions)	Currency	Contractual interest rate	Maturity	31/12/2020 Capital remaining due	Carrying amount	of which accrued interest not matured	31/12/2019 Capital remaining due	Carrying amount
Bonds I				**16,805**	**18,063**	**290**	**16,789**	**18,054**
ASF group of which :				**8,630**	**9,273**	**142**	**9,307**	**9,916**
ASF 2007 bond issue	EUR	5.6%	July 2022	1,575	1,682	44	1,575	1,719
ASF 2010 bond issue	EUR	4.1%	April 2020	-	-	-	650	676
ASF 2013 bond issue	EUR	2.9%	January 2023	700	749	19	700	759
ASF 2014 bond issue	EUR	3.0%	January 2024	600	615	17	600	614
ASF 2016 bond issue	EUR	1.0%	May 2026	500	525	3	500	517
ASF 2017 bond issue	EUR	1.1%	April 2026	500	502	4	500	502
ASF 2017 bond issue	EUR	1.3%	January 2027	1,000	1,005	12	1,000	1,004
ASF 2018 bond issue	EUR	1.4%	June 2028	700	764	5	700	746
ASF 2018 bond issue	EUR	1.4%	January 2030	1,000	1,126	13	1,000	1,090
ASF 2019 bond issue	EUR	1.4%	February 2031	1,000	1,101	12	1,000	1,054
Cofiroute of which :				**4,106**	**4,209**	**45**	**3,157**	**3,233**
2006 bond issue and supplement in 2007	EUR	5.0%	May 2021	1,100	1,139	33	1,100	1,154
2016 bond issue	EUR	0.4%	February 2025	650	654	2	650	652
2016 bond issue	EUR	0.8%	September 2028	650	682	2	650	661
2017 bond issue	EUR	1.1%	October 2027	750	766	2	750	760
2020 bond issue	EUR	1.0%	May 2031	950	962	6	-	-
Arcour				**407**	**404**	**-**	**410**	**407**
Arcour 2017	EUR	2.8%	November 2047	407	404	-	410	407
VINCI Airports				3,373	**3,876**	**103**	**3,573**	**4,140**
of which Aerodom 2017	USD	6.8%	March 2029	258	254	-	282	277
Gatwick Airport Limited 2011(*)	GBP	6.1%	March 2026	334	348	17	353	367
Gatwick Airport Limited 2011(*)	GBP	6.5%	March 2041	334	349	18	353	350
Gatwick Airport Limited 2012(*)	GBP	5.3%	January 2024	334	349	16	353	368
Gatwick Airport Limited 2012(*)	GBP	5.8%	January 2037	334	344	18	353	363
Gatwick Airport Limited 2014(*)	GBP	4.6%	March 2034	389	397	14	411	419
Gatwick Airport Limited 2016(*)	GBP	2.6%	October 2046	334	330	2	353	349
Gatwick Airport Limited 2017(*)	GBP	3.1%	September 2039	389	387	3	411	427
Gatwick Airport Limited 2018(*)	GBP	3.3%	February 2048	334	335	9	353	355
Gatwick Airport Limited 2019(*)	GBP	2.9%	July 2049	334	330	5	353	349
Other concessions				**291**	**301**	**-**	**343**	**357**
of which Lima Expresa 2012	PEN	Inflation-	June 2037	211	208	-	246	238
Other bank loans and other financial debt II				**3,463**	**3,409**	**7**	**3,381**	**3,338**
ASF group				**525**	**515**	**-**	**588**	**576**
Cofiroute				**408**	**407**	**3**	**462**	**461**
Arcour				**186**	**169**	**-**	**188**	**170**
Arcos				**296**	**291**	**-**	**219**	**215**
VINCI Airports				**1,434**	**1,423**	**3**	**1,248**	**1,235**
of which ADL (Aéroports de Lyon) group including ADLP(*)			-	358	357	1	314	314
of which Aerodom 2017(*)	USD	L3M	March 2024	157	153	-	181	176
of which VINCI Airports Serbia 2018(*)				325	318	-	288	280
of which Gatwick Airport Limited 2020(*)	GBP	L12M	April 2021	334	334	2	-	-
Other concessions				**614**	**604**	**1**	**676**	**682**
of which Lima Expresa 2019(*)	PEN	3.0%	May 2022(**)	296	289	1	321	331
Long-term financial debt I+II+III				**20,268**	**21,473**	**297**	**20,170**	**21,392**

(*) Including borrowings subject to covenants at 31 December 2020.

(**) Loan renegotiated in November 2020.

Holding companies

(in € millions)	Currency	Contractual interest rate	Maturity	31/12/2020 Capital remaining due	Carrying amount	of which accrued interest not matured	31/12/2019 Capital remaining due	Carrying amount
Bonds I				**6,247**	**6,779**	**45**	**6,689**	**7,040**
VINCI SA				**6,247**	**6,779**	**45**	**6,689**	**7,040**
of which:								
2012 bond issue	EUR	3.4%	March 2020	-	-	-	750	772
2017 bond issue and supplement (*)	USD	0.4%	February 2022	591	586	1	662	625
2018 bond issue	EUR	1.0%	September 2025	750	786	2	750	778
2018 bond issue and supplement	EUR	1.8%	September 2030	1,100	1,246	5	1,100	1,202
2019 bond issue	GBP	2.3%	March 2027	445	451	8	468	476
2019 bond issue	EUR	1.6%	January 2029	950	1,040	15	950	1,011
2019 bond issue	USD	3.8%	April 2029	815	929	7	887	940
2019 bond issue	GBP	2.8%	September 2034	445	445	4	468	470
2020 green bond issue	EUR	0.0%	November 2028	500	502	-	-	-
Other bank loans and other financial debt II				**244**	**244**	**-**	**267**	**255**
VINCI SA				**244**	**244**	**-**	**267**	**255**
Long-term financial debt I+II				**6,492**	**7,023**	**45**	**6,956**	**7,295**

(*) Corresponding to non-dilutive convertible bonds.

Breakdown of long-term financial debt by currency

At 31 December 2020, 61% of the Group's long-term financial debt was denominated in euros, 25% in sterling and 8% in US dollars. Most foreign-currency debts of companies of which the functional currency is the euro (mainly VINCI and ASF) were hedged at their time of issue and do not generate any exposure to exchange rate risk. Generally, the Group's activities in foreign countries are financed in the local currency.

25.2 Net financial debt maturity schedule

On the basis of interest rates at 31 December 2020, the Group's debt and associated interest payments break down as follows, by maturity date:

(in € millions)		31/12/2020 Carrying amount	Capital and interest payments (*)	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Bonds							
Capital		(24,842)	(23,053)	(1,366)	(2,273)	(3,675)	(15,739)
Interest payments		-	(4,917)	(582)	(527)	(1,197)	(2,612)
Other bank loans and other financial debt				-	-	-	-
Capital		(3,801)	(3,855)	(245)	(898)	(1,249)	(1,463)
Interest payments		-	(418)	(70)	(58)	(113)	(176)
Long-term financial debt		**(28,643)**	**(32,242)**	**(2,263)**	**(3,755)**	**(6,234)**	**(19,989)**
Commercial paper		(1,194)	(1,194)	(1,194)	-	-	-
Other current financial liabilities		(375)	(375)	(375)	-	-	-
Bank overdrafts		(339)	(339)	(339)	-	-	-
Financial current accounts - liabilities		(42)	(42)	(42)	-	-	-
Financial debt	**I**	**(30,593)**	**(34,192)**	**(4,213)**	**(3,755)**	**(6,234)**	**(19,989)**
Financial assets	**II**	**11,906 (**)**	**11,906**	**11,906**	**-**	**-**	**-**
Derivative financial instruments - liabilities		(753)	(316)	(49)	(44)	(102)	(121)
Derivative financial instruments - assets		1,450	1,382	240	221	442	480
Derivative financial instruments	**III**	**698**	**1,066**	**191**	**177**	**340**	**359**
Net financial debt	**I+II+III**	**(17,989)**	**-**				

(*) For derivative financial instruments, amounts correspond solely to interest flows.

(**) Including €11.9 billion at less than three months, consisting mainly of €5.6 billion of cash equivalents and €6.1 billion of cash (see Note J.26.1, "Net cash managed").

At 31 December 2020, the average maturity of the Group's long-term financial debt was 7.7 years (8.1 years at 31 December 2019). The average maturity was 7.9 years in Concession subsidiaries, 3.1 years for the Contracting business and 7.2 years for holding companies and VINCI Immobilier.

25.3 Credit ratings and financial covenants

Credit ratings

At 31 December 2020, the Group's credit ratings were as follows:

		Rating		
	Agency	Long term	Outlook	Short term
VINCI SA	Standard & Poor's	A-	Stable	A2
	Moody's	A3	Stable	P1
ASF	Standard & Poor's	A-	Stable	A2
	Moody's	A3	Stable	
Cofiroute	Standard & Poor's	A-	Stable	A2
Gatwick Funding Limited (*)	Standard & Poor's	BBB	Negative	
	Moody's	Baa2	Negative	
	Fitch	BBB+	Negative	

(*) Company that raises funding for London Gatwick Airport.

In 2020, the rating agencies updated their views as follows:

- Standard & Poor's maintained its long-term ratings for VINCI, ASF and Cofiroute, but revised its outlook from positive to stable for all three companies.
- With respect to Gatwick Funding Limited:
  - Standard & Poor's cut its long-term rating from BBB+ to BBB and placed the entity on CreditWatch with negative implications (as compared with a negative outlook previously).
  - Moody's cut its long-term rating from Baa1 to Baa2 and downgraded its outlook to negative.
  - Fitch downgraded its outlook to negative.

Financial covenants

Some financing agreements include early repayment clauses applicable in the event of non-compliance with financial ratios.

The Group regularly monitors developments in relation to these financial covenants and, in the context of the Covid-19 crisis, has paid particular attention to finance agreements that could give rise to risks of it failing to comply with financial ratios in the short and medium term. Talks have taken place with lenders to inform them of potential instances of default related to such failures. Group's entities that entered into negotiation regarding financing condition reached agreements. In particular, waivers and amendments were obtained were obtained by London Gatwick Airport in September 2020 in relation to its bank and bond debt (for an amount of 3.4 billion sterling.). The agreement mainly consisted of:

- an exemption from the requirement to comply, in December 2020 and June 2021, with the two financial ratios (interest coverage ratio and debt ratio) provided for in its financing agreements;
- a change to the method for calculating the debt ratio until June 2023;
- authorisation to draw on the Bank of England's Covid Corporate Financing Facility, with London Gatwick deemed eligible to receive £300 million.

Other agreements subject to covenants do not involve material amounts (individual amounts below €300 million).

26. Net cash managed and available resources

Accounting policies

Cash and cash equivalents comprise current accounts at banks and short-term liquid investments subject to negligible risks of fluctuations of value. Cash equivalents include money market UCITS and certificates of deposit with maturities not exceeding three months at the origin. Bank overdrafts are not included in cash and are reported under "Current financial liabilities". Changes in the fair value of these instruments are recognised directly in profit or loss.

"Cash management financial assets" comprises investments in money market securities and bonds, and units in UCITS, made with a short-term management objective, that do not satisfy the IAS 7 criteria for recognition as cash. They are measured and recognised at their fair value. Changes in value are recognised in profit or loss.

Purchases and sales of cash management financial assets are recognised at their transaction date.

At 31 December 2020, the Group's available resources amounted to €19.2 billion, including €10.0 billion of net cash managed,€8.0 billion of available, confirmed medium-term bank credit facilities and 1.2 billion of commercial paper issued.

These available resources enable the Group to manage its liquidity risk (see Note J.25.2, "Net financial debt maturity schedule").

26.1 Net cash managed

Net cash managed, which includes in particular cash management financial assets and commercial paper issued, breaks down as follows:

	31/12/2020			
(in € millions)	**Concessions**	**Contracting**	**Holding companies and VINCI Immobilier**	**Total**
Cash equivalents	**165**	**131**	**5,351**	**5,646**
Marketable securities and mutual funds (UCITS)	-	5	3,780	3,785
Negotiable debt securities with an original maturity of less than 3 months (*)	165	126	1,571	1,862
Cash	**999**	**2,424**	**2,696**	**6,119**
Bank overdrafts	**-**	**(288)**	**(51)**	**(339)**
Net cash and cash equivalents	**1,164**	**2,267**	**7,995**	**11,426**
Cash management financial assets	**9**	**32**	**2**	**43**
Marketable securities and mutual funds (UCITS) (**)	-	-	-	-
Negotiable debt securities and bonds with an original maturity of less than 3 months	8	23	2	32
Negotiable debt securities and bonds with an original maturity of more than 3 months	1	9	-	10
Commercial paper issued	**(194)**	**-**	**(1,000)**	**(1,194)**
Other current financial liabilities	**(345)**	**(29)**	**-**	**(375)**
Balance of cash management current accounts	**4,053**	**3,476**	**(7,475)**	**53**
Net cash managed	**4,687**	**5,746**	**(480)**	**9,953**

(*) Including term deposits, interest earning accounts and certificates of deposit.
(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.

(in € millions)	31/12/2019 Concessions	Contracting	Holding companies and VINCI Immobilier	Total
Cash equivalents	**305**	**99**	**2,680**	**3,083**
Marketable securities and mutual funds (UCITS)	-	13	983	996
Negotiable debt securities with an original maturity of less than 3 months (*)	305	86	1,696	2,087
Cash	**845**	**2,527**	**1,801**	**5,174**
Bank overdrafts	**(3)**	**(817)**	**(91)**	**(911)**
Net cash and cash equivalents	**1,146**	**1,809**	**4,390**	**7,346**
Cash management financial assets	**37**	**56**	**146**	**239**
Marketable securities and mutual funds (UCITS) (**)	-	43	145	188
Negotiable debt securities and bonds with an original maturity of less than 3 months	32	1	1	34
Negotiable debt securities and bonds with an original maturity of more than 3 months	5	12	-	17
Commercial paper issued	**-**	**-**	**(800)**	**(800)**
Other current financial liabilities	**(8)**	**(41)**	**-**	**(50)**
Balance of cash management current accounts	**2,425**	**2,156**	**(4,564)**	**16**
Net cash managed	**3,600**	**3,981**	**(829)**	**6,751**

(*) Including term deposits, interest earning accounts and certificates of deposit.
(**) Short-term investments in UCITS units that do not meet the criteria to be designated as cash equivalents as defined by IAS 7.

The investment vehicles used by the Group are money market UCITS, interest earning accounts, term deposits and negotiable debt securities (certificates of deposit generally with a maturity of less than three months). They are measured and recognised at their fair value.

Net cash is managed with limited risk to capital. The performance and the risks associated with these investments of net cash are monitored regularly through a report detailing the yield of the various assets on the basis of their fair value and analysing the associated level of risk.

At 31 December 2020, net cash managed by VINCI SA amounted to €5.6 billion, arising mainly from the cash surpluses transferred upwards from French subsidiaries through a cash pooling system. VINCI Finance International, a wholly owned subsidiary of VINCI that centralises the cash surpluses of foreign subsidiaries, managed investments and cash of €1.4 billion at 31 December 2020. This centralisation enables the management of financial resources to be optimised at Group level and the risks relating to the counterparties and investment vehicles used to be better managed.

Other subsidiaries' whose cash is not centralized must comply with the guidelines and instructions issued by VINCI, which define the investment vehicles and the counterparties authorised. The investments amounted to around €3 billion at 31 December 2020, comprising €0.6 billion for the Concessions business and €2.3 billion for the Contracting business.

26.2 Other available resources

Revolving credit facilities

VINCI has a €8 billion confirmed syndicated revolving credit facility. Following the exercise of the second one-year extension option in November 2020, the maturity of the credit facility was extended until 2025; for this last year, its amount will be €7.7 billion. It does not contain any default clause relating to non-compliance with financial ratios. This credit facility was undrawn at 31 December 2020.
The company that owns London Gatwick Airport has a £300 million revolving credit facility. The facility is due to expire in June 2025. This credit facility was fully drawn at 31 December 2020.

Commercial paper

VINCI has a €5 billion commercial paper programme rated A2 by Standard & Poor's and P1 by Moody's.
At 31 December 2020, €1.0 billion had been issued under that programme.
In November 2020, the company that owns London Gatwick Airport was deemed eligible to draw on the Covid Corporate Financing Facility set up by the UK government over a one-year period. Of the total authorised financing of £300 million, £175 million was drawn at 31 December 2020.

27. Financial risk management

Management rules

VINCI has implemented a system to manage and monitor the financial risks to which it is exposed, principally interest rate risk.
In response to the Covid-19 crisis, the Group has adopted specific procedures to ensure that its risks are properly monitored.

In accordance with the rules laid down by the Group's Finance Department, the responsibility for identifying, measuring and hedging financial risks lies with the operational entity in question. On the other hand, derivative financial instruments are, in general, managed by the Group Finance Department on behalf of the subsidiaries in question.
Treasury committees, in which the Group's Finance Department and the concerned companies participate, analyse the main exposures regularly and decide on management strategies for the entities that have the most material exposure to financial risks (VINCI SA, ASF, Cofiroute, VINCI Finance International).
In order to manage its exposure to market risks, the Group uses derivative financial instruments.

Accounting policies

Most interest rate and foreign currency exchange rate derivatives used by VINCI are designated as hedging instruments. Hedge accounting is applicable if the conditions provided for in IFRS 9 are satisfied:

- at the time of setting up the hedge, there is a formal designation and documentation of the hedging relationship;
- the economic relationship between the hedged item and the hedging instrument must be documented, as must potential sources of ineffectiveness;
- retrospective ineffectiveness must be measured at each accounts closing date.

Changes in fair value from one period to the next are recognised differently depending on whether the instrument is designated for accounting purposes as:

- a fair value hedge of an asset or a liability or of an unrecognised firm commitment;
- a cash flow hedge; or
- a hedge of a net investment in a foreign entity.

The Group applies the permitted or required provisions of IFRS 9 as regards the treatment of hedging costs of all instruments qualifying for hedge accounting.

A fair value hedge enables the exposure to the risk of a change in the fair value of a financial asset, a financial liability or unrecognised firm commitment to be hedged.
Changes in the fair value of the hedging instrument are recognised in the income statement for the period. The change in value of the hedged item attributable to the hedged risk is also recognised symmetrically in the income statement for the period (and adjusts the value of the hedged item). Except for the ineffective part of the hedge, these two revaluations offset each other within the same line items in the income statement.

A cash flow hedge allows exposure to variability in future cash flows associated with an existing asset or liability, or a highly probable forecast transaction, to be hedged.
Changes in the fair value of the hedging instrument are recognised under "Other comprehensive income" (OCI) for the effective portion and in the income statement for the period for the ineffective portion. Gains or losses accumulated under equity (OCI) are taken to profit or loss under the same line item as the hedged item – i.e. under "Operating income and expenses" for cash flows from operations and under "Financial income and expense" otherwise – when the hedged cash flow occurs.
If the hedging relationship is disqualified because it is no longer considered effective, the cumulative gains or losses in respect of the hedging instrument are retained in equity (OCI) and reclassified in the income statement as and when the hedged cash flows occur, with subsequent changes in fair value recorded directly in the income statement. If the future cash flow is no longer expected, the gains and losses previously recognised in equity (OCI) are recognised in the income statement.

A net investment hedge consists of hedging the exchange rate risk relating to the equity of an investment in a consolidated subsidiary outside of the eurozone. Changes in the value of the hedging instrument are recorded in equity under "Currency translation differences" for the effective portion. The portion of the changes in the value of the hedging instrument regarded as ineffective is recognised in the cost of net financial debt. Currency translation differences relating to changes in the value of the hedging instrument are recognised in the income statement when the foreign entity in which the initial investment was made leaves the consolidation scope.

Derivative financial instruments that are not designated as hedging instruments are reported in the balance sheet at fair value and changes in their fair value are recognised in the income statement.

Cross-currency swaps are regarded as interest rate instruments where they are designated as fair-value or cash-flow hedges for accounting purposes, or as foreign exchange instruments in other cases.

Derivative financial instruments

At the balance sheet date, the fair value of derivative financial instruments broke down as follows:

			31/12/2020			31/12/2019		
(in € millions)	**Balance sheet item**	**Note**	**Asset**	**Liability**	**Fair value (*)**	**Asset**	**Liability**	**Fair value (*)**
Derivatives related to net financial debt								
Interest rate derivatives: fair value hedges		25.1.2	1,281	46	1,235	1,051	37	1,014
Interest rate derivatives: cash flow hedges		25.1.2	-	323	(323)	-	227	(227)
Interest rate derivatives not designated as hedges		25.1.3	57	55	3	65	59	6
Interest rate derivatives	Net financial debt		**1,339**	**423**	**915**	**1,116**	**323**	**792**
Foreign currency exchange rate derivatives: fair value hedges		25.2	-	-	-	-	-	-
Foreign currency exchange rate derivatives: cash flow hedges		25.2	1	-	1	-	-	-
Foreign currency exchange rate derivatives: hedges of net foreign investments		25.2	27	12	16	2	111	(108)
Foreign currency exchange rate derivatives not designated as hedges		25.2	12	6	6	8	13	(4)
Foreign currency exchange rate derivatives	Net financial debt		**41**	**18**	**23**	**11**	**124**	**(113)**
Other derivatives	Net financial debt		**71**	**312**	**(241)**	**135**	**424**	**(290)**
Derivatives related to WCR								
Foreign currency exchange rate derivatives: fair value hedges		25.2	9	4	5	5	1	3
Foreign currency exchange rate derivatives: cash flow hedges		25.2	2	2	-	-	3	(3)
Foreign currency exchange rate derivatives not designated as hedges		25.2	-	-	-	-	-	-
Foreign currency exchange rate derivatives	Working capital requirement		**10**	**6**	**5**	**5**	**5**	**-**
Other derivatives	Working capital requirement		**-**	**-**	**-**	**-**	**-**	**-**
Total derivative financial instruments			**1,461**	**759**	**702**	**1,266**	**876**	**390**

(*) Fair value includes interest accrued but not matured of €117 million at 31 December 2020 and €125 million at 31 December 2019.

Other hedging instruments

The asset-related exchange rate risk related to ownership of assets in foreign currencies is generally, where possible, hedged by financial debt denominated in the same currency.

27.1 Interest rate risk

Interest rate risk is managed within the Group, making a distinction between the Concessions business, the Contracting business and holding companies as their respective financial profiles are not the same.

For concession subsidiaries, interest rate risk is managed with two timescales: the long term, aiming to ensure and maintain the concession's economic equilibrium, and the short term, with an objective of limiting the impact of the cost of debt on earnings for the period.
Over the long term, the objective is to ensure that the breakdown between fixed and floating rate debt is adjusted according to the level of debt, with a greater proportion at fixed rate when the level of debt is high.
As regards Contracting business lines and holding companies, they have a structural net operating cash surplus. For these activities, the objective is to ensure that financial assets and financial liabilities are well matched in terms of maturity.

To hedge its interest rate risk, the Group uses derivative financial instruments in the form of options or swaps of which the start may be deferred. These derivatives may be designated as hedges for accounting purposes or not, in accordance with the IFRSs. The Group takes care to ensure that the ineffective portion of hedges is not material.

At 31 December 2020, the Group used the approach permitted by the amendment to IFRS 7 and IFRS 9 "Interest Rate Benchmark Reform – Phase 1", allowing it to not take into account the effects of the interest rate reform, including when assessing the highly probable nature of hedged interest flows, until the transition to new indices becomes effective. As a result, interest rate swaps are still subject to hedge accounting.
To prepare for Phase 2 of the amendment, the Group has set up a dedicated working group that brings together all the stakeholders concerned, in order to anticipate the transition to new interest rates as effectively as possible.
The main indices used by the Group and concerned by the reform are Euribor, Libor USD, Libor GBP and Libor CHF. The Group will enter into talks with its counterparties in the first half of 2021 for the purpose of taking these index changes into account.
The amounts of the hedges affected by the reform are set out in the tables below.

27.1.1 Long-term financial debt before and after interest rate hedging and sensitivity to interest rate risk

Long-term financial debt before and after interest rate hedging

The table below shows the breakdown at 31 December 2020 of long-term debt between fixed rate, capped floating rate or inflation-linked debt, and the part at floating rate before and after taking account of hedging derivative financial instruments:

	Breakdown between fixed and floating rate before hedging										
	Fixed rate			Inflation-linked			Floating rate			Total	
(in € millions)	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	Rate
Concessions	17,624	*87%*	2.86%	291	*1%*	4.43%	2,353	*12%*	1.23%	20,268	2.70%
Contracting	108	*73%*	2.29%	-	-	-	39	*27%*	1.88%	148	2.18%
Holding companies	5,922	*91%*	1.80%	-	-	-	570	*9%*	0.09%	6,492	1.65%
Total at 31/12/2020	**23,655**	***88%***	**2.59%**	**291**	***1%***	**4.43%**	**2,962**	***11%***	**1.02%**	**26,907**	**2.44%**
Total at 31/12/2019	**24,244**	***89%***	**2.83%**	**246**	***1%***	**6.45%**	**2,748**	***10%***	**1.60%**	**27,237**	**2.74%**

	Breakdown between fixed and floating rate after hedging										
	Fixed rate			Inflation-linked			Floating rate			Total	
(in € millions)	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	Rate
Concessions	12,087	*60%*	2.71%	315	*2%*	4.29%	7,866	*39%*	0.46%	20,268	1.86%
Contracting	108	*73%*	2.29%	-	-	-	39	*27%*	1.88%	148	2.18%
Holding companies	3,358	*52%*	2.56%	-	-	-	3,134	*48%*	0.33%	6,492	1.48%
Total at 31/12/2020	**15,553**	***58%***	**2.67%**	**315**	***1%***	**4.29%**	**11,039**	***41%***	**0.43%**	**26,907**	**1.77%**
Total at 31/12/2019	**15,204**	***56%***	**3.07%**	**274**	***1%***	**5.29%**	**11,759**	***43%***	**0.91%**	**27,237**	**2.16%**

Sensitivity to interest rate risk

VINCI is exposed to the risk of fluctuations in interest rates, given:

- the cash flow connected with net floating rate financial debt;
- fixed rate financial instruments, recognised on the balance sheet at fair value through profit and loss;
- derivative financial instruments that are not designated as hedges. These mainly comprise net call option positions on which the maximum loss over the life of the transaction does not exceed the premium paid.

On the other hand, fluctuations in the value of derivatives designated as cash flow hedges are recognised directly in equity and have no effect on profit or loss (for the effective portion).

The analysis below has been prepared assuming that the amount of the financial debt and derivatives at 31 December 2020 remains constant over one year. The consequence of a variation in interest rates of 25 basis points at the balance sheet date would be an increase or decrease of equity and pre-tax income for the amounts shown below. For the purpose of this analysis, the other variables are assumed to remain constant.

	31/12/2020			
	Income		Equity	
(in € millions)	Impact of sensitivity calculation +25 bps	Impact of sensitivity calculation -25 bps	Impact of sensitivity calculation +25 bps	Impact of sensitivity calculation -25 bps
Floating rate debt after hedging (accounting basis)	(28)	28	-	-
Floating rate assets after hedging (accounting basis)	25	(25)	-	-
Derivatives not designated as hedges for accounting purposes	8	(8)	-	-
Derivatives designated as cash flow hedges	-	-	120	(120)
Total	**5**	**(5)**	**120**	**(120)**

27.1.2 Description of hedging transactions

Fair value hedges

At the balance sheet date, details of the instruments designated as fair value hedges, which include receive fixed/pay floating interest rate swaps and cross-currency swaps, were as follows:

		Receive fixed/pay floating interest rate swap (incl. cross currency swaps)				
(in € millions)	Fair value	Notional	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
31/12/2020	1,235	14,589	500	1,214	2,055	10,819
31/12/2019	1,014	17,536	1,254	533	2,317	13,433

These transactions relate mainly to the fixed rate bond issues by ASF, VINCI SA and Cofiroute.

Cash flow hedges

The Group is exposed to fluctuations in interest rates on its floating rate debt and may set up receive floating/pay fixed interest rate swaps designated as cash flow hedges to hedge this risk.

The Group has thus set up interest rate swaps that serve to fix interest payments on floating rate debt. Contractual cash flow relating to swaps is paid symmetrically with the hedged interest payment flows. The amount deferred in equity is recognised in profit or loss in the period in which the interest payment cash flow affects profit or loss.
In January 2020, ASF and Cofiroute set up swaps with a deferred start in the first quarter of 2021 to hedge its bond refinancing until 2022. Those swaps, for a notional amount of €3 billion, serve to fix the interest payments on future issues of debt considered as highly probable. At 31 December 2020, the portfolio of these swaps had a negative fair value of €5 million.

At 31 December 2020, details of the instruments designated as cash flow hedges were as follows:

		31/12/2020				
(in € millions)	Fair value	Notional	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Receive floating/pay fixed interest rate swaps (incl. cross currency swaps)	(321)	8,970	3,233	3,000	1,069	1,668
Interest rate options (caps, floors and collars)	(2)	24	-	-	-	24
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(323)**	**8,994**	**3,233**	**3,000**	**1,069**	**1,693**
Of which hedging of contractual cash flows	*(318)*	*5,994*	*3,233*	*-*	*1,069*	*1,693*
Of which hedging of highly probable cash flows	*(5)*	*3,000*	*-*	*3,000*	*-*	*-*

(in € millions)		31/12/2019				
	Fair value	Notional	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Receive floating/pay fixed interest rate swaps	(224)	13,681	2,312	3,252	740	7,377
Interest rate options (caps, floors and collars)	(3)	28	4	4	14	6
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(227)**	**13,709**	**2,316**	**3,256**	**754**	**7,384**
Of which hedging of contractual cash flows	*(179)*	*13,414*	*2,315*	*3,255*	*747*	*7,097*
Of which hedging of highly probable cash flows	*(48)*	*295*	*-*	*1*	*7*	*287*

The following table shows the periods in which the Group expects the amounts recorded in equity at 31 December 2020 for the instruments designated as cash flow hedges to have an impact on profit or loss:

	31/12/2020				
	Amount recorded in equity of controlled companies	Amount recycled in profit or loss			
(in € millions)		Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Total interest rate derivatives designated for accounting purposes as cash flow hedges	**(371)**	**(4)**	**(9)**	**(81)**	**(276)**
Of which derivatives for which hedge accounting is applicable	*(312)*	*(3)*	*(5)*	*(68)*	*(236)*
Of which derivatives for which hedge accounting is no longer applicable (unwound positions)	*(58)*	*(1)*	*(3)*	*(13)*	*(40)*

27.1.3 Description of non-hedging transactions

		Interest rate swaps				
(in € millions)	Fair value	Notional	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
31/12/2020	**3**	425	-	-	350	75
31/12/2019	**6**	425	-	-	350	75

At 31 December 2020, non-hedging derivative instruments related in particular to swaps arranged as anticipatory hedges at Arcour, which no longer met the criteria for hedge accounting.

27.2 Management of foreign currency exchange rate risk

Nature of the Group's risk exposure

Almost 67% of VINCI's revenue is generated in the eurozone. Contracts outside the eurozone are generally carried out in the local currency in respect of local subsidiaries' activities, and usually in euros and dollars in the case of major export projects. The Group's exposure to currency risk is therefore limited.
VINCI's foreign currency risk management policy consists of hedging the transactional risk connected with subsidiaries' commercial or financial flows denominated in currencies other than their functional currency.

The Group's strategy is intended to minimise asset-related exchange-rate risk. Through regular monitoring, hedging levels are adjusted in line with currency exposures relating to net assets owned. A risk analysis is carried out for each new investment to decide whether or not to hedge the exposure, by converting euro-denominated financing into foreign currency or financing directly in foreign currency.

Detail of foreign currency exchange rate derivatives related to net financial debt

Transactions in exchange rate derivatives carried out by the Group, intended in particular to hedge its financial transactions, break down as follows:

	31/12/2020					
(in € millions)	Fair value	Notional	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Forward foreign exchange transactions	1	70	70	-	-	-
Cash flow hedges	**1**	**70**	**70**	**-**	**-**	**-**
Currency swaps (incl. cross currency swaps)	16	2,863	586	156	962	1,159
Hedges of net foreign investments	**16**	**2,863**	**586**	**156**	**962**	**1,159**
Currency swaps (incl. cross currency swaps)	5	465	57	142	203	63
Forward foreign exchange transactions	1	192	192	-	-	-
Foreign currency exchange rate derivatives not designated as hedges for accounting purposes	**6**	**657**	**249**	**142**	**203**	**63**
Total foreign currency exchange rate derivatives	**23**	**3,590**	**905**	**298**	**1,165**	**1,222**

	31/12/2019					
(in € millions)	Fair value	Notional	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Forward foreign exchange transactions	-	18	18	-	-	-
Cash flow hedges	**-**	**18**	**18**	**-**	**-**	**-**
Currency swaps (incl. cross currency swaps)	(108)	3,039	866	15	630	1,528
Forward foreign exchange transactions	-	59	59	-	-	-
Hedges of net foreign investments	**(108)**	**3,098**	**925**	**15**	**630**	**1,528**
Currency swaps (incl. cross currency swaps)	(4)	433	47	88	298	-
Forward foreign exchange transactions	-	282	282	-	-	-
Foreign currency exchange rate derivatives not designated as hedges for accounting purposes	**(4)**	**714**	**328**	**88**	**298**	**-**
Total foreign currency exchange rate derivatives	**(113)**	**3,830**	**1,271**	**103**	**928**	**1,528**

Detail of hedges qualifying for hedge accounting as part of a net foreign investment hedging relationship

The Group's principal hedges of net foreign investments were as follows at 31 December 2020:

(in € millions)	31/12/2020				
Currency	**GBP (pound sterling)**	**USD (US dollar)**	**JPY (Japanese yen)**	**SGD (Singapore dollar)**	**SEK (Swedish krona)**
Notional amount of derivatives designated as NIH	2,364	87	-	109	92
Nominal amount of debt designated as NIH	890	904	123	-	-

NIH: Net investment hedge.

The Group hedges the net assets of its main subsidiaries in foreign currencies, particularly subsidiaries whose functional currency is the US dollar (USD), pound sterling (GBP), Singapore dollar (SGD) Scandinavian currencies, Japanese yen, Australian dollar or New Zealand dollar.

At 31 December 2020, the main net investment hedging positions concerned acquisitions:

- at VINCI Airports – GBP exposure related to London Gatwick Airport and Belfast International Airport, and USD exposure related to Aerodom;
- at Eurovia – USD exposure related to Eurovia Atlantic Coast (formerly Lane Construction's Plants & Paving division);
- at VINCI Energies – USD exposure related to PrimeLine Utility Services.

Analysis of operational foreign currency exchange rate risk

The principal foreign exchange risk exposure was as follows at 31 December 2020:

(in € millions)	31/12/2020				
Currency	**USD (US dollar)**	**GBP (pound sterling)**	**CAD (Canadian dollar)**	**COP (Colombian peso)**	**AED (United Arab Emirates dirham)**
Closing rate	1.227	0.899	1.563	4,195	4.516
Exposure	99	141	36	52	27
Hedging	(25)	(67)	(2)	(27)	(5)
Net position	**74**	**74**	**34**	**25**	**22**

Given a residual exposure on some non-hedged assets, a 10% appreciation of foreign currencies against the euro would have a positive impact on pre-tax earnings of €21 million.

Detail of foreign currency exchange rate derivatives related to operational flows

Transactions in exchange rate derivatives carried out by the Group, intended in particular to hedge its operational flows, break down as follows:

(in € millions)	31/12/2020				
Currency	**PLN (*)/EUR**	**USD/EUR**	**GBP/EUR**	**NZD (**)/EUR**	**KRW (***)/SEK**
Fair value	5	1	1	(1)	(1)
Notional	185	139	66	22	6
Average maturity (months)	6	5	20	13	6
Buy/Sell	Buy/Sell	Buy/Sell	Buy/Sell	Sell	Buy

(*) Polish zloty.
(**) New Zealand dollar.
(***) South Korean won.

27.3 Management of credit and counterparty risk

VINCI is exposed to credit risk in the event of default by its customers and to counterparty risk in respect of its investments of cash (mainly credit balances at banks, negotiable debt securities, term deposits and marketable securities), subscription to derivatives, commitments received (sureties and guarantees received), unused authorised credit facilities, and financial receivables.
The Group has set up procedures to manage and limit credit risk and counterparty risk.

Trade receivables

Approximately a third of consolidated revenue is generated with public-sector or quasi-public-sector customers. Moreover, VINCI considers that the concentration of credit risk connected with trade receivables is limited because of the large number of customers and the fact that they are geographically dispersed. No customer accounts for more than 10% of VINCI's revenue. In export markets, the risk of non-payment is covered, as far as possible, by appropriate insurance policies (Coface, documentary credits and other insurance). The Covid-19 situation has prompted certain business lines and divisions (in particular VINCI Airports and VINCI Energies) to review their impairment policy regarding trade receivables. Information is presented in Note H.19.2, "Breakdown of trade receivables".

Financial instruments (cash investments and derivatives)

Financial instruments (cash investments and derivatives) are set up with financial institutions that meet the Group's credit rating criteria. The Group has also set up a system of counterparty limits to manage its counterparty risk, along with maximum control ratios of a given instrument. Maximum risk amounts by counterparty are defined taking account of their credit ratings attributed by rating agencies. The limits are regularly monitored and updated on the basis of a consolidated quarterly reporting system.
The Group Finance Department also distributes instructions to subsidiaries laying down the authorised limits by counterparty, the list of authorised UCITS (French subsidiaries) and the selection criteria for money market funds (foreign subsidiaries).

The measurement of the fair value of derivative financial instruments carried by the Group includes a "counterparty risk" component for derivatives carried as assets and a "credit risk" component for derivatives carried as liabilities. Credit risk is measured using standard mathematical models for market participants. At 31 December 2020, adjustments recognised with respect to counterparty risk and own credit risk were not material.

Netting agreements relating to derivative financial instruments

At 31 December 2020 and in accordance with IAS 32, the Group's financial assets and liabilities (including derivative financial instruments) are not netted on the balance sheet, except where the Group has netting agreements. In the event of default by the Group or the financial institutions with which it has contracted, these agreements provide for netting between the fair values of assets and liabilities arising from derivative financial instruments presented in the consolidated balance sheet.

The table below sets out the Group's net exposure arising from these netting agreements:

	31/12/2020			31/12/2019		
(in € millions)	Fair value of derivatives recognised on the balance sheet (*)	Impact of netting	Total	Fair value of derivatives recognised on the balance sheet (*)	Impact of netting	Total
Derivative financial instruments - assets	1,461	(257)	1,204	1,266	(201)	1,065
Derivative financial instruments - liabilities	(759)	257	(502)	(876)	201	(676)
Net derivative instruments	**702**		**702**	**390**		**390**

(*) Gross amounts as stated on the Group's consolidated balance sheet.

27.4 Management of other risks

Equity risk

At 31 December 2020, the Group held 26,457,495 VINCI shares (representing 4.50% of the share capital) acquired at an average price of €79.79. Increases or decreases of the stock market price of these treasury shares have no impact on the Group's consolidated profit or loss or equity.

In addition, the Group has an 8% stake in Groupe ADP. At each balance sheet date, these shares are measured at fair value on the basis of the stock market price. A positive or negative change of 100 basis points in the latter would lead respectively to the recognition of an upward or downward €8 million adjustment in the income statement.

Regarding assets to cover retirement benefit obligations, a breakdown by asset type is given in Note K.29.1, "Provisions for retirement benefit obligations".

After issues of non-dilutive convertible bonds, VINCI is exposed to the risk of changes in their redemption value, which depends on VINCI's share price. To protect against an increase in the redemption value caused by a rise in the share price, the Group has taken out options with the same maturity. Together, all of these transactions mean that VINCI is not exposed to any risks in relation to treasury shares.

Inflation risk

Certain Group entities are exposed to inflation risk, particularly London Gatwick Airport, since part of its revenue is linked to local inflation. To protect against a fall in inflation, inflation swaps (receiving fixed or floating rate and paying inflation) have been arranged.

Commodity risks

Most of the Group's revenue arises either from contracts that include price revision clauses or under short-term contracts. The risks associated with an increase in commodity prices are therefore generally limited.
For major contracts with no price revision clauses, the commodity risks are analysed on a case-by-case basis and managed, depending on the case, by negotiating firm price agreements with suppliers, cash-and-carry deals or hedging derivatives based on commodity indexes.
Eurovia has set up a policy to manage bitumen price risks on part of its exposure through short-maturity hedging derivatives (swaps of less than three months on average). This policy applies to small contracts in France with an average length of less than three months and which do not include price revision clauses.
VINCI uses little unprocessed raw material, other than the aggregates produced and used by Eurovia. In 2020, approximately 33% of Eurovia's aggregates came from Group quarries.

28. Book and fair value of financial instruments by accounting category

The method of measuring the fair value of financial assets and liabilities has not changed since the 31 December 2019 accounts closing date. The following table shows the carrying amount and fair value of financial assets and liabilities in the balance sheet by accounting category as defined in IFRS 9:

31/12/2020	Accounting categories							Fair value			
Balance sheet headings and classes of instrument	Derivatives at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	**Total net book value**	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3: internal model using non-observable factors	**Fair value of the class**
Equity instruments	-	-	943	8	-	-	951	841 (*)	-	110	951
Financial assets at amortised cost and PPP financial receivables	-	-	-	-	1,286	-	1,286	-	1,286	-	1,286
I - Non-current financial assets (**)	**-**	**-**	**943**	**8**	**1,286**	**-**	**2,237**	**841**	**1,286**	**110**	**2,237**
II - Derivative financial instruments - assets	**128**	**1,333**	**-**	**-**	**-**	**-**	**1,461**	**-**	**1,461**	**-**	**1,461**
Cash management financial assets	-	-	43	-	-	-	43	-	43	-	43
Financial current accounts - assets	-	-	-	-	95	-	95	95	-	-	95
Cash equivalents	-	-	5,646	-	-	-	5,646	3,785	1,862 (***)	-	5,646
Cash	-	-	6,119	-	-	-	6,119	6,119	-	-	6,119
III - Current financial assets	**-**	**-**	**11,808**	**-**	**95**	**-**	**11,903**	**9,999**	**1,904**	**-**	**11,903**
Total assets	**128**	**1,333**	**12,751**	**8**	**1,381**	**-**	**15,601**	**10,839**	**4,651**	**110**	**15,601**
Bonds						(24,842)	(24,842)	(24,619)	(1,300)	-	(25,920)
Other bank loans and other financial debt						(3,801)	(3,801)	-	(3,976)	-	(3,976)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(28,643)**	**(28,643)**	**(24,619)**	**(5,277)**	**-**	**(29,896)**
V - Derivative financial instruments - liabilities	**(372)**	**(387)**	**-**	**-**	**-**	**-**	**(759)**	**-**	**(759)**	**-**	**(759)**
Other current financial liabilities						(1,569)	(1,569)	-	(1,569)	-	(1,569)
Financial current accounts - liabilities						(42)	(42)	(42)	-	-	(42)
Bank overdrafts						(339)	(339)	(339)	-	-	(339)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(1,950)**	**(1,950)**	**(381)**	**(1,569)**	**-**	**(1,950)**
Total liabilities	**(372)**	**(387)**	**-**	**-**	**-**	**(30,593)**	**(31,352)**	**(25,000)**	**(7,604)**	**-**	**(32,605)**
Total	**(244)**	**946**	**12,751**	**8**	**1,381**	**(30,593)**	**(15,751)**	**(14,161)**	**(2,953)**	**110**	**(17,004)**

(*) Fair value of ADP shares – see Note E.11, "Other non-current financial assets".
(**) See Note E.11, "Other non-current financial assets" and Note F.14, "PPP financial receivables (controlled companies)".
(***) Mainly comprising certificates of deposit, term deposits and interest-bearing accounts.

The table below shows the carrying amount and fair value of financial assets and liabilities as reported at 31 December 2019 by accounting category as defined by IFRS 9:

31/12/2019	Accounting categories							Fair value			
Balance sheet headings and classes of instrument	Derivatives at fair value through profit and loss	Derivatives designated as hedges	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	**Total net book value**	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3: internal model using non-observable factors	**Fair value of the class**
Equity instruments	-	-	152	7	-	-	158	1	-	157	158
Financial assets at amortised cost and PPP financial receivables	-	-	-	-	1,366	-	1,366	-	1,366	-	1,366
I - Non-current financial assets(*)	**-**	**-**	**152**	**7**	**1,366**	**-**	**1,525**	**1**	**1,366**	**157**	**1,525**
II - Derivative financial instruments - assets	**208**	**1,058**	**-**	**-**	**-**	**-**	**1,266**	**-**	**1,266**	**-**	**1,266**
Cash management financial assets	-	-	239	-	-	-	239	188	51	-	239
Financial current accounts - assets	-	-	-	-	47	-	47	47	-	-	47
Cash equivalents			3,083				3,083	996	2,087 (**)	-	3,083
Cash			5,174				5,174	5,174	-	-	5,174
III - Current financial assets	**-**	**-**	**8,496**	**-**	**47**	**-**	**8,543**	**6,405**	**2,138**	**-**	**8,543**
Total assets	**208**	**1,058**	**8,648**	**7**	**1,414**	**-**	**11,334**	**6,406**	**4,771**	**157**	**11,334**
Bonds	-	-	-	-	-	(25,094)	(25,094)	(25,012)	(1,407)	-	(26,419)
Other bank loans and other financial debt	-	-	-	-	-	(3,705)	(3,705)	-	(3,779)	-	(3,779)
IV - Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(28,799)**	**(28,799)**	**(25,012)**	**(5,186)**	**-**	**(30,198)**
V - Derivative financial instruments - liabilities	**(496)**	**(380)**	**-**	**-**	**-**	**-**	**(876)**	**-**	**(876)**	**-**	**(876)**
Other current financial liabilities	-	-	-	-	-	(850)	(850)	-	(850)	-	(850)
Financial current accounts - liabilities	-	-	-	-	-	(31)	(31)	(31)	-	-	(31)
Bank overdrafts	-	-	-	-	-	(911)	(911)	(911)	-	-	(911)
VI - Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(1,792)**	**(1,792)**	**(942)**	**(850)**	**-**	**(1,792)**
Total liabilities	**(496)**	**(380)**	**-**	**-**	**-**	**(30,591)**	**(31,468)**	**(25,954)**	**(6,912)**	**-**	**(32,867)**
Total	**(288)**	**678**	**8,648**	**7**	**1,414**	**(30,591)**	**(20,134)**	**(19,548)**	**(2,141)**	**157**	**(21,532)**

(*) See Note E.11, "Other non-current financial assets" and Note F.14, "PPP financial receivables (controlled companies)".
(**) Mainly comprising certificates of deposit, term deposits and interest-bearing accounts.

K. Employee benefits and share-based payments

29. Provisions for employee benefits

At 31 December 2020, the part at more than one year of provisions for employee benefits broke down as follows:

(in € millions)	Note	31/12/2020	31/12/2019
Provisions for retirement benefit obligations	29.1	1,628	1,805
Long-term employee benefits	29.2	105	106
Total provisions for employee benefits		**1,733**	**1,911**

29.1 Provisions for retirement benefit obligations

Accounting policies

Provisions are taken on the liabilities side of the consolidated balance sheet for obligations connected with defined benefit retirement plans for both current and former employees (people who have retired and those with deferred rights). These provisions are determined using the projected unit credit method on the basis of actuarial valuations made at each annual balance sheet date. The actuarial assumptions used to determine the obligations vary depending on the economic conditions of the country or monetary zone in which the plan is operated. Each plan's obligations are recognised separately.

Under IAS 19, for defined benefit plans financed under external management arrangements (i.e. pension funds or insurance policies), the surplus or shortfall of the fair value of the assets compared with the present value of the obligations is recognised as an asset or liability in the consolidated balance sheet. That recognition is subject to asset ceiling rules and minimum funding requirements set out in IFRIC 14.

The expense recognised under operating income or loss in each period comprises the current service cost and the effects of any change, reduction or winding up of the plan. The accretion impact recognised on actuarial liabilities and interest income on plan assets are recognised under other financial income and expenses. Interest income from plan assets is calculated using the discount rate used to calculate obligations with respect to defined benefit plans.

The impacts of remeasuring net liabilities relating to defined benefit pension plans are recorded under other comprehensive income. They comprise:

- actuarial gains and losses on obligations resulting from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and that which has actually occurred);
- plan asset outperformance/underperformance (i.e. the difference between the effective return on plan assets and the return calculated using the discount rate applied to the actuarial liability); and
- changes in the asset ceiling effect.

At 31 December 2020, provisions for retirement benefit obligations comprised provisions for lump sums on retirement and provisions with respect to obligations for supplementary retirement benefits.

(in € millions)	31/12/2020	31/12/2019
At more than one year	1,628	1,805
At less than one year (*)	60	55
Total provisions for retirement benefit obligations	**1,687**	**1,860**

(*) The part of provisions for retirement benefit obligations that matures within less than one year is shown under "Other current liabilities".

The VINCI Group's main supplementary retirement benefit obligations relate to defined benefit plans, which have the following characteristics:

- For French subsidiaries, these are contractual lump sums paid on retirement (generally based on a percentage of final salary, depending on the employee's length of service and applicable collective agreements), supplementary defined benefit retirement plans of which some of the Group's employees, retired employees and officers are members, and a specific obligation in respect of the Vice-Chairman of VINCI SA's Board of Directors. Some plans, of which several Group executives are members, are pre-financed through two insurance policies taken out with Cardif and one policy taken out with Allianz. These policies involve active management with reference to composite indexes, and aim to achieve a good balance between the expected return on investments and the associated risks. Sufficient liquidity, in view of the timescale of plan liabilities, is maintained so that pensions and other one-off payments can be met. These plans are closed to new members.
- To cover the liabilities of VINCI's UK subsidiaries and those of Etavis, VINCI Energies' Swiss subsidiary, plans are funded through independent pension funds.

In the UK, defined benefit plans for certain Group employees and former employees give rise to benefits that are mainly based on final salaries. They also provide benefits in the event of death and disability. These plans are closed to new members.

At 31 December 2020, 6,374 people, including 3,141 retired people, were covered by the plans. The average duration of the plans is 19 years.

The investment strategy for plan assets is defined by the trustees representing the pension funds. Contribution schedules and the plan's level of funding are determined by the employer and the trustee, based on three-yearly actuarial valuations. Contribution schedules are intended to cover future service costs and any deficit arising from vested rights.

In Switzerland, plans for the Group's employees and former employees (2,547 people at 31 December 2020, of which over 90% are active) are "cash balance" pension plans that guarantee their members a minimum return on their contributions. They provide benefits in the event of death or disability, along with a pension when members stop working. These plans are open to new members. Their duration is around 18 years.

• For German subsidiaries, there are several internal plans within the Group, including so-called "direct promises" plans. These plans provide members with pensions or death and disability benefits. At 31 December 2020, 9,264 individuals were covered by the plans, including 5,668 retired people, 2,112 people working for Group subsidiaries and 1,484 people who were generally still working but no longer working for the Group. Most of these plans were closed at 31 December 2020. Their average duration is 13 years.

Commitments relating to lump-sum payments on retirement for manual construction workers in France, which are met by contributions to an outside multi-employer insurance fund (CNPO), are considered as being under defined contribution plans and are therefore recognised as an expense as and when contributions are payable.

The main retirement benefit obligations covered by provisions recognised in the balance sheet are calculated using the following assumptions:

	Eurozone		United Kingdom		Switzerland	
Assumptions	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Discount rate	0.80%	0.60%	1.65% - 1.75%	1.85% - 1.95%	0.05%	0.00%
Inflation rate	1.60%	1.60%	2.00% - 2.25% (*) 2.80% - 2.85% (**)	2.10% - 2.25% (*) 3.10% - 3.25% (**)	1.00%	1.30%
Rate of salary increases	2.10% - 4.00%	1.60% - 4.00%	1.00% - 3.00%	1.00% - 3.25%	1.50%	1.80%
Rate of pension increases	1.25% - 2.00%	0.80% - 1.60%	2.60% - 3.45%	2.10% - 5.00%	n/a	n/a

(*) CPI; (**) RPI.

Discount rates have been determined by geographical area on the basis of the yields on private-sector bonds with a rating of AA and whose maturities correspond to the plans' expected cash flow.
The other local actuarial assumptions (economic and demographic assumptions) are set on the basis of the specific features of each of the countries in question.
Plan assets are valued at their fair value at 31 December 2020. The book value at 31 December 2020 is used for assets invested with insurance companies.
On the basis of the actuarial assumptions referred to above, details of the retirement benefit obligations, provisions recognised in the balance sheet, and the retirement benefit expenses recognised in 2020 are provided below.

Result of actuarial valuations in the period

Breakdown by type of obligation

		31/12/2020			31/12/2019		
(in € millions)		Lump sums paid on retirement in France	Pensions, supplementary pensions and other	Total	Lump sums paid on retirement in France	Pensions, supplementary pensions and other	Total
Actuarial liability from retirement benefit obligations		955	2,867	3,822	965	2,978	3,943
Plan assets at fair value		38	2,102	2,140	43	2,047	2,090
Deficit (or surplus)		**917**	**765**	**1,682**	**922**	**931**	**1,853**
Provision recognised under liabilities on the balance sheet	**I**	**917**	**771**	**1,687**	**922**	**939**	**1,860**
Overfunded plans recognised under assets on the balance sheet	II	-	3	3	-	4	4
Asset ceiling effect (IFRIC 14) (*)	III	-	2	2	-	4	4
Total	**I-II-III**	**917**	**765**	**1,682**	**922**	**931**	**1,853**

(*) Effect of asset ceiling rules and minimum funding requirements.

Overall, at 31 December 2020, the proportion of obligations relating to retired beneficiaries was around 30%.

Breakdown by country

		31/12/2020					
(in € millions)		France	Germany	United Kingdom	Switzerland	Other countries	Total
Actuarial liability from retirement benefit obligations		1,199	461	1,482	504	177	3,822
Plan assets at fair value		136	7	1,361	489	147	2,140
Deficit (or surplus)		**1,063**	**453**	**121**	**15**	**30**	**1,682**
Provision recognised under liabilities on the balance sheet	**I**	**1,063**	**453**	**121**	**15**	**36**	**1,687**
Overfunded plans recognised under assets on the balance sheet	II	-	-	-	-	3	3
Asset ceiling effect (IFRIC 14) (*)	III	-	-	-	-	2	2
Total	**I-II-III**	**1,063**	**453**	**121**	**15**	**30**	**1,682**

(*) Effect of asset ceiling rules and minimum funding requirements.

		31/12/2019					
(in € millions)		France	Germany	United Kingdom	Switzerland	Other countries	Total
Actuarial liability from retirement benefit obligations		1,229	487	1,590	456	181	3,943
Plan assets at fair value		154	7	1,328	449	152	2,090
Deficit (or surplus)		**1,074**	**479**	**262**	**7**	**30**	**1,853**
Provision recognised under liabilities on the balance sheet	**I**	**1,074**	**479**	**262**	**7**	**37**	**1,860**
Overfunded plans recognised under assets on the balance sheet	II	-	-	-	-	4	4
Asset ceiling effect (IFRIC 14) (*)	III	-	-	-	-	4	4
Total	**I-II-III**	**1,074**	**479**	**262**	**7**	**30**	**1,853**

(*) Effect of asset ceiling rules and minimum funding requirements.

Change in actuarial liability and plan assets

(in € millions)		2020	2019
Actuarial liability from retirement benefit obligations			
At beginning of period		**3,943**	**2,803**
of which obligations covered by plan assets		*2,673*	*1,724*
Current service cost		91	69
Actuarial liability discount cost		42	64
Past service cost (plan changes and curtailments)		(6)	(3)
Plan settlements		(4)	-
Actuarial gains and losses recognised in other comprehensive income		(22)	460
of which impact of changes in demographic assumptions		*42*	*(19)*
of which impact of changes in financial assumptions		*(32)*	*472*
of which experience gains and losses		*(32)*	*8*
Benefits paid to beneficiaries		(154)	(129)
Employee contributions		13	12
Business combinations		9	593
Disposals of companies and other assets		1	1
Currency translation differences		(91)	72
At end of period	**I**	**3,822**	**3,943**
of which obligations covered by plan assets		*2,585*	*2,673*
Plan assets			
At beginning of period		**2,090**	**1,362**
Interest income during period		27	37
Actuarial gains and losses recognised in other comprehensive income (*)		120	123
Plan settlements		-	-
Benefits paid to beneficiaries		(88)	(70)
Contributions paid to funds by the employer		55	41
Contributions paid to funds by employees		13	12
Business combinations		-	527
Disposals of companies and other assets		-	(3)
Currency translation differences		(77)	63
At end of period	**II**	**2,140**	**2,090**
Deficit (or surplus)	**I-II**	**1,682**	**1,853**

(*) Experience gains and losses corresponding to the observed difference between the actual return on plan assets and a nominal return based on the discount rate for the actuarial liability.

The amounts in the “Business combinations” rows for 2019 related to VINCI Airports’ acquisition of London Gatwick Airport.

VINCI estimates the payments to be made in 2021 in respect of retirement benefit obligations at €94 million, comprising €58 million of benefits to be paid to retired employees or beneficiaries (benefits not covered by plan assets), and €35 million of contributions to be paid to fund managing bodies.
Pension funds are also likely to pay €89 million of benefits to retired employees or their beneficiaries, without any impact on the Group’s cash position.

Change in provisions for retirement benefit obligations during the period

(in € millions)	2020	2019
Provisions for retirement benefit obligations recognised under liabilities on the balance sheet		
At beginning of period	**1,860**	**1,472**
Total charge recognised with respect to retirement benefit obligations	95	94
Actuarial gains and losses recognised in other comprehensive income	(142)	337
Benefits paid to beneficiaries by the employer	(65)	(59)
Contributions paid to funds by the employer	(55)	(41)
Business combinations and disposals of companies	9	71
Asset ceiling effect (IFRIC 14) and overfunded plans	-	(23)
Currency translation differences	(14)	10
At end of period	**1,687**	**1,860**

Breakdown of expenses recognised in respect of defined benefit plans

(in € millions)	2020	2019
Current service cost	(91)	(69)
Actuarial liability discount cost	(42)	(64)
Interest income on plan assets	27	37
Past service cost (plan changes and curtailments)	6	3
Impact of plan settlements and other	5	-
Total	**(95)**	**(94)**

Breakdown of plan assets by country and type of investment

The breakdown of plan assets by type of investment is as follows:

	31/12/2020				
	United Kingdom	**Switzerland**	**France**	**Other countries**	**Weighted average**
Breakdown of plan assets					
Equities	18%	33%	16%	36%	22%
Bonds	26%	40%	29%	31%	30%
Immobilier	9%	20%	5%	7%	11%
Money-market securities	5%	7%	1%	1%	5%
Other investments	43%	0%	50%	25%	32%
Total	100%	100%	100%	100%	100%
Plan assets *(in € millions)*	**1,361**	**489**	**136**	**154**	**2,140**
Plan assets by country *(% of total)*	**64%**	**23%**	**6%**	**7%**	**100%**

	31/12/2019				
	United Kingdom	**Switzerland**	**France**	**Other countries**	**Weighted average**
Breakdown of plan assets					
Equities	22%	32%	14%	36%	25%
Bonds	25%	42%	28%	33%	29%
Property	10%	20%	4%	7%	11%
Money-market securities	2%	7%	1%	2%	3%
Other investments	41%	0%	54%	23%	32%
Total	100%	100%	100%	100%	100%
Plan assets *(in € millions)*	**1,328**	**449**	**154**	**159**	**2,090**
Plan assets by country *(% of total)*	**64%**	**21%**	**7%**	**8%**	**100%**

At 31 December 2020, the amount of plan assets listed on active markets (fair value level 1 as defined by IFRS 13) was €1,797 million (€1,733 million at 31 December 2019). During the period, the actual rate of return on plan assets was 9.5% in the UK, 4.4% in Switzerland and 2.4% in France.

Sensitivity analysis

For all post-employment benefit plans for Group employees (lump sums paid on retirement, pensions and supplementary pensions), a 0.5 point fall in the discount rate would increase the actuarial liability by around 8%.

For all pension and supplementary pension plans in force within the Group, a 0.5 point increase in long-term inflation rates would increase the value of obligations by some 4%.

For pension and supplementary pension plans in Switzerland and the UK, sensitivity to mortality rates is calculated based on a one-year reduction in the age of each beneficiary. Applying this assumption increases the corresponding obligation by around 2%.

Expenses recognised in respect of defined contribution plans

In some countries, and more especially in France and Spain, the Group contributes to basic state pension plans, for which the expense recognised is the amount of the contributions called by the state bodies. These state pension plans are considered as being defined contribution plans.

The amounts taken as an expense in the period in respect of defined contribution plans (other than basic state plans) totalled €630 million in 2020 (€641 million in 2019). These amounts include the contributions paid in France to the external multi-employer fund (CNPO) in respect of obligations in regard to lump sums paid on retirement to construction workers.

29.2 Other employee benefits

Provisions for other employee benefits mainly include long-service bonuses and jubilee bonuses.
At 31 December 2020, they amounted to €119 million, including €14 million for the part at less than one year (€120 million including €14 million for the part at less than one year at 31 December 2019).

Long-service bonuses and jubilee bonuses have been calculated using the following actuarial assumptions:

	31/12/2020	31/12/2019
Discount rate	0.80%	0.60%
Inflation rate	1.60%	1.60%
Rate of salary increases	1.60% - 2.60%	1.60% - 2.60%

30. Share-based payments

Accounting policies

The measurement and recognition methods for share subscription plans, Group savings plans and performance share plans, are defined by IFRS 2 "Share-based Payment". The granting of performance shares and share subscription options and offers to subscribe to Group savings plans in France and abroad represent a benefit granted to their beneficiaries and therefore constitute supplementary remuneration borne by VINCI.

Because such transactions do not give rise to monetary transactions, the benefits granted in this way are recognised as expenses in the period in which the rights are acquired, with a corresponding increase in equity. Benefits are measured by an external actuary on the basis of the fair value, at the grant date, of the equity instruments granted.

Benefits arising from grants of performance shares and Group savings plans are implemented as decided by VINCI's Board of Directors after approval at the Shareholders' General Meeting. Since their measurement is not directly linked to operational activity, it has been deemed appropriate not to include the corresponding expense in operating income from ordinary activities, which is an indicator of business lines' performance, but to report it on a separate line, labelled "Share-based payment expense (IFRS 2)", in recurring operating income.

30.1 Performance shares

Performance shares have been granted to certain Group employees and senior executives. Under the corresponding plans, definitive vesting of the shares is conditional on beneficiaries being employed by the Group at the end of the vesting period and on performance conditions being met.

Information on changes in performance share plans currently in force

	31/12/2020	31/12/2019
Number of shares granted subject to performance conditions at beginning of period	**6,990,596**	**6,733,994**
Shares granted	2,365,032	2,453,497
Shares acquired by beneficiaries	(2,146,234)	(2,012,173)
Shares cancelled	(174,856)	(184,722)
Number of shares granted subject to performance conditions not vested at end of period	**7,034,538**	**6,990,596**

NB: Including the long-term incentive plan granted to the executive company officer.

Information on the features of the performance share plans currently in force

	Plan granted on 09/04/2020	Plan granted on 17/04/2019	Plan granted on 17/04/2018	Plan granted on 20/04/2017
Original number of beneficiaries	3,529	3,271	2,947	2,537
Vesting date of the shares granted	09/04/2023	17/04/2022	17/04/2021	20/04/2020
Number of shares granted subject to performance conditions originally	**2,365,032**	**2,453,497**	**2,349,324**	**2,325,383**
Shares cancelled	(1,800)	(33,035)	(89,555)	(183,724)
Shares acquired by beneficiaries	(915)	(3,980)	(4,030)	(2,141,659)
Number of shares granted subject to performance conditions at end of period	**2,362,317**	**2,416,482**	**2,255,739**	**-**

NB: Including the 2020 long-term incentive plan granted to the executive company officer on 18 June 2020, with shares due to vest on 18 June 2023.

On 4 February 2020, VINCI's Board of Directors decided that 99.69% of the performance shares initially granted under the 2017 plan (i.e. 2,141,659 shares) would vest for beneficiaries having remained with the Group (i.e. 2,283 employees). That percentage reflects the fact that the external performance criterion was not 100% fulfilled: the difference between VINCI's TSR between 2017 and 2019 and that of the CAC 40 over the same period was 9.69%, less than the 10% required for the 20% portion of performance shares to be granted in full; the internal performance criterion (covering 80% of the grant) was 100% fulfilled.

On 9 April 2020, VINCI's Board of Directors decided to set up a new performance share plan. After the end of the employee acceptance period, 2,335,592 performance shares had been granted to 3,528 employees (excluding the executive company officer's plan). They will not vest until a three-year period has elapsed, subject to beneficiaries being employed by the Group until the end of the vesting period, and subject to the fulfilment of the following performance conditions:

- an internal economic criterion (65% weighting) consisting of the ratio at 31 December 2022 of return on capital employed (ROCE) to the average weighted average cost of capital (WACC), with each of those indicators calculated as an average over the previous three years (2020, 2021 and 2022). This ratio must be equal to or greater than 1.1 for all performance shares granted to vest. If the ratio is between 1 and 1.1, the number of performance shares that vest will be reduced in proportion and no shares will vest if the ratio is equal to or less than 1;
- an external economic criterion (20% weighting) consisting of the difference, at 31 December 2022, between:
  - the total return on VINCI shares between 1 January 2020 and 31 December 2022;
  - the total return on the CAC 40 index between 1 January 2020 and 31 December 2022.

Total shareholder returns include dividends.

The proportion of shares vesting in relation to this external economic criterion will depend on that difference: the proportion will be 100% if the difference is more than or equal to 5% and 50% if it is 0%, with linear interpolation between 0% and 5% if the difference is negative;

- an external environmental criterion (15% weighting) measured on the basis of the Climate Change score received by VINCI from CDP Worldwide each year in respect of the 2020, 2021 and 2022 financial years, determined as follows:
  - three annual scores in the B band or higher: 100%
  - two annual scores in the B band or higher: 66%
  - one annual score in the B band or higher: 33%
  - no annual scores in the B band or higher: 0%

Fair value of the performance share plans

The fair value of the performance shares has been calculated by an external actuary at the respective grant dates of the shares on the basis of the following characteristics and assumptions:

	2020 plan (**)	2019 plan	2018 plan	2017 plan
VINCI share price on date plan was announced *(in €)*	76.50	89.68	81.23	73.99
Fair value of performance share at grant date *(in €)*	61.69	74.84	64.12	61.20
Fair value compared with share price at grant date	80.64%	83.45%	78.94%	82.71%
Original maturity (in years) - vesting period	3 years	3 years	3 years	3 years
Risk-free interest rate (*)	-0.44%	-0.40%	-0.32%	-0.29%

(*) Three-year government bond yield in the eurozone.

(**) Excluding the 2020 long-term incentive plan granted to the executive company officer, for which the fair value per performance share at the grant date (18 June 2020) was €73.05.

An expense of €148 million was recognised in 2020 in respect of performance share plans for which vesting is in progress (April 2020, April 2019 and April 2018 plans and end of the April 2017 plan), compared with €139 million in 2019 (April 2019, April 2018 and April 2017 plans and end of the April 2016 plan).

30.2 Group savings plans

VINCI's Board of Directors defines the conditions for subscribing to Group savings plans in accordance with the authorisations given to it by shareholders at the Shareholders' General Meeting.

Group savings plan – France

In France, VINCI issues new shares reserved for employees three times a year at a subscription price that includes a 5% discount against the average stock market price over 20 trading days before the Board of Directors meeting that set the subscription price. Subscribers also benefit from an employer contribution with an annual maximum of €3,500 per person since 1 January 2018, as opposed to a maximum of €2,500 previously. The benefits granted in this way to Group employees are recognised in profit or loss and are valued in accordance with IFRS 2 on the basis of the following assumptions:

- length of subscription period: four months;
- length of lock-up period: five years.

Compared with previous years and as a result of the Covid-19 crisis, the subscription period of the plan for the first four-month period of 2020 was extended until the end of August. As a result, only two savings plans were proposed to employees in 2020.

The estimated number of shares subscribed to at the end of the subscription period is calculated using a method that apportions individual subscriptions based on historical data observed in relation to the 2017-2019 plans, taking account of the opportunity cost arising from the lock-up period applicable to units in the savings fund.
The opportunity cost arising from the lock-up period is estimated from the point of view of a third party who would use a loan to buy the same number of disposable shares and repay the loan by selling the shares at the end of the lock-up period. The interest rate on that loan is defined as the rate paid by a private individual on an amortising consumer loan as assessed by the Banque de France in the month of assessment. That rate is compared with the risk-free rate on the allotment date.

	2020	
Group savings plan – France (Tranche)	**First four-month period of 2021**	**Third four-month period of 2020**
Subscription price (in €)	69.66	79.90
Share price at date of Board of Directors' meeting	71.82	85.64
Estimated number of shares subscribed	1,885,684	459,242
Estimated number of shares issued (subscriptions plus employer contribution)	3,128,584	748,066

Group savings plan – France	First four-month period of 2020	2019 Third four-month period of 2019 (1 September – 31 December 2019)	Second four-month period of 2019
Anticipated return from VINCI shares	4.31%	4.43%	4.53%
Subscription price *(in €)*	92.83	84.74	71.14
Share price at date of Board of Directors' meeting	96.54	89.58	78.02
Historical volatility of the VINCI share price	18.16%	18.37%	19.88%
Estimated number of shares subscribed	1,342,490	609,281	698,412
Estimated number of shares issued (subscriptions plus employer contribution)	1,908,063	872,096	986,410

In December 2019, VINCI unilaterally made a gross employer contribution of €400 for each employee in France with at least three months' service at 15 December 2019. That contribution was in addition to the existing employer contribution limit of €3,500.

Group savings plan – international

In the first half of 2020, in accordance with authorisations given to the Board of Directors by shareholders at the Shareholders' General Meeting, VINCI initiated new savings plans for the employees of certain foreign subsidiaries. Known as Castor International, the plan covered 39 countries, representing 91% of Group revenue and 84% of the Group's workforce outside France, at 31 December 2020.

The main characteristics of this plan are as follows:

- subscription period: from 18 May to 5 June 2020 for all countries except the United Kingdom (seven successive periods between March and September 2020);
- employer contribution consisting of bonus shares, with delivery deferred for three years where possible, or with immediate delivery but a three-year vesting period;
- no lock-up period beyond the three-year vesting period for bonus shares.

Castor International plan (excluding the UK)	2020	2019	2018	2017
Subscription price *(in €)*	73.41	88.08	84.50	77.67
Closing share price on the last day of the subscription period *(in €)*	90.32	90.28	84.32	78.01
Anticipated dividend pay-out rate	2.51%	2.60%	2.34%	2.32%
Fair value of bonus shares on the last day of the subscription period *(in €)*	83.78	83.60	78.66	72.83

The expense recognised in 2020 for all Group employee savings plans amounted to €92 million (€152 million in 2019), including €39 million in respect of the 2019 unilateral employer contribution.

L. Other notes

31. Related party transactions

The Group's transactions with related parties mainly concern:
- remuneration and similar benefits paid to members of the governing and management bodies;
- transactions with companies over which VINCI exercises significant influence or joint ventures over which VINCI has joint control.

Transactions with related parties are undertaken at market prices.

31.1 Remuneration and similar benefits paid to members of the governing and management bodies

The remuneration of the Group's company officers is determined by the Board of Directors following proposals from the Remuneration Committee.

The table below shows the remuneration and similar benefits, on a full-year basis, granted by VINCI SA and the companies that it controls to persons who, at the balance sheet date are (or, during the period, have been), members of the Group's governing bodies and Executive Committee. The corresponding amounts have been recognised and expensed in 2020 and 2019 as follows:

	Members of governing bodies and the Executive Committee	
(in € thousands)	**2020**	**2019**
Remuneration	13 027	12,567
Employer social contributions	8 404	9,197
Post-employment benefits	2 267	1,240
Termination benefits	1 549	3,483
Share-based payments (*)	10,920	12,185
Remuneration as Board members	1,342	1,266

(*) This amount is determined in accordance with IFRS 2 and as described in Note K.30, "Share-based payments".

The variable portion of remuneration and similar benefits relating to 2020 is an estimate, for which a provision has been taken in the period.

The aggregate amount of retirement benefit obligations (contractual lump sums payable on retirement and supplementary defined benefit plans) in favour of members of the Group's governing bodies and Executive Committee amounted to €88 million at 31 December 2020 (€94 million at 31 December 2019).

31.2 Other related parties

Qatar Holding LLC owned 3.8% of VINCI at 31 December 2020. VINCI Construction Grands Projets (49%) and Qatari Diar Real Estate Investment Company (QD, 51%) jointly own Qatari Diar VINCI Construction (QDVC), which is accounted for under the equity method. This company's corporate object is the development of construction activities in Qatar and international markets. It generated revenue of €167 million in 2020.
Group companies can also carry out work for principals in which QD may have a shareholding.
The Group has normal but non-material business relations with companies in which members of the VINCI Board of Directors are senior executives or directors.
Financial information on companies accounted for under the equity method is given in Note E.10.2, "Aggregated financial information".

32. Statutory Auditors' fees

As recommended by the AMF, this table includes only fully consolidated companies.

	Deloitte 2020				PricewaterhouseCoopers 2020				KPMG 2020 (**)			
(in € millions)	Statutory Auditor (Deloitte & Associés)	Network	Total Deloitte	%	Statutory Auditor (Pricewaterhouse Coopers Audit)	Network	Total PwC	%	Statutory Auditor (KPMG Audit IS)	Network	Total KPMG	%
Certification, half-year limited review of statutory and consolidated financial information												
VINCI SA	0.4	-	0.4	4%	0.4	-	0.4	5%	-	-	-	0%
Fully consolidated subsidiaries	4.8	4.2	9.0	86%	2.3	3.9	6.2	80%	2.5	0.4	2.9	82%
Subtotal	**5.1**	**4.2**	**9.4**	**89%**	**2.7**	**3.9**	**6.6**	**85%**	**2.5**	**0.4**	**2.9**	**82%**
	-	**-**	**-**	**0%**								
Services other than certification of accounts (*)												
VINCI SA	0.5	-	0.5	5%	0.3	-	0.3	4%	-	-	-	1%
Fully consolidated subsidiaries	0.2	0.5	0.6	6%	0.2	0.6	0.8	10%	0.1	0.5	0.6	17%
Subtotal	**0.7**	**0.5**	**1.1**	**11%**	**0.5**	**0.6**	**1.1**	**15%**	**0.1**	**0.5**	**0.6**	**18%**
Total	**5.8**	**4.7**	**10.5**	**100%**	**3.2**	**4.5**	**7.7**	**100%**	**2.6**	**0.9**	**3.5**	**100%**

(*) Services other than certification of accounts include services required by regulations and those provided at the request of controlled entities (contractual audits, comfort letters, audit certificates, agreed procedures, consulting and assignments relating to changes in accounting standards, due diligence procedures for acquisitions, audits of procedures and information systems, and tax services that do not impair auditor independence).

(**) Statutory Auditor for certain Group subsidiaries.

M. Note on litigation

The companies comprising the VINCI Group are sometimes involved in litigation arising from their activities. The related risks are assessed by VINCI and the subsidiaries involved on the basis of their knowledge of the cases, and provisions are taken in consequence as appropriate.

The main legal, administrative or arbitration proceedings that were in progress on or had ended by 31 December 2020 were as follows:

- In relation to the compensation claim commenced by SNCF in March 2011 following the decision handed down on 21 March 2006 by the Conseil de la Concurrence (*) (the French competition authority), which penalised several companies for collusion in relation to civil engineering works at the Magenta and Saint Lazare Condorcet stations in Paris (EOLE project), the VINCI Group companies reached a settlement with SNCF in March 2016 for the purpose of ending SNCF's claim against them. On 8 March 2016, the Paris Administrative Court noted the reciprocal discontinuance of proceedings and waiver of rights of action between SNCF Mobilités and all VINCI Group companies involved in these proceedings, and dismissed SNCF's claim in respect of the other companies concerned. After SNCF appealed against that decision, the proceedings continued between SNCF and the companies outside the VINCI Group, which had nevertheless had recourse to the Group subsidiaries concerned as guarantors. In a decision on 29 December 2017, the Paris Administrative Appeal Court dismissed SNCF's claim and SNCF appealed against that decision to the Conseil d'Etat, which overturned the dismissal on 22 November 2019 and referred the matter back to the Paris Administrative Appeal Court. In view of the current situation, the VINCI Group considers that this dispute will not have a material effect on its financial situation.

- In a judgment handed down on 17 December 2013, the Paris Regional Court declared time-barred and inadmissible a claim by Région Île de France for compensation for the harm it purportedly suffered because of the anti-competitive practices penalised by the Conseil de la Concurrence(*) on 9 May 2007 in relation to the programme to refurbish schools in the Paris region between 1989 and 1996. After that judgment, on 16 November 2015, the tribunal des conflits (jurisdiction court) declared the ordinary courts not competent to decide the dispute between the region and various construction companies. More than two years after the jurisdiction court's decision, the region made 88 applications to the Paris Administrative Court relating to 88 school refurbishment contracts, claiming €293 million of damages from 14 companies – including several Group companies – and 11 individuals. In late July 2019, the Paris Administrative Court dismissed the region's claims. The region is appealing against those decisions. The Group takes the view that these proceedings, whose origin dates back more than 20 years and which concerns a claim that was already found to be time-barred in 2013, represent a contingent liability whose impact it is unable to measure.

- In August 2019, after the French government notified its intention to terminate early the concession contract relating to the Notre Dame des Landes, Nantes Atlantique and Saint Nazaire Montoir airports, Aéroports du Grand Ouest (AGO) twice sought to commence the conciliation procedure provided for in article 94 of the concession contract. The government refused to comply and, through an order dated 24 October 2019,

(*) Now known as the Autorité de la Concurrence.

declared that the concession contract had been terminated for public interest reasons. On 5 December 2019, to safeguard its right to compensation, AGO sent to the government an initial compensation request and, on 6 December 2019, it filed an application to the Nantes Administrative Court to challenge the termination order. In its application, AGO reiterated that it was prepared to commence, as an alternative, a mediation procedure under Article L.213-7 of the French Administrative Justice Code, to try to reach a balanced agreement that would resolve the dispute. AGO has not yet had any response from the French government.

• The Czech Republic's roads and motorways department (RSD) has made several claims against Eurovia CS, a Eurovia subsidiary based in the Czech Republic, as well as other non-Group companies. These claims concern works carried out between 2003 and 2007 in building the D47 motorway. In late 2012, the RSD commenced arbitration and legal proceedings seeking (i) damages for what the RSD alleges was defective work affecting the roads and engineering structures that were built and (ii) the payment of 37 million Czech koruna to take account of the quantity of steel actually used in a bridge. The claim resulted in a judgment ordering Eurovia CS and Strabag to pay 7.4 million Czech koruna plus interest. Regarding the claims relating mainly to defective work, the RSD is currently claiming damages of 3.1 billion Czech koruna, of which Eurovia CS's share would be around 75%. Repairs have been carried out since the start of 2014, costing substantially less than the amount sought by the RSD, and technical assessments are still taking place. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

• Soletanche Bachy France had submitted a request for arbitration to the International Chamber of Commerce after ACT (Aqaba Container Terminal) terminated a contract for the construction of an extension to a container terminal in the port of Aqaba in Jordan. The company was disputing the grounds for terminating the contract, and was claiming $10 million in damages. ACT contended that it had valid grounds for terminating the contract and that it had incurred additional costs in completing the works, and was counter-claiming $44 million in damages. The arbitration tribunal, in an arbitration award dated 30 August 2017 amended by two awards dated 28 September 2017 and 1 May 2018, dismissed the company's claim and ordered it to pay ACT $38.3 million plus $9.1 million of legal expenses. The company has commenced proceedings to oppose the execution of that decision and against the joint contractors. On 15 December 2020, the Paris Appeal Court confirmed the decision by the Paris Regional Court declaring the arbitration award of 30 August 2017 enforceable. Given the provisions it has set aside, the Group considers, in view of the current situation, that this dispute will not have any material effect on its financial situation.

• On 10 August 2018, the Superintendencia de Industria y Comercio (SIC, the Colombian competition authority) sent a statement of objections to several companies including VINCI Concessions Colombia SAS, Via 40 SAS and Constructora Conconcreto SAS, and to several natural persons, relating to alleged anticompetitive practices in the competitive tender procedure held in 2015 and 2016 by Colombia's national infrastructure agency ANI with a view to awarding a concession contract for the widening and operation of a road between the cities of Bogotá and Girardot. The concession contract was formed between the ANI and Via 40 SAS in October 2016. The Group acquired a 50% stake in Via 40 SAS on 19 December 2016, and it owns a 20% non-controlling stake in Constructora Conconcreto SAS. The companies involved in the procedure disputed the SIC's allegations. After a report was submitted to the authority by the Delegatura para la Protección de la Competencia (Colombia's competition law enforcement body) in early January 2020, the SIC made a decision on 16 June 2020 to discontinue the matter for lack of evidence and not to apply any penalties. Since one of the parties involved in the procedure appealed against the authority's decision, the matter was re-examined and a new decision was made by the SIC on 1 October 2020, definitively confirming the decision of 16 June 2020. The matter is now closed.

• On 6 November 2019, the Metropolitan Municipality of Lima (Peru) commenced arbitration proceedings against Lima Expresa (hereinafter "LimaEx"), the concession-holder of the Línea Amarilla motorway, before the International Arbitration Chamber of Paris. The Metropolitan Municipality of Lima's main claim, as concession grantor, relates to the termination of the 12 November 2009 concession contract and to the series of amendments to that contract. On 20 December 2016, the Group acquired 100% of LimaEx through its subsidiary VINCI Highways SAS. LimaEx is contesting the Metropolitan Municipality of Lima's claims based on allegations of bribery prior to the Group's acquisition of LimaEx, and has filed a counterclaim. In addition, as part of three sets of criminal proceedings currently taking place, one against a former official of the Metropolitan Municipality of Lima and two against an ex-mayor of Lima, the public prosecutors have requested that LimaEx's civil liability be invoked. LimaEx is disputing these requests in each set of proceedings. The Group takes the view that these proceedings represent a contingent liability whose impact it is unable to measure.

• On 12 May 2015, VINCI Construction Grands Projets formed a non-incorporated joint venture with Italian company Astaldi. The entity was created for the purpose of carrying out construction works on the new Santiago Airport in Chile under an engineering, procurement and construction contract formed on 18 November 2015 with the concession holder Sociedad Concesionaria Nuevo Pudahuel. VINCI Construction Grands Projets and Astaldi have equal interests in the joint venture. A dispute has arisen between VINCI Construction Grands Projets and Astaldi regarding (i) allegations of mismanagement made by Astaldi against VINCI Construction Grands Projets, which VINCI Construction Grands Projets rejects entirely; and (ii) VINCI Construction Grands Projets' exclusion of Astaldi from the joint venture's governance because of misconduct by Astaldi, which is disputed by Astaldi. Astaldi commenced arbitration proceedings against VINCI Construction Grands Projets on 14 December 2020 before the International Chamber of Commerce. In a letter dated 28 December 2020, Astaldi stated that the amount of its claim was around €150 million. The arbitral tribunal, the seat of which will be in Geneva, has not yet been constituted.

There are no other judicial, administrative or arbitration proceedings, including any proceedings known to the Company, pending or with which it is threatened, that are likely to have, or have had in the last 12 months, a material effect on the financial situation or profitability of the Company and/or Group.

N. Post-balance sheet events

33. Appropriation of 2020 net income

The Board of Directors finalised the consolidated financial statements for the year ended 31 December 2020 on 4 February 2021. These financial statements will only become definitive when approved by the Shareholders' General Meeting to be held on 8 April 2021. A draft resolution will be put to shareholders in that meeting to pay a dividend of €2.04 per share in respect of 2020. That dividend would be paid on 22 April 2021 (ex-date: 20 April 2021).

34. Other post-balance sheet events

Between 31 December 2020 and the date on which the Board of Directors approved consolidated financial statements (4 February 2021), no other event took place, to the Group's knowledge, that would justify being mentioned under post-balance sheet events.

O. Other consolidation rules and methods

Intragroup transactions

Reciprocal operations and transactions relating to assets, liabilities, income and expenses between companies that are fully consolidated are eliminated in the consolidated financial statements.
Where a fully consolidated Group entity carries out a transaction with a joint venture or associate that is accounted for under the equity method, income and losses resulting from the transaction are only recognised in the Group's consolidated financial statements to the extent of the interest owned by third parties in the joint venture or associate.

Translation of the financial statements of foreign companies and establishments

In most cases, the functional currency of companies and establishments is their local currency.
The financial statements of foreign companies of which the functional currency is different from that used in preparing the Group's consolidated financial statements are translated at the closing rate for balance sheet items and at the average rate for the period for income statement items. Any resulting translation differences are recognised under other comprehensive income. Goodwill relating to foreign entities forms part of the assets acquired and is therefore denominated in the company's functional currency and translated at the exchange rate in force at the balance sheet date.

Foreign currency transactions

Transactions in foreign currency are translated into euros at the exchange rate at the transaction date. Assets and monetary liabilities denominated in foreign currencies are translated at the closing rate. Foreign exchange gains and losses are recognised in income.
Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency exchange rate derivatives qualifying as hedges of net investments in foreign subsidiaries are recorded under currency translation differences in equity.

Business combinations

Under IFRS 3 (amended), the cost of a business combination is the fair value, at the date of exchange, of the assets given, liabilities assumed, and/or equity instruments issued by the acquirer in exchange for control of the acquiree. Contingent price adjustments are included in the cost of the business combination and are measured at fair value at each balance sheet date. From the acquisition date, any subsequent changes to this fair value resulting from events after control was acquired are recognised in profit or loss.
Expenses that are directly attributable to the acquisition, such as professional fees for due diligence and other related fees, are expensed as they are incurred. They are presented in the "Impact of changes in scope and gain/(loss) on disposals of shares" item on the income statement.
Non-controlling interests in the acquiree, where they give their holders present ownership interests in the entity (voting rights, a share of earnings, etc.) and entitle them to a proportionate share of net assets in the event of liquidation, are measured either at their share of the acquiree's net identifiable assets, or at their fair value. This option is applied on a case-by-case basis for each acquisition.
On the date control is acquired, the cost of acquisition is allocated by recognising the identifiable assets acquired and liabilities assumed from the acquiree at their fair value at that date, except for tax assets and liabilities and employee benefits, which are measured according to their reference standard (IAS 12 and IAS 19 respectively) and asset groups classified as held for sale, which are recognised under IFRS 5 at their fair value less costs to sell. The positive difference between the cost of acquisition and the fair value of the identifiable assets and liabilities acquired constitute goodwill. Where applicable, goodwill can include a portion of the fair value of non-controlling interests if the full goodwill method has been selected. The Group has 12 months from the date of acquisition to finalise the accounting for business combinations.

In the case of a business combination achieved in stages, previously acquired shareholdings in the acquiree are measured at fair value at the date of acquisition of control. Any resulting gain or loss is recognised in profit or loss.

Transactions between shareholders, acquisitions and disposals of non-controlling interests after acquisition of control

In accordance with IFRS 10, acquisitions or disposals of non-controlling interests, with no impact on control, are considered as transactions with the Group's shareholders. The difference between the consideration paid to increase the percentage shareholding in an already-controlled entity and the supplementary share of equity thus acquired is recorded under equity attributable to owners of the parent. Similarly, a decrease in the Group's percentage interest in an entity that continues to be controlled is booked in the accounts as a transaction between shareholders, with no impact on profit or loss. Professional fees and other costs relating to acquisitions and disposals of non-controlling interests that have no impact on control, and any associated tax effects, are recorded under equity. Cash flow related to transactions between shareholders is presented under cash flow (used in)/from financing activities in the consolidated cash flow statement.

Put options granted to non-controlling shareholders

Put options (options to sell) granted to the non-controlling shareholders of certain Group subsidiaries are recognised under other non-current liabilities for the present value of the exercise price of the option and as a corresponding reduction of consolidated equity (non-controlling interest and equity attributable to equity holders of the parent for the surplus, if any).

Report of the Statutory Auditors on the consolidated financial statements

For the year ended 31 December 2020

To VINCI's Shareholders' General Meeting,

1. Opinion

In accordance with our appointment as Statutory Auditors by the shareholders at the Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of VINCI for the year ended 31 December 2020.
In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities, and the results of the Group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.
The opinion formulated above is consistent with the content of our report to the Audit Committee.

2. Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.
Our responsibilities under those standards are stated in the "Responsibilities of the Statutory Auditors in relation to auditing the consolidated financial statements" section of this report.

Independence

We conducted our audit, in accordance with the independence rules laid out in the French Commercial Code (Code de commerce) and in the code of conduct of the statutory audit profession in France, between 1 January 2020 and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) No. 537/2014.

3. Justification of our assessments - Key audit matters

The global crisis caused by the COVID-19 pandemic created a particular environment for the preparation and auditing of financial statements for the year. The crisis and the exceptional public health emergency measures had multiple consequences for companies, impacting their business and financing in particular and increasing uncertainty about their future prospects. Some of these measures, such as travel restrictions and remote working, have also affected companies' internal organization and how audits are conducted.

In this complex and changing environment, as required by Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year's consolidated financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the consolidated financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the consolidated financial statements taken in isolation.

Recoverable amount of goodwill and intangible assets, along with interests in concession companies accounted for under the equity method

Notes A.2.3, A.3.2, E.9, E.10, F.13, H.17.1 and H.17.3 to the consolidated financial statements

Description of the risk

Goodwill, concession intangible assets and other intangible assets had material net carrying amounts at 31 December 2020, i.e. €11,619 million, €25,886 million and €6,846 million respectively, together equal to 49% of total assets. Those assets may present a risk of impairment losses arising from internal or external factors, such as a deterioration in performance, changes in the economic environment, adverse market conditions, movements in traffic levels and changes in legislation or regulations.

The Group is also exposed to a risk of impairment losses in respect of infrastructure operated by concession companies over which the Group has joint control or significant influence. Interests in those concession companies amounted to €451 million at 31 December 2020.

The Group carries out impairment tests on goodwill, concession intangible assets, other intangible assets and interests in concession companies accounted for under the equity method where there is an indication that an impairment loss has arisen. The recoverable amount is based on a value in use calculation, which is itself based on discounted future cash flow forecasts.

These impairment tests reflected the uncertain macro-economic outlook caused by the COVID-19 health crisis, and Management's various recovery scenarios.

Determining the recoverable amount of these assets and any impairment losses to be recognised is a key audit matter, given the importance of estimates and the level of judgment required by Management regarding the operational performance and future traffic assumptions, long-term growth rates and discount rates used, and the sensitivity of their measurement to changes in certain assumptions.

Audit work performed
For cash-generating units and intangible assets that are material or present what we regard as a substantial specific risk of impairment losses, we :

- checked the relevance of the approach used to determine the cash-generating units on which the asset impairment tests were carried out;
- familiarised ourselves with the way in which those impairment tests were carried out;
- assessed whether the main assumptions were reasonable in the context of the repercussions of the COVID-19 crisis, particularly regarding changes in operational performance and traffic levels, long-term growth rates and discount rates used, including by examining those rates with our experts and comparing them with our databases.

As regards goodwill, we examined the appropriateness of information provided in the Notes to the consolidated financial statements on the determination of underlying assumptions and sensitivity analyses in view of the appropriate accounting standard.

Recognition of construction contracts

Notes A.2.3, A.3.1, G.16 and H.19.3 to the consolidated financial statements

Description of the risk
VINCI's Contracting business accounts for more than 80% of VINCI's consolidated revenue, and most of the revenue in that business comes from long-term construction contracts.
Construction contract income and expenses are recognised using the stage-of-completion method: the stage of completion and the revenue to be recognised are calculated on the basis of a large number of completion estimates made by monitoring the work performed and taking into account unforeseen circumstances. Adjustments may therefore be made to initial estimates throughout the life of the contracts and may materially affect results.
The COVID-19 health crisis engendered the temporary shutdown of some worksites, a slowing of activity during and following lockdown periods, as well as additional costs. The costs incurred that did not contribute to the entity's progress toward satisfying the performance obligation should not be included in stage-of-completion calculations.
If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion regardless of the stage of completion, based on the best estimates of income, including, if need be, any rights to additional revenue or claims if these are highly probable and can be reliably estimated.
Determining these completion estimates and the financial impact of any adjustments that may become necessary during the performance of projects and operations is a key audit matter, given the amounts involved and the high level of judgment required on the part of the operational departments of the subsidiaries involved in the determination of these completion estimates.

Audit work performed
We selected projects on the basis of their size, technical complexity and geographical location, and for each selected project, we:

- familiarised ourselves with the procedures and any specific information systems used by the most material subsidiaries involved in recognising revenue and monitoring the corresponding expenditure;
- assessed and tested the design and implementation of key controls adopted in the most material subsidiaries (manual and computerised controls) ;
- checked that the estimated revenue on completion was consistent with contracts and supplementary agreements signed;
- assessed whether the risks of delays and cost overruns related to the performance of works were properly taken into account, along with estimates of completion costs, and reviewed the contingencies included in the budget and the extent to which disputes were covered ;
- checked that the additional (and non-productive) costs engendered by the COVID-19 health crisis have been recognised as expenses for the period and have not been included in the stage-of-completion calculations;
- checked that, if a project is expected to be loss-making on completion, a provision is set aside for the loss on completion including, if need be, any rights to additional revenue or claims if these are highly probable and can be reliably estimated.

Provisions for liabilities and litigation

Notes H.19.3, H.20 and M to the consolidated financial statements

Description of the risk
The Group's companies are sometimes involved in litigation arising from their activities.
Provisions may, as the case may be, be set aside for these liabilities and litigation in accordance with the appropriate accounting standard, and the liabilities and litigation are assessed by VINCI and the subsidiaries concerned based on their knowledge of the matters.

Provisions for litigation (€553 million at 31 December 2020), other current liabilities (€1,235 million at 31 December 2020) and other non-current liabilities (€303 million at 31 December 2020) represented a total amount of €2,091 million at 31 December 2020.
Determining and measuring the recognised provisions for liabilities and litigation is a key audit matter given the amounts involved, the importance of estimates and the level of judgment required by Management in determining those provisions, as regards the likely outcome of the corresponding liabilities and litigation.

Audit work performed
To obtain an understanding of existing liabilities and litigation and the related matters of judgment, we held discussions with the Group's departments, business lines and main subsidiaries. For each of the main liabilities and items of litigation identified, we:

- familiarised ourselves with the procedures used by the Group when ascertaining, documenting and measuring the corresponding provisions;
- corroborated the amount of provisions recognised with the lawyers' replies to our requests for information;
- carried out a critical examination of internal analyses relating to the probability and possible impact of each liability and item of litigation, examining the available information relating to the proceedings (correspondence, claims, judgments, notifications, etc.). In particular, we used our professional judgment to assess the positions adopted by Management, to see where they fell by comparison with risk assessment ranges, and the consistency of those positions over time.

We examined the appropriateness of information provided in the Notes to the consolidated financial statements regarding the main items of litigation identified.

4. Specific verifications

We also verified, in accordance with the professional standards applicable in France and as required by laws and regulations, the information concerning the Group presented in the management report of the Board of Directors.
We have no comments to make as to its fair presentation and its consistency with the consolidated financial statements.
We attest that the consolidated declaration of non-financial performance, required under Article L.225-102-1 of the French Commercial Code, is included in the information relating to the Group provided in the management report of the Board of Directors, being specified that, in accordance with the provisions of Article L.823-10 of this code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration and this information must be subject to a report by an independent third party.

5. Other Legal and Regulatory Verifications or Information

Format of consolidated financial statement to be included in the annual financial report
In accordance with section III of Article 222-3 of the General Regulation of the AMF, your Company's Management has informed us of its decision to postpone the application of the single electronic reporting format, as specified in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018, to the financial years starting 1 January 2021. Consequently, this report does not express any conclusions regarding compliance with the required format for consolidated financial statements to be included in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code.

Appointment of the Statutory Auditors
Deloitte & Associés was appointed as Statutory Auditor of VINCI at the Shareholders' General Meeting of 23 June 1989, taking into account mergers and acquisitions of firms since that date, and PricewaterhouseCoopers Audit was appointed as Statutory Auditor of VINCI at the Shareholders' General Meeting of 17 April 2019.
At 31 December 2020, Deloitte & Associés was in its 32nd year and PricewaterhouseCoopers Audit was in its second year of total uninterrupted engagement.

6. Responsibilities of Management and persons involved in corporate governance in relation to the consolidated financial statements

Management is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with IFRSs as endorsed by the European Union, and for setting up the internal controls it deems necessary for preparing consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.
When preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.
The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information.
The consolidated financial statements have been approved by the Board of Directors.

7. Responsibilities of the Statutory Auditors in relation to auditing the consolidated financial statements

Audit objective and procedure

Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error, and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L.823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit. In addition:

- they identify and assess the risks that the consolidated financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls;
- they familiarise themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control;
- they assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by Management, along with information about those estimates provided in the consolidated financial statements;
- they assess whether Management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the Company's status as a going concern. If the Statutory Auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the consolidated financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them;
- they assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so that they give a true and fair view;
- regarding financial information relating to persons or entities included in the scope of consolidation, they collect the information that they regard as sufficient and appropriate to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for managing, supervising and conducting the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's consolidated financial statements, and which are therefore the key audit matters. It is our role to describe those points in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

Neuilly sur Seine and Paris La Défense, 8 February 2021
The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit — Deloitte & Associés

Bertrand Baloche — Bernard Gainnier — Mansour Belhiba — Amnon Bendavid

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
The Statutory Auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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