Consolidated financial statements at 31 December 2022

Consolidated financial statements at 31 December 2022

Notes to the consolidated financial statements at 31 December 2022

Consolidated income statement for the period

(in € millions)	Notes	2022	2021
Revenue (*)	**1-2**	**61,675**	**49,396**
Concession subsidiaries' revenue derived from works carried out by non-Group companies		590	586
Total revenue		62,265	49,982
Revenue from ancillary activities	4	249	248
Operating expenses	4	(55,691)	(45,507)
Operating income from ordinary activities	**1-4**	**6,824**	**4,723**
Share-based payments (IFRS 2)	30	(356)	(288)
Profit/(loss) of companies accounted for under the equity method	4-10	22	12
Other recurring operating items	4	(9)	17
Recurring operating income	**4**	**6,481**	**4,464**
Non-recurring operating items	4	8	(26)
Operating income	**4**	**6,489**	**4,438**
Cost of gross financial debt		(750)	(674)
Financial income from cash investments		136	17
Cost of net financial debt	**5**	**(614)**	**(658)**
Other financial income and expense	6	279	40
Income tax expense	7	(1,737)	(1,625)
Net income		**4,417**	**2,195**
Net income attributable to non-controlling interests	23.5	157	(402)
Net income attributable to owners of the parent		**4,259**	**2,597**
Basic earnings per share *(in €)*	8	7.55	4.56
Diluted earnings per share *(in €)*	8	7.47	4.51

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

Consolidated comprehensive income statement for the period

(in € millions)	2022	2021
Net income	**4,417**	**2,195**
Changes in fair value of cash flow and net investment hedging instruments (*)	514	(138)
Hedging costs	11	(5)
Tax (**)	(110)	(50)
Currency translation differences	22	527
Share of profit/(loss) of companies accounted for under the equity method, net	359	115
Other comprehensive income that may be recycled subsequently to net income	**795**	**449**
Actuarial gains and losses on retirement benefit obligations	362	165
Tax	(97)	(37)
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	**266**	**129**
Total other comprehensive income recognised directly in equity	**1,061**	**578**
Comprehensive income	**5,478**	**2,773**
of which attributable to owners of the parent	*5,361*	*3,046*
of which attributable to non-controlling interests	*117*	*(274)*

(*) 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 2022, those changes consisted of a positive €423 million impact related to cash flow hedges and a positive €90 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	31/12/2022	31/12/2021 (*)
Non-current assets			
Concession intangible assets	13	28,224	25,329
Goodwill	9	17,360	16,099
Other intangible assets	17	9,045	8,421
Property, plant and equipment	17	10,805	10,303
Investments in companies accounted for under the equity method	10	1,014	950
Other non-current financial assets	11-14-18	2,588	2,450
Derivative financial instruments - non-current assets	27	376	575
Deferred tax assets	7	883	767
Total non-current assets		**70,294**	**64,894**
Current assets			
Inventories and work in progress	19	1,785	1,591
Trade and other receivables	19	18,092	15,832
Other current assets	19	7,402	6,036
Current tax assets		259	238
Other current financial assets		84	100
Derivative financial instruments - current assets	27	115	291
Cash management financial assets	26	755	200
Cash and cash equivalents	26	12,578	11,065
Total current assets		**41,070**	**35,353**
Assets held for sale	B.2	627	569
Total assets		**111,991**	**100,816**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

Consolidated balance sheet

Equity and liabilities

(in € millions)	Notes	31/12/2022	31/12/2021 (*)
Equity			
Share capital	23.1	1,473	1,481
Share premium	23.1	12,719	12,242
Treasury shares	23.2	(2,088)	(1,973)
Consolidated reserves		9,872	9,956
Currency translation reserves		(240)	(304)
Net income attributable to owners of the parent		4,259	2,597
Amounts recognised directly in equity	23.4	(56)	(1,117)
Equity attributable to owners of the parent		**25,939**	**22,881**
Equity attributable to non-controlling interests	23.5	3,470	1,889
Total equity		**29,409**	**24,771**
Non-current liabilities			
Non-current provisions	20	961	1,137
Provisions for employee benefits	29	1,149	1,459
Bonds	25	20,425	22,212
Other loans and borrowings	25	3,205	2,757
Derivative financial instruments - non-current liabilities	27	1,939	422
Non-current lease liabilities	21	1,580	1,574
Other non-current liabilities		894	992
Deferred tax liabilities	7	4,162	3,225
Total non-current liabilities		**34,316**	**33,778**
Current liabilities			
Current provisions	19	6,599	6,123
Trade payables	19	13,088	12,027
Other current liabilities	19	20,315	16,736
Current tax liabilities		607	360
Current lease liabilities	21	522	524
Derivative financial instruments - current liabilities	27	440	513
Current borrowings	25	6,368	5,769
Total current liabilities		**47,939**	**42,052**
Liabilities directly associated with assets held for sale	B.2	327	214
Total equity and liabilities		**111,991**	**100,816**

(*) Amounts following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

Consolidated cash flow statement

(in € millions)	Notes	2022	2021
Consolidated net income for the period (including non-controlling interests)		**4,417**	**2,195**
Depreciation and amortisation	4.3	3,613	3,219
Net increase/(decrease) in provisions and impairment		-	206
Share-based payments (IFRS 2) and other restatements		162	84
Gain or loss on disposals		(68)	(27)
Change in fair value of financial instruments		(236)	(54)
Share of profit/(loss) of companies accounted for under the equity method and dividends received from unconsolidated companies		(42)	(18)
Cost of net financial debt recognised	5	614	658
Capitalised borrowing costs		(29)	(47)
Financial expense on leases	6	48	43
Current and deferred tax expense recognised	7.1	1,737	1,625
Cash flow from operations before tax and financing costs	**C.1**	**10,215**	**7,884**
Changes in operating working capital requirement and current provisions	19.1	392	1,579
Income taxes paid		(1,603)	(1,213)
Net interest paid		(563)	(557)
Dividends received from companies accounted for under the equity method		92	112
Other long-term advances		854 (*)	-
Net cash flows (used in)/from operating activities	**I**	**9,387**	**7,806**
Purchases of property, plant and equipment and intangible assets		*(2,621)*	*(1,214)*
Proceeds from sales of property, plant and equipment and intangible assets		*165*	*137*
Operating investments (net of disposals)	C.1.1	(2,456)	(1,077)
Investments in concession fixed assets (net of grants received)		*(880)*	*(849)*
Financial receivables (PPP contracts and others)		*44*	*33*
Growth investments in concessions and PPPs	C.1.1	(836)	(815)
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*(2,131) (**)*	*(5,258) (***)*
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)		*23*	*9*
Cash and cash equivalents of acquired companies		*140 (**)*	*1,322 (***)*
Net financial investments		(1,967) (**)	(3,927) (***)
Other		(59)	(82)
Net cash flows (used in)/from investing activities	**II**	**(5,318)**	**(5,902)**
Share capital increases and decreases and repurchases of other equity instruments		491	739
Transactions on treasury shares	23.2	(1,100)	(602)
Acquisitions/disposals of non-controlling interests (without acquisition or loss of control)		(53)	(19)
Dividends paid	24	(1,892)	(1,558)
- to shareholders of VINCI SA		*(1,830)*	*(1,528)*
- to non-controlling interests	*23.5*	*(62)*	*(30)*
Proceeds from new long-term borrowings	25.1	2,786	1,791
Repayments of long-term borrowings	25.1	(3,653)	(2,195)
Repayments of lease liabilities and financial expense on leases		(661)	(631)
Change in cash management assets and other current financial debts	25	1,245	(785)
Net cash flows (used in)/from financing activities	**III**	**(2,836)**	**(3,259)**
Other changes	IV	74	117
Change in net cash	**I+II+III+IV**	**1,306**	**(1,238)**
Net cash and cash equivalents at beginning of period		**10,188**	**11,426**
Net cash and cash equivalents at end of period	**26.1**	**11,495**	**10,188**

(*) Long-term advances received from the offtaker in respect of Polo Carmópolis in Brazil – see Note H.17.1, "Other intangible assets".
(**) Including the acquisition of Mexican airport operator OMA. See Note B.1, "Changes in consolidation scope during the period".
(***) Including the acquisition of ACS's energy business (Cobra IS). See Note B.2, "Changes in consolidation scope in previous periods".

Change in net financial debt during the period

(in € millions)	Notes	2022	2021 (*)
Net financial debt at beginning of period		**(19,539)**	**(17,989)**
Change in net cash		1,306	(1,238)
Change in cash management assets and other current financial debts		(1,245)	785
(Proceeds from)/repayment of loans		867	404
Other changes		74	(1,501)
of which debts transferred during business combinations		*(651)(**)*	*(907)(*)*
of which changes in fair value		*583*	*52*
of which exchange rate effect and currency translation impact		*126*	*(672)*
Change in net financial debt		**1,002**	**(1,549)**
Net financial debt at end of period	**25**	**(18,536)**	**(19,539)**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

(**) Including the acquisition of Mexican airport operator OMA. See Note B.1, "Changes in consolidation scope during the period".

Consolidated statement of changes in equity

(in € millions)	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
	Equity attributable to owners of the parent									
Balance at 31/12/2020	**1,471**	**11,527**	**(2,111)**	**10,753**	**1,242**	**(723)**	**(1,148)**	**21,011**	**2,162**	**23,173**
Net income for the period	-	-	-	-	2,597	-	-	2,597	(402)	2,195
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	420	(85)	335	128	463
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	-	114	114	-	114
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**2,597**	**421**	**29**	**3,046**	**(274)**	**2,773**
Increase in share capital	25	715	-	-	-	-	-	739	-	739
Decrease in share capital	(15)	-	538	(523)	-	-	-	-	-	-
Transactions on treasury shares	-	-	(401)	(202)	-	-	-	(602)	-	(602)
Appropriation of net income and dividend payments	-	-	-	(286)	(1,242)	-	-	(1,528)	(30)	(1,558)
Share-based payments (IFRS 2)	-	-	-	209	-	-	-	209	-	209
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	(16)	-	-	-	(16)	27	11
Changes in consolidation scope	-	-	-	-	-	(2)	2	-	1	1
Other	-	-	-	22	-	1	-	22	2	25
Balance at 31/12/2021	**1,481**	**12,242**	**(1,973)**	**9,956**	**2,597**	**(304)**	**(1,117)**	**22,881**	**1,889**	**24,771**
Net income for the period	-	-	-	-	4,259	-	-	4,259	157	4,417
Other comprehensive income recognised directly in the equity of controlled companies	-	-	-	-	-	88	653	741	(41)	701
Other comprehensive income recognised directly in the equity of companies accounted for under the equity method	-	-	-	-	-	(25)	386	361	-	361
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**4,259**	**63**	**1,039**	**5,361**	**117**	**5,478**
Increase in share capital	14	477	-	-	-	-	-	491	-	491
Decrease in share capital	(22)	-	784	(763)	-	-	-	-	-	-
Transactions on treasury shares	-	-	(899)	(201)	-	-	-	(1,100)	-	(1,100)
Appropriation of net income and dividend payments	-	-	-	767	(2,597)	-	-	(1,830)	(62)	(1,892)
Share-based payments (IFRS 2)	-	-	-	265	-	-	-	265	-	265
Impact of acquisitions or disposals of non-controlling interests after acquisition of control	-	-	-	(32)	-	-	-	(32)	(19)	(50)
Changes in consolidation scope	-	-	-	-	-	-	-	-	1,550 (*)	1,550
Other	-	-	-	(120)	-	1	22	(98)	(6)	(104)
Balance at 31/12/2022	**1,473**	**12,719**	**(2,088)**	**9,872**	**4,259**	**(240)**	**(56)**	**25,939**	**3,470**	**29,409**

(*) Including the acquisition of Mexican airport operator OMA. See Note B.1, "Changes in consolidation scope during the period".

A. Key events, accounting policies and specific arrangements

1. Key events

Assessment of financial performance

Since 1 January 2022, the consolidated financial statements have included cash flows generated by companies in the Cobra IS business line, which were acquired on 31 December 2021 from the Spanish engineering and infrastructure group ACS. VINCI is continuing the integration of Cobra IS's 579 subsidiaries in accordance with the schedule.

Cobra IS contributed €5.5 billion to the Group's consolidated revenue in 2022 (thus adding 11.2 percentage points to consolidated revenue growth relative to 2021), along with €411 million to operating income from ordinary activities (Ebit) and €218 million to net income attributable to owners of the parent (before amortisation of the intangible assets identified when allocating the purchase price).

The Group's overall performance was strong in 2022:

- Consolidated revenue totalled €61.7 billion in 2022, up 24.9% relative to 2021.
- Operating income from ordinary activities was much higher than in 2021, amounting to €6,824 million. Ebit margin was 11.1% (9.6% in 2021).
- Recurring operating income totalled €6,481 million (€4,464 million in 2021).
- Consolidated net income attributable to owners of the parent was €4,259 million, compared with €2,597 million in 2021.
- Net financial debt at 31 December 2022 was €18.5 billion, down €1.0 billion relative to end-2021.

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

Final allocation of the Cobra IS purchase price

After taking control of ACS's energy business – known as Cobra IS – on 31 December 2021, the Group finalised the allocation of the purchase price by measuring identifiable assets acquired and liabilities assumed at fair value at the date of acquisition of control. The final goodwill figure was €4.2 billion. Comparative information relating to 2021 in the primary financial statements and notes (where applicable) has been adjusted to reflect the impact of this final purchase price allocation.

Purchase price allocation information is provided in Note B.2, "Changes in consolidation scope in previous periods".

Acquisition of a 29.99% stake in Mexican airport operator OMA

On 7 December 2022, VINCI Airports completed the acquisition of a 29.99% stake in OMA (Grupo Aeroportuario del Centro Norte). The transaction added 13 airports to the VINCI Airports portfolio, located in Northern and Central Mexico.

Monterrey International airport, serving Mexico's industrial capital, is the fifth-largest airport in the country and accounts for nearly half of OMA's passenger numbers. Added to this are Chihuahua and Ciudad Juárez airports at the heart of Mexico's mining industry, Culiacán and Mazatlán airports, as well as eight regional and tourism airports on the Pacific Coast and in Central Mexico (Acapulco, San Luis Potosí, Torreón, Zihuatanejo, Durango, Zacatecas, Tampico and Reynosa). Since July 2022, OMA's passenger numbers have been higher than their 2019 levels.

The key aspects of this acquisition are set out in Note B.1, "Changes in consolidation scope during the period".

Financing transactions and liquidity management

The main financing transactions during the year concerned VINCI, ASF and VINCI Airports. They are described in Note J, "Financing and financial risk management".

At 31 December 2022, VINCI had total liquidity of €20.5 billion, comprising:

- managed net cash of €9.2 billion;
- two confirmed credit facilities unused by VINCI SA: a €8.0 billion facility, of which €7.7 billion is due to expire in November 2025, and a €2.5 billion facility with a maturity of July 2023 and two extension options of six months each.

In addition, some Group subsidiaries have arranged their own credit facilities, including undrawn revolving credit facilities of €0.5 billion at Cobra IS and a revolving credit facility with a remaining available amount of €0.3 billion at the company that owns London Gatwick airport.

Liquidity information is presented in Note J.26, "Net cash managed and available resources".

2. Accounting policies

2.1 Basis for preparing the financial statements

Pursuant to Regulation (EC) 1606/2002 of 19 July 2002, VINCI's consolidated financial statements for the period ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2022 (*).

The accounting policies used at 31 December 2022 are the same as those used in preparing the consolidated financial statements at 31 December 2021, except for the standards and/or amendments of standards described below, adopted by the European Union and mandatorily applicable as from 1 January 2022.

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 2020, presented in the universal registration document filed with the AMF under number D.22-0060 on 28 February 2022, is deemed to be included herein.

The consolidated financial statements were approved by the Board of Directors on 8 February 2023 and will be presented to shareholders for their approval at the Shareholders' General Meeting on 13 April 2023.

New standards and interpretations applied from 1 January 2022

Standards and interpretations mandatorily applicable from 1 January 2022 had no material impact on VINCI's consolidated financial statements at 31 December 2022. They include mainly:

- Amendments to IAS 37 – "Onerous Contracts – Cost of Fulfilling a Contract".

In May 2020, the IASB published amendments to IAS 37 relating to the measurement of onerous contracts. These amendments specify the indirect costs to be taken into account when an entity defines the cost of fulfilling a contract in order to determine whether it is onerous. This impact of these amendments is not material for the Group.

- Amendments to IAS 16 – "Proceeds before Intended Use".

In May 2020, the IASB published amendments to IAS 16 relating to the recognition of proceeds generated by an asset while it is being transferred to site or prepared for its intended use. The amendments state that an entity cannot deduct those proceeds from the cost of the asset. The Group is not concerned by this kind of asset.

As regards the IFRS IC's conclusion regarding IAS 38, mentioned in Note 2.1 to the consolidated financial statements for the year ended 31 December 2021, VINCI analysed the cost of configuring and customising software used in SaaS (Software as a Service) mode in the first half of 2022. The IFRS IC agenda decision states that in most cases, these costs must be expensed and not capitalised, firstly because the entity does not control the software and secondly because the customisation/configuration activities do not generate any resource controlled by the user and separate from the software.
Applying that decision, configuration and customisation costs related to software used in SaaS mode that were previously capitalised were restated at 1 January 2022, in an immaterial amount, with a balancing adjustment to equity under "Other".

Standards and interpretations adopted by the IASB but not yet applicable at 31 December 2022

The Group has not applied early the following standards and amendments that could concern the Group and of which application was not mandatory at 1 January 2022:

- Amendments to IAS 1 – "Disclosure of Accounting Policies";
- Amendments to IAS 1 – "Presentation of Financial Statements – Classification of Liabilities as Current or Non-current";
- Amendments to IAS 8 – "Definition of Accounting Estimates";
- Amendments to IAS 12 – "Deferred Tax related to Assets and Liabilities arising from a Single Transaction";
- IFRS 17 "Insurance Contracts" establishing principles for their recognition, measurement, presentation and disclosure.

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

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

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 deemed to be controlled and are fully consolidated. To determine control, VINCI carries out an in-depth analysis of the established governance arrangements 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 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 additional powers that could lead to a situation of de facto control. This generally 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 Group's joint arrangements fall into two categories (joint operations and joint ventures) 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 VINCI Energies and VINCI Construction business lines 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 involve providing services to the parties to the joint arrangement, 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 VINCI Construction in its road infrastructure construction and renovation activities.
Joint ventures: property development joint arrangements contractualised in France in the form of SCCVs *(sociétés civiles de construction-vente)* are joint ventures under IFRS 11 and therefore accounted for under the equity method. The same is true of the Group's other joint arrangements taking place through an entity with legal personality and whose production is not intended solely for the parties to the joint arrangement.

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. This applies mainly to the Group's stake in DEME.

The holding company that owns London Gatwick airport and those that own Mexican airport operator OMA have material non-controlling interests (49.99% and 70.01% respectively). The information required by IFRS 12 regarding non-controlling interests is provided in Note I.23.5, "Non-controlling interests". 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 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 in accordance with IFRSs requires estimates to be used and assumptions to be made that may affect the amounts recognised in those financial statements. Against a background of geopolitical instability, rising interest rates and high inflation, the Group has carried out an in-depth examination of these assumptions and estimates.
The estimates involved are made on a going concern basis in light of the Group's liquidity, order book and the recovery in its business levels in almost all of its business areas. They reflect information available at the time and may be revised if the circumstances on which they were based change or if new information is obtained.

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 be made to initial estimates throughout contracts and may materially affect future results.

For a given project, incurred costs that do not contribute to its completion (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.

Measurement of the fair value of identifiable assets acquired and liabilities assumed iin 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 impact of the business combination is measured and recognised using the acquisition method.
Assets and liabilities are 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 associated 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 concession intangible assets at VINCI Airports and to quarrying rights at VINCI Construction. This amortisation method is based on the following physical indicators: passenger numbers at VINCI Airports and volumes of aggregates extracted at VINCI Construction.

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 following factors may cause a material change in the amount of provisions:

- 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, which are estimated taking account of indexation clauses included in construction and civil engineering contracts (mainly relating to 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, "Information on 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 acquired and liabilities assumed 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 several measurement methods:

- market-based approaches, based on observable market prices or transactions;
- revenue-based approaches, which convert future cash flow into a 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 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".

Climate risks

The Group takes climate risks into consideration, based on its best knowledge, as part of its accounts closing assumptions and reflects their potential impact in the financial statements. The process used is described in Note A.3, "Specific arrangements".

3. Specific arrangements

3.1 Climate risks

Looking ahead to 2030, the Group has adopted an environmental strategy aiming to:

- reduce direct greenhouse gas emissions (Scopes 1 and 2) by at least 40% by 2030 compared with 2018 levels;
- reduce indirect emissions (Scope 3) by at least 20% by 2030 compared with 2019 levels, by taking action across the value chain of the Group's businesses;
- adapt infrastructure and activities to improve their climate resilience.

The main risks identified relate to physical risks, including floods and typhoons, and transition risks such as market uncertainties relating to possible carbon taxes on fossil fuels and the consequences of the EU Taxonomy for sectors excluded from it (see the section of the Report of the Board of Directors regarding the mapping of the Group's major environmental risks).

Physical risks are usually covered by property/casualty insurance policies or taken into account in estimates of margins on completion. In general, when a loss occurs, the negative impact (the part of the risk that is not covered) is taken into account in margins on completion for construction contracts, or recognised in expenses for the period in question.
Certain physical risks may also result in opportunities or an increase in business levels, since some subsidiaries specialise in site clean-up work and/or repairs to damaged infrastructure following major climate-related events such as hurricanes, storms and floods.

The main transition risks relating to developments in the markets in which VINCI operates have also been reviewed to the best of the Group's knowledge. The Group's ability to respond to these changes with sufficient speed could determine its success in winning new contracts.

• Short-term market developments and upcoming changes in regulations are factored into cash flows, while those expected in the medium to long term are addressed through sensitivity tests.

For example, the transition to new building materials such as low-carbon concrete would not lead to major additional expense, to the extent that the construction company could pass it on to the project owner in its invoices.

• Longer-term market developments relating to the environmental transition are harder to anticipate and quantify, but should not have a material impact on the useful lives of the Group's assets. At this stage, VINCI has identified very few assets that cause high levels of pollution, only a small handful of coal-fired power plants in Poland and the United States that represent less than 2% of the Group's total energy consumption.

Certain expected market developments, such as the faster pace of energy retrofits of existing buildings and the growth of low-carbon forms of transport are also opportunities for the Group. These are presented in the report of the Board of Directors in the section relating to market opportunities stemming from the environmental transition.

VINCI's acquisitions process includes a review of environmental risks, which is presented to the Risk Committee when it meets to consider acquisition opportunities.

In its accounts closing process, the Group also now identifies the main climate risks in order to assess their potential impact on its financial statements. Specific information requests and areas for attention were included in the accounts closing instructions and disseminated to all Group subsidiaries, relating in particular to:

- reviewing the useful lives of certain assets;
- reviewing margins on completion for certain construction contracts;
- factoring expected impacts on future cash flows into impairment tests for non-current assets;
- assessing risks to determine the amount of contingency provisions (including provisions for major repairs in certain concessions).

The Finance Department works with the Environment Department, which has been allocated specific resources for this purpose, to ensure that the commitments made by the Group are consistent with their recognition in the financial statements.

In VINCI's view, its assessment of climate risks is taken into account correctly and is consistent with its commitments in this area. Factoring in these elements did not have any material impact on the Group's 2022 financial statements.

3.2 Consequences of the conflict between Russia and Ukraine and the macroeconomic environment

Conflict between Russia and Ukraine

The direct financial consequences of the conflict between Russia and Ukraine are limited for the Group, since it does not have any material exposure to either country. The Group's exposure mainly consists of equity interests held by VINCI Concessions in several companies in Russia: its 50% stake in the concession company for section 0 of the Moscow–St Petersburg motorway (M11), its 40% stake in the company set up to operate sections 7 and 8 of the same motorway under a public-private partnership, and its 50% stake in a road operations company. The value of these interests has been written down to zero.

Macroeconomic environment

In a geopolitical and economic context that is uncertain and volatile, the Group is paying particularly close attention to the possible effects of cost inflation, disruption to certain supply chains and rising interest rates.

• In the Energy and Construction businesses

To protect itself against inflation, the Group has become more selective in terms of new contracts, and has decided to stop entering into medium- and long-term contracts if they do not include price adjustment clauses, except where specific provisions protect it from the risk of cost inflation or in special circumstances.

Most of the Group's projects are relatively short in duration, particularly those carried out as part of the recurring business activities of VINCI Energies and Cobra IS and in roadworks, which means that changes in costs can be factored into quotes for new contracts to the extent possible. Some long-term contracts contain price adjustment clauses based on changes in sectoral indices. In particular, construction contracts signed with public sector customers in France fall into this category.

As regards the availability of the materials and equipment necessary to complete projects, VINCI's decentralised organisation means that the Group's companies have a diverse range of procurement sources, which is an advantage in the current operating environment. In addition, to guard against supply shortages, the Group's companies may order some of their supplies ahead of time.

• In the Concessions business
Price increases relating to the infrastructure managed by the Group (motorways and airports) are generally determined by contractual provisions that take the level of inflation into account, thereby offsetting at least some of this risk.

• In the VINCI Immobilier business line
Rising interest rates have led to an increase in borrowing costs. Combined with higher prices, this trend is putting pressure on consumer demand for residential property. Meanwhile, investors in non-residential properties (offices) are now demanding higher yields.

Finally, the current macroeconomic environment has led to a tightening of monetary policy around the world and higher interest rates. This is making financing more expensive for the Group and its subsidiaries. Given the circumstances, VINCI is taking particular care to maintain its good level of liquidity (See Note J, "Financing and financial risk management").

B. Changes in consolidation scope

1. Changes in consolidation scope during the period

As part of its growth strategy, VINCI has continued to pursue acquisitions. The main changes in the period relate to:
• the acquisition of a 29.99% stake in Mexican airport operator OMA, completed by VINCI Airports on 7 December 2022;
• the acquisition of most of Kontron AG's IT services business by VINCI Energies on 29 December 2022;
• transactions by VINCI Highways to take control of TollPlus and Strait Crossing Development Inc. (SCDI).

Other changes in the period notably included the acquisition of around 30 companies by VINCI Energies, mainly in Europe, and VINCI Construction's acquisition of 12 road construction companies from the Northern Group of Companies in Canada. Other changes in scope relate mainly to legal restructuring within the Group as well as the demerger of DEME from its parent company CFE.

	31/12/2022			31/12/2021		
(number of companies)	**Total**	France	Foreign	**Total**	France	Foreign
Controlled companies	**2,710**	1,158	1,552	**2,643**	1,179	1,464
Joint ventures (*)	**173**	104	69	**181**	101	80
Associates (*)	**61**	18	43	**94**	18	76
Total	**2,944**	**1,280**	**1,664**	**2,918**	**1,298**	**1,620**

(*) Entities accounted for under the equity method.

Acquisition of a 29.99% stake in Mexican airport operator OMA

On 7 December 2022, VINCI Airports completed the acquisition of 100% of the equity interests in SETA and Aerodrome. These two companies together indirectly held a 29.99% stake in OMA, which operates 13 airports in Mexico.

The share capital of OMA's parent company consists of 87.1% ordinary shares and 12.9% "BB" preferred shares. As a result of this transaction, VINCI Airports owns all of the preferred shares and 17.19% of the ordinary shares, giving it a 29.99% stake in OMA's parent company. The remainder (70.01%) consists of shares listed on regulated markets, mostly on the Mexican Stock Exchange, with the rest listed on Nasdaq in the United States.

Alongside its purchase of shares, VINCI Airports appointed six of the 11 directors on OMA's Board of Directors. The five directors not appointed by VINCI Airports are independent directors. In accordance with the company's articles of association, ownership of "BB" preferred shares gives VINCI Airports (i) the ability to appoint certain key members of the company's management including the Chief Executive Officer and (ii) specific rights regarding the Board of Directors. In line with IFRS 10, VINCI Airports has fully consolidated OMA since the acquisition date.

The information required by IFRS 12 is provided in Note I.23.5, "Non-controlling interests".

In accordance with IFRS 3, VINCI is assessing the fair value of the identifiable assets acquired and liabilities assumed, and determining the related deferred tax effects. Values were provisionally allocated to identifiable assets and liabilities at the acquisition date, based on available information. They may be adjusted during the 12 months following that date on the basis of new information obtained relating to the facts and circumstances prevailing at the acquisition date.

VINCI has used the partial goodwill method, under which non-controlling interests are not remeasured at fair value.

(in € millions)	OMA
Intangible assets	3,232
Property, plant and equipment	132
Other operating assets/(liabilities) - Operating WCR	19
Other current and non-current assets/(liabilities)	(140)
Deferred tax assets/(liabilities)	(741)
Net financial surplus/(debt)	(298)
of which cash and cash equivalents	*140*
of which financial debt	*(438)*
Equity - Non-controlling interests	(1,541)
Net assets acquired	**662**
Purchase price	**1,169**
Provisional goodwill	**507**

Provisional goodwill represents the future economic benefits that VINCI expects to derive from the acquisition of OMA. It has been allocated to the VINCI Airports business segment.
Given the date of the acquisition by VINCI Airports, cash flows from operating activities in 2022 have not been recognised either in the Group's consolidated income statement or in its consolidated cash flow statement for 2022.

Acquisition of most of Kontron AG's IT services business

On 29 December 2022, VINCI Energies acquired most of Kontron AG's IT services business. The scope of the transaction covers Germany, Switzerland, Poland and seven other countries in Central and Eastern Europe. Kontron AG specialises in IT systems integration and IT services related to infrastructure and application systems (cloud and data centre infrastructure, enterprise IT networks, cybersecurity, digital workspaces and business applications).

The provisional price for the transaction is €392 million, of which €314 million was paid on 31 December 2022. The entirety of the purchase price has been temporarily allocated to goodwill. Work to harmonise accounting policies and to determine the fair values of the main identifiable assets acquired and liabilities assumed will be carried out within 12 months of the acquisition date.

In 2022 as a whole, these activities generated revenue of €375 million and net income of €23 million (unaudited figures). Given the date of the acquisition by VINCI Energies, cash flows in 2022 were not material and have not been recognised either in the Group's consolidated income statement or in its consolidated cash flow statement for 2022.

VINCI Highways

In April 2022, VINCI Highways took control of two companies that were previously accounted for under the equity method but are now fully consolidated:

- TollPlus: having owned a 30% stake in this company – a provider of mobility-related technological solutions in the United States, Ireland and India – since 2016, VINCI Highways acquired the 70% it did not already own.
- Strait Crossing Development Inc.: VINCI Highways acquired a 65.1% stake in this company, which holds the concession for the Confederation Bridge, connecting the Canadian provinces of Prince Edward Island and New Brunswick, until 2032. The transaction therefore increased VINCI Highways' stake in this company from 19.9% to 85%.

In 2022 as a whole, it is estimated that these companies together generated revenue of €63 million and net income of €6 million (unaudited figures).

VINCI Highways also increased its stake in Lusoponte, which is the concession company for bridges over the river Tagus in Lisbon, from 32.3% to 49.5%. This transaction had no impact on the Group's level of control, and Lusoponte is still accounted for under the equity method.

Demerger of DEME from its parent company CFE

On 29 June 2022, CFE's shareholders approved a demerger resulting in two separate listed companies: DEME (dredging and marine works) and CFE (construction, multitechnics and property development). Shares in DEME were issued to CFE shareholders in proportion to their existing shareholdings, and were admitted for trading on Euronext Brussels on 30 June 2022. Following that transaction, VINCI owns a 12.11% stake in CFE and a 12.11% stake in DEME and retains significant influence over both companies.

2. Changes in consolidation scope in previous periods

The main transaction in 2021 was VINCI's purchase of all shares in ACS's energy business (Cobra IS) on 31 December 2021. The price of the transaction (including the earn-out) was €5.2 billion.

ACS will receive a €20 million earn-out payment for each half gigawatt (GW) of renewable power capacity added by ready-to-build projects developed by Cobra IS over a period not exceeding eight and a half years from 31 December 2021, up to a limit of 15 GW, representing a maximum contingent payment of €600 million. A liability corresponding to the fair value of this earn-out at the acquisition date was recognised, based on work done by an external evaluator. The liability is remeasured at each accounts closing date in line with the actual development of projects.

In accordance with IFRS 3 and with the assistance of an independent valuer, the Group finalised the allocation of the purchase price by measuring identifiable assets and liabilities at fair value at the date of acquisition of control. The main intangible assets measured and recognised are:

- the business line's brands, including the Cobra brand, which were given a value of €115 million and are being amortised over periods ranging from 5 to 20 years;
- the order book, which was given a value of €250 million, amortised over a period of between 2 and 3 years;
- customer relationships, which were given a value of €470 million, amortised over a period of 16 years.

Certain assets acquired in the transaction and needing to be sold were reclassified as assets held for sale in the net amount of €354 million at 31 December 2021, and are presented on the balance sheet on a separate line item. At 31 December 2022, some of those assets, in a net amount of €299 million, had not been sold and were still being held with a view to selling them in the near future. Accordingly, they were still classified as assets held for sale at 31 December 2022. Information relating to the recognition and measurement of these assets is set out in Note O, "Other consolidation rules and methods".

The final goodwill amount (€4.2 billion at 31 December 2022) represents the expected growth in Cobra IS's business, especially in the development of renewable energy concessions (solar PV and wind) and the completion of EPC (engineering, procurement and construction) projects in the energy sector.

The table below sets out the final allocation of the price paid by VINCI at 31 December 2021, which was the date on which it took control of Cobra IS. Comparative consolidated balance sheet figures for 2021 and any related information in the Notes to the consolidated financial statements have been adjusted for the impact of this final purchase price allocation.

(in € millions)	Provisional allocation	Adjustments	Final allocation
Intangible assets	254	835	1,089
Property, plant and equipment	264	-	264
Investments in companies accounted for under the equity method and other non-current financial assets	76	-	76
Other operating assets/(liabilities) - Operating WCR	(821)	273	(548)
Other current and non-current assets/(liabilities)	(364)	(200)	(564)
Deferred tax assets/(liabilities)	200	(187)	13
Net financial surplus	676	(273)	403
of which cash and cash equivalents	*1,291*	-	*1,291*
of which financial debt	*(615)*	*(273)*	*(888)*
Assets/(liabilities) held for sale	354	-	354
Equity - Non-controlling interests	(36)	-	(36)
Net assets acquired	**603**	**448**	**1,051**
Purchase price (including earn-out)	**5,132**	**74**	**5,206**
Goodwill	**4,529**	**(373)**	**4,156**

Other acquisitions in 2021 were not material with respect to consolidated Group figures.

C. Financial indicators by business line and geographical area

1. Segment information by business line

Based on the Group's organisational structure and internal reporting system, segment information is presented by business line.
The Group's organisation consists of six business lines in three businesses – Concessions, Energy and Construction – along with VINCI Immobilier, which is a business line that reports directly to the holding company.
In accordance with IFRS 8 "Operating segments", segment information is presented according to this organisation.

Concessions

VINCI Autoroutes: motorway concessions in France (ASF, Escota, Cofiroute, Arcour, Arcos).
VINCI Airports: operation of airports in France and in 11 other countries under full ownership, concession contracts and/or delegated management.
Other concessions: VINCI Highways (motorway and road infrastructure, mainly managed outside France), VINCI Railways (rail infrastructure) and VINCI Stadium (stadium management in France).

Energy

VINCI Energies: services to the manufacturing sector, infrastructure, facilities management, and information and communication technology.
Cobra IS: manufacturing and energy-related services, development of renewable energy concession projects, and EPC (engineering, procurement and construction) projects in the energy sector.

Construction

VINCI Construction, which is organised around three pillars:

- Major Projects: companies designing and carrying out projects that require general contractor capabilities because of their size, complexity or type;
- Specialty Networks: companies carrying out works in geotechnical and structural engineering, along with related digital activities, and providing services in nuclear engineering;
- Proximity Networks: local companies active in areas such as building, civil engineering, roadworks, rail works and water works.

VINCI Immobilier: property development (residential properties, commercial properties), management of serviced residences and property services.

1.1 Segment information by business line

The data below is for each Group business line 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.

2022

(in € millions)	Concessions: VINCI Autoroutes VINCI Airports Other concessions	Energy: VINCI Energies	Energy: Cobra IS	Construction: VINCI Construction	VINCI Immobilier and holding companies	Eliminations	Total
Income statement							
Revenue [1]	**9,162**	**16,748**	**5,520**	**29,252**	**1,523**	**(530)**	**61,675**
Concession subsidiaries' works revenue	663	-	-	-	-	(73) [2]	590
Total revenue	9,825	16,748	5,520	29,252	1,523	(603)	62,265
Operating income from ordinary activities	**4,171**	**1,142**	**411 [3]**	**1,100**	**- [3]**	**-**	**6,824**
% of revenue [1]	*45.5%*	*6.8%*	*7.4%*	*3.8%*			*11.1%*
Recurring operating income	**4,099**	**1,013**	**416 [3]**	**969**	**(16) [3]**	**-**	**6,481**
Operating income	**4,140**	**1,008**	**409 [3]**	**964**	**(32) [3]**	**-**	**6,489**
Cash flow statement							
Cash flow from operations before tax and financing costs	**6,200**	**1,426**	**509**	**1,707**	**373**	**-**	**10,215**
% of revenue [1]	*67.7%*	*8.5%*	*9.2%*	*5.8%*			*16.6%*
Depreciation and amortisation	1,900	470	97 [3]	938	208 [3]	-	3,613
Operating investments (net of disposals)	(123)	(189)	(1,319)	(762)	(63)	-	(2,456)
Repayment of lease liabilities [4]	(36)	(310)	(19)	(261)	(35)	-	(661)
Operating cash flow	**4,871**	**602**	**130**	**599**	**67**		**6,270**
Growth investments (concessions and PPPs)	(725)	1	(145)	33	-	-	(836)
Free cash flow	**4,146**	**603**	**(15)**	**632**	**67**	**-**	**5,433**
Balance sheet							
Capital employed at 31/12/2022	**40,529**	**4,540**	**4,536**	**827**	**2,033**	**-**	**52,465**
of which investments in companies accounted for under the equity method	*397*	*15*	*26*	*451*	*126*	-	*1,014*
of which right-of-use assets in respect of leases	*297*	*853*	*70*	*601*	*243*	-	*2,064*
Net financial surplus/(debt)	**(31,735)**	**(129)**	**404**	**3,460**	**9,464**	**-**	**(18,536)**

(1) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(2) Intra-group revenue of the VINCI Energies and VINCI Construction business lines derived from works carried out for the Group's concession companies.
(3) Before amortisation of the intangible assets identified when allocating the Cobra IS purchase price for €128 million. This amortisation is recognised at the holding company level.
(4) Including associated financial expense.
PPP: Public-private partnership.

2021

(in € millions)	Concessions VINCI Autoroutes VINCI Airports Other concessions	Energy VINCI Energies	Energy Cobra IS (1)	Construction VINCI Construction	VINCI Immobilier and holding companies	Eliminations	Total
Income statement							
Revenue (2)	**7,046**	**15,097**	**-**	**26,282**	**1,611**	**(639)**	**49,396**
Concession subsidiaries' works revenue	680	-	-	-	-	(95) (3)	586
Total revenue	7,727	15,097	-	26,282	1,611	(734)	49,982
Operating income from ordinary activities	**2,683**	**985**	**-**	**968**	**86**	**-**	**4,723**
% of revenue (2)	*38.1%*	*6.5%*	-	*3.7%*			*9.6%*
Recurring operating income	**2,583**	**882**	**-**	**879**	**120**	**-**	**4,464**
Operating income	**2,586**	**868**	**-**	**879**	**106**	**-**	**4,438**
Cash flow statement							
Cash flow from operations before tax and financing costs	**4,676**	**1,259**	**-**	**1,647**	**301**	**-**	**7,884**
% of revenue (2)	*66.4%*	*8.3%*	-	*6.3%*			*16.0%*
Depreciation and amortisation	1,829	432	-	905	54	-	3,219
Operating investments (net of disposals)	(75)	(166)	-	(639)	(197)	-	(1,077)
Repayment of lease liabilities (4)	(38)	(289)	-	(265)	(39)	-	(631)
Operating cash flow	**3,501**	**1,199**	**-**	**1,208**	**189**	**-**	**6,098**
Growth investments (concessions and PPPs)	(841)	2	-	23	-	-	(815)
Free cash flow	**2,660**	**1,201**	**-**	**1,232**	**189**	**-**	**5,282**
Balance sheet							
Capital employed at 31/12/2021	**38,584**	**3,800**	**4,278**	**672**	**1,747**	**-**	**49,081**
of which investments in companies accounted for under the equity method	*353*	*12*	*17*	*422*	*145*	-	*950*
of which right-of-use assets in respect of leases	*310*	*827*	*85*	*685*	*177*	-	*2,084*
Net financial surplus/(debt)	**(32,693)**	**447**	**403**	**3,334**	**8,971**	**-**	**(19,539)**

(1) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

(2) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.
(3) Intra-group revenue of the VINCI Energies and VINCI Construction business lines derived from works carried out for the Group's concession companies.
(4) Including associated financial expense.
PPP: Public-private partnership.

1.2 Information relating to the Concessions business

2022

(in € millions)	Concessions			
	VINCI Autoroutes	**VINCI Airports**	**VINCI Highways, VINCI Railways, VINCI Stadium and other**	**Total**
Income statement				
Revenue (*)	**6,003**	**2,679**	**479**	**9,162**
Concession subsidiaries' works revenue	543	111	8	663
Total revenue	6,546	2,791	487	9,825
Operating income from ordinary activities	**3,127**	**983**	**61**	**4,171**
% of revenue (*)	*52.1%*	*36.7%*	*12.8%*	*45.5%*
Recurring operating income	**3,109**	**941**	**49**	**4,099**
Operating income	**3,109**	**940**	**90**	**4,140**
Cash flow statement				
Cash flow from operations before tax and financing costs	**4,419**	**1,580**	**200**	**6,200**
% of revenue (*)	*73.6%*	*59.0%*	*41.8%*	*67.7%*
Depreciation and amortisation	1,314	481	106	1,900
Operating investments (net of disposals)	(21)	(94)	(8)	(123)
Repayment of lease liabilities (**)	(8)	(21)	(7)	(36)
Operating cash flow	**3,454**	**1,224**	**193**	**4,871**
Growth investments (concessions and PPPs)	(578)	(152)	5	(725)
Free cash flow	**2,876**	**1,072**	**198**	**4,146**
Balance sheet				
Capital employed at 31/12/2022	**19,019**	**18,563**	**2,947**	**40,529**
of which investments in companies accounted for under the equity method	*18*	*150*	*230*	*397*
of which right-of-use assets in respect of leases	*13*	*257*	*27*	*297*
Net financial surplus/(debt)	**(16,985)**	**(11,131)**	**(3,618)**	**(31,735)**

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

2021

(in € millions)	Concessions VINCI Autoroutes	 VINCI Airports	 VINCI Highways, VINCI Railways, VINCI Stadium and other	Total
Income statement				
Revenue (*)	**5,550**	**1,188**	**309**	**7,046**
Concession subsidiaries' works revenue	569	100	11	680
Total revenue	6,119	1,288	320	7,727
Operating income from ordinary activities	**2,841**	**(206)**	**48**	**2,683**
% of revenue (*)	*51.2%*	*(17.3%)*	*15.5%*	*38.1%*
Recurring operating income	**2,828**	**(265)**	**21**	**2,583**
Operating income	**2,829**	**(265)**	**22**	**2,586**
Cash flow statement				
Cash flow from operations before tax and financing costs	**4,116**	**385**	**175**	**4,676**
% of revenue (*)	*74.2%*	*32.4%*	*56.7%*	*66.4%*
Depreciation and amortisation	1,299	444	87	1,829
Operating investments (net of disposals)	(23)	(43)	(9)	(75)
Repayment of lease liabilities (**)	(7)	(21)	(9)	(38)
Operating cash flow	**3,274**	**(25)**	**253**	**3,501**
Growth investments (concessions and PPPs)	(677)	(163)	(1)	(841)
Free cash flow	**2,597**	**(188)**	**252**	**2,660**
Balance sheet				
Capital employed at 31/12/2021	**19,676**	**16,388**	**2,520**	**38,584**
of which investments in companies accounted for under the equity method	*14*	*193*	*146*	*353*
of which right-of-use assets in respect of leases	*12*	*274*	*24*	*310*
Net financial surplus/(debt)	**(18,008)**	**(11,723)**	**(2,962)**	**(32,693)**

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

2. Breakdown of revenue by geographical area

Accounting policies

The Group's consolidated revenue corresponds to revenue from the Concessions business and from the VINCI Energies, Cobra IS, VINCI Construction and VINCI Immobilier business lines.

IFRS 15 "Revenue from Contracts with Customers" requires entities to identify each contract as well as the various performance obligations contained in the contract. 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 must reflect the following:

- the rate at which performance obligations are fulfilled, corresponding to the transfer to the 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 the following:

- 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;
- revenue in respect of the construction of new infrastructure under concession and recognised on a progress towards completion basis.

Consolidated revenue of the VINCI Energies, Cobra IS and VINCI Construction business lines comprises 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 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 commencement 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: 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)	2022	%	2021	%
France	**27,948**	**45.3%**	**26,319**	**53.3%**
United Kingdom	5,271	8.5%	3,405	6.9%
Germany	4,068	6.6%	3,459	7.0%
Spain	3,005	4.9%	488	1.0%
Central and Eastern Europe (*)	2,521	4.1%	2,304	4.7%
Portugal	1,248	2.0%	589	1.2%
Other European countries	4,044	6.6%	3,658	7.4%
Europe excluding France	**20,158**	**32.7%**	**13,903**	**28.1%**
Europe (**)	**48,106**	**78.0%**	**40,221**	**81.4%**
of which European Union	*41,620*	*67.5%*	*35,705*	*72.3%*
North America	4,942	8.0%	3,914	7.9%
of which United States	*2,961*	*4.8%*	*2,319*	*4.7%*
of which Canada	*1,981*	*3.2%*	*1,596*	*3.2%*
Central and South America	3,310	5.4%	1,204	2.4%
Africa	1,740	2.8%	1,560	3.2%
Asia-Pacific and Middle East	3,577	5.8%	2,496	5.1%
International excluding Europe	**13,570**	**22.0%**	**9,175**	**18.6%**
International excluding France	**33,727**	**54.7%**	**23,078**	**46.7%**
Total revenue (***)	**61,675**	**100.0%**	**49,396**	**100.0%**

(*) Albania, 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 €38,518 million (62.5% of total revenue) in 2022 and for €32,926 million (66.7% of total revenue) in 2021.
(***) Excluding concession subsidiaries' revenue derived from works carried out by non-Group companies.

Revenue generated in France totalled €27,948 million in 2022, up 6.2% compared with 2021.

Revenue generated outside France amounted to €33,727 million in 2022, up 46.1% compared with 2021. Revenue generated outside France equalled 54.7% of the Group total as opposed to 46.7% in 2021, due in particular to the integration of Cobra IS's business activities, which take place mainly in Spain and Latin America.

3. Reconciliation and presentation of key performance indicators

3.1 Cash flow statement indicators

(in € millions)	2022	2021 (*)
Net cash flows (used in)/from operating activities	**9,387**	**7,806**
Of which other long-term advances	854	-
Net cash flows (used in)/from operating activities, excluding other long-term advances	**8,533**	**7,806**
Operating investments (net of disposals and other long-term advances)	(1,602)	(1,077)
Repayments of lease liabilities and financial expense on leases	(661)	(631)
Operating cash flow	**6,270**	**6,098**
Growth investments (concessions and PPPs)	(836)	(815)
Free cash flow	**5,433**	**5,282**
Purchases of shares in subsidiaries and affiliates (consolidated and unconsolidated)	(2,131) (**)	(5,258) (***)
Proceeds from sales of shares in subsidiaries and affiliates (consolidated and unconsolidated)	23	9
Net impact of changes in scope including net debt assumed	(511) (**)	415 (*)
Net financial investments	**(2,618)**	**(4,834)**
Other	(59)	(82)
Total net financial investments	**(2,677)**	**(4,916)**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

(**) Including the purchase price for Mexican airport operator OMA (€1,169 million) and its net financial debt on the date control was acquired (€298 million). See Note B.1, "Changes in consolidation scope during the period".

(***) Including the purchase price for Cobra IS (€4,902 million). See Note B.2, "Changes in consolidation scope in previous periods".

3.2 Capital employed

Reconciliation between capital employed and the balance sheet

(in € millions)	Note	31/12/2022	31/12/2021 (*)
Capital employed - assets		**93,074**	**84,327**
Concession intangible assets	13	28,224	25,329
– Deferred tax on business combination fair value adjustments		(3,792)	(3,207)
Goodwill, gross	9	17,657	16,388
Other intangible assets	17.1	9,045	8,421
Property, plant and equipment	17.2	10,805	10,303
Investments in companies accounted for under the equity method	10	1,014	950
Other non-current financial assets	11-14-18	2,588	2,450
– Collateralised loans and receivables (at more than one year)	25-27	(5)	(4)
Inventories and work in progress	19	1,785	1,591
Trade and other receivables	19	18,092	15,832
Other current assets	19	7,402	6,036
Current tax assets		259	238
Capital employed - liabilities		**(40,609)**	**(35,246)**
Current provisions	19	(6,599)	(6,123)
Trade payables	19	(13,088)	(12,027)
Other current liabilities	19	(20,315)	(16,736)
Current tax liabilities		(607)	(360)
Total capital employed		**52,465**	**49,081**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

Capital employed by geographical area

(in € millions)	31/12/2022	31/12/2021 (*)
France	**24,196**	**24,461**
United Kingdom	8,916	9,696
Spain	4,813	4,502
Portugal	2,355	2,513
Other European countries	3,439	2,590
Total Europe excluding France	**19,523**	**19,301**
Total Europe	**43,719**	**43,762**
North America	2,511	2,093
of which United States	*1,952*	*1,605*
Central and South America	6,005	2,854
Africa	(255)	(262)
Asia-Pacific and Middle East	485	634
Total capital employed	**52,465**	**49,081**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

At 31 December 2022, capital employed in the eurozone was €33.3 billion (of which €24.2 billion in France) and made up 64% of the total (€32.7 billion and 67% of the total in 2021).

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), certain recurring operating items (including the share of profit or loss of companies accounted for under the equity method), together with 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 (chiefly 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 subsidiaries, dividends received from non-consolidated companies). Recurring operating income represents 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)	2022	2021
Revenue (*)	**61,675**	**49,396**
Concession subsidiaries' revenue derived from works carried out by non-Group companies	590	586
Total revenue	62,265	49,982
Revenue from ancillary activities (**)	249	248
Purchases consumed	(14,894)	(10,672)
External services (***)	(6,684)	(5,533)
Temporary staff	(1,561)	(1,373)
Subcontracting (including concession companies' construction costs)	(12,388)	(10,424)
Taxes and levies	(1,223)	(1,105)
Employment costs	(14,979)	(12,488)
Other operating income and expense	99	67
Depreciation and amortisation	(3,613)	(3,219)
Net provision expense	(448)	(760)
Operating expenses	**(55,691)**	**(45,507)**
Operating income from ordinary activities	**6,824**	**4,723**
% of revenue (*)	*11.1%*	*9.6%*
Share-based payments (IFRS 2)	(356)	(288)
Profit/(loss) of companies accounted for under the equity method	22	12
Other recurring operating items	(9)	17
Recurring operating income	**6,481**	**4,464**
Goodwill impairment losses	-	(19)
Impact from changes in scope and gain/(loss) on disposals of shares	8	(7)
Total non-recurring operating items	*8*	*(26)*
Operating income	**6,489**	**4,438**

(*) 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 €1,178 million in 2022 and €981 million in 2021 not restated following the application of IFRS 16: low-value leases, short-term leases and variable lease payments.

In 2022, non-recurring operating items related solely to changes in scope and represented net income of €8 million, including:

- a €35 million impact from VINCI Highways taking control of Strait Crossing Development Inc. and TollPlus, and a €17 million impact from the disposal of Stockholm Skavsta airport in Sweden;
- a €22 million expense for costs relating to the acquisitions carried out by VINCI Energies and those relating to the purchase of Mexican airport operator OMA;
- a €15 million charge from the remeasurement of the Cobra IS earn-out in 2022.

In 2021, they represented a net expense of €26 million, comprising goodwill impairment losses of €19 million and negative scope effects of €7 million.

4.1 Employment costs

(in € millions)		Note	2022	2021
Wages and other employment-related expense	**I**		**(14,711)**	**(12,245)**
of which wages and salaries			*(11,360)*	*(9,330)*
of which employer social contributions			*(2,660)*	*(2,268)*
of which contributions to defined contribution plans		29.1	*(691)*	*(647)*
Profit-sharing and incentive plans	**II**		**(268)**	**(243)**
Total	**I+II**		**(14,979)**	**(12,488)**

The Group's average headcount was 265,303 on a full-time equivalent basis in 2022. This represents an increase relative to 2021, caused in particular by the integration of Cobra IS.

	2022	2021
Average number of employees (in full-time equivalent)	**265,303**	**218,569**
of which managers	*47,699*	*44,413*
of which other employees	*217,604*	*174,155*

4.2 Other operating income and expense

(in € millions)	2022	2021
Net gains or losses on disposal of intangible assets and property, plant and equipment	35	25
Share in operating income or loss of joint operations	19	24
Other	45	18
Total	**99**	**67**

4.3 Depreciation and amortisation

Depreciation and amortisation break down as follows:

(in € millions)	2022	2021
Concession intangible assets	(1,432)	(1,348)
Other intangible assets	(239)	(85)
Property, plant and equipment	(1,943)	(1,786)
Depreciation and amortisation	**(3,613)**	**(3,219)**

In 2022, amortisation of other intangible assets included €128 million relating to intangible assets identified when allocating the Cobra IS purchase price (brands, order book and customer relationships).

Depreciation of property, plant and equipment included €623 million in 2022 relating to right-of-use assets under leases (€605 million in 2021).

5. Cost of net financial debt

Accounting policies

The cost of net financial debt comprises:

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

The cost of net financial debt amounted to €614 million in 2022, down €44 million compared with 2021 (€658 million).
This improvement was mainly due to increases in the value of derivatives, particularly inflation-linked swaps relating to London Gatwick airport, and to higher returns from invested cash. Those positive effects were partly offset by the impact of higher interest rates on floating rate debt in the fourth quarter and of companies entering the consolidation scope.

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

(in € millions)	2022	2021
Financial liabilities at amortised cost	(791)	(724)
Financial assets and liabilities at fair value through profit or loss	120	1
Derivatives designated as hedges: assets and liabilities	57	140
Derivatives at fair value through profit or loss: assets and liabilities	-	(75)
Total cost of net financial debt	**(614)**	**(658)**

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

(in € millions)	2022	2021
Net interest on derivatives designated as fair value hedges	133	275
Change in value of interest rate derivatives designated as fair value hedges	(2,320)	(680)
Change in value of the adjustment to fair value hedged financial debt	2,313	644
Ineffective portion of foreign currency fair value hedges	(1)	(1)
Reserve recycled through profit or loss in respect of cash flow and net investment hedges	(76)	(97)
Ineffective portion of cash flow and net investment hedges	7	(2)
Gains and losses on derivative instruments allocated to net financial debt	**57**	**140**

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 equity instruments and derivatives not allocated to hedging interest rate or exchange rate risk, along with financial expense relating to lease liabilities under 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 financing rate to the expenditure on that asset. This rate is equal to the weighted average of the costs of borrowing funds, 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)	2022	2021
Effect of discounting to present value	56	(30)
Capitalised borrowing costs	29	47
Financial expenses on lease liabilities	(48)	(43)
Foreign exchange gains and losses and other changes in fair value	243	66
Total other financial income and expense	**279**	**40**

In 2022, discounting effects represented income of €56 million as opposed to an expense of €30 million in 2021. The difference resulted mainly from the discounting effect arising from provisions for the obligation to maintain the condition of concession intangible assets, which represented income of €72 million (expense of €2 million in 2021), including €63 million at VINCI Autoroutes (expense of €3 million in 2021). The net financial expense arising from the discounting of provisions for retirement benefit obligations was stable at €14 million. Effects arising from the discounting of provisions for fixed fees payable to concession grantors in relation to Salvador airport in Brazil and Belgrade airport in Serbia represented an expense of €13 million.

Capitalised borrowing costs mainly related to VINCI Autoroutes, Belgrade airport in Serbia and London Gatwick airport in the United Kingdom.

There was a foreign exchange gain of €25 million in 2022 (€10 million in 2021). Other changes in fair value include the €94 million increase in the value of the stake in Groupe ADP and the €131 million gain arising from the early redemption of bonds by London Gatwick airport.

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 was decided, except where they relate to transactions recognised under other comprehensive income or directly in equity.

Deferred tax relating to share-based payments 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 the event of 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)	2022	2021
Current tax	(1,809)	(1,509)
Deferred tax	72	(116)
of which temporary differences	*102*	*(214)*
of which tax loss carryforwards	*(29)*	*98*
Total	**(1,737)**	**(1,625)**

The net tax expense for the period comprises:

- a tax expense recognised by French subsidiaries for €1,047 million (€1,020 million in 2021), including €1,019 million at VINCI SA, the lead company in the tax consolidation group that comprises 979 subsidiaries (€1,003 million in 2021);
- a tax expense of €690 million for foreign subsidiaries (€605 million in 2021). In 2021, this expense included a negative impact of €387 million from revaluing net deferred tax liabilities as a result of the UK corporation tax rate from 1 April 2023 now set to be 25% instead of 19%, which mainly involved London Gatwick airport.

7.2 Effective tax rate

The Group's effective tax rate was 28.3% in 2022 compared with 42.7% in 2021 (32.5% excluding the non-recurring impact of the increase in the UK corporation tax rate from 19% to 25%). In 2022, the effective tax rate was 26.5% in France and 31.6% outside France.

The Group's effective tax rate for 2022 was higher than the theoretical tax rate of 25.83% in force in France, because of permanent differences and net changes in deferred tax assets and deferred tax liabilities. 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)	2022	2021
Income before tax and profit/(loss) of companies accounted for under the equity method	6,131	3,808
Theoretical tax rate in France	25.8%	27.4%
Theoretical tax expense expected	**(1,584)**	**(1,042)**
Tax rate differential on foreign income	(2)	(403)
of which impact from revaluing deferred tax in the United Kingdom	-	*(387)*
Impact of tax loss carryforwards and other temporary differences that are not recognised or that have previously been subject to limitation	(96)	(40)
Goodwill impairment losses	-	(5)
Permanent differences and other	(56)	(134)
Tax expense recognised	**(1,737)**	**(1,625)**
Effective tax rate (*)	**28.3%**	**42.7%**

(*) 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)	31/12/2022	Income	Equity	Other	31/12/2021 (*)
Deferred tax assets					
Tax loss carryforwards	703	(27)	-	21	710
Temporary differences on retirement benefit obligations	265	5	(70)	1	329
Temporary differences on provisions	1,125	126	3	33	963 (*)
Temporary differences on financial instruments	44	(14)	(38)	1	94
Temporary differences related to leases	362	(7)	(1)	(3)	374
Other	1,139	124	(16)	65	965
Netting of deferred tax assets and liabilities by tax group	(2,115)	-	-	52	(2,166)
Total deferred tax assets before impairment	**1,524**	**206**	**(122)**	**170**	**1,270**
Impairment	(641)	(96)	(3)	(40)	(502)
Total deferred tax assets after impairment	**883**	**111**	**(126)**	**130**	**767**
Deferred tax liabilities					
Remeasurement of assets (**)	(5,038)	77	92	(813)	(4,394) (*)
Temporary differences related to leases	(324)	10	-	3	(337)
Temporary differences on financial instruments	(144)	(32)	(71)	(11)	(30)
Other	(771)	(94)	(34)	(14)	(630)
Netting of deferred tax assets and liabilities by tax group	2,115	-	-	(52)	2,166
Total deferred tax liabilities	**(4,162)**	**(38)**	**(13)**	**(886)**	**(3,225)**
Net deferred tax	**(3,280)**	**72**	**(139)**	**(756)**	**(2,457)**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

(**) Including, at 31 December 2022, measurement at fair value of the assets and liabilities of London Gatwick airport (€1,559 million), Mexican airport operator OMA (€770 million), ASF (€719 million), Cobra IS (€209 million), Lima Expresa (€172 million), Aéroports de Lyon (€131 million) and ANA (€105 million) upon their consolidation.

Impairment of deferred tax assets as a whole amounted to €641 million at 31 December 2022 (€502 million at 31 December 2021), including €601 million outside France (€465 million at 31 December 2021).

Deferred tax assets arising from tax loss carryforwards totalled €703 million at 31 December 2022, with impairment losses recognised in the amount of €403 million. The net balance of deferred tax assets arising from tax loss carryforwards thus comes to €301 million, mainly related to countries in which tax losses can generally be carried forward indefinitely, such as the United Kingdom, the United States and Germany.

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 existing shares is adjusted for the potentially dilutive effect of all equity instruments issued by the company, in particular Group savings plans and unvested performance shares. Dilution is determined in accordance with the rules laid down by 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.

	2022			2021		
	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	**595,524,050**			**594,984,755**		
Treasury shares	(31,178,611)			(25,474,453)		
Basic earnings per share	**564,345,439**	**4,259**	**7.55**	**569,510,302**	**2,597**	**4.56**
Group savings plan	189,867			504,297		
Performance shares	5,974,715			5,835,884		
Diluted earnings per share	**570,510,021**	**4,259**	**7.47**	**575,850,483**	**2,597**	**4.51**

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 definitively to operating income in the period.

Negative goodwill is taken to operating 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)	31/12/2022	31/12/2021 (*)
Net at beginning of period	**16,099**	**11,619**
Goodwill recognised during the period	1,270 (**)	4,240 (*)
Impairment losses	-	(19)
Companies leaving the consolidation scope	(4)	(1)
Currency translation differences	(18)	241
Other movements	13	19
Net at end of period	**17,360**	**16,099**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

(**) Including the provisional goodwill relating to the acquisition of Mexican airport operator OMA. See Note B.1, "Changes in consolidation scope during the period".

The main items of goodwill at 31 December 2022 were as follows:

	31/12/2022			31/12/2021
(in € millions)	**Gross**	**Impairment losses**	**Net**	**Net (*)**
Cobra IS	4,156	-	4,156	4,156 (*)
VINCI Airports	3,086	-	3,086 (**)	2,649
VINCI Energies France	2,522	-	2,522	2,490
ASF group	1,935	-	1,935	1,935
VINCI Energies Germany	920	-	920	807
VINCI Energies North America	737	(91)	646	610
VINCI Energies Benelux	454	-	454	439
VINCI Energies Kontron (***)	392	-	392	-
VINCI Energies Scandinavia	355	-	355	349
VINCI Highways	311	-	311	210
Other	2,791	(206)	2,585	2,455
Total	**17,657**	**(297)**	**17,360**	**16,099**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

(**) Including the provisional goodwill relating to the acquisition of Mexican airport operator OMA. See Note B.1, "Changes in consolidation scope during the period".

(***) Provisional goodwill following the acquisition of most of Kontron AG's IT services business on 29 December 2022. See Note B.1, "Changes in consolidation scope during the period".

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 of the CGU (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, cash flow projections are calculated across the length of contracts by applying a variable discount rate, determined for each period depending on the change in the debt to equity ratio of the entity in question.
In the specific case of VINCI Airports, cash flow projections for owned airports 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 to infinity, and that value is discounted to present value.

For the other CGUs, cash flow projections are 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 to infinity, and that value is discounted to present value.

Goodwill impairment tests are carried out using the following assumptions:

	Parameters of the model applied to cash flow projections				Impairment losses recognised in the period	
			Discount rate			
(in € millions)	**Growth rate (years Y+1 to Y+5)**	**Growth rate (terminal value)**	**31/12/2022**	**31/12/2021**	**2022**	**2021**
Cobra IS	5.3%	1.5%	11.3%	-	-	-
VINCI Airports	(*)	(*)	8.0%	6.9%	-	-
VINCI Energies France	3.9%	2.0%	8.1%	6.3%	-	-
ASF group	(*)	(*)	8.3%	6.4%	-	-
VINCI Energies Germany	3.0%	2.0%	7.5%	5.6%	-	-
VINCI Energies North America	3.5%	2.0%	9.0%	8.5%	-	(18)
VINCI Energies Benelux	3.0%	2.0%	7.6%	5.8%	-	-
VINCI Energies Scandinavia	3.0%	2.0%	7.2%	5.5%	-	-
VINCI Highways	(*)	(*)	9.5%	8.1%	-	-
Other	–1.5% to 9.3%	1.0% to 3.5%	6.3% to 15.1%	4.5% to 12.8%	-	(1)
Total					**-**	**(19)**

(*) For concessions, cash flow projections are determined over the length of concession contracts.
The average revenue growth rate for the ASF group, based on the residual periods of contracts, is 1.7%. Those used for VINCI Airports and VINCI Highways are respectively 3.7% and 5.4%.

Impairment tests at 31 December 2022 were conducted on the basis of assumptions made by management at the business lines concerned, in line with macroeconomic forecasts in their business areas and geographies.
The increase in discount rates reflects current economic conditions and market volatility.

In addition:

- In 2022, assets operated by VINCI Highways and the ASF group saw traffic rise back to or exceed 2019 pre-pandemic levels, as anticipated at the end of 2021.
- The assumption made by VINCI Airports at the end of 2021, about passenger numbers returning to pre-pandemic levels between 2023 and 2026, depending on the airport and the types of customers served, was confirmed in 2022.

Sensitivity of the value in use of CGUs to discount and perpetual growth rates and to cash flow

	Sensitivity to rates				Sensitivity to cash flow	
	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%
Cobra IS	(284)	314	227	(206)	301	(301)
VINCI Airports	(1,940)	2,241	(*)	(*)	1,356	(1,356)
VINCI Energies France	(713)	839	684	(581)	483	(483)
ASF group	(425)	438	(*)	(*)	1,158	(1,158)
VINCI Energies Germany	(404)	486	404	(337)	246	(246)
VINCI Energies North America	(72)	83	66	(57)	56	(56)
VINCI Energies Benelux	(148)	177	146	(123)	93	(93)
VINCI Energies Scandinavia	(82)	100	84	(69)	48	(48)
VINCI Highways	(132)	142	(*)	(*)	140	(140)

(*) Cash flow projections 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 Group's consolidated financial statements at 31 December 2022.

An additional sensitivity calculation was carried out at 31 December 2022 for the VINCI Airports CGU, which showed that a 100 basis point increase in the assumed discount rates would result in a €3.6 billion reduction in value in use. In that scenario, however, the VINCI Airports CGU's value in use would remain higher than its net carrying amount at 31 December 2022.

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, the portion of those losses exceeding the value of the investment is not taken to income 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 for an equity-accounted investment, the 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.

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

(in € millions)	2022 Associates	2022 Joint ventures	2022 Total	2021 Associates	2021 Joint ventures	2021 Total
Value of shares at beginning of period	**438**	**512**	**950**	**428**	**608**	**1,035**
of which Concessions	*32*	*321*	*353*	*31*	*420*	*451*
of which VINCI Energies	*6*	*6*	*12*	*10*	*8*	*18*
of which Cobra IS	*5*	*13*	*17*	-	-	-
of which VINCI Construction	*393*	*92*	*485*	*384*	*86*	*470*
of which VINCI Immobilier	*2*	*80*	*82*	*2*	*95*	*96*
Increase in share capital of companies accounted for under the equity method	7	2	10	-	(4)	(4)
Group share of profit or loss for the period	17	5	22	28	(16)	12
Group share of other comprehensive income for the period	47	313	361	3	112	114
Dividends paid	(12)	(80)	(92)	(17)	(94)	(112)
Changes in consolidation scope and other	10	2	13	4	(40)	(36)
Reclassifications (*)	(14)	(235)	(249)	(6)	(54)	(60)
Value of shares at end of period	**493**	**521**	**1,014**	**438**	**512**	**950**
of which Concessions	*78*	*319*	*397*	*32*	*321*	*353*
of which VINCI Energies	*10*	*5*	*15*	*6*	*6*	*12*
of which Cobra IS	*10*	*15*	*26*	*5*	*13*	*17*
of which VINCI Construction	*393*	*92*	*486*	*393*	*92*	*485*
of which VINCI Immobilier	*2*	*90*	*91*	*2*	*80*	*82*

(*) 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.2.2, "Consolidation methods".

At 31 December 2022, the Group's interests in companies accounted for under the equity method mainly included, for the Concessions business, the stake in Kansai Airports (€127 million) and, for VINCI Construction, the stake in DEME (€260 million) after it was spun off from CFE in June 2022.

Impacts included under "Group share of other comprehensive income for the period" relate mainly to cash flow hedging transactions (interest rate hedges) 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:

(in € millions)	2022 Associates	2022 Joint ventures	2022 Total	2021 Associates	2021 Joint ventures	2021 Total
Net income	**17**	**5**	**22**	**28**	**(16)**	**12**
of which Concessions	*20*	*(59)*	*(39)*	*1*	*(94)*	*(93)*
of which VINCI Energies	*4*	*2*	*6*	*4*	*4*	*8*
of which Cobra IS	*7*	*17*	*24*	-	-	-
of which VINCI Construction	*(14)*	*21*	*7*	*23*	*24*	*47*
of which VINCI Immobilier	-	*25*	*25*	-	*50*	*50*
Other comprehensive income	47	313	361	3	112	114
of which Concessions	*36*	*326*	*362*	*7*	*112*	*119*
of which VINCI Construction	*12*	*(13)*	*(1)*	*(4)*	-	*(4)*
Comprehensive income	**65**	**319**	**383**	**30**	**96**	**126**
of which Concessions	*56*	*267*	*323*	*8*	*18*	*26*
of which VINCI Energies	*4*	*2*	*6*	*4*	*4*	*8*
of which Cobra IS	*7*	*17*	*24*	-	-	-
of which VINCI Construction	*(3)*	*8*	*5*	*19*	*24*	*43*
of which VINCI Immobilier	-	*25*	*25*	-	*50*	*50*

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

(in € millions)	2022			2021		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Revenue (*)	**1,117**	**1,696**	**2,813**	**1,000**	**1,608**	**2,608**
of which Concessions	*473*	*732*	*1,205*	*394*	*549*	*943*
of which VINCI Energies	*35*	*8*	*42*	*29*	*23*	*52*
of which Cobra IS	*17*	*42*	*59*	*-*	*-*	*-*
of which VINCI Construction	*592*	*687*	*1,279*	*576*	*616*	*1,192*
of which VINCI Immobilier	*1*	*228*	*229*	*1*	*420*	*421*

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

In accordance with IAS 28, the Group's recognition of its share of contingent losses at associates and joint ventures is limited to its liabilities. At 31 December 2022, losses exceeding this share and thus unrecognised in VINCI's financial statements amounted to €211 million (€193 million at 31 December 2021).

The main features of concession and PPP contracts are given in Note F, "Concessions: 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:

(in € millions)	31/12/2022			31/12/2021		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Revenue	322	541	**863**	306	314	**620**
Trade receivables	148	83	**231**	42	83	**126**
Purchases	5	14	**19**	4	29	**33**
Trade payables	6	7	**12**	1	4	**5**

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 or 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 or loss or through equity.

At 31 December 2022, "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)	31/12/2022	31/12/2021
Financial assets measured at amortised cost (*)	1,245	1,161
PPP financial receivables (*)	146	210
Equity instruments	1,197	1,078
Other non-current financial assets	**2,588**	**2,450**

(*) 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)	31/12/2022	31/12/2021
Net at beginning of period	**1,078**	**951**
Acquisitions during period	60	64
Acquisitions as part of business combinations	1	3
Changes in fair value	86	56
Impairment losses	(11)	(3)
Changes in consolidation scope	(7)	-
Other movements and currency translation differences	(10)	8
Net at end of period	**1,197**	**1,078**

Equity instruments mainly include VINCI's 8% stake in Groupe ADP, which is measured at fair value through profit or loss, along with shareholdings in subsidiaries that do not meet VINCI's minimum financial criteria for consolidation.

F. Concessions: 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 either of two actors:

- **Users, in which 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 levels and passenger numbers 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.

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, certain bridges and tunnels operated by VINCI Highways, and Cobra IS's main concessions.

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

With respect to rights to operate airports under concession, the Group opted to amortise them from 1 July 2020 using the unit of production method, based on passenger numbers, having taken the view that the straight-line method no longer reflected the rate at which the economic benefits produced by concession assets were being consumed.

- **The grantor, in which 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). 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 Concessions

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

	Country	Contract end date	Accounting 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 toll motorway south of Paris	France	2070	Intangible asset	FC
Arcos				
A355 24 km toll motorway west of Strasbourg	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	Intangible asset	FC
London Gatwick airport	United Kingdom	Full ownership	Intangible asset	FC
Nikola Tesla airport in Belgrade	Serbia	2043	Intangible asset	FC
Deputado Luís Eduardo Magalhães airport in Salvador Bahia	Brazil	2047	Intangible asset	FC
North Region airports 7 airports including Manaus airport	Brazil	2051	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
OMA (Grupo Aeroportuario del Centro Norte) 13 airports including Monterrey International airport	Mexico	2048	Intangible asset	FC
Aerodom 6 airports including Las Américas airport in Santo Domingo	Dominican Republic	2030	Intangible asset	FC
Nuevo Pudahuel Arturo Merino Benítez airport in Santiago	Chile	2035	Intangible asset	EM
Daniel Oduber Quirós International airport in Guanacaste province	Costa Rica	2030	Bifurcated model: intangible asset and financial asset	EM
Kansai Airports Kansai International, Osaka Itami 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. Airport fees are generally regulated.

(***) The concession contract was terminated on 24 October 2019 on the grounds of public interest. The termination is due to take effect no later than the signing date of the new concession contract, the call for tenders for which has been issued.

FC: Full consolidation; EM: Equity method

	Country	Contract end date	Accounting 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
Strait Crossing Development Inc. Confederation Bridge connecting the Canadian provinces of Prince Edward Island and New Brunswick	Canada	2032	Intangible asset	FC
A4 Hörselberg A-Modell 45 km	Germany	2037	Intangible asset	EM
A5 Malsch–Offenburg A-Modell 60 km	Germany	2039	Intangible asset	EM
B247 Mühlhausen–Bad Langensalza 22 km plus 6 km of approach roads	Germany	2051	Financial asset	EM
A7 Göttingen–Bockenen A-Modell 60 km to be renovated, including 29 km to be widened to 2×3 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, with extension to Pyrgos under construction	Greece	2038	Intangible asset	EM
D4 motorway 32 km plus 16 km to be widened to 2×2 lanes	Czech Republic	2049	Financial 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
Granvia R1 Expressway between Nitra and Tekovské Nemce	Slovakia	2041	Financial asset	EM
Regina Bypass 61 km expressway bypassing Regina	Canada	2049	Financial asset	EM
Vía 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 End 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, but also certain contracts with traffic level risk (Arcour (A19), LISEA and Consortium Stade de France).

As a general rule, when the contracts end, the concession infrastructure is returned 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 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				
01/01/2021	**34,375**	**5,463**	**2,136**	**41,974**
Acquisitions during period (**)	599	121	33	753
Disposals during period	(2)	(1)	(5)	(8)
Currency translation differences	-	95	(39)	55
Changes in scope and other	14	117	54	184
	34,986	**5,794**	**2,179**	**42,959**
Grants received	(21)	-	(25)	(47)
31/12/2021	**34,964**	**5,794**	**2,153**	**42,912**
Acquisitions during period (**)	547	131	99	777
Disposals during period	(1)	(2)	(1)	(4)
Currency translation differences	-	105	186	292
Changes in scope and other	(3)	3,230	175	3,402
	35,507	**9,258**	**2,613**	**47,378**
Grants received	(22)	-	(8)	(30)
31/12/2022	**35,485**	**9,258**	**2,605**	**47,348**
Amortisation and impairment losses				
01/01/2021	**(14,797)**	**(898)**	**(393)**	**(16,088)**
Amortisation during period	(1,167)	(116)	(66)	(1,348)
Impairment losses	-	(68)	-	(68)
Reversals of impairment losses	-	24	-	24
Disposals during period	-	1	5	6
Currency translation differences	-	(32)	4	(28)
Other movements	(16)	(46)	(19)	(81)
31/12/2021	**(15,979)**	**(1,135)**	**(469)**	**(17,583)**
Amortisation during period	(1,186)	(165)	(81)	(1,432)
Impairment losses	-	(45)	-	(45)
Disposals during period	-	2	1	2
Reversals of impairment losses	-	3	-	3
Currency translation differences	-	(30)	(24)	(54)
Other movements	(16)	-	1	(15)
31/12/2022	**(17,182)**	**(1,369)**	**(572)**	**(19,124)**
Net				
01/01/2021	**19,578**	**4,564**	**1,744**	**25,886**
31/12/2021	**18,985**	**4,659**	**1,684**	**25,329**
31/12/2022	**18,304**	**7,889**	**2,032**	**28,224**

(*) Including the concessions of Cobra IS.
(**) Including capitalised borrowing costs.

In 2022, acquisitions of concession intangible assets amounted to €777 million. They included investments by the ASF group for €323 million (€310 million in 2021), by Cofiroute for €181 million (€174 million in 2021), by VINCI Airports for €119 million (€111 million in 2021), by Cobra IS for €87 million and by Arcos for €17 million (€57 million in 2021).

Scope effects relate to the acquisition of Mexican airport operator OMA.

Concession intangible assets include assets under construction for €1,620 million at 31 December 2022 (€1,307 million at 31 December 2021). These relate to VINCI Autoroutes subsidiaries for €1,204 million (including ASF for €417 million, Cofiroute for €552 million and Escota for €234 million) and VINCI Airports for €407 million including Belgrade Airport for €247 million).

At 31 December 2022, concession intangible assets relating to certain VINCI Airports assets were tested for impairment, leading to the recognition of an impairment loss totalling €45 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 the following:

- 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)	31/12/2022	31/12/2021
Beginning of period	**210**	**252**
Acquisitions during period	7	15
Redemptions	(71)	(49)
Other movements and currency translation differences	(1)	(8)
End of period	**146**	**210**
of which:		
between 1 and 5 years	*43*	*93*
over 5 years	*103*	*117*

15. Off-balance sheet commitments in Concessions

15.1 Companies controlled by the Group

Contractual investment and renewal obligations

(in € millions)	31/12/2022	31/12/2021
ASF group	1,039	690
OMA (Grupo Aeroportuario del Centro Norte – Mexico)	488	-
Cofiroute	370	467
VINCI Highways	286	28
ANA group (Portugal)	199	106
North Region airports	176	-
Cobra IS	143	105
Belgrade airport (Serbia)	62	184
ADL - Aéroports de Lyon	57	20
London Gatwick airport (United Kingdom)	38	64
Lima Expresa (Peru)	34	80
Other	29	95
Total	**2,922**	**1,837**

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. VINCI Autoroutes' undertakings amounted to €1,409 million at 31 December 2022, and the increase related mainly to the planned Montpellier western bypass in an amount of €341 million.
The increase in these undertakings also reflects investments to be made in OMA's airports in Mexico and Manaus airport in Brazil, along with VINCI Highways' undertaking to acquire 55% of Entrevias, a motorway concession operator in the state of São Paulo in Brazil. Cobra IS's investment obligations mainly concern the Villocano Energy project in Ecuador and the Dunas project in Brazil.

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.

Security interests connected with financing

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

(in € millions)	**Start date**	**End date**	**Amount**
London Gatwick airport	2011	2049	2,600
Arcour	2008	2047	578
OMA (Grupo Aeroportuario del Centro Norte)	2022	2029	423
Aerodom	2017	2029	358
Arcos	2018	2045	358
Lima Expresa	2016	2037	284
Belgrade airport	2018	2035	249
ADL - Aéroports de Lyon	2016	2033	220
Gefyra	1997	2029	122
Other concession operating companies			285
Total			**5,476**

Other security interests related to the funding of concession projects have been granted in an amount of €107 million.

15.2 Companies accounted for under the equity method

Contractual investment obligations

At 31 December 2022, the Group's share of investment commitments given by these companies amounted to €1,004 million (€1,362 million at 31 December 2021). They relate mainly to projects involving infrastructure under construction at VINCI Highways, including Rift Valley (motorway in Kenya connecting the cities of Nairobi and Mau Summit) for €568 million, Via Salis (D4 motorway in the Czech Republic between Prague and South Bohemia) for €162 million, Vía 40 Express (motorway between the cities of Bogotá and Girardot in Colombia) for €126 million and the B247 federal road in Germany for €106 million.
The €358 million decrease in these commitments is due to progress with works on these projects.

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 2022 was €40 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 €12 million, SMTPC (the holder of the concession for the Prado Carénage road tunnel in Marseille) for €11 million and Synérail (the PPP contract for the GSM-Rail system, under the Global System for Mobile Communications – Railway standard) for €8 million.

In addition, €164 million of corporate guarantees were granted, including those granted by Cobra IS to the banks financing four high-voltage line projects in Brazil for €121 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 2022, those commitments amounted to €67 million (€55 million at 31 December 2021). They mainly concern the D4 motorway project in the Czech Republic (€27 million) the project for the new B247 federal road in Germany (€11 million), and Pudahuel airport in Chile (€22 million).

G. Energy and Construction businesses and VINCI Immobilier business line: 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.
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)	31/12/2022	Changes			31/12/2021
		Business-related changes	Changes in consolidation scope	Other changes (*)	
VINCI Energies	3,175	383	24	(9)	2,777
Cobra IS	1,724	448	6	36	1,234
VINCI Construction	4,259	614	1	(7)	3,651
VINCI Immobilier	452	265	(8)	-	195
Contract assets	**9,609**	**1,709**	**24**	**20**	**7,857**
of which advances paid	*695*	*233*	*(4)*	*2*	*464*

(*) 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 completion of works specified in the relevant contracts. Contract assets turn into receivables as these works are accepted by the client, giving rise to the Group's unconditional right to be paid.

Contract liabilities

(in € millions)	31/12/2022	Changes			31/12/2021
		Business-related changes	Changes in consolidation scope	Other changes (*)	
VINCI Energies	3,393	194	2	(2)	3,199
Cobra IS	864	307	1	-	556
VINCI Construction	4,164	666	2	(11)	3,507
VINCI Immobilier	478	66	5	-	408
Contract liabilities	**8,899**	**1,234**	**9**	**(13)**	**7,670**
of which advances received	2,753	596	-	*(12)*	*2,169*

(*) 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 extinguishes these liabilities and results in the recognition of the corresponding revenue.

16.2 Order book

(in € billions)	31/12/2022	Book-to-bill ratio (number of months of average business activity represented by the order book)
VINCI Energies	12.4	8.9
Cobra IS	11.1	24.1
VINCI Construction	33.8	13.9
VINCI Immobilier	1.2	n/a

The order book for the VINCI Energies, Cobra IS and VINCI Construction business lines represents the volume of business yet to be carried out on projects where the contract is in force (generally after service orders have been obtained or after conditions precedent have been met) and financed. At 31 December 2022, the combined order book of VINCI Energies, Cobra IS and VINCI Construction stood at €57.3 billion, up 8.6% year on year (€52.7 billion at 31 December 2021), representing more than 13 months of business activity for these business lines.

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. It amounted to €1.2 billion at 31 December 2022, down 12.5% year on year (€1.3 billion at 31 December 2021).

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

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

	31/12/2022		31/12/2021	
(in € millions)	**Guarantees given**	**Guarantees received**	**Guarantees given**	**Guarantees received**
Performance guarantees and performance bonds	11,505	1,370	10,693	1,301
Retentions	3,788	443	3,674	470
Deferred payments to subcontractors and suppliers	1,201	574	1,725	667
Bid bonds	195	1	227	17
Collateral security	94	6	66	2
Total	**16,782**	**2,394**	**16,385**	**2,457**

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.

The Group 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. The commitments for which provisions are taken relating to these warranties are 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 €185 million at 31 December 2022 (€322 million at 31 December 2021).

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

VINCI Construction conducts a portion of its business 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. At 31 December 2022, those commitments amounted to €54 million (€97 million at 31 December 2021). At 100%, the amount of those commitments would be €128 million at 31 December 2022 (€167 million at 31 December 2021). 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 mainly:

- 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 licences	Software	Other intangible assets (*)	Total (*)
Gross				
31/12/2021	**256**	**704**	**8,235 (*)**	**9,194 (*)**
Acquisitions as part of business combinations	-	1	12	14
Other acquisitions during period	1	32	1,188	1,221
Disposals during period	(1)	(26)	(12)	(40)
Currency translation differences	(1)	(1)	(347)	(348)
Changes in scope and other	(1)	(83)	(15)	(99)
31/12/2022	**254**	**627**	**9,061**	**9,943**
Amortisation and impairment losses				
31/12/2021	**(50)**	**(530)**	**(194)**	**(773)**
Amortisation during period	(2)	(55)	(181)	(239)
Impairment losses	-	-	(9)	(9)
Reversals of impairment losses	-	-	6	6
Disposals during period	1	25	10	36
Currency translation differences	-	-	(5)	(5)
Changes in consolidation scope	(1)	(2)	-	(3)
Other movements	3	96	(10)	89
31/12/2022	**(48)**	**(466)**	**(384)**	**(898)**
Net				
31/12/2021	**206**	**174**	**8,041 (*)**	**8,421 (*)**
31/12/2022	**206**	**161**	**8,677**	**9,045**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

At 31 December 2022, the net value of other intangible assets was €9 billion (€8.4 billion at 31 December 2021).

The main changes in the year relate to the acquisition at end-December 2022 of Petrobras's interest in Polo Carmópolis, a cluster of 11 onshore oil and natural gas field concessions located in the Brazilian state of Sergipe, amounting to €1.0 billion. Cobra IS will be in charge of maintaining these facilities and upgrading them to meet technical and environmental standards. The acquisition process began in 2021 before VINCI acquired Cobra IS, and a strategic review of Polo Carmópolis will be carried out in 2023.

Amortisation recognised during the period totalled €239 million (€85 million in 2021), including the €128 million relating to the amortisation of Cobra IS intangible assets identified when allocating the purchase price.

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 when 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	Property	Movable assets	Total
Gross								
01/01/2021	**4,533**	**1,229**	**3,612**	**9,271**	**19**	**1,630**	**1,437**	**21,731**
Acquisitions as part of business combinations	1	13	211	459	-	123	69	876
Other acquisitions during period	116	16	460	663	-	2	3	1,259
Disposals during period	(37)	(9)	(42)	(626)	-	-	-	(714)
Currency translation differences	25	35	137	222	-	20	35	474
Scope effects, changes in leases and other	(8)	115	(439)	280	5	222	130	306
31/12/2021	**4,630**	**1,398**	**3,939**	**10,269**	**25**	**1,997**	**1,674**	**23,933**
Acquisitions as part of business combinations	-	104	89	135	-	18	5	351
Other acquisitions during period	189	45	826	777	6	347	310	2,500
Disposals during period	(80)	(10)	(119)	(594)	(3)	(239)	(327)	(1,371)
Currency translation differences	16	2	(81)	(29)	-	2	(3)	(93)
Scope effects, changes in leases and other	48	44	(285)	168	-	5	(3)	(22)
31/12/2022	**4,804**	**1,584**	**4,369**	**10,726**	**28**	**2,130**	**1,656**	**25,297**
Depreciation and impairment losses								
01/01/2021	**(3,432)**	**(381)**	**(900)**	**(6,088)**	**(9)**	**(547)**	**(613)**	**(11,971)**
Depreciation during period	(204)	(23)	(137)	(819)	(7)	(272)	(326)	(1,786)
Impairment losses	-	(1)	(43)	(36)	-	-	-	(80)
Reversals of impairment losses	-	3	1	64	-	-	-	69
Disposals during period	35	4	22	541	-	-	-	602
Currency translation differences	(14)	(4)	(21)	(110)	-	(7)	(10)	(166)
Changes in consolidation scope (*)	-	(1)	(89)	(389)	-	(59)	(39)	(577)
Other movements	36	1	(13)	(20)	3	80	194	280
31/12/2021	**(3,580)**	**(402)**	**(1,179)**	**(6,857)**	**(13)**	**(805)**	**(794)**	**(13,629)**
Depreciation during period	(202)	(24)	(173)	(921)	(7)	(271)	(345)	(1,943)
Impairment losses	-	(10)	20	(9)	-	-	(1)	1
Reversals of impairment losses	-	9	2	12	-	-	-	23
Disposals during period	74	13	72	509	4	191	290	1,152
Currency translation differences	(11)	(1)	16	(6)	-	1	(4)	(5)
Changes in consolidation scope	-	(1)	(9)	(67)	-	4	(3)	(76)
Other movements	(12)	(9)	10	(7)	-	(2)	4	(16)
31/12/2022	**(3,731)**	**(425)**	**(1,240)**	**(7,346)**	**(16)**	**(882)**	**(852)**	**(14,492)**
Net								
01/01/2021	**1,101**	**847**	**2,712**	**3,183**	**10**	**1,083**	**823**	**9,760**
31/12/2021	**1,050**	**997**	**2,760**	**3,412**	**12**	**1,192**	**880**	**10,303**
31/12/2022	**1,073**	**1,159**	**3,129**	**3,380**	**13**	**1,247**	**804**	**10,805**

(*) Includes acquired property, plant and equipment of Cobra IS, for a net amount of €264 million.

Property, plant and equipment include assets under construction for €1,132 million at 31 December 2022 (€753 million at 31 December 2021), mainly at Cobra IS for €429 million and VINCI Construction for €317 million.

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

At 31 December 2022, the breakdown of property, plant and equipment by business line was as follows:

(in € millions)	Concessions VINCI Autoroutes VINCI Airports Other concessions	Energy VINCI Energies	Cobra IS	Construction VINCI Construction	VINCI Immobilier and holding companies	Total
Concession operating fixed assets	1,073	-	-	-	-	1,073
Land	221	57	11	755	115	1,159
Constructions and investment property	1,448	193	458	618	412	3,129
Plant, equipment and fixtures	916	375	60	1,891	138	3,380
Right-of-use assets in respect of leases	297	853	70	601	243	2,064
Total at 31 December 2022	**3,954**	**1,477**	**600**	**3,866**	**908**	**10,805**
Total at 31 December 2021	**4,067**	**1,392**	**264**	**3,724**	**856**	**10,303**

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 €6.2 billion corresponding to the right to operate London Gatwick airport at 31 December 2022. 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 2022 on the basis of the following assumptions:

- Cash flow projections cover a 30-year period and take into account traffic returning to 2019 levels in 2025 and to the levels projected prior to the crisis by 2030. At the end of that 30-year 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 7%.

At 31 December 2022, the recoverable amount of that right to operate, based on the above assumptions, was higher than its net carrying amount. Sensitivity calculations show that an increase of 50 basis points in the discount rate or a 5% decrease in projected operating cash flow would reduce value in use by €1.4 billion and €0.6 billion, respectively. Under these scenarios, value in use would remain higher than the net carrying amount for the right to operate the airport.

An additional sensitivity test was carried out at 31 December 2022, which showed that a 100 basis point increase in the discount rate would reduce value in use by €2.5 billion. In this case, value in use would still remain higher than the asset's net carrying amount at 31 December 2022.

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 is 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 concession or PPP project companies for €735 million (€730 million at 31 December 2021). 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 €29 million at 31 December 2022 (€78 million at 31 December 2021).

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

(in € millions)	2022	2021
Beginning of period	**1,161**	**1,034**
Acquisitions during period	154	142
Acquisitions as part of business combinations	3	56
Impairment losses	(36)	(6)
Disposals during period	(58)	(71)
Other movements and currency translation differences	21	6
End of period	**1,245**	**1,161**
of which:		
between 1 and 5 years	*287*	*307*
over 5 years	*958*	*855*

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.

The Group's business model is to retain its trade receivables in order to collect the contractual cash flow when they fall due. However, in some cases, receivables may assigned to third parties (banks) on terms that meet IFRS 9 criteria, i.e. contractual cash flows along with substantially all of the related risks and rewards are assigned. In those cases, the receivables are derecognised.

Trade payables are current financial liabilities and are initially measured at their fair value, which is generally their nominal value, barring any discounting effect. Some Group entities have set up reverse factoring arrangements. These allow Group suppliers to assign their receivables before they fall due, and thereby receive payment earlier.

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)		31/12/2022	31/12/2021 (*)	Business-related change	Changes in consolidation	Other changes (**)
Inventories and work in progress (net)		1,785	1,591	167	22	4
Trade and other receivables		18,092	15,832 (*)	2,068	171	22
Other current assets		7,402	6,036	1,372	87	(93)
– Non-operating assets		(20)	(22)	2	-	-
Inventories and operating receivables	I	**27,259**	**23,437**	**3,609**	**280**	**(68)**
Trade payables		(13,088)	(12,027)	(1,026)	(69)	34
Other current liabilities		(20,315)	(16,736)	(3,718)	(88)	228
– Non-operating liabilities		*1,661*	*450*	*1,199*	-	*12*
Trade and other operating payables	II	**(31,742)**	**(28,313)**	**(3,545)**	**(156)**	**273**
Working capital requirement (excluding current provisions)	I+II	**(4,483)**	**(4,876)**	**64**	**124**	**205**
Current provisions		**(6,599)**	**(6,123) (*)**	**(456)**	**(128)**	**108**
of which part at less than one year of non-current provisions		*(146)*	*(188)*	*37*	*4*	*1*
Working capital requirement (including current provisions)		**(11,082)**	**(10,998)**	**(392)**	**(4)**	**313**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

(**) Mainly corresponding to cash flows relating to assets held for sale and related liabilities, along with currency translation differences.

Some Group entities, mainly in the Cobra IS business line, make use of agreements to assign accounts receivable and reverse factoring arrangements. At 31 December 2022, the amount of trade receivables assigned without recourse and derecognised was €130 million. The amount of receivables assigned by suppliers at 31 December 2022 as part of reverse factoring arrangements was €554 million. These amounts receivable from the Group are presented under trade payables.

19.2 Current operating assets and liabilities

Current operating assets and liabilities break down as follows:

			Maturity				
			Within 1 year				
(in € millions)		31/12/2022	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		1,785	920	108	686	69	2
Trade and other receivables		18,092	14,001	1,602	2,108	307	75
Other current operating assets		7,382	6,034	389	627	266	65
Inventories and operating receivables	**I**	**27,259**	**20,955**	**2,099**	**3,420**	**642**	**142**
Trade payables		(13,088)	(10,522)	(1,529)	(814)	(203)	(20)
Other current operating liabilities		(18,653)	(15,427)	(888)	(1,685)	(503)	(150)
Trade and other operating payables	**II**	**(31,742)**	**(25,949)**	**(2,417)**	**(2,499)**	**(707)**	**(170)**
Working capital requirement connected with operations	**I+II**	**(4,483)**	**(4,994)**	**(318)**	**921**	**(64)**	**(28)**

			Maturity				
			Within 1 year				
(in € millions)		31/12/2021 (*)	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		1,591	684	110	652	143	2
Trade and other receivables		15,832 (*)	11,921	1,215	1,799 (*)	849	48
Other current operating assets		6,014	4,870	306	465	336	37
Inventories and operating receivables	**I**	**23,437**	**17,475**	**1,630**	**2,916**	**1,328**	**88**
Trade payables		(12,027)	(9,044)	(1,177)	(1,136)	(656)	(14)
Other current operating liabilities		(16,286)	(12,907)	(963)	(1,287)	(968)	(162)
Trade and other operating payables	**II**	**(28,313)**	**(21,952)**	**(2,139)**	**(2,423)**	**(1,624)**	**(176)**
Working capital requirement connected with operations	**I+II**	**(4,876)**	**(4,476)**	**(509)**	**493**	**(295)**	**(88)**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

Breakdown of trade receivables

(in € millions)	31/12/2022	31/12/2021 (*)
Trade receivables	9,302	8,651 (*)
Allowances against trade receivables	(709)	(734)
Trade receivables, net	**8,593**	**7,916**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

At 31 December 2022, trade receivables between six and 12 months past due amounted to €387 million (compared with €375 million at 31 December 2021). Impairment in the amount of €41 million has been recognised in consequence (€64 million at 31 December 2021). Receivables more than one year past due amounted to €474 million (€363 million at 31 December 2021) and impairment of €374 million has been recognised in consequence (€261 million at 31 December 2021).

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 companies and cover the expense of major repairs of roads, 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 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, such as 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 (*)
01/01/2021	**4,741**	**1,912**	**(1,346)**	**(247)**	**(20)**	**(15)**	**(52)**	**4,973**
Obligation to maintain the condition of concession assets	987	164	(111)	(18)	1	-	1	1,024
After-sales service	401	145	(117)	(12)	19	-	5	442
Losses on completion and construction project liabilities	1,558	1,010	(750)	(46)	7	-	22	1,800
Disputes	553	279	(124)	(31)	1	-	-	678
Restructuring costs	58	13	(28)	(11)	(5)	-	-	27
Other current liabilities	1,235	645	(339)	(78)	487 (*)	-	14	1,963
Reclassification of the part at less than one year	182	-	-	-	19	(14)	1	188
31/12/2021 (*)	**4,973**	**2,256**	**(1,469)**	**(196)**	**529**	**(14)**	**44**	**6,123**
Obligation to maintain the condition of concession assets	1,024	198	(127)	(29)	95	-	3	1,164
After-sales service	442	127	(93)	(20)	12	-	(3)	466
Losses on completion and construction project liabilities	1,800	1,147	(989)	(84)	15	-	(2)	1,886
Disputes	678	281	(183)	(33)	1	-	(2)	742
Restructuring costs	27	5	(13)	(2)	-	-	-	17
Other current liabilities	1,963	851	(569)	(88)	9	-	11	2,178
Reclassification of the part at less than one year	188	-	-	-	(4)	(37)	(1)	146
31/12/2022	**6,123**	**2,611**	**(1,973)**	**(257)**	**127**	**(37)**	**6**	**6,599**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired in December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

At 31 December 2022, contractual obligations to maintain the condition of concession assets mainly comprised €534 million for the ASF group (€501 million at 31 December 2021), €264 million for Cofiroute (€270 million at 31 December 2021), and €333 million for VINCI Airports (€224 million at 31 December 2021) including €125 million for ANA (€113 million at 31 December 2021) and €94 million for OMA.

Provisions for other current liabilities mainly consist of individual provisions in amounts of less than €2 million.
These include provisions for worksite restoration and removal costs for €230 million (€216 million at 31 December 2021).

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 the obligation will result in an outflow of resources with no consideration in return 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
01/01/2021	**1,341**	**90**	**(58)**	**(16)**	**(228)**	**15**	**(5)**	**1,140**
Financial risks	1,019	50	(4)	(1)	(132)	-	-	933
Other liabilities	303	144	(66)	(5)	15	-	1	393
Reclassification of the part at less than one year	(182)	-	-	-	(19)	14	(1)	(188)
31/12/2021	**1,140**	**194**	**(69)**	**(6)**	**(137)**	**14**	**-**	**1,137**
Financial risks	933	53	(12)	(2)	(257)	-	-	715
Other liabilities	393	134	(107)	(9)	(17)	-	(2)	392
Reclassification of the part at less than one year	(188)	-	-	-	4	37	1	(146)
31/12/2022	**1,137**	**188**	**(119)**	**(11)**	**(269)**	**37**	**(1)**	**961**

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 mainly 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 €392 million at 31 December 2022 (€393 million at 31 December 2021), including €279 million at more than one year (€242 million at 31 December 2021).

21. Lease liabilities

Accounting policies

At the start of the lease period, 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 stipulated in the contract;
- variable lease payments that depend on an index or a rate, with future payments determined on the basis of the level of the index or rate on the commencement date of the lease;
- payments to be made by the lessee under a residual value guarantee;
- the exercise price of an option to purchase the underlying asset, 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 that 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 of residual value guarantees; revision of rates or indices on which lease payments are based at the time those payments are adjusted.

At 31 December 2022, lease liabilities amounted to €2,102 million, including €1,580 million for the part at more than one year and €522 million for the part at less than one year. They totalled €2,098 million at 31 December 2021.

The net change in 2022 breaks down as follows:

- new lease liabilities: increase of €656 million;
- companies entering the consolidation scope: increase of €29 million;
- repayments of lease liabilities: decrease of €613 million;
- terminated leases: decrease of €71 million;
- other changes: increase of €3 million.

Maturity schedule for lease liabilities

(in € millions)	Current and non-current lease liabilities	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Lease liabilities related to property assets	**1,368**	278	413	322	355
Lease liabilities related to movable assets	**734**	244	215	108	167
31/12/2022	**2,102**	**522**	**628**	**430**	**522**

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)	31/12/2022	31/12/2021
Purchase and capital expenditure obligations (*)	1,571	1,291
Obligations related to quarrying rights	98	112

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

Other purchase and capital expenditure obligations, excluding those associated with concession contracts, mainly relate to Cobra IS projects (€975 million at 31 December 2022), principally solar PV and wind projects in Brazil and Spain. To a lesser extent, these obligations also relate to VINCI Energies, VINCI Immobilier and VINCI Construction, and to VINCI Concessions via its VINCI Concessions Ventures subsidiary, which has made a commitment to invest in the world's largest fund dedicated to clean hydrogen infrastructure solutions.

Obligations related to quarry operations include quarrying rights and quarry leases, which concern VINCI Construction.

22.2 Other commitments given and received

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

(in € millions)	31/12/2022	31/12/2021
Other commitments given	1,477	1,325
Other commitments received	781	310

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", including the surety relating to Manaus airport, which accounts for most of the increase in other commitments given. The increase in commitments received relates mainly to the assessment of seller's guarantees received by VINCI as part of the Cobra IS acquisition.

The commitments given 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 Concessions";
- Note G.16.3, "Commitments given 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 buy-back programme approved in its Shareholders' General Meeting of 12 April 2022 for a period of 18 months, with a maximum purchase amount of €4 billion at a maximum price of €140 per share. During the year, VINCI acquired 11,949,984 shares on the market at an average price of €91.54 per share, for a total of €1,094 million.

Treasury shares (see Note H.20.2, "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 21 December 2022, VINCI SA cancelled 8,600,000 shares for €784 million.

VINCI's employee savings policy aims to make it easier for Group employees to become shareholders. At 31 December 2022, over 48% of the Group's employees were VINCI shareholders through employee share ownership plans (77% of employees in France). Since those funds own 9.94% of the company's shares, the Group's current and former employees form its largest group of shareholders.

Neither the Group's consolidated equity nor the equity of parent company VINCI SA is subject to any external constraints in the form of financial covenants.

23.1 Share capital

At 31 December 2022, the parent company's share capital was represented by 589,387,330 ordinary shares of €2.5 nominal value each.

Changes in the number of shares

	31/12/2022	31/12/2021
Number of shares at beginning of period	**592,362,376**	**588,519,218**
Increases in share capital	5,624,954	9,843,158
Cancelled treasury shares	(8,600,000)	(6,000,000)
Number of shares at end of period	**589,387,330**	**592,362,376**
Number of shares issued and fully paid	589,387,330	592,362,376
Nominal value of one share *(in €)*	2.5	2.5
Treasury shares held directly by VINCI	25,790,809	24,781,783
of which shares allocated to covering performance share plans and employee share ownership plans	*17,048,595*	*19,389,553*

The changes in capital during 2022 and 2021 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
01/01/2021	**1,471,298,045**	**11,630,704,326**	**588,519,218**
Group savings plans	24,607,895	714,503,451	9,843,158
Cancelled treasury shares	(15,000,000)		(6,000,000)
31/12/2021	**1,480,905,940**	**12,345,207,777**	**592,362,376**
Group savings plans	14,062,385	476,715,186	5,624,954
Cancelled treasury shares	(21,500,000)		(8,600,000)
31/12/2022	**1,473,468,325**	**12,821,922,963**	**589,387,330**

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:

	31/12/2022	31/12/2021
Number of shares at beginning of period	**24,781,783**	**26,457,495**
Shares repurchased during the period	11,949,984	6,714,354
Shares granted to employees (2018 performance share plan)		(1,925,708)
Shares granted to employees (2019 performance share plan)	(1,821,638)	(1,615)
Shares granted to employees (2020 performance share plan)	(2,135)	(1,570)
Shares granted to employees (2021 performance share plan)	(1,700)	(875)
Shares granted to employees (2022 performance share plan)	(750)	
Delivery of shares in connection with the Castor International plan	(514,735)	(460,298)
Cancelled treasury shares	(8,600,000)	(6,000,000)
Number of shares at end of period	**25,790,809**	**24,781,783**

At 31 December 2022, the total number of treasury shares held was 25,790,809. These were recognised as a deduction from consolidated equity for €2,088 million.
A total of 17,048,595 shares are allocated to covering long-term incentive plans and employee share ownership transactions and 8,742,214 are intended to be either exchanged in connection with acquisitions, sold or cancelled.

23.3 Distributable reserves and statutory reserve

At 31 December 2022, VINCI SA's distributable reserves amounted to €31 billion (€31 billion at 31 December 2021) and its statutory reserve to €151 million (€151 million at 31 December 2021).

23.4 Amounts recognised directly in equity

The main amounts recognised directly in equity are as follows:

(in € millions)		31/12/2022 Attributable to owners of the parent	31/12/2022 Attributable to non-controlling interests	31/12/2022 Total	31/12/2021 Attributable to owners of the parent	31/12/2021 Attributable to non-controlling interests	31/12/2021 Total
Hedging costs							
Reserve at beginning of period		**(43)**	**-**	**(43)**	**(28)**	**-**	**(28)**
Gross reserve before tax effect at end of period	**I**	**(27)**	**-**	**(27)**	**(43)**	**-**	**(43)**
Cash flow and net investment hedges							
Reserve at beginning of period		**(879)**	**1**	**(878)**	**(906)**	**-**	**(906)**
Changes in fair value of companies accounted for under the equity method		505	-	505	163	-	163
Other changes in fair value in the period		437	1	438	(235)	1	(234)
Fair value items recognised in profit or loss		76	-	76	97	-	97
Changes in consolidation scope and miscellaneous		31	-	31	2	-	2
Gross reserve before tax effect at end of period	**II**	**170**	**1**	**172**	**(879)**	**1**	**(878)**
of which gross reserve relating to companies accounted for under the equity method		*(37)*	-	*(37)*	*(543)*	-	*(543)*
Total gross reserve before tax effects (items that may be recycled to income)	**I+II**	**143**	**1**	**145**	**(922)**	**1**	**(921)**
Associated tax effect		(45)	-	(45)	200	-	200
Reserve net of tax (items that may be recycled to income)	**III**	**98**	**1**	**99**	**(722)**	**1**	**(721)**
Equity instruments							
Reserve at beginning of period		**(1)**	**-**	**(1)**	**(2)**	**-**	**(2)**
Gross reserve before tax effect at end of period	**IV**	**(2)**	**-**	**(2)**	**(1)**	**-**	**(1)**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(394)**	**31**	**(362)**	**(500)**	**10**	**(491)**
Actuarial gains and losses recognised in the period		330	34	364	134	30	164
Associated tax effect		(89)	(9)	(98)	(28)	(8)	(36)
Changes in consolidation scope and miscellaneous		-	-	(1)	-	-	-
Reserve net of tax at end of period	**V**	**(153)**	**57**	**(96)**	**(394)**	**31**	**(362)**
Total reserve net of tax (items that may not be recycled to income)	**IV+V**	**(155)**	**57**	**(98)**	**(395)**	**31**	**(364)**
Total amounts recognised directly in equity	**III+IV+V**	**(56)**	**57**	**1**	**(1,117)**	**32**	**(1,085)**

The amounts recorded directly in equity mainly concern hedging transactions (positive effect of €172 million), comprising:

- transactions relating to net investment hedges (negative effect of €53 million), which mainly concern concession activities outside France;
- interest rate hedges (positive effect of €270 million);
- other currency and commodity price hedges (negative effect of €46 million).

The main changes in the period relate directly to the impact of the increase in interest rates on the valuation of cash flow hedge derivatives and on actuarial gains on retirement benefit obligations.

These transactions are described in Note J.27.1.2, "Description of hedging transactions".

23.5 Non-controlling interests

Non-controlling interests amounted to €3,470 million at 31 December 2022 (€1,889 million at 31 December 2021).

At 31 December 2022, the Group owned two subsidiaries in which there were material non-controlling interests. They were London Gatwick airport (49.99% not owned by VINCI) and Mexican airport operator OMA (70.01% not owned by VINCI).

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 Chief Executive Officer (CEO), 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 non-controlling shareholders, after acceptance by VINCI, to sell their shares to VINCI.

OMA (Grupo Aeroportuario del Centro Norte)

The governance arrangement is described in Note B.1, "Changes in consolidation scope during the period".

Condensed financial information for London Gatwick airport and airport operator OMA is presented below. It was prepared in accordance with IFRSs, adjusted where appropriate for fair value remeasurements at the date of acquisition of control and adjustments to harmonise accounting policies with those of the Group. The amounts at 31 December 2022 are presented before eliminations of intercompany accounts and transactions.

(in € millions)	London Gatwick airport	OMA (Mexico)
Revenue	911	-
Net income	162	-
of which attributable to non-controlling interests	*81*	-
Other comprehensive income	62	-
Comprehensive income for the period	224	-
of which attributable to non-controlling interests	*112*	-
Non-current assets	9,437	3,382
Current assets	153	271
Non-current liabilities	(6,271)	(1,156)
Current liabilities	(734)	(311)
Net assets	2,584	2,186
of which attributable to non-controlling interests	*1,292*	*1,534*
Net cash flows (used in)/from operating activities	478	-
Net cash flows (used in)/from investing activities	(95)	-
Net cash flows (used in)/from financing activities	(1,016)	57
Other changes	(19)	-
Change in net cash	(652)	57

24. Dividends

In the 12 April 2022 Shareholders' General Meeting, shareholders approved a dividend payment of €2.90 per share with respect to 2021. An interim dividend of €0.65 per share was paid in November 2021 and the final dividend of €2.25 per share was paid in cash on 28 April 2022.

On 17 November 2022, VINCI proceeded with the payment of an interim dividend of €1.00 in respect of 2022. A total dividend of €4.00 will be submitted for approval at the Shareholders' General Meeting to be held on 13 April 2023, with the final dividend of €3.00 to be paid on 27 April 2023 (see Note N.33, "Appropriation of 2022 net income").

Dividends paid by VINCI SA to its shareholders in respect of 2022 and 2021 break down as follows:

	2022	2021
Dividend per share *(in €)*		
Interim dividend	1.00	0.65
Final dividend	3.00 (*)	2.25
Net total dividend	**4.00**	**2.90**
Amount of dividend *(in € millions)*		
Interim dividend	565	372
Final dividend	1,692 (**)	1,275
Net total dividend	2,257	1,646

(*) Submitted for approval at the Shareholders' General Meeting of 13 April 2023.

(**) Estimate based on the number of shares with dividend entitlement at 8 February 2023, i.e. 563,974,529 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 2022, net financial debt, as defined by the Group, stood at €18.5 billion, down almost €1.0 billion compared with 31 December 2021. It breaks down as follows by accounting category:

			31/12/2022			31/12/2021		
Accounting category	*(in € millions)*	**Note**	**Non-current**	**Current (*)**	**Total**	**Non-current**	**Current (*)**	**Total (***)**
Financial liabilities at amortised cost	Bonds	25.1	(20,425)	(1,258)	(21,683)	(22,212)	(2,741)	(24,952)
	Other bank loans and other financial debt	25.1	(3,205)	(1,003)	(4,208)	(2,757)	(788)	(3,545)
	Long-term financial debt (**)	25.1	**(23,629)**	**(2,262)**	**(25,891)**	**(24,969)**	**(3,528)**	**(28,497)**
	Commercial paper	26.2	-	(1,947)	(1,947)	-	(412)	(412)
	Other current financial liabilities	26.1	-	(977)	(977)	-	(891) (***)	(891) (***)
	Bank overdrafts	26.1	-	(1,083)	(1,083)	-	(876)	(876)
	Financial current accounts - liabilities	26.1	-	(99)	(99)	-	(61)	(61)
	I - Gross financial debt		**(23,629)**	**(6,368)**	**(29,997)**	**(24,969)**	**(5,769)**	**(30,738)**
	of which impact of fair value hedges		*(1,804)*	*-*	*(1,804)*	*(481)*	*(26)*	*(507)*
	of which effect of recognising London Gatwick's debt at fair value in VINCI's consolidated financial statements		*(382)*	*-*	*(382)*	*(445)*	*-*	*(445)*
Financial assets at amortised cost	Collateralised loans and financial receivables		5	12	16	4	-	4
	Financial current accounts - assets	26.1	-	252	252	-	86	86
Financial assets measured at fair value through profit or loss	Cash management financial assets	26.1	-	503	503	-	114	114
	Cash equivalents	26.1	-	4,227	4,227	-	3,042	3,042
	Cash	26.1	-	8,351	8,351	-	8,022	8,022
	II - Financial assets		**5**	**13,345**	**13,349**	**4**	**11,264**	**11,268**
Derivatives	Derivative financial instruments - liabilities	27	(1,939)	(440)	(2,379)	(422)	(513)	(935)
	Derivative financial instruments - assets	27	376	115	491	575	291	866
	III - Derivative financial instruments		**(1,563)**	**(325)**	**(1,888)**	**153**	**(222)**	**(69)**
	Net financial debt (I+II+III)		**(25,188)**	**6,651**	**(18,536)**	**(24,812)**	**5,274**	**(19,539)**
	Of which:							
	Concessions		*(33,931)*	*2,196*	*(31,735)*	*(34,792)*	*2,098*	*(32,693)*
	VINCI Energies		*(1,820)*	*1,691*	*(129)*	*(2,099)*	*2,545*	*447*
	Cobra IS		*(664)*	*1,067*	*404*	*(187)*	*591 (***)*	*403 (***)*
	VINCI Construction		*(1,212)*	*4,672*	*3,460*	*(1,254)*	*4,589*	*3,334*
	Holding companies and VINCI Immobilier		*12,439*	*(2,974)*	*9,464*	*13,520*	*(4,549)*	*8,971*

(*) The current part includes accrued interest not matured.
(**) Including the part at less than one year.
(***) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

Change in net financial debt

(in € millions)	31/12/2021 (*)	Cash flows	*Ref.*	"Non-cash" changes: Changes in consolidation scope	Exchange rate effect	Changes in fair value	Other changes	"Non-cash" total	*Ref.*	31/12/2022
Bonds (non-current)	(22,212)	(1,197)	*(3)*	(506)	176	2,419	894	2,984	*(4)*	(20,425)
Other loans and borrowings (non-current)	(2,757)	(425)	*(3)*	(100)	(5)	56	27	(22)	*(4)*	(3,205)
Current borrowings	(5,769) (*)	511		(92)	(102)	(32)	(884)	(1,110)		(6,368)
of which the part at less than one year of long-term debts	*(3,193)*	*2,484*	*(3)*	*(17)*	*(101)*	*(32)*	*(1,111)*	*(1,261)*	*(4)*	*(1,969)*
of which current financial debts at inception	*(1,363) (*)*	*(1,810)*	*(2)*	*(20)*	*(10)*	*-*	*187*	*157*	*(4)*	*(3,016)*
of which accrued interest on bank debts	*(337)*	*-*	*(4)*	*(8)*	*5*	*-*	*40*	*38*	*(4)*	*(299)*
of which bank overdrafts	*(876)*	*(163)*	*(1)*	*(48)*	*4*	*-*	*-*	*(44)*	*(1)*	*(1,083)*
Collateralised loans and receivables	4	14	*(4)*	-	1	-	(2)	(1)	*(4)*	16
Cash management financial assets	200	565		-	(6)	-	(4)	(10)		755
of which cash management financial assets (excluding accrued interest)	*199*	*565*	*(2)*	*-*	*(6)*	*-*	*(3)*	*(9)*	*(4)*	*755*
of which accrued interest on cash management assets	*1*	*-*	*(4)*	*-*	*-*	*-*	*(1)*	*(1)*	*(4)*	*-*
Cash and cash equivalents	11,065	1,255	*(1)*	188	63	3	4	258	*(1)*	12,578
Derivative financial instruments	(69)	5		-	113	(1,861)	(76)	(1,824)		(1,888)
of which fair value of derivatives	*(198)*	*5*	*(3)*	*-*	*114*	*(1,861)*	*-*	*(1,748)*	*(4)*	*(1,941)*
of which accrued interest on derivatives	*129*	*-*	*(4)*	*-*	*(1)*	*-*	*(76)*	*(77)*	*(4)*	*53*
Net financial debt	**(19,539)**	**728**	***(5)***	**(511)**	**240**	**586**	**(41)**	**274**	***(5)***	**(18,536)**

(*) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

Cash flows for the period (inflow of €728 million) include strong free cash flow generation of €5.4 billion as well as acquisitions by VINCI Airports, VINCI Highways and VINCI Energies totalling €2.1 billion, dividend distributions of €1.9 billion, and share buy-backs during the period net of capital increases for €0.6 billion.

Changes in fair value (increase of €586 million) reflect the impact of higher interest rates on cash flow hedges and include the gain on the early partial redemption of London Gatwick airport's bond debt.

The positive exchange rate effect of €240 million arises for the most part from the revaluation of long-term foreign currency debts. Changes in consolidation scope mainly relate to the acquisitions of Mexican airport operator OMA (€300 million) and SCDI (€134 million).

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

Reconciliation of net financial debt with financing flows shown in the cash flow statement

(in € millions)	*Ref.*	2022
Change in net cash	*(1)*	1,306
Change in cash management assets and other current financial debts	*(2)*	(1,245)
(Proceeds from)/repayment of loans	*(3)*	867
Changes in consolidation scope and other changes (*)	*(4)*	74
Change in net financial debt	*(5)*	1,002

(*) Including OMA's net financial debt in an amount of €300 million.

25.1 Detail of long-term financial debt by business line

The breakdown of net long-term financial debt (including the part at less than one year) at 31 December 2022 was as follows:

(in € millions)	31/12/2022 Bonds	31/12/2022 Other bank loans and other financial debt	31/12/2022 Long-term financial debt	31/12/2021 Bonds	31/12/2021 Other bank loans and other financial debt	31/12/2021 Long-term financial debt
Concessions	(15,684)	(3,384)	**(19,067)**	(17,763)	(2,998)	**(20,761)**
VINCI Energies	-	(36)	**(36)**	-	(37)	**(37)**
Cobra IS	-	(706)	**(706)**	-	(405)	**(405)**
VINCI Construction	-	(82)	**(82)**	-	(103)	**(103)**
Holding companies and VINCI Immobilier	(5,999)	-	**(5,999)**	(7,189)	(1)	**(7,191)**
Total	**(21,683)**	**(4,208)**	**(25,891)**	**(24,952)**	**(3,545)**	**(28,497)**

At 31 December 2022, long-term net financial debt amounted to €25.9 billion, down €2.6 billion compared with the 31 December 2021 figure of €28.5 billion. The change resulted mainly from the following transactions:

- VINCI SA redeemed two bond issues: 100 million Swiss francs of bonds issued in 2012 with a coupon of 3% (redeemed in January 2022) and $717 million of bonds issued in 2017 with a coupon of 0.375% (redeemed in February 2022). In October 2022, VINCI SA issued €650 million of 10-year bonds with a coupon of 3.375%.
- In July, ASF redeemed €1.6 billion of bonds issued in 2007 with a coupon of 5.625%, and in the first half of the year repaid €55 million of borrowings from the European Investment Bank. In September, ASF then issued €850 million of 10-year bonds with a coupon of 2.75% followed by a tap of €75 million.
- To finance part of the cost of acquiring Mexican airport operator OMA, in December the company that holds VINCI's interest in OMA, Concessoc 31, negotiated three floating rate credit facilities in a total amount of 8.7 billion Mexican pesos, expiring in 2026, 2028 and 2033.
- In December, London Gatwick airport partially redeemed, in a nominal amount of £463 million, four sterling bond issues due to mature in 2024, 2046, 2048 and 2049, paying an average coupon of 3.66%.
- In November, to refinance its 600 million Brazilian real bridging loan, Manaus airport arranged two facilities due to expire in 2046: a 600 million real debenture, of which 475 million reals had been used by the end of the year, and a 750 million real bank loan on which it had drawn 249 million reals.
- In May, Lima Expresa took out a new 1.4 billion Peruvian sol 18-month bridging loan, comprising two tranches with an average interest rate of 7.18%, to refinance the previous loan (1.2 billion sols).
- The transaction to take control of SCDI resulted in the recognition in VINCI's consolidated financial statements of a C$204 million bond issue due to mature in 2031 and paying a coupon of 6.17%.
- At the end of December 2022, newly acquired airport operator OMA had five bond issues outstanding in a total amount of 9 billion Mexican pesos, comprising two floating rate bond issues totalling 2.7 billion pesos and maturing in 2026 and 2027 and three fixed rate bond issues totalling 6.3 billion pesos paying an average coupon of 8.06% and maturing in 2023, 2028 and 2029, along with a 1.2 billion peso bank loan due to mature in 2023.

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

Concessions

(in € millions)		Currency	Contractual interest rate	Maturity	31/12/2022 Capital remaining due	Carrying amount	of which accrued interest not matured	31/12/2021 Capital remaining due	Carrying amount
Bonds	**I**				**16,128**	**15,684**	**228**	**16,895**	**17,763**
ASF group, of which:					**7,968**	**7,515**	**107**	**8,626**	**9,026**
ASF 2007 bond issue		EUR	5.6%	July 2022	-	-	-	1,575	1,642
ASF 2013 bond issue		EUR	2.9%	January 2023	700	719	19	700	734
ASF 2014 bond issue		EUR	3.0%	January 2024	600	616	17	600	615
ASF 2016 bond issue		EUR	1.0%	May 2026	500	458	3	500	512
ASF 2017 bond issue		EUR	1.1%	April 2026	500	503	4	500	503
ASF 2017 bond issue		EUR	1.3%	January 2027	1,000	1,007	12	1,000	1,006
ASF 2018 bond issue		EUR	1.4%	June 2028	700	620	5	700	735
ASF 2018 bond issue		EUR	1.4%	January 2030	1,000	872	13	1,000	1,072
ASF 2019 bond issue		EUR	1.4%	February 2031	1,000	829	12	1,000	1,045
ASF 2022 bond issue and supplement		EUR	2.8%	September 2032	925	849	8	-	-
Cofiroute, of which:					**3,000**	**2,640**	**11**	**3,000**	**2,983**
2016 bond issue		EUR	0.4%	February 2025	650	642	2	650	652
2016 bond issue		EUR	0.8%	September 2028	650	553	2	650	657
2017 bond issue		EUR	1.1%	October 2027	750	721	2	750	757
2020 bond issue		EUR	1.0%	May 2031	950	953	6	950	952
Arcour, of which:					**392**	**389**	**-**	**400**	**398**
Arcour 2017		EUR	2.8%	November 2047	392	389	-	400	398
VINCI Airports, of which:					**4,291**	**4,670**	**106**	**4,582**	**5,062**
Aerodom 2017		USD	6.8%	March 2029	297	294	-	280	276
Gatwick Airport Limited 2011 (*)		GBP	6.1%	March 2026	338	336	17	357	366
Gatwick Airport Limited 2011 (*)		GBP	6.5%	March 2041	338	317	18	357	363
Gatwick Airport Limited 2012 (*)		GBP	5.3%	January 2024	169	177	8	357	373
Gatwick Airport Limited 2012 (*)		GBP	5.8%	January 2037	338	349	18	357	368
Gatwick Airport Limited 2014 (*)		GBP	4.6%	March 2034	395	403	14	417	425
Gatwick Airport Limited 2016 (*)		GBP	2.6%	October 2046	203	201	1	357	353
Gatwick Airport Limited 2017 (*)		GBP	3.1%	September 2039	395	392	3	417	414
Gatwick Airport Limited 2018 (*)		GBP	3.3%	February 2048	229	230	6	357	358
Gatwick Airport Limited 2019 (*)		GBP	2.9%	July 2049	230	227	3	357	353
Gatwick Airport Limited 2021 (*)		GBP	2.5%	April 2030	338	341	6	357	358
Gatwick Airport Finance plc		GBP	4.4%	April 2026	507	507	5	536	533
OMA (Grupo Aeroportuario del Centro Norte)		MXN			432	436	5		
Other concessions, of which:					**478**	**470**	**3**	**287**	**294**
Lima Expresa 2012		PEN	Inflation-linked	June 2037	258	232	-	211	206
Other bank loans and other financial debt	**II**				**3,427**	**3,384**	**10**	**3,033**	**2,998**
VINCI Autoroutes, of which:					**1,231**	**1,206**	**3**	**1,095**	**1,087**
ASF group					398	392	-	465	457
Cofiroute		EUR			298	298	3	353	353
Arcos		EUR			356	352	-	359	355
VINCI Airports, of which:					**1,587**	**1,576**	**7**	**1,095**	**1,087**
ADL (Aéroports de Lyon), including ADLP (*)		EUR			332	333	2	347	348
VINCI Airports Serbia (*)		EUR			394	388	-	359	352
Concessoc 31 (OMA's holding company) 2022 (*)		MXN			420	417	4		
Other concessions, of which:					**609**	**601**	**1**	**578**	**580**
Lima Expresa 2019 (*)		PEN	7.1%	November 2023	306	300		293	297
Long-term financial debt	**I+II**				**19,555**	**19,067**	**238**	**19,928**	**20,761**

(*) Including borrowings subject to covenants at 31 December 2022.

VINCI SA

(in € millions)		Currency	Contractual interest rate	Maturity	31/12/2022 Capital remaining due	Carrying amount	of which accrued interest	31/12/2021 Capital remaining due	Carrying amount
Bonds, of which	**I**				**6,866**	**6,000**	**51**	**6,933**	**7,189**
2017 bond issue and supplement [*]		USD	0.4%	February 2022				633	633
2018 bond issue		EUR	1.0%	September 2025	750	697	2	750	768
2018 bond issue and supplement		EUR	1.8%	September 2030	1,100	944	5	1,100	1,182
2019 bond issue		GBP	2.3%	March 2027	451	457	8	476	483
2019 bond issue		EUR	1.6%	January 2029	950	833	15	950	998
2019 bond issue		USD	3.8%	April 2029	938	867	8	883	946
2019 bond issue		GBP	2.8%	September 2034	451	451	4	476	476
2020 green bond issue		EUR	0.0%	November 2028	500	408	-	500	485
2021 bond issue		EUR	0.5%	January 2032	750	568	4	750	730
2022 bond issue		EUR	3.4%	October 2032	650	632	5		
Long-term financial debt	**I+II**				**6,866**	**6,000**	**51**	**6,933**	**7,189**

(*) Corresponding to non-dilutive convertible bonds.

Breakdown of long-term financial debt by currency

At 31 December 2022, 58% of the Group's long-term financial debt was denominated in euros, 24% in sterling and 7% in US dollars. Most foreign currency debts of companies of which the functional currency is the euro (mainly VINCI SA 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 2022, the Group's debt and associated interest payments break down as follows, by maturity date:

(in € millions)		31/12/2022 Carrying amount	Capital and interest	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Bonds							
Capital		(21,683)	(22,994)	(981)	(1,074)	(6,017)	(14,922)
Interest payments			(4,710)	(574)	(553)	(1,385)	(2,199)
Other bank loans and other financial debt							
Capital		(4,208)	(4,249)	(996)	(550)	(1,088)	(1,616)
Interest payments			(1,472)	(167)	(138)	(331)	(837)
Long-term financial debt		**(25,891)**	**(33,425)**	**(2,717)**	**(2,315)**	**(8,820)**	**(19,573)**
Commercial paper		(1,947)	(1,947)	(1,947)			
Other current financial liabilities		(977)	(977)	(977)			
Bank overdrafts		(1,083)	(1,083)	(1,083)			
Financial current accounts - liabilities		(99)	(99)	(99)			
Financial debt	**I**	**(29,997)**	**(37,531)**	**(6,823)**	**(2,315)**	**(8,820)**	**(19,573)**
Financial assets	**II**	**13,349 [**]**	**13,349**	**13,349**			
Derivative financial instruments - liabilities		(2,379)	(1,477)	(266)	(251)	(630)	(329)
Derivative financial instruments - assets		491	65	40	18	8	(1)
Derivative financial instruments	**III**	**(1,888)**	**(1,412)**	**(227)**	**(234)**	**(622)**	**(330)**
Net financial debt	**I+II+III**	**(18,536)**					

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

(**) Including €13.3 billion at less than three months, consisting mainly of €4.2 billion of cash equivalents and €8.4 billion of cash (see Note J.26.1, "Net cash managed").

At 31 December 2022, the average maturity of the Group's long-term financial debt was 6.9 years (7.3 years at 31 December 2021). The average maturity was 7.1 years for Concessions, 3 years for VINCI Energies, 2 years for Cobra IS, 3.9 years for VINCI Construction, and 7.1 years for the holding companies and VINCI Immobilier.

25.3 Credit ratings and financial covenants

Credit ratings

At 31 December 2022, 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	P2
ASF	Standard & Poor's	A–	Stable	A2
	Moody's	A3	Stable	P2
Cofiroute	Standard & Poor's	A–	Stable	A2
Gatwick Funding Limited (*)	Standard & Poor's	BBB	Negative	
	Moody's	Baa2	Stable	
	Fitch	BBB+	Negative	

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

In 2022, rating agencies confirmed or updated their views as follows:

- as regards VINCI SA,
  - Moody's confirmed its long-term rating of A3 with stable outlook;
  - in March 2022, Standard & Poor's confirmed its A– long-term and A2 short-term ratings with stable outlook;
- as regards ASF,
  - in May 2022, Moody's confirmed its long-term rating of A3 with stable outlook;
  - in June 2022, Standard & Poor's confirmed its A– long-term and A2 short-term ratings with stable outlook;
- as regards Cofiroute, in June 2022, Standard & Poor's confirmed its A– long-term and A2 short-term ratings with stable outlook.

Moody's also revised its outlook on Gatwick Funding Limited from negative to stable, while confirming its long-term rating of Baa2.

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 an unstable macroeconomic context, 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 take place with lenders as the case may be to inform them of potential instances of default related to such failures. Group entities seeking to renegotiate some of their financing terms have been able to reach agreements.
In particular, waivers and amendments were obtained by London Gatwick airport in September 2021 in relation to its bank and bond debt, which is subject to covenants, for a total amount of £2.9 billion at 31 December 2022. The agreement mainly consisted of the following:

- an exemption from the requirement to comply, in December 2021 and June 2022, with the two financial ratios (interest coverage ratio and debt ratio) provided for in its financing agreements at 31 December 2022, these financial ratios were maintained;
- a change to the method for calculating the debt ratio until June 2024 in order to adjust for the exceptional impact of the Covid-19 crisis on the airport's Ebitda.

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 on the balance sheet under "Current financial liabilities".

"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 2022, the Group's available resources amounted to €20.5 billion, including €9.2 billion of net cash managed and €11.3 billion of confirmed medium-term credit facilities remaining unused. 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 breaks down as follows:

	31/12/2022					
(in € millions)	Concessions	VINCI Energies	Cobra IS	VINCI Construction	Holding companies and VINCI Immobilier	Total
Cash equivalents	**265**	**34**	**433**	**122**	**3,373**	**4,227**
Marketable securities and mutual funds (UCITS)	-	-	-	-	1,327	1,327
Negotiable debt securities with an original maturity of less than 3 months (*)	265	34	433	122	2,046	2,900
Cash	**1,377**	**535**	**1,129**	**2,709**	**2,601**	**8,351**
Bank overdrafts	**-**	**(59)**	**-**	**(998)**	**(27)**	**(1,083)**
Net cash and cash equivalents	**1,642**	**510**	**1,562**	**1,834**	**5,947**	**11,495**
Cash management financial assets	**-**	**53**	**447**	**-**	**4**	**503**
Negotiable debt securities and bonds with an original maturity of less than 3 months	-	46	417	-	4	467
Negotiable debt securities and bonds with an original maturity of more than 3 months	-	6	30	-	-	37
Commercial paper issued	**-**	**-**	**(20)**	**-**	**(1,927)**	**(1,947)**
Other current financial liabilities	**(79)**	**(7)**	**(879)**	**(10)**	**(1)**	**(977)**
Balance of cash management current accounts	**3,113**	**1,149**	**-**	**2,872**	**(6,981)**	**152**
Net cash managed	**4,675**	**1,704**	**1,110**	**4,695**	**(2,957)**	**9,227**

(*) Including term deposits, interest earning accounts and certificates of deposit.

	31/12/2021					
(in € millions)	Concessions	VINCI Energies	Cobra IS (**)	VINCI Construction	Holding companies and VINCI Immobilier	Total (**)
Cash equivalents	**165**	**45**	**255**	**137**	**2,441**	**3,042**
Marketable securities and mutual funds (UCITS)	-	-	-	-	732	732
Negotiable debt securities with an original maturity of less than 3 months (*)	165	45	255	137	1,708	2,310
Cash	**1,686**	**584**	**1,036**	**2,417**	**2,299**	**8,022**
Bank overdrafts	**(5)**	**(52)**	**-**	**(760)**	**(60)**	**(876)**
Net cash and cash equivalents	**1,846**	**577**	**1,291**	**1,795**	**4,680**	**10,188**
Cash management financial assets	**14**	**22**	**72**	**1**	**5**	**114**
Negotiable debt securities and bonds with an original maturity of less than 3 months	14	-	-	1	5	20
Negotiable debt securities and bonds with an original maturity of more than 3 months	-	21	72	-	-	93
Commercial paper issued	**(327)**	**-**	**(85)**	**-**	**-**	**(412)**
Other current financial liabilities	**(367)**	**(25)**	**(467)** (**)	**(32)**	**(1)**	**(891)**
Balance of cash management current accounts	**3,661**	**1,988**	**-**	**2,854**	**(8,477)**	**25**
Net cash managed	**4,827**	**2,562**	**811**	**4,618**	**(3,794)**	**9,024**

(*) Including term deposits, interest earning accounts and certificates of deposit.

(**) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

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 and analysing the associated level of risk.

At 31 December 2022, net cash managed by VINCI SA amounted to €2.6 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 €1.3 billion at 31 December 2022. 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 centralised must comply with the guidelines and instructions issued by VINCI, which define the investment vehicles and the counterparties authorised. The investments amounted to around €5.2 billion at 31 December 2022, comprising €1.6 billion for Concessions, €0.6 billion for VINCI Energies, €1.1 billion for Cobra IS and €1.8 billion for VINCI Construction.

26.2 Other available resources

Revolving credit facilities

VINCI has a €8 billion confirmed syndicated revolving credit facility. After two extensions of one year each, the maturity of the credit facility was extended until November 2025 for most of the amount (€7.7 billion). In July 2022, VINCI arranged a second €2.5 billion revolving credit facility with a one-year maturity and two six-month extension options. These facilities do not contain any default clause relating to non-compliance with financial ratios. They were unused at 31 December 2022.

The company that owns London Gatwick airport has a £300 million revolving credit facility, which is due to expire in June 2025. Drawings on this facility amounted to £60 million at 31 December 2022.

Cobra IS has access to several multi-currency revolving credit facilities due to mature in 2023 and 2024, totalling €961 million and mainly denominated in euros. At 31 December 2022, a total of €450 million had been drawn on these credit facilities.

Commercial paper

VINCI has a €5 billion commercial paper programme rated A2 by Standard & Poor's and P2 by Moody's. At 31 December 2022, €1.9 billion had been issued under that programme.

The Covid Corporate Financing Facility set up by the UK government, which the company that owns London Gatwick airport started using in November 2020 with a maximum funding capacity of £300 million, was not renewed in March 2022.

Cobra IS has a commercial paper programme that was renewed in November 2022 for one year and increased to €200 million, on which it had issued €20 million at 31 December 2022.

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 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. In addition, derivative financial instruments are generally 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 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 must be 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. It involves mainly receive fixed/pay floating interest rate swaps.
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. It involves mainly receive floating/pay fixed interest rate swaps.
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 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:

(in € millions)	Balance sheet item	Note	31/12/2022 Asset	31/12/2022 Liability	31/12/2022 Fair value (*)	31/12/2021 Asset	31/12/2021 Liability	31/12/2021 Fair value (*)
Derivatives related to net financial debt								
Interest rate derivatives: fair value hedges		27.1.2	82	1,920	(1,838)	731	164	567
Interest rate derivatives: cash flow hedges		27.1.2	330	6	324	-	141	(141)
Interest rate derivatives not designated as hedges		27.1.3	9	14	(5)	33	31	2
Interest rate derivatives	Net financial debt		**422**	**1,940**	**(1,518)**	**764**	**335**	**429**
Exchange rate derivatives: fair value hedges		27.2	-	-	-	-	-	-
Exchange rate derivatives: cash flow hedges		27.2	4	1	4	6	2	4
Exchange rate derivatives: hedges of net foreign		27.2	39	44	(4)	2	143	(142)
Exchange rate derivatives not designated as hedges		27.2	9	40	(31)	4	23	(19)
Exchange rate derivatives	Net financial debt		**53**	**84**	**(31)**	**12**	**168**	**(156)**
Other derivatives	Net financial debt		**17**	**355**	**(338)**	**91**	**432**	**(341)**
Derivatives related to WCR								
Exchange rate derivatives: fair value hedges		27.2	3	3	-	2	6	(4)
Exchange rate derivatives: cash flow hedges		27.2	2	11	(9)	1	2	(2)
Exchange rate derivatives	Working capital requirement		**5**	**14**	**(9)**	**3**	**9**	**(6)**
Other derivatives	Working capital requirement		**2**	**-**	**1**	**26**	**-**	**25**
Total derivative financial instruments			**498**	**2,393**	**(1,896)**	**894**	**944**	**(50)**

(*) Fair value includes interest accrued but not matured of €53 million at 31 December 2022 and €129 million at 31 December 2021.

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 activities of the Energy and Construction businesses, and the 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 relative to cash flow from operations.
The Energy and Construction businesses and the holding companies 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 swaps or options 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.

As part of benchmark interest rate reforms, the Group transitioned to new indices during the first half of 2022. Coupons are now being calculated on the basis of the new indices. The accounting impacts are not material since the transition regarding hedged instruments and hedging instruments is taking place in a synchronised manner and in accordance with industry standards. Lastly, the transition to the new indices has no impact on the Group's risk management policy.

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

This table shows the breakdown at 31 December 2022 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	16,697	*85%*	2.70%	345	*2%*	8.18%	2,514	*13%*	5.81%	19,556	3.20%
VINCI Energies	36	*100%*	1.37%							36	1.37%
Cobra IS	8	*1%*	4.08%				695	*99%*	3.47%	702	3.48%
VINCI Construction	71	*85%*	2.52%				12	*15%*	5.32%	83	2.93%
Holding companies	6,791	*99%*	1.95%				75	*1%*	0.00%	6,866	1.93%
Total at 31/12/2022	**23,602**	***87%***	**2.49%**	**345**	***1%***	**8.18%**	**3,296**	***12%***	**5.18%**	**27,243**	**2.88%**
Total at 31/12/2021	**24,684**	***90%***	**2.50%**	**291**	***1%***	**7.50%**	**2,432**	***9%***	**1.39%**	**27,407**	**2.45%**

	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	7,830	*40%*	3.82%	360	*2%*	7.94%	11,366	*58%*	3.78%	19,556	3.87%
VINCI Energies	36	*100%*	1.37%							36	1.37%
Cobra IS	8	*1%*	4.08%				695	*99%*	3.47%	702	3.48%
VINCI Construction	74	*89%*	2.46%				10	*11%*	5.99%	83	2.86%
Holding companies	3,184	*46%*	1.54%				3,682	*54%*	4.20%	6,866	2.97%
Total at 31/12/2022	**11,131**	***41%***	**3.15%**	**360**	***1%***	**7.94%**	**15,752**	***58%***	**3.86%**	**27,243**	**3.63%**
Total at 31/12/2021	**15,650**	***57%***	**2.46%**	**311**	***1%***	**7.18%**	**11,447**	***42%***	**0.38%**	**27,407**	**1.64%**

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 2022 remains constant over one year. The consequence of a variation in interest rates of 100 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.

	31/12/2022			
	Income		Equity	
(in € millions)	Impact of sensitivity calculation +100 bps	Impact of sensitivity calculation −100 bps	Impact of sensitivity calculation +100 bps	Impact of sensitivity calculation −100 bps
Floating rate debt after hedging (accounting basis)	(161)	161		
Floating rate assets after hedging (accounting basis)	92	(92)		
Derivatives not designated as hedges for accounting purposes	16	(16)		
Derivatives designated as cash flow hedges			319	(319)
Total	**(53)**	**53**	**319**	**(319)**

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
31/12/2022	(1,838)	15,620	820	235	3,385	11,180
31/12/2021	567	15,276	1,259	820	2,378	10,819

These transactions relate mainly to 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.
These transactions mainly involve the holding companies, motorway projects and other concessions.

At 31 December 2022, details of the instruments designated as cash flow hedges were as follows:

	31/12/2022					
(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)	324	2,868	278	164	980	1,446
Interest rate options (caps, floors and collars)	-	16	5	5	6	-
Total interest rate derivatives designated as cash flow hedges for accounting purposes	**324**	**2,884**	**283**	**169**	**986**	**1,446**
of which hedging of contractual cash flows	*324*	*2,884*	*283*	*169*	*986*	*1,446*

	31/12/2021					
(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)	(139)	5,944	3,086	221	1,071	1,566
Interest rate options (caps, floors and collars)	(1)	20	4	5	11	-
Total interest rate derivatives designated as cash flow hedges for accounting purposes	**(141)**	**5,964**	**3,091**	**225**	**1,082**	**1,566**
of which hedging of contractual cash flows	*(141)*	*5,964*	*3,091*	*225*	*1,082*	*1,566*

The following table shows the periods in which the Group expects the amounts recorded in equity at 31 December 2022 for the instruments designated as cash flow hedges to have an impact on profit or loss:

	31/12/2022				
		Amount recycled in profit or loss			
(in € millions)	Amount recorded in equity of controlled companies	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Total interest rate derivatives designated as cash flow hedges for accounting purposes	**266**	**127**	**27**	**57**	**56**
of which existing instruments	*320*	*132*	*32*	*70*	*87*
of which unwound instruments	*(54)*	*(4)*	*(4)*	*(13)*	*(31)*

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
31/12/2022	**(5)**	2,297	2,222	-	-	75
31/12/2021	**2**	775	-	700	-	75

At 31 December 2022, non-hedging transactions mainly correspond to hedges of commercial paper and swaps arranged as anticipatory hedges at Arcour, which no longer met the criteria for hedge accounting.

27.2 Management of exchange rate risk

Nature of the Group's risk exposure

VINCI generates more than 60% of its revenue 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 exchange rate risk is therefore limited.
VINCI's exchange rate risk management policy consists of hedging the transactional risk connected with subsidiaries' commercial or financial flows denominated in currencies other than their functional currency.

In addition, 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 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:

			31/12/2022			
(in € millions)	Balance sheet fair value	Notional	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Forward foreign exchange transactions	4	122	104	17	-	-
Cash flow hedges (*)	**4**	**122**	**104**	**17**	**-**	**-**
Currency swaps (incl. cross currency swaps)	(4)	2,731	247	467	996	1,020
Hedges of net foreign investments (*)	**(4)**	**2,743**	**259**	**467**	**996**	**1,020**
Currency swaps (incl. cross currency swaps)	(32)	670	171	48	450	-
Forward foreign exchange transactions	1	405	405	-	-	-
Exchange rate derivatives not designated as hedges for accounting purposes	**(31)**	**1,075**	**576**	**48**	**450**	**-**
Total exchange rate derivatives	**(31)**	**3,939**	**939**	**533**	**1,446**	**1,020**

(*) 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.

			31/12/2021			
(in € millions)	Balance sheet fair value	Notional	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After 5 years
Forward foreign exchange transactions	4	226	204	6	15	-
Cash flow hedges (*)	**4**	**226**	**204**	**6**	**15**	**-**
Currency swaps (incl. cross currency swaps)	(141)	2,597	474	109	838	1,177
Hedges of net foreign investments (*)	**(142)**	**2,597**	**474**	**109**	**838**	**1,177**
Currency swaps (incl. cross currency swaps)	(18)	589	150	146	224	69
Forward foreign exchange transactions	(1)	438	438	-	-	-
Exchange rate derivatives not designated as hedges for accounting purposes	**(19)**	**1,027**	**588**	**146**	**224**	**69**
Total exchange rate derivatives	**(156)**	**3,850**	**1,267**	**261**	**1,077**	**1,245**

(*) 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.

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 2022:

(in € millions)			31/12/2022		
Currency	**GBP (pound sterling)**	**USD (US dollar)**	**MXN (Mexican peso)**	**SGD (Singapore dollar)**	**JPY (Japanese yen)**
Notional amount of derivatives designated as NIH	2,121	274		120	
Nominal amount of debt designated as NIH	902	957	420		87

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), Mexican peso (MXN), Singapore dollar (SGD), Japanese yen (JPY), Canadian dollar (CAD) or a Scandinavian currency.
At 31 December 2022, the main net investment hedging positions concerned the following acquisitions:

- VINCI Airports – GBP exposure related to London Gatwick airport and Belfast International airport, USD exposure related to Aerodom, JPY exposure related to Kansai Airports, and MXN exposure related to OMA;
- VINCI Construction – USD exposure related to Eurovia Atlantic Coast (formerly Lane Construction's Plants & Paving division);
- VINCI Energies – USD exposure related to PrimeLine Utility Services and SGD exposure related to Wah Loon Engineering.

Analysis of operational exchange rate risk

The principal foreign exchange exposures were as follows at 31 December 2022:

(in € millions)	31/12/2022				
Currency	**CAD (Canadian dollar)**	**USD (US dollar)**	**GBP (pound sterling)**	**NZD (New Zealand dollar)**	**AED (United Arab Emirates dirham)**
Closing rate	1.444	1.0666	0.88693	1.6798	3.9196
Exposure	240	210	117	22	21
Hedging	(1)	(64)	(72)	-	(9)
Net position	**239**	**146**	**45**	**22**	**12**

Given a residual exposure on some non-hedged assets, a 10% appreciation of the above-mentioned foreign currencies against the euro would have a positive impact on pre-tax earnings of €52 million.

Detail of 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 at 31 December 2022:

(in € millions)

Currency	**USD/EUR**	**USD/BRL (*)**	**GBP/EUR**	**PLN (**)/EUR**	**AED (***)/EUR**
Fair value	(5)	(3)	(1)	1	1
Notional	221	102	47	28	15
Average maturity (months)	6	8	16	3	5
Buy/Sell	Buy/Sell	Buy/Sell	Buy/Sell	Buy/Sell	Sell

(*) Brazilian real.
(**) Polish zloty.
(***) United Arab Emirates dirham.

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). 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 VINCI'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. 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 2022, adjustments recognised with respect to counterparty risk and own credit risk were not material.

Netting agreements relating to derivative financial instruments

At 31 December 2022 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:

	31/12/2022			31/12/2021		
(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	498	(185)	313	894	(323)	571
Derivative financial instruments - liabilities	(2,393)	185	(2,208)	(944)	323	(621)
Net derivative instruments	**(1,896)**		**(1,896)**	**(50)**		**(50)**

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

27.4 Management of other risks

Equity risk

At 31 December 2022, the Group held 25,790,809 VINCI shares (representing 4.38% of the share capital) acquired at an average price of €80.95. Increases or decreases in the stock market price of these treasury shares have no impact on the Group's consolidated profit or loss or equity.

In addition, VINCI has an 8% stake in Groupe ADP. At each balance sheet date, this investment is 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 €10 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".

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, commodity price risk is 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.
VINCI Construction 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.
As part of its business, Cobra IS may enter into energy hedge contracts to mitigate its exposure to adverse changes in electricity and gas prices.

VINCI uses little unprocessed raw material, other than the aggregates produced and used by VINCI Construction.

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 2021 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:

31/12/2022	Accounting categories							Fair value			
Balance sheet headings and classes of instrument	Derivatives at fair value through profit or 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**	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3: internal model using non-observable factors	**Total**
Equity instruments			1,187	10			1,197	992 (*)		205	1,197
Financial assets at amortised cost and PPP financial					1,403		1,403		1,403		1,403
I – Non-current financial assets (**)	**-**	**-**	**1,187**	**10**	**1,403**	**-**	**2,599**	**992**	**1,403**	**205**	**2,599**
II – Derivative financial instruments	**35**	**463**					**498**		**498**		**498**
Cash management financial assets			503				503	-	503		503
Financial current accounts - assets					252		252	252			252
Cash equivalents			4,227				4,227	1,327	2,900 (***)		4,227
Cash			8,351				8,351	8,351			8,351
III – Current financial assets	**-**	**-**	**13,081**	**-**	**252**	**-**	**13,333**	**9,930**	**3,403**	**-**	**13,333**
Total assets	**35**	**463**	**14,268**	**10**	**1,654**	**-**	**16,430**	**10,922**	**5,303**	**205**	**16,430**
Bonds						(21,683)	(21,683)	(19,738)	(1,187)		(20,924)
Other bank loans and other financial debt						(4,208)	(4,208)	-	(4,245)		(4,245)
IV – Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(25,891)**	**(25,891)**	**(19,738)**	**(5,432)**	**-**	**(25,169)**
V – Derivative financial instruments	**(409)**	**(1,984)**					**(2,393)**		**(2,393)**		**(2,393)**
Other current financial liabilities						(2,923)	(2,923)		(2,923)		(2,923)
Financial current accounts - liabilities						(99)	(99)	(99)			(99)
Bank overdrafts						(1,083)	(1,083)	(1,083)			(1,083)
VI – Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(4,106)**	**(4,106)**	**(1,183)**	**(2,923)**	**-**	**(4,106)**
Total liabilities	**(409)**	**(1,984)**	**-**	**-**	**-**	**(29,997)**	**(32,391)**	**(20,920)**	**(10,749)**	**-**	**(31,669)**

(*) Fair value of Groupe ADP shares – see Note E.11, "Other non-current financial assets".
(**) Including the part at less than one year of collateralised loans and receivables – 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 time-deposit accounts.

The table below shows the carrying amount and fair value of financial assets and liabilities as reported at 31 December 2021 by accounting category as defined by IFRS 9:

31/12/2021	Accounting categories							Fair value			
Balance sheet headings and classes of instrument	Derivatives at fair value through profit or 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**	Level 1: quoted prices and cash	Level 2: internal model using observable factors	Level 3: internal model using non-observable factors	**Total**
Equity instruments			1,069	9			1,078	898 [1]		180	1,078
Financial assets at amortised cost and					1,372		1,372		1,372		1,372
I – Non-current financial assets [2]	**-**	**-**	**1,069**	**9**	**1,372**	**-**	**2,450**	**898**	**1,372**	**180**	**2,450**
II – Derivative financial instruments	**128**	**767**					**894**		**894**		**894**
Cash management financial assets			114				114	-	114		114
Financial current accounts - assets			-		86		86	86			86
Cash equivalents			3,042				3,042	732	2,310 [3]		3,042
Cash			8,022				8,022	8,022			8,022
III – Current financial assets	**-**	**-**	**11,178**	**-**	**86**	**-**	**11,264**	**8,841**	**2,423**	**-**	**11,264**
Total assets	**128**	**767**	**12,247**	**9**	**1,458**	**-**	**14,609**	**9,739**	**4,690**	**180**	**14,609**
Bonds						(24,952)	(24,952)	(24,472)	(1,309)		(25,782)
Other bank loans and other financial debt						(3,545)	(3,545)	-	(3,592)		(3,592)
IV – Long-term financial debt	**-**	**-**	**-**	**-**	**-**	**(28,497)**	**(28,497)**	**(24,472)**	**(4,902)**	**-**	**(29,374)**
V – Derivative financial instruments	**(488)**	**(456)**					**(944)**		**(944)**		**(944)**
Other current financial liabilities						(1,304) [4]	(1,304) [4]		(1,304)		(1,304)
Financial current accounts - liabilities						(61)	(61)	(61)			(61)
Bank overdrafts						(876)	(876)	(876)			(876)
VI – Current financial liabilities	**-**	**-**	**-**	**-**	**-**	**(2,241)** [4]	**(2,241)** [4]	**(937)**	**(1,304)**	**-**	**(2,241)**
Total liabilities	**(488)**	**(456)**	**-**	**-**	**-**	**(30,738)** [4]	**(31,682)** [4]	**(25,409)**	**(7,149)**	**-**	**(32,559)**

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

(4) Amounts adjusted following the final purchase price allocation for Cobra IS, acquired on 31 December 2021. See Note B.2, "Changes in consolidation scope in previous periods".

K. Employee benefits and share-based payments

29. Provisions for employee benefits

At 31 December 2022, the part at more than one year of provisions for employee benefits broke down as follows:

(in € millions)	Note	31/12/2022	31/12/2021
Provisions for retirement benefit obligations	29.1	1,064	1,357
Long-term employee benefits	29.2	86	102
Total provisions for employee benefits		**1,149**	**1,459**

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 the following:

- 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 2022, provisions for retirement benefit obligations comprised provisions for lump sums on retirement and provisions with respect to obligations for supplementary retirement benefits.

(in € millions)	31/12/2022	31/12/2021
At more than one year	1,064	1,357
At less than one year (*)	53	51
Total provisions for retirement benefit obligations	**1,117**	**1,408**

(*) 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 former 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 some UK and Swiss subsidiaries, 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 2022, 6,319 individuals, including 3,191 retirees, were covered by the plans. The average duration of the plans is 15 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 (2,846 people at 31 December 2022, 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 10 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 2022, 9,152 individuals were covered by the plans, including 5,554 retirees, 2,259 people working for Group subsidiaries and 1,339 people who were generally still working but no longer working for the Group. Most of these plans were closed at 31 December 2022. Their average duration is 11 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	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Discount rate	3.25%	1.05%	4.65% - 4.75%	1.65% - 1.70%	2.05%	0.30%
Inflation rate	2.00%	1.80%	2.25% - 2.55% (*) 3.05% - 3.15% (**)	2.30% - 2.65% (*) 3.10% - 3.25% (**)	1.10%	1.10%
Rate of salary increases	2.10% - 4.40%	2.10% - 4.00%	1.00% - 3.65%	1.00% - 3.45%	1.60%	1.60%
Rate of pension increases	2.00%	1.80%	2.76% - 3.85%	2.36% - 3.75%	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 2022. The book value at 31 December 2022 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 2022 are provided below.

Result of actuarial valuations in the period

Breakdown by type of obligation

(in € millions)		31/12/2022 Lump sums paid on retirement in France	Pensions, supplementary pensions and other	Total	31/12/2021 Lump sums paid on retirement in France	Pensions, supplementary pensions and other	Total
Actuarial liability from retirement benefit obligations		641	2,116	2,757	754	3,030	3,783
Plan assets at fair value		34	1,882	1,916	38	2,492	2,530
Deficit (or surplus)		**607**	**234**	**841**	**716**	**538**	**1,254**
Provision recognised under liabilities on the balance sheet	**I**	**607**	**510**	**1,117**	**716**	**692**	**1,408**
Overfunded plans recognised under assets on the balance sheet	II	-	178	178	-	110	110
Asset ceiling effect (IFRIC 14) (*)	III	-	98	98	-	44	44
Total	**I–II–III**	**607**	**234**	**841**	**716**	**538**	**1,254**

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

Overall, the proportion of obligations relating to retired beneficiaries was around 32% of the total actuarial liability from retirement benefit obligations at 31 December 2022.

Breakdown by country

(in € millions)		31/12/2022 France	Germany	United Kingdom	Switzerland	Other countries	Total
Actuarial liability from retirement benefit obligations		835	334	937	496	155	2,757
Plan assets at fair value		136	7	1,052	586	135	1,916
Deficit (or surplus)		**698**	**327**	**(114)**	**(90)**	**20**	**841**
Provision recognised under liabilities on the balance sheet	**I**	**708**	**327**	**36**	**2**	**43**	**1,117**
Overfunded plans recognised under assets on the balance sheet	II	10	-	150	2	15	178
Asset ceiling effect (IFRIC 14) (*)	III	-	-	-	90	8	98
Total	**I–II–III**	**698**	**327**	**(114)**	**(90)**	**20**	**841**

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

(in € millions)		31/12/2021 France	Germany	United Kingdom	Switzerland	Other countries	Total
Actuarial liability from retirement benefit obligations		993	436	1,642	547	165	3,783
Plan assets at fair value		142	9	1,635	583	160	2,530
Deficit (or surplus)		**851**	**427**	**7**	**(36)**	**5**	**1,254**
Provision recognised under liabilities on the balance sheet	**I**	**859**	**427**	**88**	**4**	**30**	**1,408**
Overfunded plans recognised under assets on the balance sheet	II	-	-	81	2	27	110
Asset ceiling effect (IFRIC 14) (*)	III	-	-	-	38	6	44
Total	**I–II–III**	**859**	**427**	**7**	**(36)**	**(3)**	**1,254**

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

Change in actuarial liability and plan assets

(in € millions)		2022	2021
Actuarial liability from retirement benefit obligations			
At beginning of period		**3,783**	**3,625**
of which obligations covered by plan assets		*2,717*	*2,538*
Current service cost		88	91
Actuarial liability discount cost		46	41
Past service cost (plan changes and curtailments)		(22)	(4)
Plan settlements		-	-
Actuarial gains and losses recognised in other comprehensive income		(971)	2
of which impact of changes in demographic assumptions		*(6)*	*(22)*
of which impact of changes in financial assumptions		*(1,114)*	*48*
of which experience gains and losses		*149*	*(24)*
Benefits paid to beneficiaries		(159)	(126)
Employee contributions		15	14
Business combinations		1	1
Disposals of companies and other assets		15	4
Currency translation differences		(39)	135
At end of period	**I**	**2,757**	**3,783**
of which obligations covered by plan assets		*1,849*	*2,717*
Plan assets			
At beginning of period		**2,530**	**2,140**
Interest income during period		33	27
Actuarial gains and losses recognised in other comprehensive income (*)		(557)	208
Plan settlements		-	-
Benefits paid to beneficiaries		(98)	(55)
Contributions paid to funds by the employer		39	64
Contributions paid to funds by employees		15	13
Business combinations		-	-
Disposals of companies and other assets		(4)	2
Currency translation differences		(42)	130
At end of period	**II**	**1,916**	**2,530**
Deficit (or surplus)	**I–II**	**841**	**1,254**

(*) 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.

VINCI estimates the payments to be made in 2023 in respect of retirement benefit obligations at €107 million, comprising €57 million of benefits to be paid to retired employees or beneficiaries (benefits not covered by plan assets), and €50 million of contributions to be paid to fund managing bodies.
Pension funds are also likely to pay €123 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)	2022	2021
Provisions for retirement benefit obligations recognised under liabilities on the balance sheet		
At beginning of period	**1,408**	**1,490**
Total charge recognised with respect to retirement benefit obligations	80	103
Actuarial gains and losses recognised in other comprehensive income	(414)	(206)
Benefits paid to beneficiaries by the employer	(61)	(70)
Contributions paid to funds by the employer	(39)	(64)
Business combinations and disposals of companies	1	1
Asset ceiling effect (IFRIC 14) and overfunded plans	135	147
Currency translation differences	5	6
At end of period	**1,117**	**1,408**

Breakdown of expenses recognised in respect of defined benefit plans

(in € millions)	2022	2021
Current service cost	(88)	(91)
Actuarial liability discount cost	(46)	(41)
Interest income on plan assets	33	27
Past service cost (plan changes and curtailments)	22	4
Impact of plan settlements and other	(1)	(2)
Total	**(80)**	**(103)**

Breakdown of plan assets by country and type of investment

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

	31/12/2022				
	United Kingdom	**Switzerland**	**France**	**Other countries**	**Weighted average**
Breakdown of plan assets					
Equities	15%	34%	17%	26%	22%
Bonds	31%	35%	22%	23%	31%
Property	10%	25%	5%	10%	14%
Money market securities	8%	6%	1%	1%	6%
Other investments	37%	0%	55%	41%	27%
Total	100%	100%	100%	100%	100%
Plan assets *(in € millions)*	**1,052**	**586**	**136**	**142**	**1,916**
Plan assets by country *(% of total)*	**55%**	**31%**	**7%**	**7%**	**100%**

	31/12/2021				
	United Kingdom	**Switzerland**	**France**	**Other countries**	**Weighted average**
Breakdown of plan assets					
Equities	17%	32%	18%	30%	22%
Bonds	25%	41%	28%	21%	28%
Property	6%	22%	4%	8%	10%
Money market securities	4%	6%	1%	1%	4%
Other investments	48%	0%	50%	41%	37%
Total	100%	100%	100%	100%	100%
Plan assets *(in € millions)*	**1,635**	**583**	**142**	**169**	**2,530**
Plan assets by country *(% of total)*	**65%**	**23%**	**6%**	**7%**	**100%**

At 31 December 2022, the amount of plan assets listed on active markets (fair value level 1 as defined by IFRS 13) was €1,417 million (€2,128 million at 31 December 2021). During the period, the actual rate of return on plan assets was –30% in the UK, –6% in Switzerland and –1% 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 rise in the discount rate would decrease the actuarial liability by around 6%.

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 1%.

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 €691 million in 2022 (€647 million in 2021). 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 2022, they amounted to €98 million, including €11 million for the part at less than one year (€114 million including €12 million for the part at less than one year at 31 December 2021).

Provisions for long-service bonuses and jubilee bonuses have been calculated using the following actuarial assumptions:

	31/12/2022	31/12/2021
Discount rate	3.75%	1.05%
Inflation rate	2.00%	1.80%
Rate of salary increases	2.00% - 3.00%	1.80% - 2.80%

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 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 awards of performance shares and Group savings plans are granted as decided by VINCI's Board of Directors after approval at the Shareholders' General Meeting. Since their measurement is not entirely 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

	31/12/2022	31/12/2021
Number of shares granted subject to performance conditions at beginning of period	**7,173,432**	**7,034,538**
Shares granted subject to performance conditions	2,489,710	2,489,680
Shares vested	(1,826,223)	(1,929,768)
Shares cancelled	(658,710)	(421,018)
Number of shares granted subject to performance conditions not vested at end of period	**7,178,209**	**7,173,432**

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

	Plan set up on 12/04/2022	Plan set up on 08/04/2021	Plan set up on 09/04/2020	Plan set up on 17/04/2019
Original number of beneficiaries	4,114	3,960	3,529	3,271
Vesting date of the shares granted	12/04/2025	08/04/2024	09/04/2023	17/04/2022
Number of shares granted subject to performance conditions originally (*)	**2,489,710**	**2,489,680**	**2,365,032**	**2,453,497**
Shares cancelled	(27,830)	(44,160)	(86,278)	(626,264)
Shares vested	(750)	(2,575)	(4,620)	(1,827,233)
Number of shares granted subject to performance conditions at end of period	**2,461,130**	**2,442,945**	**2,274,134**	**-**

(*) This includes shares granted to the Chief Executive Officer under a plan set up in accordance with ordinary law and subject to the same performance conditions.

On 3 February 2022, VINCI's Board of Directors decided that 80% of the performance shares initially granted under the 2019 plan (i.e. 1,827,073 shares) would vest for beneficiaries having remained with the Group (i.e. 2,970 employees). That percentage reflects the fact that the external economic performance criterion (20% weighting) was not fulfilled: the difference between VINCI's TSR (total shareholder return) calculated between 1 January 2019 and 31 December 2021 (38.9%) and that of the CAC 40 over the same period (63.5%) was negative by 25 percentage points, and so no shares vested in respect of this criterion. The internal economic performance criterion and the external environmental criterion (65% and 15% weightings respectively) were 100% fulfilled.

On 12 April 2022, VINCI's Board of Directors decided to set up a new performance share plan involving a grant of 2,489,710 shares subject to performance conditions to 4,114 employees. These shares 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 to the fulfilment of the following performance conditions:

- An economic criterion (50% weighting) measuring value creation. This will be determined depending on the ratio of the return on capital employed (ROCE, determined after deconsolidation of the airports business and until global airport traffic has returned to 2019 levels over a full year according to IATA figures), calculated as an average over a three-year period, to the weighted average cost of capital (WACC), also calculated as an average over a three-year period. The vesting percentage will vary between 0% if the ratio is 1.0x or lower and 100% if the ratio is 1.25x or higher, with linear interpolation between the two limits of this range.
- Financial criteria (25% weighting) including:
    a) Relative stock market performance (12.5%), measuring VINCI's share price performance by comparison with a composite industry index, calculated on the basis of the stock market valuations of a list of companies with business activities similar to those of VINCI. This relative performance corresponds to the difference, ascertained at 31 December 2024, between the following two indicators:
    - the total shareholder return (TSR) for the VINCI share between 1 January 2022 and 31 December 2024;

- the TSR for the composite industry index between 1 January 2022 and 31 December 2024.

Total shareholder returns include dividends.

The vesting percentage will vary between 0% if the difference is negative by 5 percentage points or more and 100% if the difference is positive by 5 percentage points or more, with linear interpolation between the two limits of this range.

b) The Group's ability to manage its debt and generate cash flows in line with its level of debt). This will be measured by the FFO (funds from operations)/net debt ratio, determined according to the methodology of rating agency Standard & Poor's and calculated as an average over a three-year period. The vesting percentage will vary between 0% if the ratio is 15% or lower and 100% if the ratio is 20% or higher, with linear interpolation between the two limits of this range.

- Environmental, social and governance criteria (25% weighting) comprising:
  a) an external environmental criterion (15% weighting) measured by the Climate Change score received each year by VINCI from CDP Worldwide in respect of the 2022, 2023 and 2024 financial years;
  b) a safety criterion (5% weighting) measuring the Group's safety performance, based on the frequency rate of workplace accidents with at least 24 hours of lost time per million hours worked for VINCI employees worldwide;
  c) a criterion relating to increasing female representation (5% weighting) measuring the increase in the percentage of women hired or promoted to management positions across the Group's whole scope.

The Board of Directors may adjust these performance conditions either in the event of a strategic decision that changes the scope of the Group's business activities or under exceptional circumstances.

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:

	2022 plan	2021 plan	2020 plan (**)	2019 plan
VINCI share price on date plan was announced *(in €)*	90.91	90.70	76.50	89.68
Fair value per performance share at grant date *(in €)*	76.85	78.64	61.69	74.84
Fair value compared with share price at grant date	84.53%	86.70%	80.64%	83.45%
Original maturity (in years) - vesting period	3 years	3 years	3 years	3 years
Risk-free interest rate (*)	0.52%	–0.64%	–0.44%	–0.40%

(*) 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 €164 million was recognised in 2022 in respect of performance share plans that have not yet vested (April 2022, April 2021 and April 2020 plans, and end of the April 2019 plan), compared with €143 million in 2021 (April 2021, April 2020 and April 2019 plans, and end of the April 2018 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 generally 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. The subscription period for each capital increase is around four months. The shares subscribed with the employer contribution are subject to a five-year lock-up period. The benefits granted in this way to Group employees are measured at fair value on the date of the Board decision in relation to the plan, and recognised in profit or loss on the same date, in accordance with IFRS 2.

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 2018, 2019 and 2021 plans (2020 plans are excluded due to the exceptional nature of that year).

Group savings plan – France	2022 First four-month period of 2023 (1 January – 30 April 2023)	Third four-month period of 2022 (1 September – 31 December 2022)	Second four-month period of 2022 (1 May – 31 August 2022)
Subscription price *(in €)*	80.08	85.51	91.92
Share price at date of Board of Directors' meeting	86.55	84.76	97.57
Estimated number of shares subscribed	1,989,627	415,351	1,033,690
Estimated number of shares issued (subscriptions plus employer contribution)	3,228,016	653,224	1,581,051

Group savings plan – France	2021 First four-month period of 2022 (1 January – 30 April 2022)	Third four-month period of 2021 (1 September – 31 December 2021)	Second four-month period of 2021 (1 May – 31 August 2021)
Subscription price (in €)	85.59	89.08	77.83
Share price at date of Board of Directors' meeting	91.47	95.73	81.30
Estimated number of shares subscribed	1,861,541	412,896	1,661,792
Estimated number of shares issued (subscriptions plus employer contribution)	3,020,207	672,572	2,570,257

Group savings plan – international

In 2022, 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 covers 45 countries, representing 93% of Group revenue and 86% of the Group's workforce outside France.

The main characteristics of this plan are as follows:

- subscription period: from 16 May to 3 June 2022 for all countries except the United Kingdom (seven successive subscription periods between March and September 2022);
- 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)	2022	2021	2020	2019
Subscription price *(in €)*	91.71	91.72	73.41	88.08
Closing share price on the last day of the subscription period *(in €)*	90.14	93.45	90.32	90.28
Anticipated dividend pay-out rate	4.06%	2.97%	2.51%	2.60%
Fair value of bonus shares on the last day of the subscription period *(in €)*	79.81	85.47	83.78	83.60

The expense recognised in 2022 for all Group employee savings plans amounted to €192 million (€145 million in 2021).

L. Other notes

31. Related party transactions

The Group's transactions with related parties mainly concern the following:

- 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 2022 and 2021 as follows:

	Members of governing bodies and the Executive Committee	
(in € thousands)	2022	2021
Remuneration	15,880	11,576
Employer social contributions	7,340	8,449
Post-employment benefits	1,863	2,320
Termination benefits	-	3,102
Share-based payments (*)	8,178	9,647
Remuneration as Board members	1,277	1,379

(*) 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 2022 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 €58 million at 31 December 2022 (€75 million at 31 December 2021).

31.2 Other related parties

Qatar Holding LLC owned 3.3% of VINCI at 31 December 2022. 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 carries out construction projects in Qatar and international markets. It generated revenue of €322 million in 2022.
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 2022				PwC 2022				KPMG 2022 (**)			
(in € millions)	Statutory Auditor (Deloitte & Associés)	Network	Total Deloitte	%	Statutory Auditor (PwC 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	2%	0.4	-	0.4	3%	-	-	-	0%
Fully consolidated subsidiaries	6.5	7.0	13.6	83%	4.6	4.4	9.0	77%	2.0	0.8	2.8	84%
Subtotal	**6.9**	**7.0**	**14.0**	**86%**	**5.0**	**4.4**	**9.4**	**81%**	**2.0**	**0.8**	**2.8**	**84%**
Services other than certification of accounts (*)												
VINCI SA	0.5	-	0.5	3%	0.3	-	0.3	3%	-	-	-	0%
Fully consolidated subsidiaries	0.2	1.6	1.8	11%	0.1	1.8	1.9	17%	0.1	0.5	0.5	16%
Subtotal	**0.7**	**1.6**	**2.3**	**14%**	**0.4**	**1.8**	**2.2**	**19%**	**0.1**	**0.5**	**0.5**	**16%**
Total	**7.7**	**8.6**	**16.3**	**100%**	**5.4**	**6.3**	**11.7**	**100%**	**2.1**	**1.2**	**3.4**	**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 2022 were as follows:

- 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 (the regional authority for the Greater Paris area) 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 Greater Paris area 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 regional authority and various construction companies. More than two years after the jurisdiction court's decision, the regional authority made 88 applications to the Paris Administrative Court relating to an equal number of 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 Région Île-de-France's claims. The regional authority is appealing against those decisions. On 19 February 2021, in its judgments in two of the 88 sets of proceedings, the Paris Administrative Appeal Court took the view that Région Île-de-France's action would not be time-barred, that the regional authority would therefore have grounds to ask the court to find the defendants jointly and severally liable, but that its wrongdoing reduced the defendants' liability by a third, and ordered an expert opinion to determine any harm suffered by Région Île-de-France. The defendants have lodged an appeal at last instance against these two judgments before the Conseil d'État, and the other 86 sets of proceedings remain adjourned. In a hearing of 5 July 2022, the reporting judge found that the action was time-barred and that Région Île-de-France's claims should be rejected. However, the Conseil d'État decided to defer its consideration of the case until a later date. In the meantime, the submission of the expert opinion has been postponed. The Group takes the view that these proceedings, whose origin dates back more than 30 years and which concerns a claim that has already been found to be time-barred in 2013 and then again in 2019, 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

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

procedure provided for in Article 94 of the concession contract. The government refused to comply and, through an order dated 24 October 2019, 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 Code of Administrative Justice, to try to reach a balanced agreement that would resolve the dispute. On 3 June 2021, AGO received the government's defence, sent by the Nantes Administrative Court. On 30 June 2021, the President of the Nantes Administrative Court proposed a mediation procedure to the parties, pursuant to Article L.213-7 of the French Code of Administrative Justice. AGO accepted this proposed mediation, but the latter was not able to take place due to the government's refusal to implement the procedure. The dispute is therefore still ongoing before the Nantes Administrative Court. As the matter currently stands, the Group is not able to assess the impact of this situation.

• 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. Since late 2012, the RSD has brought several arbitration and legal proceedings mainly to seek damages for what the RSD alleges was defective work affecting the roads and engineering structures that were built as well as additional compensation for various other losses. Repairs have been carried out since the start of 2014, costing substantially less than the amount sought by the RSD. A partial arbitration decision was handed down in June 2021. The corresponding works are expected to be completed by the end of 2022 for amounts that are also considerably lower than those sought by the RSD. An arbitration decision is pending for two other motorway sections and civil proceedings have been brought in relation to a fourth section. Regarding the claims relating mainly to defective work and covered by the proceedings already under way, the RSD is claiming damages of 3.1 billion Czech koruna, of which Eurovia CS's share would be around 75%. In view of its current status and its latest developments, 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. In a judgment on 25 May 2022, the Cour de Cassation dismissed Soletanche Bachy France's appeal against the judgment of the Paris Appeal Court that had made the arbitration award of 30 August 2017 enforceable, thereby bringing the proceedings to an end. 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 6 November 2019, the Metropolitan Municipality of Lima (Peru) commenced arbitration proceedings against Lima Expresa, 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. Lima Expresa is contesting the Metropolitan Municipality of Lima's claims based on allegations of bribery prior to the Group's acquisition of Lima Expresa in 2016, and has filed a counterclaim. In addition, in proceedings against a former public official of the Metropolitan Municipality of Lima, Lima Expresa was ordered at first instance to pay civil compensation amounting to around 25 million Peruvian sols. In two other sets of criminal proceedings currently taking place against an ex-mayor of Lima, the public prosecutors have requested that Lima Expresa's civil liability be invoked. Lima Expresa 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 it was claiming was around €150 million. VINCI Construction Grands Projets entirely disputes the compensation sought by Astaldi and has made a counterclaim aimed at (i) forcing Astaldi to pay its share of the loss suffered by the consortium at the time of its exclusion and (ii) forcing Astaldi to reimburse its share of the calls for funds made during the works, which total €59.6 million. An initial arbitral tribunal, the seat of which is in Geneva, was constituted on 14 June 2021. Subsequently, following Astaldi's acquisition by Webuild, on 25 November 2021 VINCI Construction Grands Projets commenced new arbitration proceedings against Webuild, without abandoning its counterclaim against Astaldi. VINCI Construction Grands Projets' view is that since the date of the aforementioned acquisition (1 August 2021), Webuild became liable for the compensation it is claiming from Astaldi in relation to the airport construction work. This is disputed by Webuild. Subsequently, on 11 March 2022, the International Chamber of Commerce's International Court of Arbitration joined the two existing sets of proceedings into a new set of proceedings. The arbitral tribunal then resigned and on 3 June 2022 the same International Court of Arbitration, noting that the parties had not agreed on the appointment of new arbitrators, appointed them itself in order to form a new arbitral tribunal, which has since been in charge of the new tripartite proceedings. As part of those proceedings, VINCI Construction Grands Projets has filed its submissions in support of its claim against Webuild and Astaldi, seeking an award forcing them to (i) pay their share of the loss suffered by the consortium at the time of Astaldi's exclusion and (ii) reimburse their share of the calls for funds made during the works, which total €59.6 million. These tripartite proceedings remain ongoing. In view of the current situation, the Group considers that this dispute will not have a material effect on its financial situation.

- On 23 June 2022, the Autorité de la Concurrence sent a statement of objections to Nuvia Process as principal, and to Soletanche Freyssinet and VINCI (as parent companies) relating to practices prohibited by Article L.420-1 of the French Commercial Code regarding engineering, maintenance, decommissioning and waste processing services in relation to nuclear facilities and concerning several contracts awarded by the CEA (the French alternative and atomic energy commission) for its Marcoule site. These proceedings remain ongoing. The Group takes the view that these proceedings represent a contingent liability whose impact it is unable to measure.

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 2022 net income

The Board of Directors finalised the consolidated financial statements for the year ended 31 December 2022 on 8 February 2023. These financial statements will only become definitive when approved at the Shareholders' General Meeting to be held on 13 April 2023. A draft resolution will be put to shareholders in that meeting to pay a dividend of €4.00 per share in respect of 2022. Given the payment of the interim dividend of €1.00 per share on 17 November 2022, the final dividend to be distributed would be €3.00 per share. That dividend would be paid on 27 April 2023 (ex-date: 25 April 2023).

34. Other post-balance sheet events

Share buy-back programme

As part of its share buy-back programme, VINCI signed a share purchase agreement with an investment services provider on 3 January 2023. Under that agreement, which runs from 4 January until 29 March 2023 at the latest, the provider will purchase up to €250 million of VINCI shares on VINCI's behalf. The price paid for those shares may not exceed the limit set at VINCI's Combined Shareholders' General Meeting of 12 April 2022.

Bond issue

On 12 January 2023, as part of its Euro Medium Term Note (EMTN) programme, ASF (Autoroutes du Sud de la France) issued €700 million of bonds due to mature in January 2033, with an annual coupon of 3.25%. The issue was 1.5x oversubscribed.

O. Other consolidation rules and methods

Intercompany 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. Monetary assets and 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 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, 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 as part of operating income in the "Impact of changes in scope and gain/(loss) on disposals of shares" item of 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.
At the date of acquisition of control, 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 constitutes 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 of assets and liabilities relating to 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 with no impact on control 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).

Assets held for sale and discontinued operations

Assets held for sale

Non-current assets (or groups of assets) are classified as held for sale and recognised at the lower of their carrying amount and their fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction instead of through continuing use.
Non-current assets (including those forming part of a group held for sale) classified as held for sale are not depreciated or amortised.

Discontinued operations

Discontinued operations, whether halted, disposed of or classified as held for sale, and provided they

- represent a business line or a geographical area of business that is material for the Group,
- form part of a single disposal plan relating to a business line or a geographical area of business that is material for the Group, or
- correspond to a subsidiary acquired exclusively for resale,

are shown on a separate line of the consolidated income statement and the consolidated cash flow statement at the balance sheet date.
The Group assesses their materiality using various criteria, both qualitative (market, product, geographical area) and quantitative (revenue, profitability, cash flow, assets). Assets connected with discontinued operations, if held for sale, are measured at the lower of their carrying amount and fair value less costs to sell.

Report of the Statutory Auditors on the consolidated financial statements

For the year ended 31 December 2022

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 2022.

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 2022 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) 537/2014.

3. Justification of our assessments – Key audit matters

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, 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 2022, i.e. €17,360 million, €28,224 million and €9,045 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 it has joint control or significant influence. Interests in those concession companies amounted to €397 million at 31 December 2022.

The Group carries out impairment tests on goodwill, concession intangible assets and other intangible assets, as well as 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, taking the macroeconomic outlook into account.

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, as well as investments in concession companies accounted for under the equity method 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, 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, G.16 and H.19.3 to the consolidated financial statements

Description of the risk

VINCI Construction and VINCI Energies together account for more than 83% of VINCI's consolidated revenue, and most of the former's revenue 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. This includes any rights to additional revenue or claims if these are highly probable and can be reliably estimated. Adjustments may therefore be made to initial estimates throughout the life of the contracts and may materially affect results.

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.

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, including, if need be, any rights to additional revenue or claims if these are highly probable and can be reliably estimated;
- 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, if a project is expected to be loss-making on completion, a provision is set aside for the loss on completion.

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 (€742 million at 31 December 2022), other current liabilities (€2,178 million at 31 December 2022) and other non-current liabilities (€392 million at 31 December 2022) represented a total amount of €3,312 million at 31 December 2022.

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.

Acquisition of Cobra IS

Note B.2 to the consolidated financial statements

Description of the risk

On 31 December 2021, Vinci acquired ACS's energy business (Cobra IS). In the second half of 2022, in accordance with IFRS 3 and with the assistance of an independent appraiser, VINCI finalised the allocation of the purchase price to the identifiable assets and liabilities at fair value at the acquisition date. The total purchase price was €5.2 billion, including the estimated earn-out to be paid gradually to the seller as gigawatts of renewable energy developed by Cobra IS are made available over a period extending until 30 June 2030 at the latest. The amount of goodwill definitively recognised was €4.2 billion.

Since Cobra IS was consolidated in VINCI's financial statements on 31 December 2021, provisional goodwill of €4.5 billion was recognised in the Group's consolidated financial statements at 31 December 2021.

We regarded this as a key audit matter because the acquisition is material for the Group and because of Management's use of estimates and judgement when identifying and measuring the assets acquired and liabilities assumed.

Audit work performed

In the course of our audit, we examined the legal documentation relating to the transaction, as well as the information that was prepared by Management to determine the purchase price and the amount of the earn-out payment on the one hand, and to identify the assets acquired and the liabilities assumed in the transaction on the other.

Our work also consisted of:

- conducting an audit of Cobra IS's opening balance sheet at 31 December 2021;
- familiarising ourselves with the process used by Management to identify and measure the assets and liabilities of companies acquired;
- examining the valuation report prepared by the independent appraiser appointed by the Group, holding meetings with that appraiser regarding the scope of his work, the valuation methods used and the main assumptions adopted;
- meeting with Management to corroborate the assumptions supporting the measurement of intangible assets;
- verifying the calculations performed.

Lastly, we examined the appropriateness of the information provided in the notes to the consolidated financial statements on the accounting treatment of this acquisition, particularly Note B.2.

4. Specific verification

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. 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, which is subject to a report by an independent third party.

The information required in Article 8 of Taxonomy Regulation (EU) 2020/852, included in the non-financial performance statement, calls for the following observation on our part : as mentioned in note E.3.1.2 of the management report , the scope of taxonomic data as of December 31, 2022 excludes Cobra IS.

5. Other legal and regulatory verifications or information

Format of consolidated financial statement to be included in the annual financial report

We also verified, in accordance with professional standards for statutory audit procedures to be carried out on parent company and consolidated financial statements presented in the European Single Electronic Format, that the presentation of 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, prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the format specified in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018. With regard to consolidated financial statements, our work includes verifying that the tagging in the statements complies with the format specified in the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material aspects, with the single electronic reporting format.

Due to the inherent technical limitations of block tagging the consolidated financial statements as required by the European Single Electronic Format, the content in the notes to which certain block tags have been applied may not be displayed in exactly the same way as in the statements accompanying this report.

However, it is not our responsibility to verify that the consolidated financial statements ultimately included by your Company in the annual financial report filed with the AMF correspond to those on which we performed our work.

6. 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 2022, Deloitte & Associés was in its 34th year and PricewaterhouseCoopers Audit was in its fourth year of total uninterrupted engagement.

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

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.

8. 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) 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, 9 February 2023
The Statutory Auditors

PricewaterhouseCoopers Audit

Bertrand Baloche   Jean-Romain Bardoz

Deloitte & Associés

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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