21.3 Credit and counterparty risk management

The ASF group 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, marketable securities, etc.), 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

Regarding its exposure to trade receivables risk, the ASF group 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 widely spread across France and other countries. No customer accounts for more than 10% of ASF's revenue. The analysis of customer receivables is presented in Note 12.2 "Current operating assets and liabilities".

Financial instruments (cash investments and derivatives)

Financial instruments (cash investments and derivatives) are set up with financial institutions that meet the Group's credit rating criteria. The Group has also set up a system of counterparty limits to manage its counterparty risk as well as maximum control ratios for a given investment. Maximum risk amounts by counterparty are defined according to their credit ratings given by rating agencies. The limits are regularly monitored and updated on the basis of a consolidated quarterly reporting system.

The Group Finance Department also distributes instructions to the subsidiaries laying down the authorised limits by counterparty and the list of authorised UCITS.

The fair value measurement of derivative financial instruments in the Group's balance sheet includes a "counterparty risk" component for derivative assets and an "own credit risk" component for derivative liabilities. Credit risk assessment makes use of the customary mathematical models employed by market participants. At 31 December 2020, adjustments recognised for counterparty risk and own credit risk were not material.

Offsetting arrangements for derivative financial instruments

At 31 December 2020 and in accordance with the provisions of IAS 32, the Group's financial assets and liabilities (including derivative financial instruments) are not offset in the balance sheet, except in cases where the Group has offsetting arrangements. In the event of default by the Group or any of the financial institutions with which it has entered into derivative contracts, these arrangements provide for an offsetting between the fair values of assets and liabilities arising from derivative financial instruments presented in the consolidated balance sheet.

The Group's net exposure resulting from these offsetting arrangements is shown in the following table:

	31/12/2020			31/12/2019		
(in € millions)	Fair value of derivatives recognised in the balance sheet(*)	Impact of offsetting arrangements	Total	Fair value of derivatives recognised in the balance sheet(*)	Impact of offsetting arrangements	Total
Derivative financial instruments – assets	681.9	(40.5)	641.4	636.4	(36.5)	599.9
Derivative financial instruments – liabilities	(120.1)	40.5	(79.6)	(106.2)	36.5	(69.7)
Derivative financial instruments net	**561.8**	**0.0**	**561.8**	**530.2**	**0.0**	**530.2**

(*) *Gross amounts as presented in the Group's consolidated balance sheet.*

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

The methods for measuring the fair value of financial assets and liabilities have not changed since the closing of 31 December 2019.

The following table shows the carrying amount and the fair value of financial assets and liabilities, in the balance sheet, by accounting category as defined in IFRS 9:

31/12/2020	Accounting categories							Fair value			
(in € millions) **Balance sheet headings and instrument classifications**	**Derivatives at fair value through profit and loss**	**Derivatives designated as hedges**	**Financial assets measured at fair value through profit or loss**	**Financial assets measured at fair value through equity**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Net carrying amount for the class**	**Level 1: Quoted prices and cash**	**Level 2: Internal model using observable factors**	**Level 3: Internal model using nonobservable factors**	**Fair value of the class**
Equity instruments				2.7			2.7	2.7			2.7
Financial assets at amortised cost					15.2		15.2		15.2		15.2
I – Non-current financial assets[1]	**0.0**	**0.0**	**0.0**	**2.7**	**15.2**	**0.0**	**17.9**	**2.7**	**15.2**	**0.0**	**17.9**
II – Derivative financial instruments – assets	**(5.0)**	**686.9**					**681.9**		**681.9**		**681.9**
Cash equivalents			258.2				258.2	258.2[2]			258.2
Cash			8.8				8.8	8.8			8.8
III – Current financial assets	**0.0**	**0.0**	**267.0**	**0.0**	**0.0**	**0.0**	**267.0**	**267.0**	**0.0**	**0.0**	**267.0**
Total assets	**(5.0)**	**689.9**	**267.0**	**2.7**	**15.2**	**0.0**	**966.8**	**269.7**	**697.1**	**0.0**	**966.8**
Bonds						(9,272.9)	(9,272.9)	(9,351.3)	(244.6)		(9,595.9)
Other bank loans and borrowings						(517.5)	(517.5)		(537.5)		(537.5)
IV – Long-term financial debt	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(9,790.4)**	**(9,790.4)**	**(9,351.3)**	**(782.1)**	**0.0**	**(10,133.4)**
V – Derivative financial instruments – liabilities	**0.1**	**(120.2)**					**(120.1)**		**(120.1)**		**(120.1)**
VI – Current financial liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total liabilities	**0.1**	**(120.2)**	**0.0**	**0.0**	**0.0**	**(9,790.4)**	**(9,910.5)**	**(9,351.3)**	**(902.2)**	**0.0**	**(10,253.5)**
Total	**(4.9)**	**566.7**	**267.0**	**2.7**	**15.2**	**(9,790.4)**	**(8,943.7)**	**(9,081.6)**	**(205.1)**	**0.0**	**(9,286.7)**

(1) *See Note 16. "Other non-current financial assets".*
(2) *Mainly comprising a cash current account.*

The following table shows the carrying amount and the fair value of financial assets and liabilities, in the balance sheet as of 31 December 2019, by accounting category as defined in IFRS 9:

31/12/2019	Accounting categories							Fair value			
(in € millions) **Balance sheet headings and instrument classifications**	**Derivatives at fair value through profit and loss**	**Derivatives designated as hedges**	**Financial assets measured at fair value through profit or loss**	**Financial assets measured at fair value through equity**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Net carrying amount for the class**	**Level 1: Quoted prices and cash**	**Level 2: Internal model using observable factors**	**Level 3: Internal model using nonobservable factors**	**Fair value of the class**
Equity instruments				3.3			3.3	3.3			3.3
Financial assets at amortised cost					15.0		15.0		15.0		15.0
I – Non-current financial assets[(1)]	**0.0**	**0.0**	**0.0**	**3.3**	**15.0**	**0.0**	**18.3**	**3.3**	**15.0**	**0.0**	**18.3**
II – Derivative financial instruments – assets	**0.0**	**636.4**					**636.4**		**636.4**		**636.4**
Cash equivalents			615.6				615.6	615.6[(2)]			615.6
Cash			9.2				9.2	9.2			9.2
III – Current financial assets	**0.0**	**0.0**	**624.8**	**0.0**	**0.0**	**0.0**	**624.8**	**624.8**	**0.0**	**0.0**	**624.8**
Total assets	**0.0**	**636.4**	**624.8**	**3.3**	**15.0**	**0.0**	**1,279.5**	**628.1**	**651.4**	**0.0**	**1,279.5**
Bonds						(9,916.1)	(9,916.1)	(10,017.2)	(329.5)		(10,346.7)
Other bank loans and borrowings						(578.8)	(578.8)		(596.4)		(596.4)
IV – Long-term financial debt	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(10,494.9)**	**(10,494.9)**	**(10,017.2)**	**(925.9)**	**0.0**	**(10,943.1)**
V – Derivative financial instruments – liabilities	**0.0**	**(106.2)**					**(106.2)**		**(106.2)**		**(106.2)**
VI – Current financial liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total liabilities	**0.0**	**(106.2)**	**0.0**	**0.0**	**0.0**	**(10,494.9)**	**(10,601.1)**	**(10,017.2)**	**(1,032.1)**	**0.0**	**(11,049.3)**
Total	**0.0**	**530.2**	**624.8**	**3.3**	**15.0**	**(10,494.9)**	**(9,321.6)**	**(9,389.1)**	**(380.7)**	**0.0**	**(9,769.8)**

(1) *See Note 16. "Other non-current financial assets".*
(2) *Mainly comprising a cash current account.*

J. Employee benefits and share-based payments

23. Provisions for employee benefits

At 31 December 2020, the long-term portion of provisions for employee benefits broke down as follows:

(in € millions)	Note	31/12/2020	31/12/2019
Provisions for retirement benefit obligations	23.1	114.4	115.8
Long-term employee benefits	23.2	3.7	3.2
Total provisions for employee benefits		**118.1**	**119.0**

23.1 Provisions for retirement benefit obligations

Accounting principles

Provisions are shown as liabilities on the consolidated balance sheet for obligations connected with defined benefit retirement plans, for both current and former employees (retirees and people with deferred rights). These provisions are determined using the projected unit credit method on the basis of actuarial assessments 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 where the plan is operated. Each plan's obligations are recognised separately.

In accordance with 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 on the asset or liability side of the balance sheet. This recognition is subject to the asset ceiling rules and the minimum funding requirements laid out in IFRIC 14.

The expense recognised in operating income during each period includes the cost of services rendered as well as the effects of any amendment, reduction or winding up of the plan. The impact of unwinding on actuarial debt and interest income from plan assets are recognised under other financial income and expense. Interest income from hedging assets is calculated using the discount rate used to determine the defined benefit obligation.

The impacts of remeasurement of the net liability for defined benefit retirement plans are recognised in items of other comprehensive income. They comprise:

- actuarial gains and losses on the obligation resulting from changes in actuarial assumptions and from experience adjustments (the effects of differences between the actuarial assumptions adopted and what has actually occurred);
- overperformance (underperformance) of plan assets, i.e. the difference between the actual return on the plan assets and their remuneration calculated based on the discount rate of the actuarial debt;
- and the change in the asset ceiling effect.

At 31 December 2020, provisions for retirement benefit obligations comprised, on the one hand, provisions for lump sums on retirement and, on the other hand, provisions for obligations for supplementary retirement benefits.

(in € millions)	31/12/2020	31/12/2019
Part at more than one year	114.4	115.8
Part at less than one year(*)	6.5	6.0
Total provisions for retirement benefit obligations	**120.9**	**121.8**

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

At 31 December 2020, provisions for retirement benefit obligations connected with post-employment benefit plans amounted to €120.9 million (including €114.4 million at more than one year) compared with €121.8 million at 31 December 2019 (including €115.8 million at more than one year). They comprised provisions for lump sums on retirement and provisions for obligations for supplementary retirement benefits. The part at less than one year of these provisions (€6.5 million at 31 December 2020 and €6.0 million at 31 December 2019) is reported under "other current payables".

Retirement benefit obligations covered by provisions in the balance sheet are calculated on the basis of the following assumptions:

Assumptions	31/12/2020	31/12/2019
Discount rate	0.80%	0.60%
Inflation rate	1.6%	1.6%
Rate of salary increases	0.0% - 2.6%	0.0% - 2.6%
Rate of change of medical expenses	0.0%	0.0%

Discount rates have been determined on the basis of the yields on private sector bonds with a rating of AA and whose maturities correspond to the plans' expected cash flows.

Plan assets are measured at their fair value at 31 December 2020. The book value at 31 December 2020 is used for assets invested with insurance companies.

On the basis of the actuarial assumptions referred to above, retirement benefit obligations, provisions recognised in the balance sheet, and the retirement benefit expenses recognised during the financial year are set out below.

Results of the period's actuarial assessments

Breakdown by type of obligation

	31/12/2020			31/12/2019		
(in € millions)	Lump sums paid on retirement in France	Pensions, supplementary retirement benefits and other	Total	Lump sums paid on retirement in France	Pensions, supplementary retirement benefits and other	Total
Actuarial liability with respect to retirement benefit obligations	67.8	76.3	144.1	70.0	78.3	148.3
Fair value of plan assets	(20.0)	(3.2)	(23.2)	(23.0)	(3.5)	(26.5)
Deficit (or surplus)	**47.8**	**73.1**	**120.9**	**47.0**	**74.8**	**121.8**
Provision recognised as liabilities in the balance sheet	**47.8**	**73.1**	**120.9**	**47.0**	**74.8**	**121.8**

Overall, the share of obligations allocated to retired beneficiaries amounted to approximately 17.1% at 31 December 2020.

Change in actuarial liability and plan assets during the period

(in € millions)		2020 Financial year	2019 Financial year
Actuarial liability with respect to retirement benefit obligations			
At the beginning of the period		**148.3**	**133.5**
of which obligations covered by plan assets		*110.1*	*98.7*
Cost of services rendered during the period		5.5	4.8
Effect of discounting actuarial liability to present value		0.9	2.2
Cost of services rendered (scheme amendments and reductions)		0.2	(0.2)
Actuarial gains and losses recognised in other comprehensive income		(1.3)	15.8
of which impact of changes in demographic assumptions		*1.2*	*(0.2)*
of which impact of changes in financial assumptions		*(2.8)*	*15.3*
of which experience gains and losses		*0.3*	*0.7*
Payments made to beneficiaries		(9.5)	(7.8)
At the end of the period	**I**	**144.1**	**148.3**
of which obligations covered by plan assets		*107.0*	*110.1*
Plan assets			
At the beginning of the period		**26.5**	**29.1**
Interest income during the period		0.1	0.4
Actuarial gains and losses recognised in other comprehensive income(*)		0.5	0.2
Payments made to beneficiaries		(5.4)	(3.9)
Contributions paid to funds by the employer		1.5	0.7
At the end of the period	**II**	**23.2**	**26.5**
Deficit (or surplus)	**I - II**	**120.9**	**121.8**

(*) *Experience gains and losses correspond to the difference noted between the actual return on plan assets and a nominal return calculated by applying the discount rate used in determining the actuarial liability.*

The ASF group estimates the payments planned for 2021 for retirement benefit obligations at €4.7 million, of which €3.6 million in pension benefits to be paid to retired or qualifying employees (benefits not covered by hedges) and €1.1 million to be paid to pension fund managers.

The pension funds should also pay €6.1 million in benefits to retired employees or their beneficiaries, with no impact on the Group's cash flow.

Change in provisions for retirement benefit obligations in the period

(in € millions)	2020 Financial year	2019 Financial year
Provisions for retirement benefit obligations recognised in liabilities		
At the beginning of the period	**121.8**	**104.4**
Total expense recognised with respect to retirement benefit obligations	6.5	6.4
Actuarial gains and losses recognised in other comprehensive income	(1.8)	15.6
Benefits paid by the employer	(4.1)	(3.9)
Contributions paid to funds by the employer	(1.5)	(0.7)
At the end of the period	**120.9**	**121.8**

Expenses recognised in respect of defined benefit plans

(in € millions)	2020 Financial year	2019 Financial year
Cost of services rendered during the period	5.5	4.8
Effect of discounting actuarial liability to present value	0.9	2.2
Interest income on plan assets	(0.1)	(0.4)
Cost of services rendered (scheme amendments and reductions)	0.2	(0.2)
Total	**6.5**	**6.4**

Breakdown of plan assets by type of investment

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

	31/12/2020	31/12/2019
	Eurozone	Eurozone
Breakdown of plan assets		
Shares	15.0%	17.2%
Bonds	75.8%	76.4%
Property	4.7%	4.4%
Money-market securities	4.2%	1.9%
Other	0.3%	0.1%
Total	**100.0%**	**100.0%**
Plan assets *(in € millions)*	**23.2**	**26.5**
Plan assets/Actuarial liability with respect to retirement benefit obligations *(as %)*	**16.1%**	**17.9%**

At 31 December 2020, the amount of hedging assets in active markets (level 1 in the fair value hierarchy under IFRS 13) was €22.0 million (€25.3 million at 31 December 2019). Over the period, the actual rate of return on plan assets was 0.8%.

Sensitivity

For all of the post-employment benefit plans of which Group employees are members (lump sums paid on retirement, pensions, and supplementary retirement benefits), a 0.5% decrease in the discount rate would increase the amount of the actuarial liability by around 5.0%.

For all of the pension plans and supplementary retirement benefit plans in force within the Group, a 0.5% increase in the long-term inflation rate would raise the value of the obligation by about 0.6%.

23.2 Other employee benefits

Provisions for other employee benefits mainly comprise long-service awards and Agreements on Early Retirement for Employees.

Long-service bonuses

The provisions have been calculated using the following actuarial assumptions:

Assumptions	31/12/2020	31/12/2019
Discount rate	0.80%	0.60%
Inflation rate	1.6%	1.6%
Rate of salary increases	1.6% - 2.0%	1.6% - 2.0%

This provision amounted to €4.2 million (including €3.7 million at more than one year) at 31 December 2020, against €4.6 million at 31 December 2019 (including €3.1 million at more than one year). The portion at less than one year is reported in the balance sheet under other current liabilities.

Agreements on Early Retirement for Employees ("CATS" agreements)

The provisions have been calculated using the following actuarial assumptions:

Assumptions	31/12/2020	31/12/2019
Discount rate	-0.25%	-0.30%
Increase in the ceiling used in calculating social security contributions	2.5%	2.5%
Increase in wages and salaries during pre-retirement	1.0%	1.0%
Increase in health and benefit insurance contributions	0.0% - 2.0%	0.0% - 2.0%

This provision amounted to €0.1 million (including €0.0 at more than one year) at 31 December 2020, against €0.2 million at 31 December 2019 (including €0.1 million at more than one year). This is net of the fair value of financial assets for a value close to zero at 31 December 2020 (value close to zero at 31 December 2019).

24. Share-based payments

Accounting principles

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

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 on the basis of the fair value at the grant date of the equity instruments granted by an external actuary.

Benefits granted under performance share plans and group savings schemes are implemented as decided by VINCI's Board of Directors after approval by the Shareholders' General Meeting. As their assessment is not directly related to the operational activity, it was considered appropriate not to include the corresponding expense in operating profit from ordinary activities which constitutes an indicator to measure corporate performance but instead to present it on a separate line "Share-based payments (IFRS 2)" in ordinary net operating income.

Equity compensation benefits paid by VINCI to ASF group employees

Since the acquisition of the ASF group by VINCI in March 2006, the employees of ASF and Escota benefit from the group savings scheme of the parent company, VINCI. In addition, certain employees benefit from stock options, and/or performance share plans and/or long-term incentive plans.

24.1 Performance shares

Performance shares have been granted to certain Group employees and senior executives. The corresponding plans provide for vesting to be subject to a condition of continued employment within the Group and the achievement of performance conditions. The number of performance shares for which fair value is used in order to calculate the IFRS 2 expense therefore includes the impact of the change in the likelihood of achievement of these performance criteria.

The expense for performance shares was measured at €5.2 million at 31 December 2020 (€5.7 million at 31 December 2019).

The VINCI Board of Directors at its meeting on 4 February 2020 decided to vest 99.69% of the original performance share allocations of the 2017 performance share plan to beneficiaries meeting the condition of continued employment within the Group. This rate reflects the fact that the external performance criterion was not fully met; the internal performance criterion (counting for 80% of the allocation) was fully met.

VINCI's Board of Directors' meeting held on 9 April 2020 decided to implement a new performance share plan that consists of granting employees a conditional performance share award. They will only be allocated definitively after a vesting period of three years. To qualify, the beneficiary must be employed by the Group until the end of the vesting period and meet the performance conditions.

24.2 Group savings plan

The VINCI Board of Directors defines the conditions for subscribing to the group savings plan in accordance with the authorisations granted to it by the Shareholders' General Meeting.

VINCI issues new shares in France three times a year reserved for VINCI group employees, with a subscription price that includes a 5% discount against the average stock market price of the VINCI share during the last twenty business days preceding the authorisation by the Board of Directors. Subscribers also benefit from an employer's contribution, which has been capped at an annual maximum of €3,500 per person since 1 January 2018, compared with a maximum contribution of €2,500 previously. The benefits granted in this way to employees of the Group are recognised in profit or loss and are valued in accordance with IFRS 2, on the basis of the following assumptions:

- length of subscription period: four months;
- length of period during which funds are frozen: five years.

In the context of the Covid-19 crisis, the subscription period for the plan in the 1st four months of 2020 was extended until the end of August and no new plan was offered to employees in the first half of 2020 compared to the previous years. Accordingly in 2020, only two savings plans were offered to employees.

The number of shares estimated as subscribed at the end of the subscription period is calculated using individual subscriptions based on historical observations of the 2017-2019 plans, taking into account a cost for frozen mutual fund shares.

This cost is estimated from the viewpoint of a hypothetical third party using a loan to purchase the same number of transferable shares and repaying the loan by selling the shares once these become available. A personal borrowing rate is determined based on the rate of amortisable consumer loans assessed by the Banque de France in the month of the valuation. This rate is compared with the risk-free rate at the grant date.

In December 2019, the Group had paid a gross unilateral contribution of €400 to all employees with over three months seniority at 15 December 2019. This contribution came in addition to the maximum contribution of €3,500.

The expense for the group savings plan was measured at €7.4 million at 31 December 2020 (€9.9 million at 31 December 2019).

K. Other notes

25. Transactions with related parties

The Group's transactions with related parties principally concern:

- remuneration and similar benefits paid to members of the governing and management bodies;
- transactions with companies in the VINCI group scope.

Transactions between related parties are conducted on the basis of market prices.

25.1 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 ASF SA and the companies that it controls to persons who, at the balance sheet date are (or, during the year, have been), members of the Group's governing bodies and Executive Committee. The corresponding amounts were recognised and expensed in 2020 and 2019 as follows:

(in € millions)	31/12/2020	31/12/2019
Remuneration	2,081.3	2,341.2
Employer's social charges	1,398.6	1,697.8
Post-employment benefits	37.3	39.6
Share-based payments(*)	1,747.2	1,794.1

(*) *The amount shown in this section is determined in accordance with IFRS 2 and according to the methods described in Note 24. "Share-based payments".*

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

At 31 December 2020, 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 €0.6 million at 31 December 2020 (€0.7 million at 31 December 2019).

25.2 Transactions with the VINCI group

Transactions in 2020 and 2019 between the ASF group and the VINCI group break down as follows:

(in € millions)	31/12/2020	31/12/2019
Subcontracting of construction work	6.2	10.4
Trade receivables	28.0	22.5
Current tax assets	79.1	
Dividend payments	896.2	1,173.1
Trade and other operating payables	42.1	30.5
Other current payables	13.9	13.5
Current tax liability(*)		16.5
Revenue and revenue from ancillary activities	45.2	41.3
Fees	21.9	22.7
Other external expenses	138.8	124.8

(*) *Income tax expense corresponds to payments made or to be made by ASF group companies in respect of the integration of said companies (ASF, Escota) in the VINCI group tax Group.*

25.3 Other related parties

The financial information relating to companies consolidated according to the equity method can be found in Notes 15.2 "Aggregated financial information" and 15.3 "Transactions between subsidiaries and associates".

There are no material transactions with related parties other than the VINCI group.

26. Statutory Auditors' fees

This table only includes fully consolidated companies.

	DELOITTE 2020				PricewaterhouseCoopers 2020				KPMG 2020			
(in € millions)	Statutory Auditor (Deloitte & Associés)	Network	Total Deloitte	%	Statutory Auditor (Pricewaterhouse Coopers Audit)	Network	Total PwC	%	Statutory Auditor (KPMG Audit IS)	Network	Total KPMG	%
Half-yearly certification and limited review of the Company and consolidated financial statements												
ASF SA	100.0	100.0	100.0	56.5%	75.0	75.0	75.0	91.5%	75.0	75.0	75.0	85.2%
Fully consolidated subsidiaries	70.0	70.0	70.0	39.5%				0.0%				0.0%
Sub-total	**170.0**	**170.0**	**170.0**	**96.0%**	**75.0**	**75.0**	**75.0**	**91.5%**	**75.0**	**75.0**	**75.0**	**85.2%**
Services other than the certification of financial statements(*)												
ASF SA	7.0	7.0	7.0	4.0%	7.0	7.0	7.0	8.5%	13.0	13.0	13.0	14.8%
Fully consolidated subsidiaries				0.0%				0.0%				0.0%
Sub-total	**7.0**	**7.0**	**7.0**	**4.0%**	**7.0**	**7.0**	**7.0**	**8.5%**	**13.0**	**13.0**	**13.0**	**14.8%**
Total	**177.0**	**177.0**	**177.0**	**100.0%**	**82.0**	**82.0**	**82.0**	**100.0%**	**88.0**	**88.0**	**88.0**	**100.0%**

(*) *The services other than certification of financial statements include the services they are required to provide by law and the services provided at the request of the controlled entities (contractual audits, comfort letters, statements, agreed procedures, consultations and work related to changes in accounting standards, due diligence for acquisitions, audits of procedures and information systems and tax services which do not affect their independent status).*

L. Note on litigation

Litigation is managed by the Legal Affairs Department, except for cases falling within the remit of the Human Resources Department.

The ASF group is a party in a certain number of disputes in connection with its activities. To ASF's knowledge, there is no litigation likely to affect substantially the business, financial performance, net assets or financial position of the ASF group. Furthermore, provisions that the Company considers sufficient given the current state of affairs have been taken in respect of cases in progress, where necessary and taking account of insurance cover.

M. Post-balance sheet events

27. Appropriation of 2020 net income

The Board of Directors finalised the consolidated financial statements for the year ended 31 December 2020 on 2 February 2021. These financial statements will only become definitive when approved by the Shareholders' General Meeting. At the Shareholders' Ordinary General Meeting of 19 March 2021, a dividend of €4.56 per share will be proposed for this financial year, which would be paid no later than 31 March 2021.

28. Other post-balance sheet events

Prices

In accordance with the amendments to the concession arrangement signed by the State, ASF and Escota, the price increase excluding taxes at 1 February 2021 will be as follows:
- for ASF: [0.70 i + 0.536], i.e. 0.536% for all classes of vehicles;
- for Escota: [0.70 i + 0.465], i.e. 0.465% for all classes of vehicles.

Subject to validation by the State services.

N. Other consolidation rules and methods

Intragroup transactions

All reciprocal operations and transactions relating to assets and liabilities, income and expenses between companies that are consolidated or accounted for under the equity method are eliminated in the consolidated financial statements.

When a fully consolidated Group company conducts a transaction with an associate consolidated by the equity method, the gains and losses resulting from this transaction are not recognised in the Group's consolidated financial statements except to the extent that third parties may hold an interest in the associate.

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 into euros at the closing rate. Foreign exchange gains or losses are recognised in profit and loss.

Foreign exchange gains and losses arising on loans denominated in foreign currency or on foreign currency derivative instruments qualifying as hedges of net investments in foreign subsidiaries are recorded under currency translation differences in equity.

Business combinations

Pursuant to IFRS 3 revised, the cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. Any price adjustments are included in the cost of business combinations and are measured at fair value at each balance sheet date. As of the acquisition date, any subsequent change in this value due to events after the acquisition of control is recognised in profit or loss.

Costs directly attributable to the acquisition such as due diligence and other related fees are recognised as an expense as incurred. They are shown on the line "Scope of consolidation effect and net gain on disposal of shares" in the income statement.

Non-controlling interests in the acquired company, if they confer on their owners current rights of ownership in the entity such as voting rights, a share in earnings, etc., together with a right to a share in the net assets in the event of liquidation, are recognised either at their percentage interest in the net identifiable assets of the acquired company or at their fair value. This option is applied to each acquisition on a case-by-case basis.

At the time control is acquired, the acquisition cost is allocated by recognising the fair value at that date of the identifiable assets acquired and liabilities assumed in the acquired company, excepting tax assets and liabilities or employee benefits, either measured according to the relevant standard (IAS 12 and IAS 19, respectively) as well as groups of assets classified as held for sale, which are recognised in accordance with IFRS 5 at their fair value minus selling costs. A positive difference between the acquisition cost and the fair value of the identifiable assets and liabilities acquired constitutes goodwill. Goodwill may at times include a portion of the fair value of non-controlling interests, i.e., if the full goodwill method has been used.

The Group may recognise within twelve months of the acquisition date any adjustments to provisional values as a result of completing the initial accounting of the transactions involving the acquirees.

If a business combination is made in stages, the investment interest previously held in the Company acquired is measured at the fair value at the date control was taken. Whatever profit or loss resulting from this is recognised on the income statement.

Transactions between shareholders, acquisitions and disposals of shares attributable to non-controlling interests subsequent to takeovers

In accordance with IFRS 10, acquisitions or disposals of shares attributable to non-controlling interests, with no impact on control, are considered as transactions with Group shareholders. The difference between the price paid to increase the percentage interest in already controlled entities and the additional share of equity thus acquired is recognised in equity Group share. Similarly, a decrease in the Group's percentage interest in an entity that remains controlled is recognised for accounting purposes as a transaction between shareholders, with no impact on profit or loss. Fees and other costs related to the acquisition or disposal of non-controlling interests without an impact on control, as well as any related tax effects are recognised in equity. The cash flows related to transactions between shareholders are presented in cash flows related to financing operations in the consolidated cash flow statement.

Survey of off-balance sheet commitments

The Group's off-balance sheet commitments are monitored through specific annual and half-year reports.

They are reported in the appropriate notes, as dictated by the activity to which they relate.

Report of the Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit A department of KPMG SA Tour Eqho	Deloitte & Associés
63, rue de Villiers 92208 Neuilly-sur-Seine France	2, avenue Gambetta 92066 Paris-La Défense Cedex France	6, place de la Pyramide 92908 Paris-La Défense Cedex France

Autoroutes du Sud de la France (ASF)
A French limited liability company (Société Anonyme)

Registered office: 12, rue Louis Blériot
92506 Rueil-Malmaison Cedex

Share capital: €29,343,640.56

Report of the Statutory Auditors on the consolidated financial statements

(Year ended 31 December 2020)

To the Shareholders' General Meeting

Autoroutes du Sud de la France
12, rue Louis Blériot
92500 RUEIL-MALMAISON

Opinion

Following our appointment as Statutory Auditors by your Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of Autoroutes du Sud de la France for the year ended 31 December 2020, as included in this report.

In our opinion, the consolidated financial statements give a true and fair view, in accordance with IFRS as adopted in the European Union, of the operating results for the year ended and of the assets, liabilities and financial position at the end of the year of the Group comprising the persons and entities included in the scope of consolidation.

Basis of our opinion

Audit guidelines

We conducted our audit in accordance with the prevailing standards of the profession in France. We believe that the information that we have collected provides a sufficient and appropriate basis for our opinion.

The responsibilities that fall on us under these standards are stated in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of this report.

Independence

We performed our audit assignment in compliance with the rules of independence laid down in the French Commercial Code and the Professional Code of Ethics of Statutory Auditors, for the period from 1 January 2020 to the issue date of our report; and in particular we have not provided services prohibited by article 5, paragraph 1, of Regulation (EU) No. 537/2014.

Justification of our assessments – Key points of the audit

The global crisis associated with the COVID-19 pandemic created special conditions for the preparation and audit of the financial statements for this financial year. Indeed, this crisis and the exceptional measures taken as part of the public health state of emergency have multiple consequences for companies, particularly on their activity and their financing, as well as increased uncertainty about their future outlook. Some of these measures, such as travel restrictions and remote working, have also affected the internal organization of companies and the way in which audits are conducted.

It is in this complex and changing context that, pursuant to articles L.823-9 and R.823-7 of the French Commercial Code concerning the justification of our assessments, we would direct your attention to the key points of the audit concerning the risk of material misstatement which, in our professional judgement, were the most important in auditing the period's consolidated financial statements, along with the responses we made with regard to these risks.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We express no opinion on items in these consolidated financial statements taken in isolation.

Assessment of provisions for the obligation to maintain the condition of concession assets

(Note 1.3. "Use of estimates" and 12.3. "Breakdown of current provisions" to the consolidated financial statements)

Risk identified

Provisions are taken for contractual obligations to maintain the condition of concession assets and principally to cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels and hydraulic infrastructure. Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructures.

These provisions, recognised in the amount of €486.4 million at 31 December 2020, are calculated on the basis of expense plans that span several years and are updated annually. The effect of discounting provisions is recognised under "other financial income and expenses". Forecasts are estimated, notably taking account of indexation clauses included in construction contracts (mainly the TP01 and TP09 public works indices) and the discount rates applied.

We have considered that the assessment of provisions for maintaining the condition of concession assets, which represent significant liabilities on the balance sheet, constitute a key element of the audit, insofar as these provisions rely on the management's judgment in estimating the projected expenses for major maintenance work over several years and on their sensitivity to the assumptions used, particularly in terms of public works indices and discount rates.

Our response to the risk
Our work notably consisted of:

- taking note of the procedures implemented by the Company for the assessment of the provisions for the obligation to maintain the condition of concession assets;
- comparing the expenses planned at the end of the preceding year for 2020 with the actual expenses recorded during 2019;
- performing a critical analysis of the expenses taken into account when making provisions, by comparing estimates in the multi-year spending forecast for major maintenance as at 31 December 2020 with those used to 31 December 2019;
- performing an examination of the estimates in the multi-year spending forecasts for major maintenance in comparison with the documentation available;
- checking the proper arithmetic application of indexation clauses for work contracts (principally the TP01 and TP09 indices);
- assessing the consistency of the discount rates used with market data.

Specific verification

We have also conducted, in accordance with the professional standards applicable in France and as required by law, the specific verifications provided for by legal and regulatory texts of the information about the Group presented in the Board of Directors' management report.

We have no comments to make as to its fair presentation and its conformity with the consolidated financial statements.

Other verifications or information required by laws and regulations

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Autoroutes du Sud de la France by your Shareholders' General Meeting of 22 March 2019 for PricewaterhouseCoopers Audit and 15 May 2006 for both Deloitte & Associés and KPMG S.A.

At 31 December 2020, PricewaterhouseCoopers Audit was in its second year of engagement and Deloitte & Associés and KPMG S.A. were both in the 15th year of their engagement, without interruption.

Responsibilities of Senior Management and persons constituting the corporate governance with respect to the consolidated financial statements

It is the responsibility of Management to prepare the consolidated financial statements presenting a true and fair view in accordance with IFRS as adopted in the European Union and to put in place the internal controls it considers necessary to prepare the consolidated financial statements without material misstatements, whether the result of fraud or of error.

At the time the consolidated financial statements are prepared, it falls to Management to assess the Company's ability to continue as a going concern, to present in these financial statements any necessary information relating to its status as a going concern and to apply the accounting principle of going concern, unless the Company plans to liquidate or cease its business.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain material misstatements. Reasonable assurance means a high level of assurance, without, however, guaranteeing that an audit conducted in accordance with the standards of professional practice can systematically detect all material misstatements. Misstatements may arise from fraud or be the result of error and are considered material when one can reasonably expect that, taken individually or in combination, they may influence the economic decisions that users of the financial statements take when relying upon them.

As specified by article L.823-10-1 of the French Commercial Code, our audit engagement for the financial statements does not consist of warranting the viability or quality of the management of your Company.

In an audit conducted in accordance with the standards of professional practice applicable in France, the Statutory Auditor shall exercise his or her professional judgement throughout the audit.

In addition:

- he or she shall identify and assess the risks that the consolidated financial statements contain material misstatements, whether these arise from fraud or error, shall define and carry out audit procedures to deal with such risks, and collect material that he or she considers sufficient and appropriate to provide a basis for his or her opinion. The risk of not detecting a material misstatement arising from fraud is greater than that of a material misstatement resulting from error, because fraud may involve collusion, falsification, wilful omission, false statements or circumvention of the internal control system;
- the auditor shall examine the internal control system that bears on the audit in order to define the audit procedures that are appropriate in the circumstances, and not in order to express an opinion on the effectiveness of the internal control system;

- he or she shall evaluate the appropriateness of the accounting method used and the reasonableness of accounting estimates made by management, together with the information concerning them provided in the consolidated financial statements;
- he or she shall evaluate the appropriateness of management's adoption of the going-concern assumption and, in light of the material collected, the existence or not of significant uncertainty as to events or circumstances likely to call into question the Company's ability to stay in business. This evaluation is based on the material collected up to the date of the auditor's report, bearing in mind that circumstances or subsequent events could call the going-concern assumption into question. If the auditor identifies a significant uncertainty, he or she shall draw the attention of readers of his or her report to the information provided in the consolidated financial statements about this uncertainty or, if these details are not provided or are not relevant, he or she shall render a qualified opinion or refuse to certify the financial statements;
- the auditor shall evaluate the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so as to give a true and fair view;
- concerning the financial information of the persons or entities included in the scope of consolidation, the auditor shall collect the material that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. He or she is responsible for the direction, supervision and completion of the audit of the consolidated financial statements as well as for the opinion expressed about those statements.

Neuilly-sur-Seine and Paris-La Défense, 2 February 2021

Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit *A department of KPMG SA*	Deloitte & Associés
Bertrand Baloche	**Karine Dupré**	**Frédéric Souliard**

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Statement by the person responsible for the annual financial report

Person responsible for the annual financial report

Frédéric Vautier, Chief Financial Officer of ASF SA

Statement by the person responsible for the annual financial report

I certify that, to the best of my knowledge, the consolidated financial statements for the year ended 31 December 2020 presented in the annual financial report have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and all consolidated entities included in the consolidation scope, and that the management report for the year faithfully presents the important events that have occurred during the 2020 financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties in respect of the financial year.

Rueil-Malmaison, 2 February 2021

Frédéric Vautier

Chief Financial Officer

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AUTOROUTES