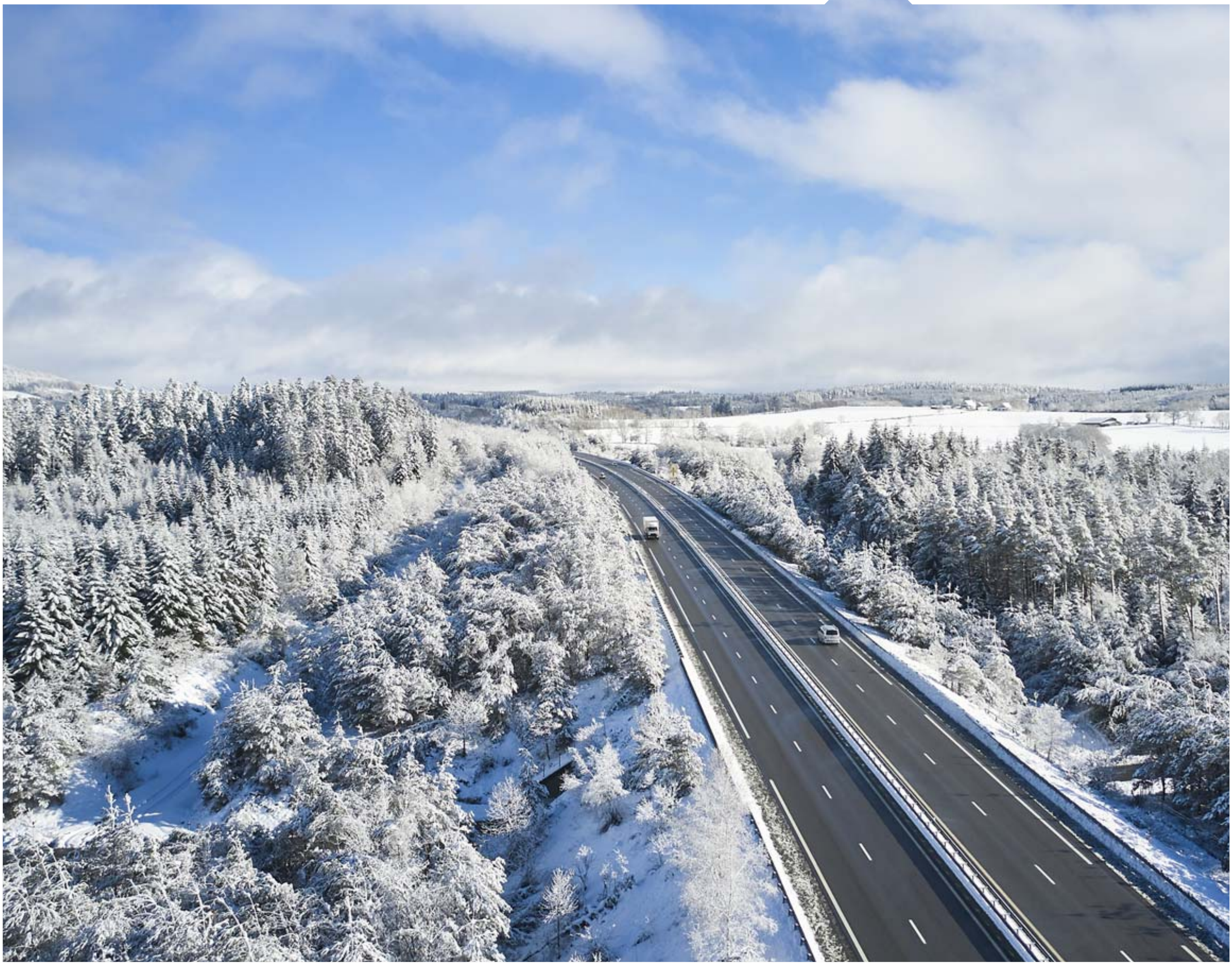
ASF

FINANCIAL REPORT

2021



2021 Annual financial report at 31 December 2021

VINCI AUTOROUTES

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Annual financial report at 31 December 2021

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Activity report at 31 December 2021

1 Key events in the period

Assessment of the financial performance

The Group's business and results recovered significantly compared to the 2020 financial year:

- consolidated revenue for 2021 amounted to €4.0 billion, up by 20.5% compared to that of 2020;
- operating income from ordinary activities (ROPA), up sharply compared to 2020, stood at €2,171.3 million. The ROPA to revenue ratio amounted to 53.9% (46.4% in 2020);
- ordinary net operating income, including a negative contribution from the results of equity-accounted investments, amounted to €2,160.7 million (€1,541.3 million in 2020);
- consolidated net income attributable to owners of the parent was €1,461.8 million (€951.4 million in 2020);
- net financial debt stood at €8,325.4 million at 31 December 2021, down €636.2 million year-on-year.

Current operating income was driven primarily by the increase in revenue.

Group's financing and liquidity management transactions

As of 31 December 2021, the ASF group had a total amount of €3.3 billion in liquidity, of which:

- net cash managed of €844.1 million (€267.0 million at end-December 2020);
- an unused revolving credit facility with VINCI (€2.5 billion).

2 Group's Activity

2.1 Results

2.1.1 Revenue

ASF group's consolidated revenue for 2021 and 2020 breaks down as follows:

(in € millions)	Year 2021	Year 2020	% change
Revenue from tolls	**3,945.1**	**3,283.9**	**20.1%**
of which ASF	3,184.3	2,642.4	20.5%
of which Escota	760.8	641.5	18.6%
Fees for use of commercial premises	**67.2**	**43.7**	**53.8%**
of which ASF	59.4	38.0	56.3%
of which Escota	7.8	5.7	36.8%
Fees for optical fibres, telecommunications and other	**17.9**	**17.1**	**4.7%**
of which ASF	12.9	12.0	7.5%
of which Escota	5.0	5.1	-2.0%
Revenue excluding concession companies' revenue derived from works	**4,030.2**	**3,344.7**	**20.5%**
of which ASF	3,256.6	2,692.4	21.0%
of which Escota	773.6	652.3	18.6%
Concession companies' revenue derived from works	**322.2**	**267.3**	**20.5%**
of which ASF	192.1	190.7	0.7%
of which Escota	130.1	76.6	69.8%
Total revenue	**4,352.4**	**3,612.0**	**20.5%**
of which ASF	3,448.7	2,883.1	19.6%
of which Escota	903.7	728.9	24.0%

Consolidated revenue as at 31 December 2021 (excluding revenue from construction work) was €4,030.2 million, up 20.5% on the same period in 2020 (€3,344.7 million).

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 was 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.

Traffic

The following factors should be taken into account when analysing changes in traffic during financial year 2021:
- travel restriction measures linked to the coronavirus pandemic which were less penalising in 2021 compared to 2020 for light vehicle and heavy vehicle traffic;
- increased economic growth in France and Spain;
- one day less due to the 2020 leap year for light vehicles but one more working day in 2021 for heavy vehicles;
- the average price of diesel up by +13.5% in 2021 compared to 2020, disadvantaging light vehicle traffic;
- SNCF strikes in January 2020 constituting a slightly unfavourable base effect for light vehicle traffic.

Taking these factors into account, in 2021, ASF and Escota saw traffic rise by 22.2% compared to the previous year:
- +24.5% for light vehicles which represented 85.3% of total traffic;
- +10.3% for heavy vehicles, which represented 14.7% of total traffic.

Users travelled 38,654.9 million kilometres (KMP) on the ASF and Escota networks in 2021 (31,640.6 million in 2020):

	Year 2021				Year 2020				Change 2021/2020	
KMP *(in millions)*	**ASF**	**Escota**	**ASF + Escota**	**%**	**ASF**	**Escota**	**ASF + Escota**	**%**	**Amount**	**%**
Light vehicles	26,715.9	6,262.6	32,978.5	85.3%	21,296.8	5,197.1	26,493.9	83.7%	6,484.6	24.5%
Heavy vehicles	4,976.3	700.1	5,676.4	14.7%	4,522.6	624.1	5,146.7	16.3%	529.7	10.3%
Light + Heavy vehicles	**31,692.2**	**6,962.7**	**38,654.9**	**100.0%**	**25,819.4**	**5,821.2**	**31,640.6**	**100.0%**	**7,014.3**	**22.2%**

The annual average daily traffic on the network as a whole was 33,830 vehicles per day in 2021 (27,611 vehicles per day in 2020), i.e. an increase of 22.5%.

The number of payment transactions increased by 19.4% to 726.6 million transactions in 2021 (608.5 million in 2020).

The use of automatic payment lanes and ETC payments increased by 19.4% to 726.6 million transactions in 2021 (608.5 million transactions in 2020).

The proportion of transactions made on automatic lanes and by electronic toll collection (ETC) reached 100.0%, as in 2020.

Breakdown of ASF and Escota transactions by collection method:

Type of transaction *(in millions)*	**Year 2021**	**Year 2020**	**Change 2021/2020**	**2021 breakdown**	**2020 breakdown**
Manual payments	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0%**
Automatic payments	307.4	257.6	19.3%	42.3%	42.3%
ETC payments	419.2	350.9	19.4%	57.7%	57.7%
Sub-total automatic and ETC	**726.6**	**608.5**	**19.4%**	**100.0%**	**100.0%**
Total	**726.6**	**608.5**	**19.4%**	**100.0%**	**100.0%**

There were 3,803,505 subscribers to the light vehicle tag payment system for the two companies at 31 December 2021, making 4,809,598 tags in circulation (compared with 3,419,260 subscribers and 4,312,562 tags at 31 December 2020).

	31/12/2021			31/12/2020			Change 2021/2020	
	ASF	**Escota**	**ASF + Escota**	**ASF**	**Escota**	**ASF + Escota**	**Amount**	**%**
Number of customers	3,543,505	260,000	3,803,505	3,159,377	259,883	3,419,260	384,245	11.2%
Number of tags	4,433,961	375,637	4,809,598	3,938,282	374,280	4,312,562	497,036	11.5%

Revenue from tolls

Toll revenue breaks down by payment method as follows:

	Year 2021			Year 2020			Change 2021/2020	
Income *(in € millions)*	**ASF**	**Escota**	**ASF + Escota**	**ASF**	**Escota**	**ASF + Escota**	**Amount**	**%**
Immediate payment	100.3	46.4	146.7	90.9	44.7	135.6	11.1	8.2%
Account subscribers	11.8	5.3	17.1	9.3	5.7	15.0	2.1	14.0%
ETC payments	1,988.4	484.0	2,472.4	1,666.4	405.7	2,072.1	400.3	19.3%
Bank cards	986.5	201.5	1,188.0	779.4	163.0	942.4	245.6	26.1%
Charge cards	95.6	23.2	118.8	94.9	22.2	117.1	1.7	1.4%
Onward-invoiced expenses	1.7	0.4	2.1	1.5	0.2	1.7	0.4	23.5%
Revenue from tolls	**3,184.3**	**760.8**	**3,945.1**	**2,642.4**	**641.5**	**3,283.9**	**661.2**	**20.1%**

Toll revenue increased by 20.1% to €3,945.1 million in 2021 (€3,283.9 million in 2020).

This change was due to the combined effect of the following two main factors:
- traffic effect: +22.2%;
- the effect of prices and rebates: -2.1%.

Revenue from commercial premises

Revenue from commercial premises was up 53.8% to €67.2 million in 2021 (€43.7 million in 2020).

Revenue from the rental of optical fibres, pylons and other items

Revenue from rental of optical fibres and pylons was up 4.7% to €17.9 million in 2021 (€17.1 million in 2020).

2.1.2 Operating income

Operating income was up 40.2% (or €619.4 million) to €2,160.7 million in 2021 (€1,541.3 million in 2020).

Revenue (excluding works revenue) was up 20.5%. Operating expenses (excluding construction costs) increased by 4.2% (€77.1 million).

Thus the significant changes in operating expenses were the following:
- an increase of 12.3% (€28.6 million) in "**external services**": €261.4 million in 2021 (€232.8 million in 2020);
- an increase of 4.4% (€20.6 million) in "**taxes and levies**": €485.4 million in 2021 (€464.8 million in 2020);
- a 3.0% rise (€23.1 million) in "**depreciation and amortisation**": €806.1 million in 2021 (€783.0 million in 2020) largely as a result of the full year effect of the commissioning in 2020 as well as commissioning during 2021;
- an increase of 2.5% (€7.1 million) in "**employee benefits expense**": €293.5 million in 2021 (€286.4 million in 2020);
- a decrease of €2.4 million in "other **operating income and expenses**": €2.8 million in income in 2021 (€5.2 million in income in 2020);
- a decrease of 12.1% (€3.0 million) in "**purchases used**": €21.7 million in 2021 (€24.7 million in 2020);
- a decrease of €9.4 million in "**net provisions**": €25.1 million of expense in 2021 (€34.5 million of expense in 2020).

2.1.3 Cost of net financial debt and other financial income and expenses

The cost of net financial debt fell 20.8% (€28.3 million) from €135.9 million in 2020 to €107.6 million in 2021 (see Note 5 "Cost of net financial debt" to the 2021 consolidated financial statements).

Other financial income and expenses, down by €5.7 million, showed a net expense of €3.2 million in 2021 (net income of €2.5 million in 2020) (see Note 6 "Other financial income and expenses" to the 2021 consolidated financial statements).

2.1.4 Tax expense

Income tax, including current and deferred tax, was €586.8 million for 2021, up 28.8% compared with the 2020 figure of €455.6 million. This increase is mainly due to the increase in the Group's results.

2.1.5 Net income

Net income attributable to owners of the parent was up 53.6% to €1,461.8 million in 2021 (€951.4 million in 2020).

Earnings per share amounted to €6.329 in 2021 compared with €4.119 in 2020.

Income attributable to non-controlling interests was €1.3 million in 2021 compared to €0.9 million in 2020.

2.2 Investments

ASF and Escota made investments totalling €377.5 million in 2021, compared with €313.3 million in 2020, an increase of €64.2 million:

	Year 2021			Year 2020			Change 2021/2020
Type of investment *(in € millions)*	**ASF**	**Escota**	**ASF + Escota**	**ASF**	**Escota**	**ASF + Escota**	**%**
Supplementary investments on motorways in service(*)	196.4	130.0	326.4	197.3	75.3	272.6	19.7%
Operating assets(*)	31.0	20.1	51.1	24.2	16.5	40.7	25.6%
Total	**227.4**	**150.1**	**377.5**	**221.5**	**91.8**	**313.3**	**20.5%**

(*) *Including capitalised production, borrowing costs and grants. Excluding IFRS 16 impacts.*

These investments related mainly to widening and capacity improvements on the Group's networks:

ASF network

A9 – Le Boulou/Le Perthus widening to three-lane dual carriageway (9 km)

The major works that started in autumn 2016 have been completed, and the Ministerial Decision to commission the three-lane dual carriageway was obtained on 21 February 2020, meeting the contractual deadline of 23 February 2020 set for this operation.

Completion work is nearly finished and additional prestressing contracts on the four viaducts in the section have been awarded. The first work began at the end of 2021 on the Tech structure and will gradually begin in 2022 on the other three viaducts.

A61 – Widening to three-lane dual carriageway: 1st phase (35 km)
The three-lane dual carriageway section between the A61/A66 junction and the Port Lauragais service station and the section between the No. 25 Lézignan interchange and the A61/A9 junction will open to the public 60 months after the declaration of public utility.

The major work itself, which began in February 2019, is under way. The contractual objective to open a three-lane dual carriageway is scheduled for 5 October 2023.

A7 – Reconfiguration of the A7/A54 junction
The reconfiguration of this junction includes the access to the Marseille/Arles (A7 South/A54) access road and the doubling of the Arles/Marseille (A54/A7 South) access road.

The declaration of public utility decree was obtained on 3 June 2020. The preparatory work and network diversions are nearing completion. The major work is planned for the second half of 2022.

Commissioning is scheduled for 48 months after obtaining the declaration of public utility, at the latest, in accordance with the contractual commitments for this operation.

A62 – Agen West distributor (operation in the 2017/2021 Plan Contract)
The declaration of public utility decrees and environmental authorisation were obtained on 18 May 2020.

The land management operations (out-of-court acquisitions) were completed in summer 2020.

After the preparatory work carried out in autumn 2020 and the first half of 2021, major work began in the summer of 2021 and will continue until autumn 2022.

Commissioning is scheduled for autumn 2022.

In addition, ASF is committed to the creation of nine other interchanges as part of the 2017/2021 Plan Contract (Motorway Investment Plan), co-financed by local authorities. At the end of 2021, studies and procedures for future equipment have begun, and work will begin from the end of 2022 or early 2023.

Carpooling parking programme
The 2017/2021 Plan Contract provides for the creation of carpooling car parks throughout the Company's network.

Strategic orientation information was submitted to the granting authorities in April 2019. Potential sites must be submitted to the State for approval.

During the financial year, the Perpignan Sud (A9) and Ambarès (A10) car parks were commissioned.

Escota Network

A57 – Widening to three-lane dual carriageway between Benoît Malon and Pierre Ronde (6.8 km)
The section of the A57 motorway between Benoît Malon and Pierre Ronde was incorporated into the concession contract by the Decree of 21 August 2015.

This same decree also provides for this section to be widened to a three-lane dual carriageway. The declaration of public utility was obtained on 27 November 2018.

The preparation period ended in the first half of 2021. The first substantial work on the section is underway (engineering structure, marking, etc.).

Land management operations continued in 2021.

A52 - Belcodène distributor
The project is located on the A52 between the A8/A52 junction and the Pas-de-Trets distributor.

As the operation includes the construction of a new roundabout, Escota signed an agreement with the Bouches-du-Rhône department for the construction of the roundabout connecting the distributor to the departmental network.

The work started in 2019 was completed at the end of 2021.

Commissioning is scheduled for the first quarter of 2022.

2.3 Financing

During 2021, the Group has not set up any new financing and occasionally used its credit facility with VINCI.

The debt repayments that took place during 2021 concerned EIB loans for €55.1 million.

2.4 Balance sheet

Total non-current net assets decreased by €726.3 million to €10,938.5 million at 31 December 2021 compared to 31 December 2020 (€11,664.8 million).

This decrease is mainly due to the negative net change in property, plant and equipment and intangible assets of €425.1 million, and the decrease in non-current derivative assets of €302.4 million, offset by the increase in other non-current financial assets of €1.9 million. In 2021, the increase in depreciation and amortisation (€806.1 million) was higher than the gross amount of construction and operating assets acquired (€377.6 million).

Total current assets amounted to €1,506.6 million at 31 December 2021, up €606.1 million (€900.5 million at 31 December 2020), due mainly to an increase of €577.1 million of cash and cash equivalents, €40.7 million of trade and other receivables, €22.9 million of other current derivative instruments – assets, other current assets of €2.6 million and inventories and work in progress of €0.4 million.

This increase is partially offset by the decrease in current tax assets of €37.6 million.

Equity increased by €64.3 million to €1,296.7 million at 31 December 2021 (€1,232.4 million at 31 December 2020). This change resulted mainly from positive net income in 2021 (including the share from non-controlling interests) of €1,463.1 million and changes in transactions recognised directly in equity of €8.9 million less final dividend payments for the 2020 financial year of €1,407.6 million (including the share from non-controlling interests) and the negative change in share-based payments of €0.1 million.

Total non-current liabilities were €7,982.9 million at 31 December 2021 (€9,918.9 million at 31 December 2020), a decrease of €1,936.0 million. This was mainly due to the net decrease of €1,900.7 million in bonds in issue and other loans and borrowings, non-current derivative financial instruments - liabilities of €32.0 million, deferred tax liabilities of €8.1 million, employee-benefit provisions of €4.0 million and partly offset by the increase in non-current provisions of €0.2 million, other non-current liabilities of €7.2 million and non-current lease liabilities of €1.4 million.

Total current liabilities amounted to €3,165.5 million at 31 December 2021, up €1,751.5 million from 31 December 2020 (€1,414.0 million). This increase was due to current financial liabilities for €1,594.7 million, other current liabilities for €50.9 million, current tax liabilities for €24.2 million, current provisions for €35.5 million, trade payable for €46.3 million and current lease liabilities for €0.5 million.

This increase is partially attenuated by the decrease in current derivative instrument liabilities for €0.6 million.

After taking these various items into account, the **Group's net financial debt** at 31 December 2021 amounted to €8,325.4 million, compared with €8,961.6 million at 31 December 2020, a decrease of €636.2 million.

2.5 Cash flows

The Group's statement of cash flows shows a closing **net balance of cash** and cash equivalents of €844.1 million, up €577.1 million from the opening balance of €267.0 million.

This change breaks down as follows:

- **operating cash flow before tax and financing costs** came to €2,957.7 million in 2021, up 27.5% from 2020 (€2,318.9 million). As a proportion of revenue, cash flow from operations before tax and financing costs increased from 69.3% in 2020 to 73.4% in 2021;
- **cash flows from operating activities**, after the change in the working capital requirement and current provisions, taxes and interest paid, were up 41.2% to €2,408.1 million in 2021 (€1,705.1 million in 2020);
- **(negative) net cash flows used in investing activities** amounted to €362.3 million in 2021, down 16.2% compared with 2020 (€432.3 million);
- **net cash flows used in financing activities** represented an outflow of €1,468.7 million in 2021 compared with an outflow of €1,630.6 million in 2020. They include dividends paid to ASF shareholders (€1,406.7 million), repayments of long-term loans for a total of €55.1 million and the repayment of lease liabilities for €6.0 million.

3 Main transactions with related parties

The main transactions with related parties are presented in Note 25 "Transactions with related parties" to the 2021 consolidated financial statements.

4 Risk factors

Since toll revenue accounts for virtually all the revenue from operating concessions, the main risks for the ASF group relate in particular to traffic or infrastructure usage and users' acceptance of tolls and prices. Traffic levels may also be affected by fuel prices.

The main financial risks are presented in Note 21 "Information on financial risk management" to the 2021 consolidated financial statements.

5 Parent company financial statements

5.1 Revenue

ASF's revenue (excluding construction revenue) amounted to €3,256.6 million in 2021, up 21.0% compared with the previous year (€2,692.4 million in 2020).

5.2 Net income

ASF's net income was up 28.7% to €1,355.6 million in 2021 (from €1,053.0 million in 2020).

This includes dividends of €170.0 million received from its Escota subsidiary in 2021 (€270.7 million in 2020).

Consolidated financial statements at 31 December 2021

Consolidated financial statements

Consolidated income statement for the period

(in € millions)	Notes	2021 Financial year	2020 Financial year
Revenue(*)	**2**	**4,030.2**	**3,344.7**
Concession companies' revenue derived from works		322.2	267.3
Total revenue		4,352.4	3,612.0
Income from ancillary activities		58.0	48.7
Operating expenses	4	(2,239.1)	(2,107.1)
Operating income from ordinary activities	**4**	**2,171.3**	**1,553.6**
Share-based payments (IFRS 2)	4	(10.2)	(12.6)
Income/(loss) of companies accounted for under the equity method		(0.7)	0.1
Other ordinary operating items		0.3	0.2
Ordinary net operating income	**4**	**2,160.7**	**1,541.3**
Operating income	**4**	**2,160.7**	**1,541.3**
Cost of gross financial debt		(107.7)	(136.0)
Financial income from cash investments		0.1	0.1
Cost of net financial debt	**5**	**(107.6)**	**(135.9)**
Other financial income and expenses	6	(3.2)	2.5
Income tax	7	(586.8)	(455.6)
Net income		**1,463.1**	**952.3**
Net income attributable to non-controlling interests		1.3	0.9
Net income attributable to owners of the parent		**1,461.8**	**951.4**
Earnings per share *(in euros)*	8	6.329	4.119
Diluted earnings per share *(in euros)*	8	6.329	4.119

(*) *Excluding concession companies' revenue derived from works.*

Consolidated comprehensive income statement for the period

(in € millions)	2021 Financial year	2020 Financial year
Net income	**1,463.1**	**952.3**
Changes in the fair value of the instruments used to hedge cash flows(*)	8.5	16.7
Hedging costs	(0.4)	(0.2)
Tax(**)	(2.2)	(5.4)
Other items of comprehensive income that may recycled through profit or loss at a later date	**5.9**	**11.1**
Equity instruments	1.7	(0.6)
Actuarial gains and losses on retirement benefit obligations	2.5	1.7
Tax	(1.2)	(0.3)
Other items of comprehensive income that may not be recycled through profit of loss at a later date	**3.0**	**0.8**
Total all other items of comprehensive income recognised directly in equity	**8.9**	**11.9**
Total comprehensive income	**1,472.0**	**964.2**
of which attributable to owners of the parent	1,470.7	963.3
of which attributable to non-controlling interests	1.3	0.9

(*) *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 hedged cash flow impacts profit or loss.*

(**) *Tax effects relating to changes in the fair value of financial instruments used to hedge cash flows (effective portion) and the hedging costs.*

Consolidated balance sheet - Assets

(in € millions)	Notes	31/12/2021	31/12/2020
Non-current assets			
Concession intangible assets	9	10,156.5	10,559.4
Other intangible assets		46.1	38.5
Property, plant and equipment	10	391.2	421.0
Investments in companies accounted for under the equity method	15	13.7	14.4
Other non-current financial assets	16	19.8	17.9
Non-current derivative financial instruments - assets	19	311.2	613.6
Total non-current assets		**10,938.5**	**11,664.8**
Current assets			
Inventories and work in progress	12.1	4.1	3.7
Trade and other receivables	12.1	367.4	326.7
Other current assets	12.1	199.8	197.2
Current tax assets			37.6
Current derivative financial instruments - assets	19	91.2	68.3
Cash and cash equivalents	19	844.1	267.0
Total current assets		**1,506.6**	**900.5**
Total assets		**12,445.1**	**12,565.3**

Consolidated balance sheet - Equity and liabilities

(in € millions)	Notes	31/12/2021	31/12/2020(*)
Equity			
Share capital		29.3	29.3
Consolidated reserves		(162.3)	293.1
Net income attributable to owners of the parent		1,461.8	951.4
Amounts recognised directly in equity	17.2	(33.8)	(42.7)
Equity attributable to owners of the parent		**1,295.0**	**1,231.1**
Equity - portion attributable to non-controlling interests	17.3	1.7	1.3
Total equity		**1,296.7**	**1,232.4**
Non-current liabilities			
Non-current provisions	13	0.3	0.1
Provisions for employee benefits	23	87.9	91.9
Bonds	19	7,287.8	9,130.5
Other loans and borrowings	19	404.0	462.0
Non-current derivative financial instruments – liabilities	19	80.0	112.0
Non-current lease liabilities	14	6.6	5.2
Other non-current liabilities		46.1	38.9
Deferred tax liabilities		70.2	78.3
Total non-current liabilities		**7,982.9**	**9,918.9**
Current liabilities			
Current provisions	12.2	545.8	510.3
Trade payables	12.1	163.8	117.5
Other current payables	12.1	626.8	575.9
Current tax liabilities		24.2	
Current lease liabilities	14	4.8	4.3
Current derivative financial instruments – liabilities	19	7.5	8.1
Current financial debts	19	1,792.6	197.9
Total current liabilities		**3,165.5**	**1,414.0**
Total equity and liabilities		**12,445.1**	**12,565.3**

(*) *Restated at 1 January 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*

Consolidated cash flow statement

(in € millions)	Notes	2021 Financial year	2020 Financial year
Consolidated net income for the period (including portion attributable to non-controlling interests)		**1,463.1**	**952.3**
Net depreciation and amortisation		806.1	783.0
Net increase/(decrease) in provisions and impairments		(4.7)	0.3
Share-based payments (IFRS 2) and other restatements		0.5	(2.8)
Gain or loss on disposals		0.3	(1.9)
Share of profit or loss of companies accounted for under the equity method and dividends received from unconsolidated entities		0.4	(0.1)
Capitalised borrowing costs	6	(2.5)	(3.5)
Financial expenses related to leases	6	0.1	0.1
Cost of net financial debt recognised	5	107.6	135.9
Current and deferred tax expense recognised		586.8	455.6
Cash flows (used in)/from operations before tax and financing costs		**2,957.7**	**2,318.9**
Changes in operating working capital requirement and current provisions	12.1	84.9	32.3
Income taxes paid		(530.9)	(518.6)
Net interest paid		(103.6)	(127.5)
Cash flows (used in)/from operating activities	**I**	**2,408.1**	**1,705.1**
Purchases of property, plant and equipment and intangible assets		*(16.5)*	*(14.4)*
Disposals of property, plant and equipment and intangible assets			*0.7*
Operating investments net of disposals		(16.5)	(13.7)
Investments in concession assets (net of subsidies received)		*(360.4)*	*(429.6)*
Disposals of concession fixed assets		*10.2*	*10.1*
Growth investments in concessions		(350.2)	(419.5)
Net financial investments			
Other		4.4	0.9
Net cash flows (used in)/from investing activities	**II**	**(362.3)**	**(432.3)**
Dividends paid			
- to shareholders of ASF	18	*(1,406.7)*	*(896.2)*
- to the non-controlling interests of consolidated companies		*(0.9)*	*(1.4)*
Proceeds from new long-term borrowings	19.1		2.3
Repayments of long-term loans	19.1	(55.1)	(730.3)
Repayments of lease liabilities and related financial expenses		(6.0)	(5.1)
Change in cash management assets and other current financial debt			0.1
Net cash flows (used in)/from financing activities	**III**	**(1,468.7)**	**(1,630.6)**
Other changes	IV		
Change in net cash	**I + II + III + IV**	**577.1**	**(357.8)**
Net cash and cash equivalents at beginning of period		**267.0**	**624.8**
Net cash and cash equivalents at end of period		**844.1**	**267.0**

Change in net financial debt for the period

(in € millions)	Notes	2021 Financial year	2020 Financial year
Net financial debt at beginning of period	**19**	**(8,961.6)**	**(9,339.9)**
Change in net cash		577.1	(357.8)
Change in cash management assets and other current financial debt			(0.1)
(Proceeds from)/repayment of loans		55.1	728.0
Other changes		4.0	8.2
Change in net financial debt		**636.2**	**378.3**
Net financial debt at end of period	**19**	**(8,325.4)**	**(8,961.6)**

Consolidated statement of changes in equity

	Equity attributable to owners of the parent						
(in € millions)	Share capital	Consolidated reserves	Net income	Amounts recognised directly in equity	Total attributable to owners of the parent	Equity - portion attributable to non-controlling interests	Total
Equity at 01/01/2020	**29.3**	**(163.4)**	**1,336.4**	**(54.6)**	**1,147.7**	**1.8**	**1,149.4**
Impact change in methods(*)		19.4			19.4		19.4
Equity at 01/01/2020 restated	**29.3**	**(144.0)**	**1,336.4**	**(54.6)**	**1,167.1**	**1.8**	**1,168.8**
Net income for the period			951.4		951.4	0.9	952.3
Other comprehensive income recognised directly in the equity of companies controlled				11.9	11.9		11.9
Total comprehensive income for the period			**951.4**	**11.9**	**963.3**	**0.9**	**964.2**
Allocation of net income and dividend payments		440.2	(1,336.4)		(896.2)	(1.4)	(897.6)
Share-based payments (IFRS 2)		(3.0)			(3.0)		(3.0)
Equity at 31/12/2020	**29.3**	**293.1**	**951.4**	**(42.7)**	**1,231.1**	**1.3**	**1,232.4**
Net income for the period			1,461.8		1,461.8	1.3	1,463.1
Other comprehensive income recognised directly in the equity of companies controlled				8.9	8.9		8.9
Total comprehensive income for the period			**1,461.8**	**8.9**	**1,470.7**	**1.3**	**1,472.0**
Allocation of net income and dividend payments		(455.3)	(951.4)		(1,406.7)	(0.9)	(1,407.6)
Share-based payments (IFRS 2)		(0.1)			(0.1)		(0.1)
Equity at 31/12/2021	**29.3**	**(162.3)**	**1,461.8**	**(33.8)**	**1,295.0**	**1.7**	**1,296.7**

(*) *Restated at 1 January 2020 and for 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*

Notes to the consolidated financial statements

A. Accounting principles and specific provisions

1 Accounting principles

1.1 Basis of preparation of the financial statements

Pursuant to Regulation (EC) No. 1606/2002 of 19 July 2002, the ASF group's consolidated financial statements for the period ended 31 December 2021 have been prepared under the International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2021.

The accounting policies retained at 31 December 2021 are the same as those used in preparing the consolidated financial statements at 31 December 2020, except for the standards and/or amendments to standards described below, adopted by the European Union and applicable as from 1 January 2021.

The Group's consolidated financial statements are presented in millions of euros with one decimal place. Rounding to the nearest hundred thousand euros may, in certain cases, give rise to non-material discrepancies in the totals and sub-totals indicated in the tables.

The consolidated financial statements were finalised by the Board of Directors on 28 January 2022 and will be submitted to the Shareholders' General Meeting for approval on 18 March 2022.

New standards and interpretations applied from 1 January 2021

None of the other standards and interpretations which are mandatory from 1 January 2021 have a significant impact on the ASF group consolidated financial statements at 31 December 2021.

On 27 August 2020, the IASB published amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 as part of the reform of benchmark interest rates. The text, adopted by the European Union on 13 January 2021, is applicable from 1 January 2021 retrospectively. The Group has set up a working group dedicated to this reform, bringing together all the stakeholders concerned in order to identify the impacts and anticipate any potential consequences as effectively as possible. These items are described in more detail in Note 21 "Financial risk management".

IFRS IC decision on the methodology for calculating employee benefits and vesting period

IFRS IC was asked to determine the methods for calculating commitments for defined benefit plans for which the granting of rights is conditional upon being with the Group at the time of retirement and for which the rights depend on seniority, with the maximum amount being capped.

In its decision, the IFRS IC concludes, in this case, that no rights are acquired in the event of departure before retirement age and that the obligation should only be recognised over the last years of the employee's career.

As a result, the Group reviewed the actuarial calculation methods for the plans in question and analysed the accounting treatment with regard to IAS 8 "Accounting methods, changes in accounting estimates and errors". This method was applied retrospectively to 1 January 2020 and the consolidated financial statements for the previous financial year have been restated, including the accompanying notes. The impacts on balance sheet items are presented below.

The impact on expenses for the period is not significant.

(in € millions)	31/12/2019 reported	IAS 19 impact	01/01/2020 restated
Deferred tax liabilities	66.7	6.8	73.5
Provisions for employee benefits	119.0	(26.2)	92.8
Total non-current liabilities	**185.7**	**(19.4)**	**166.3**
Consolidated reserves	(163.4)	19.4	(144.0)
Total equity	**(163.4)**	**19.4**	**(144.0)**

Standards and interpretations adopted by the IASB but not yet applicable at 31 December 2021

The Group has not applied in advance any of the following standards or interpretations that might affect it, application of which was not mandatory at 1 January 2021:
- amendment to IFRS 16 "Covid-19 Leases – Rent-free periods";
- amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets – Loss-making, notion of contract-related direct costs";
- amendments to IAS 16 "Property, plant and equipment – Recognition of income before commissioning";
- amendments to IFRS 3 "Business combinations – References to the conceptual framework";
- annual improvements, 2018-2020 IFRS cycle.

A study of the impacts and practical consequences of the application of these amendments to standards is in progress, as they do not contain any provisions contrary to the Group's current accounting practices.

The Group is also studying the impacts and practical consequences of the IFRIC's final decision taken in the first half year concerning the recognition of configuration and customisation costs for software made available in the "cloud" as part of a "Software as a service" contract. The contracts likely to be affected are currently being analysed and no significant impact on the Group's financial statements is expected.

1.2 Consolidation methods

In accordance with IFRS 10, companies in which the Group directly or indirectly holds the majority of the voting rights at Shareholders' General Meetings, on the Board of Directors or within the equivalent governing body, giving it the power to govern their operating and financial policies, are generally considered to be controlled companies and are consolidated under the full consolidation method. To determine control, the ASF group performs an in-depth analysis of the governance that has been set up and the rights held by the other shareholders. Whenever necessary, an analysis is also made of the instruments held by the Group or third parties (potential voting rights, dilutive instruments, convertible instruments, etc.) and which, if exercised, might alter the type of influence wielded by each of the parties.

An analysis is made should any event arise liable to have an impact on the level of control exercised by the Group (change to an entity's share capital distribution or its governance, exercise of a dilutive financial instrument, etc.).

According to the provisions of IFRS 11, partnerships in which the Group is involved are classified in two categories, joint ventures and joint activities, depending on the nature of the rights and obligations held by each of the parties. This classification is generally established according to the legal form of the legal vehicle used to carry the project.

Associates are entities over which the Group exercises significant influence. They are consolidated according to the equity method in accordance with IAS 28. Significant influence is assumed to exist where the Group's shareholding is at least 20%. However, it may exist for smaller percentages, for example where the Group is represented on the Board of Directors or in any equivalent governance body and thus plays a role in developing the entity's operational and financial policies and its strategic directions.

The Group's consolidation scope does not include subsidiaries with non-controlling interests or individually significant associates. This assessment is based on the effect of these holdings on the Group's financial performance, consolidated balance sheet and cash flows. The ASF group does not have holdings in structured entities as defined by IFRS 12 either.

1.3 Use of estimates

The preparation of financial statements under IFRS requires estimates to be used and assumptions to be made that affect the amounts shown in those financial statements. In view of the ongoing health crisis, the Group has conducted an in-depth review of these assumptions and estimates.

These estimates assume the operation is a going concern, analysed on the basis of the Group's liquidity and the recovery of activity observed. They are made on the basis of the information available at the time they were drawn up. Estimates may be revised if the circumstances on which they were based alter or if new information becomes available. Actual results may be different from these estimates.

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

Values used in impairment tests

The assumptions and estimates made to determine the recoverable amount of intangible assets and property, plant and equipment relate in particular to the assessment of market prospects, needed to estimate the cash flows, and discount rates adopted. Any change in these assumptions could have a material impact on the recoverable amount. The main assumptions used by the Group are described in Note 10 "Other intangible assets and property, plant and equipment".

Measurement of provisions

The factors that might cause the amount of provisions to materially change relate to:
- forecasts for major maintenance expenditure over several years, used as a basis for the provisions for obligations to maintain the condition of concession assets. These forecasts are estimated taking account of indexation clauses included in construction contracts (mainly the TP01 and TP09 indices);
- the discount rates used.

Valuation of leases

- The assumptions and estimates made to determine the value of the rights of use of leases and related liabilities relate in particular to the determination of discount rates and lease terms.
- The Group determines the enforceable period of the leases, taking into account all the economic facts and circumstances of which it is aware, and ensures that said period is not shorter than the depreciation period non-removable leasehold improvements.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. It is recorded on the main market of the asset or liability (or the most advantageous in the absence of a main market), i.e. that which offers the largest volume and the best level of activity. The fair value of derivative financial instruments includes a "counterparty risk" assessment for derivative assets and an "own credit risk" for derivative liabilities.

The Group mainly uses fair value to measure, on a recurring basis on the balance sheet, derivative instruments, cash and cash equivalents, equity holdings in non-consolidated companies, cash management financial assets and identifiable financial assets and liabilities acquired when business combinations are formed. The fair values of other financial instruments (in particular debt instruments and assets measured at amortised cost) are disclosed in Note 22 "Book value and fair value of financial assets and liabilities by accounting category".

The Group uses the following measurement methods to determine these fair values:
- market-based approaches, based on observable market prices or transactions;
- revenue-based approaches, which convert the sum of future cash flows to a single discounted amount;
- cost-based approaches, which take the physical, technological and economic obsolescence of the asset being measured into account.

Fair values are prioritised according to three levels:
- level 1: price quoted on an active market. Marketable securities, some equity holdings in non-consolidated companies and 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 such as swaps, caps and floors 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 the values sent to us 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 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. These obligations are thus subject to change should assumptions be changed. Most assumptions are updated annually. The assumptions used and their determination methods are detailed in Note 23 "Provisions for employee benefits". The Group considers that the actuarial assumptions used are appropriate and justified in the current conditions.

Valuation of share-based payments

The Group recognises a share-based payment expense relating to the granting to its employees or certain of its employees of performance share plans and VINCI group savings schemes. This expense is measured on the basis of actuarial calculations using estimated behavioural assumptions based on observation of past behaviour.

Climate risks

The Group takes into account climate risks in its closing assumptions, to the best of its knowledge, and includes their potential impact in the financial statements. The process implemented is described in Note A.2 "Specific provisions".

2 Specific provisions

Climate risks

The VINCI group has committed to a new environmental strategy for 2030:
- reduce direct greenhouse gas emissions by 40% by 2030 compared to 2018;
- reduce indirect emissions by acting on the value chain of our business lines;
- adapt structures and activities to improve their resilience to climate change.

VINCI has integrated the identification of the main climate risks into its closing process in order to assess their potential impact on its financial statements. Specific information was communicated in the closing instructions and distributed to all Group subsidiaries. These instructions mainly concerned:
- review of the useful life of certain assets;
- the inclusion of the expected impacts on future cash flows in the impairment tests of non-current assets;
- risk assessment to determine the amount of provisions for risks (including RMP in certain concessions).

The Finance Department is in regular contact with the Environment Department to ensure that the commitments made by the Group are consistent with their inclusion in the financial statements. New dedicated resources have been allocated to the Environment Department.

The main transition risks related to the expected changes in regulations were also reviewed to the best of our knowledge. The Group's ability to adapt fast enough could be a condition for winning new contracts:
- short-term regulatory changes are included in the flows, while those in the medium and long term are managed through sensitivity tests;
- regulatory changes should not have a significant impact on the life of our assets.

VINCI considers that the assessment of climate risks is correctly taken into account and is consistent with its commitments in this area. The inclusion of these items did not have a significant impact on the Group's financial statements.

ASF group has accelerated the deployment of its environmental ambition, across the three focuses set at the VINCI group level, by undertaking or continuing a set of actions aiming to simultaneously reduce the direct footprint of its activities and those of motorway and road infrastructure: reduction in the carbon level of its vehicle fleet, deployment of electric vehicle charging infrastructure, close collaboration with local authorities to develop sustainable mobilities in their regions, recovery of waste generated by its own activities in the form of secondary raw materials…

B. Changes in the scope of consolidation

There was no change in the consolidation scope during 2021.

At 31 December 2021, Escota was the only fully-consolidated company and Axxès (associate) was the only company consolidated using the equity method.

C. Financial indicators

1 Segment information

The ASF group is managed as a single business line, namely the management and operation of motorway concession sections, to which ancillary payments are connected in relation to commercial premises, fibre optic facilities, telecommunication equipment, and heavy goods vehicle parking facilities.

2 Revenue

Accounting principles

IFRS 15 "Revenue from contracts with customers" requires the identification of a contract as well as the various performance obligations contained in the contract. The number of performance obligations depends on the type of contract and business activities. Most of the Group's contracts contain only one performance obligation.
The recognition of revenue from contracts with customers must reflect according to IFRS 15:
- on the one hand, the pace of fulfilment of the performance obligations corresponding to the transfer to a customer of control of a good or service; and
- on the other hand, the amount to which the seller expects to be entitled in remuneration for the activities carried out.

It is important to analyse the notion of transfer of control of a good or service, as this transfer must take place if the revenue is to be recognised. Transfer of control of a good or service may be an ongoing process (recognition of revenue in advance) or may occur on a specific date corresponding to work completion.

Income from concession contracts consists of:
- payments received on road infrastructures operated under concessions and ancillary income such as fees for use of commercial premises, and revenue from the rental of telecommunication infrastructures and parking facilities; and
- on the other hand, revenue recognised for the construction of new infrastructure under concession and recognised on a stage-of-completion basis.

The revenue from ancillary activities is mainly revenue from leases and sales of materials, equipment and goods, studies and fees.

The method for recognising revenue in respect of concession contracts is explained in Note E. "Concession contracts".

(in € millions)	2021 Financial year	2020 Financial year	Changes 2021 vs 2020
Revenue from tolls	3,945.1	3,283.9	20.1%
Fees for use of commercial premises	67.2	43.7	53.8%
Fees for optical fibres, telecommunications and other	17.9	17.1	4.7%
Revenue excluding concession companies' revenue derived from works	**4,030.2**	**3,344.7**	**20.5%**
Concession companies' revenue derived from works	322.2	267.3	20.6%
Total revenue	**4,352.4**	**3,612.0**	**20.5%**

2021 Financial year

	Revenue		
(in € millions)	ASF	Escota	2021 Financial year revenue
Revenue from tolls	3,184.3	760.8	3,945.1
Fees for use of commercial premises	59.4	7.8	67.2
Fees for optical fibres, telecommunications and other	12.9	5.0	17.9
Revenue excluding concession companies' revenue derived from works	**3,256.6**	**773.6**	**4,030.2**
Breakdown of revenue	80.8%	19.2%	100.0%
Concession companies' revenue derived from works	**192.1**	**130.1**	**322.2**
Total revenue	**3,448.7**	**903.7**	**4,352.4**

2020 Financial year

	Revenue		
(in € millions)	ASF	Escota	2020 Financial year revenue
Revenue from tolls	2,642.4	641.5	3,283.9
Fees for use of commercial premises	38.0	5.7	43.7
Fees for optical fibres, telecommunications and other	12.0	5.1	17.1
Revenue excluding concession companies' revenue derived from works	**2,692.4**	**652.3**	**3,344.7**
Breakdown of revenue	80.5%	19.5%	100.0%
Concession companies' revenue derived from works	**190.7**	**76.6**	**267.3**
Total revenue	**2,883.1**	**728.9**	**3,612.0**

3 Performance monitoring indicators with the cash flow statement

(in € millions)	2021 Financial year	2020 Financial year
Cash flows (used in)/from operating activities	**2,408.1**	**1,705.1**
Operating investments net of disposals	(16.5)	(13.7)
Repayments of lease liabilities and related financial expenses	(6.0)	(5.1)
Operating cash flow	**2,385.6**	**1,686.3**
Growth investments in concessions	(350.2)	(419.5)
Free cash flow	**2,035.4**	**1,266.8**
Net financial investments	**0.0**	**0.0**
Other	4.4	0.9
Total net financial investments	**4.4**	**0.9**

D. Main items in the income statement

4 Operating income

Accounting principles

Operating income from ordinary activities corresponds to the measurement of the operational performance of the Group's fully consolidated subsidiaries. It excludes the expenses due to share-based payments (IFRS 2), other current operating items (including the share of the results of companies accounted for under the equity method) and non-current operating items.
Current operating income is obtained by adding the IFRS 2 expenses related to share-based payments (group savings plans, performance shares), the share of the Group in the results of subsidiaries consolidated under the equity method and other current operating income and expenses, including notably current income and expenses relating to companies accounted for under the equity method or non-consolidated companies (dividends received from non-consolidated companies) to the operating income from ordinary activities. Ordinary net operating income is intended to show the Group's operational performance excluding the impact of the period's non-recurring transactions and events.
The **operating income** is obtained by adding non-current income and expenses to ordinary net operating income.

(in € millions)	2021 Financial year	2020 Financial year
Revenue(*)	**4,030.2**	**3,344.7**
Concession companies' revenue derived from works	322.2	267.3
Total revenue	4,352.4	3,612.0
Income from ancillary activities(**)	**58.0**	**48.7**
Purchases consumed	(21.7)	(24.7)
External services(***)	(261.4)	(232.8)
Temporary employees	0.2	(0.2)
Subcontracting (including concession construction costs)	(348.9)	(285.9)
Taxes and levies	(485.4)	(464.8)
Employment costs	(293.5)	(286.4)
Other operating income and expenses	2.8	5.2
Depreciation and amortisation	(806.1)	(783.0)
Net provision expense	(25.1)	(34.5)
Operating expenses	**(2,239.1)**	**(2,107.1)**
Operating income from ordinary activities	**2,171.3**	**1,553.6**
% of revenue(*)	*53.9%*	*46.4%*
Share-based payments (IFRS 2)	(10.2)	(12.6)
Income/(loss) of companies accounted for under the equity method	(0.7)	0.1
Other ordinary operating items	0.3	0.2
Current operating income	**2,160.7**	**1,541.3**
Operating income	**2,160.7**	**1,541.3**

(*) Revenue excluding concession companies' revenue derived from works.
(**) The revenue from ancillary activities is mainly revenue from leases and sales of materials, equipment and goods.
(***) Of which €2.0 million in 2021 and €2.9 million in 2020 in lease expenses not restated following the application of IFRS 16: low value contracts, short-term and variable rent contracts and variable rents.

The increase in operating income from ordinary activities recorded in the 2021 financial year reflects the lifting of the motorway traffic restrictions put in place in 2020 due to the Covid-19 pandemic. Revenue increased significantly over the financial year following the sustained level of traffic recorded during the year.

4.1 Employment costs

(in € millions)	2021 Financial year	2020 Financial year
Wages and employee benefit expenses – I	**(250.6)**	**(248.4)**
of which wages and salaries	*(168.5)*	*(172.1)*
of which social security expenses	*(60.3)*	*(58.1)*
of which costs of defined contribution plans	*(30.7)*	*(31.9)*
Incentive and employee profit-sharing – II	**(42.9)**	**(38.0)**
Total (I + II)	**(293.5)**	**(286.4)**

	2021 Financial year	2020 Financial year
Average number of employees (full time equivalents)	**4,438**	**4,588**
of which managers	*777*	*765*
of which non-managers	*3,661*	*3,823*

4.2 Other operating income and expenses

(in € millions)	2021 Financial year	2020 Financial year
Operating grants and insurance settlements received	4.2	4.1
Net gains or losses on disposal of property, plant and equipment and intangible assets	(0.3)	1.9
Other	(1.1)	(0.8)
Other operating income and expenses	**2.8**	**5.2**

4.3 Depreciation and amortisation

(in € millions)	2021 Financial year	2020 Financial year
Concession intangible assets	(714.0)	(682.3)
Other intangible assets	(8.0)	(9.7)
Property, plant and equipment	(84.1)	(91.0)
Depreciation and amortisation	**(806.1)**	**(783.0)**

Depreciation and amortisation of property, plant and equipment at 31 December 2021 includes €5.5 million in amortisation of right-of-use leases (€4.7 million at 31 December 2020).

5 Cost of net financial debt

Accounting principles

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

In 2021, the cost of net financial debt amounted to €107.6 million compared with €135.9 million in 2020, a decrease of €28.3 million.

Net financial debt can be broken down as follows for the period:

(in € millions)	2021 Financial year	2020 Financial year
Financial liabilities at amortised cost	(233.5)	(239.7)
Financial assets and liabilities at fair value through profit and loss	0.1	0.1
Derivatives designated as hedges: assets and liabilities	123.4	103.7
Derivatives at fair value through profit and loss: assets and liabilities	2.4	
Total net borrowing cost	**(107.6)**	**(135.9)**

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

(in € millions)	2021 Financial year	2020 Financial year
Net interest received from derivatives designated as fair value hedges	124.6	124.0
Change in value of derivatives designated as fair value hedges	(249.9)	47.0
Change in value resulting from the adjustment of hedged financial debt to fair value	252.3	(47.0)
Net interest received from derivates designated as cash flow hedges		(14.7)
Reserve recycled through profit or loss in respect of cash flow hedges	(3.6)	(5.6)
Gains and losses on derivative instruments allocated to net financial debt	**123.4**	**103.7**

6 Other financial income and expenses

Accounting principles

Other financial income and expenses mainly comprises the effects of discounting to present value, the impact of capitalised borrowing costs, foreign exchange gains and losses related to financial items, and changes in the value of derivatives not allocated to interest and exchange rate risk hedging, as well as financial expenses related to leases since the application of IFRS 16.
Capitalised borrowing costs have to do with concession assets and are recognised during the construction period at the value of the non-current 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 financial year less any investment income arising from the temporary investment of those borrowings;
- when borrowing is not intended to finance a specific project, the interest eligible for capitalisation on an asset is determined by applying a capitalisation rate to the expenditure on that asset. This capitalisation rate is equal to the weighted average of the costs of borrowing funds for construction work, other than those specifically intended for the construction of given assets.

Other financial income and expenses break down as follows:

(in € millions)	2021 Financial year	2020 Financial year
Discounting costs	(5.6)	(0.9)
Capitalised borrowing costs	2.5	3.5
Financial expenses related to leases	(0.1)	(0.1)
Total other financial income and expenses	**(3.2)**	**2.5**

The discounting expenses arose from provisions for the obligation to maintain the condition of concession assets of -€2.3 million in 2021 (-€1.2 million in 2020), provisions for retirement benefit obligations of -€0.8 million in 2021 (-€0.7 million in 2020) and non-current payables and receivables of -€2.5 million in 2021 (€1.0 million in 2020).

In 2021, other financial income included, in particular, capitalised borrowing costs of €2.5 million (€3.5 million in 2020).

7 Income tax

Accounting principles

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 book value and the tax base of assets and liabilities. It is calculated using the latest tax rates enacted or substantively enacted at the accounts closing dates. The effects of a change in the tax rate from one period to another are recognised in the income statement in the period in which the change occurs, except when they involve transactions recognised in items of other comprehensive income or directly in equity.
Deferred tax relating to share-based payments (IFRS 2) is recognised in profit or loss as long as the deductible basis does not exceed the fair value of the plans established under IFRS 2.
Whenever subsidiaries have distributable reserves, a deferred tax liability is recognised in respect of the probable distributions that will be made in the foreseeable future. Moreover, shareholdings in associates and certain joint ventures give rise to recognition of a deferred tax liability in respect of all the differences between the book value 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 taxable category. 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)	2021 Financial year	2020 Financial year
Current tax	(592.6)	(454.8)
Deferred tax	5.8	(0.8)
Income tax	**(586.8)**	**(455.6)**

The net tax expense for the year breaks down between:
- an income tax expense of €481.1 million for ASF (€375.0 million in 2020); and
- an income tax expense of €105.7 million for Escota (€80.6 million in 2020).

7.2 Effective tax rate

The Group's effective tax rate was 28.6% in 2021, compared to 32.4% in 2020.

The difference between the nominal amount of tax resulting from the tax rate applicable in France and the tax expense recognised for the year breaks down as follows:

(in € millions)	2021 Financial year	2020 Financial year
Income before tax and income/(loss) of companies accounted for under the equity method	2,050.6	1,407.8
Theoretical tax rate in France	28.41%	32.02%
Theoretical tax expense expected	**(582.6)**	**(450.8)**
Permanent differences and other	(4.2)	(4.8)
Tax expense recognised	**(586.8)**	**(455.6)**
Effective tax rate (excluding Group's share in companies accounted for under the equity method)	28.6%	32.4%

7.3 Breakdown of deferred tax assets and liabilities

(in € millions)	31/12/2021	Changes			31/12/2020(*)
		Profit or loss	Equity	Other	
Deferred tax assets					
Temporary differences on retirement benefit obligations	23.2	(0.7)	(0.7)		24.6
Temporary differences on financial instruments	4.3	(0.4)	(2.3)		7.0
Temporary differences related to leases	1.7	0.3			1.4
Other	43.3	1.6	(0.1)	(0.2)	42.0
Total deferred tax assets	**72.5**	**0.8**	**(3.1)**	**(0.2)**	**75.0**
Deferred tax liabilities					
Concession intangible assets (capitalised borrowing costs and other)	120.5	(8.6)			129.1
Concession property, plant and equipment	6.2	(0.7)			6.9
Temporary differences related to leases	2.6	0.3			2.3
Temporary differences on provisions	2.1	0.4			1.7
Other	11.3	(2.1)	0.3	(0.2)	13.3
Total deferred tax - liabilities	**142.7**	**(10.7)**	**0.3**	**(0.2)**	**153.3**
Net deferred tax	**(70.2)**	**11.5**	**(3.4)**	**0.0**	**(78.3)**

(*) *Restated at 1 January 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*

8 Earnings per share

Accounting principles

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 financial year less the weighted average number of treasury shares.
In calculating diluted earnings per share, the weighted average number of shares outstanding is adjusted for the potentially dilutive effect of all equity instruments issued by the Company, in particular share subscription options and performance shares. The dilution resulting from the exercise of share subscription options or performance shares is determined using the method laid out in IAS 33. In accordance with this standard, plans in which the share price is greater than the average price during the financial year are excluded from calculating diluted earnings per share.
Moreover, to calculate earnings per share before and after dilution, net income is corrected when necessary for impacts recognised directly in equity as a result of the conversion into shares of potentially dilutive instruments.

The Company's capital since 2002 has comprised 230,978,001 shares. The Company does not hold any treasury shares or instruments convertible into equity. As a result, the weighted number of shares to take into consideration when calculating basic and diluted earnings per share in 2021, as in 2020, is 230,978,001. Basic and diluted earnings per share are the same.

Earnings per share amounted to €6.329 in 2021 (€4.119 in 2020).

E. Concession contracts

Accounting principles

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 infrastructures on behalf of the grantor;
- an operating and maintenance activity in respect of concession assets.

Revenue for each line of business is recognised in accordance with IFRS 15.

In return for its activities, the concession operator receives consideration from either:

- **users, where the intangible asset model applies.** The operator has a right to receive tolls (or any other form of payment) from users (vehicles, airlines, etc.), on the basis of the traffic recorded, as consideration for the financing, the construction and the operation of the infrastructure. The intangible asset model also applies whenever the concession grantor remunerates the concession operator on the basis of how much users use the infrastructure, but with no guarantees as to the amounts that will be paid to it (under a pass-through or shadow-toll agreement);

Under this model, the right to receive toll payments (or any other form of remuneration) net of any investment subsidies 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 asset's economic benefit is consumed by the concession asset starting from the entry into service.
This intangible asset model applies to the concession arrangements of ASF and Escota which are amortised using the straight-line method.

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

Under this model, the operator recognises a financial asset, attracting interest, in its balance sheet, in consideration for the services it provides (designing and building). On the balance sheet, these financial receivables are classified as "Other financial assets" and are recognised at amortised cost and recovered according to the rent received from the concession grantor. The income calculated on the basis of the effective interest rate is recognised in revenue from ancillary activities.

In the case of **bifurcated models**, the concession operator is 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 use of the infrastructure, is recognised as "Concession intangible assets".

9 Concession intangible assets

9.1 Detail of concession intangible assets

(in € millions)	Cost of infrastructure	Advances and in progress	Investment subsidies	Total
Gross amount				
At 01/01/2020	**22,175.5**	**922.7**	**(428.4)**	**22,669.8**
Acquisitions in the period(*)	75.0	195.8	(14.6)	256.2
Disposals and retirements during the period	(2.0)		7.9	5.9
Other movements	658.2	(655.7)		2.5
At 31/12/2020	**22,906.7**	**462.8**	**(435.1)**	**22,934.4**
Acquisitions in the period(*)	88.5	236.1	(11.8)	312.8
Disposals and retirements during the period	(2.3)			(2.3)
Other movements	141.9	(141.3)		0.6
At 31/12/2021	**23,134.8**	**557.6**	**(446.9)**	**23,245.5**
Depreciation and amortisation				
At 01/01/2020	**(11,875.7)**	**0.0**	**190.9**	**(11,684.8)**
Amortisation during the period	(701.9)		19.6	(682.3)
Disposals and retirements during the period			(7.9)	(7.9)
At 31/12/2020	**(12,577.6)**	**0.0**	**202.6**	**(12,375.0)**
Amortisation during the period	(728.4)		14.4	(714.0)
At 31/12/2021	**(13,306.0)**	**0.0**	**217.0**	**(13,089.0)**
Net value				
At 01/01/2020	**10,299.8**	**922.7**	**(237.5)**	**10,985.0**
At 31/12/2020	**10,329.1**	**462.8**	**(232.5)**	**10,559.4**
At 31/12/2021	**9,828.8**	**557.6**	**(229.9)**	**10,156.5**

(*) *Including the costs of non-current borrowings.*

Investments in 2021, excluding capitalised borrowing costs, amounted to €310.3 million (€252.7 million in 2020).

Borrowing costs included in the cost of concession assets before their commissioning amounted to €2.5 million in 2021 (€3.5 million in 2020).

Concession intangible assets comprised assets under construction for €557.6 million at 31 December 2021 (of which €388.1 million for ASF and €169.5 million for Escota) compared with €462.8 million at 31 December 2020 (of which €328.3 million for ASF and €134.5 million for Escota). ASF's investments in 2021 related primarily to the continued widening of sections of the A61 and A66 motorways, the A57 motorway east of Toulon and the restructuring of slow lanes.

9.2 Main features of concession contracts

The main features of the contracts for the concessions (intangible asset model) operated by ASF and Escota are as follows:

Motorway infrastructure	Control and regulation of prices by concession grantor	Source of payments	Grant or guarantee from concession grantor	Residual value	Concession end date
ASF group					
ASF **2,730 km of toll motorways in France**	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased before term by the grantor on the basis of the economic value.	April 2036
Escota **471 km of toll motorways in France**	Pricing law as defined in the concession contract. Price increases subject to agreement by grantor.	Users	Nil	Infrastructure returned to grantor for no consideration at the end of the contract, unless purchased before term by the grantor on the basis of the economic value.	February 2032

9.3 Commitments made under concession contracts

Contractual investment and renewal obligations

ASF and Escota's contractual investment obligations mainly consist of the capital spending commitments undertaken as part of the multi-annual plans, the Motorway Stimulus Plan implemented in the second half of 2015 and the new Motorway Investment Plan approved in 2018.

They do not include obligations relating to maintenance expenditure on infrastructure under concession which have been provisioned (see Note 12.3 "Breakdown of current provisions").

Progress made on construction during the period led to a reduction in commitments of €113.6 million. The main investments are described in Note 9.1 presenting the Group's concession intangible assets.

These investments are financed by the issue of bonds in the market, taking out new bank loans, and drawing on available credit facilities.

The corresponding commitments break down as follows:

(in € millions)	31/12/2021	31/12/2020
ASF	335.7	400.7
Escota	354.4	403.0
Total	**690.1**	**803.7**

Annual performance report

The annual reports for 2020 on compliance with ASF's and Escota's contractual obligations and performance of their master contracts were submitted in June 2021 to the French Government's Transport Infrastructure Department. The companies have met all their commitments.

F. Other balance sheet items and business-related commitments

10 Other intangible assets and property, plant and equipment

10.1 Other intangible assets

Accounting principles

The other intangible assets, consisting largely of computer software, are shown on the balance sheet at cost less cumulative amortisation and impairment losses, where applicable. They are amortised on a straight-line basis over their useful lives.

The net value of other intangible fixed assets stood at €46.1 million at 31 December 2021 (compared with €38.5 million at 31 December 2020). They included the Group's software at €13.7 million (€13.5 million at 31 December 2020) and patents, licences and other intangible assets at €32.4 million (€25.0 million at 31 December 2020).

Depreciation and amortisation stood at €8.0 million for in 2021 compared to €9.7 million in 2020.

10.2 Property, plant and equipment

Accounting principles

Property, plant and equipment items are recorded at their acquisition or production cost net of any investment grants received and less cumulative depreciation and impairment losses. They are not revalued. They also include the concession operating assets that are not controlled by the grantor but that are necessary for operation of the concession such as buildings intended for use in the operation, signage equipment, 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.
The main periods of use of the various categories of items of property, plant and equipment are as follows:

Constructions:	
- Structure	20 to 30 years
- General technical installations	5 to 10 years
Plant and machinery	4 to 15 years
Computer equipment	3 to 5 years
Transport and handling equipment	2 to 10 years
Fixtures and fittings	5 to 10 years
Office furniture and equipment	3 to 10 years

Depreciation commences as from the date when the asset is ready to enter service.
The right-of-use assets in leases are amortised on a straight-line basis over the lease term, and adjusted whenever the value of the financial lease debt is reassessed.

(in € millions)	Tangible fixed assets related to concession contracts	Advances and in progress on property, plant and equipment related to concession contracts	Investment grants on concession property, plant and equipment	Rights of use for real estate	Rights of use for other movable assets	Total
Gross amount						
At 01/01/2020	**2,295.6**	**51.9**	**(10.4)**	**2.4**	**10.3**	**2,349.8**
Acquisitions in the period	20.7	22.0		(0.1)	4.0	46.6
Disposals and retirements during the period	(20.7)		1.4			(19.3)
Other movements	24.2	(22.5)				1.7
At 31/12/2020	**2,319.8**	**51.4**	**(9.0)**	**2.3**	**14.3**	**2,378.8**
Acquisitions in the period	23.3	24.8			7.3	55.4
Disposals and retirements during the period	(27.7)			(0.7)	(2.7)	(31.1)
Other movements	13.3	(13.4)				(0.1)
At 31/12/2021	**2,328.7**	**62.8**	**(9.0)**	**1.6**	**18.9**	**2,403.0**
Depreciation and amortisation						
At 01/01/2020	**(1,891.6)**	**0.0**	**8.9**	**(0.5)**	**(3.5)**	**(1,886.7)**
Amortisation during the period	(87.8)		1.5	(0.4)	(4.3)	(91.0)
Disposals and retirements during the period	20.4		(1.4)		0.9	19.9
At 31/12/2020	**(1,959.0)**	**0.0**	**9.0**	**(0.9)**	**(6.9)**	**(1,957.8)**
Amortisation during the period	(78.6)			(0.4)	(5.1)	(84.1)
Disposals and retirements during the period	27.2			0.3	2.6	30.1
At 31/12/2021	**(2,010.4)**	**0.0**	**9.0**	**(1.0)**	**(9.4)**	**(2,011.8)**
Net value						
At 01/01/2020	**404.0**	**51.9**	**(1.5)**	**1.9**	**6.8**	**463.1**
At 31/12/2020	**360.8**	**51.4**	**0.0**	**1.4**	**7.4**	**421.0**
At 31/12/2021	**318.3**	**62.8**	**0.0**	**0.6**	**9.5**	**391.2**

Property, plant and equipment includes fixed assets under construction for €62.8 million at 31 December 2021 (€51.4 million at 31 December 2020).

The Group's lease agreements relate mainly to transport equipment, property and some fixtures.

10.3 Impairment of property, plant and equipment and intangible assets

Accounting principles

Impairment tests are performed on property, plant and equipment and intangible assets where evidence of a loss of value arises.

No impairment was recorded in 2021, as in 2020.

11 Financial assets at amortised cost

Accounting principles

Financial assets at amortised cost consist mainly of loans and receivables.
When first recognised, loans and receivables are recognised at their fair value minus the directly attributable transaction costs.
From the beginning, the Group has written down its loans and receivables to reflect their recoverability, in accordance with IFRS 9 "Financial instruments".

At each balance sheet date, these assets are measured at their amortised cost using the effective interest rate method, and the Group analyses credit risk changes to determine if new impairments must be recognised.
If increased credit risk is found, an additional impairment, reflecting this risk over the life of the asset, will be recognised in profit or loss.

Loans and other receivables stated at amortised cost amounted to €15.4 million and mainly include the participation of the companies in the construction effort. They are presented on the consolidated balance sheet as assets under the heading "Other non-current financial assets" (for the portion beyond one year).

The portion of loans and receivables at less than one year is included under other current financial assets in the amount of €0.7 million at 31 December 2021 (€1.1 million at 31 December 2020).

During the period, the change in loans and receivables at amortised cost, as well as their maturities, breakdown as follows:

(in € millions)	31/12/2021	31/12/2020
Start of the period	**15.2**	**15.0**
Acquisitions in the period	0.9	0.9
Disposals and retirements during the period	(0.7)	(0.7)
End of period	**15.4**	**15.2**
of which:		
1 to 5 years	*3.0*	*2.9*
more than 5 years	*12.4*	*12.3*

12 Working capital requirement and current provisions

Accounting principles

Trade receivables are current financial assets. They are initially measured at their fair value, which is generally their nominal value, unless there is any discounting effect.
The Group applies the simplified model defined in IFRS 9 and records an impairment of its trade receivables accordingly equal to the credit loss expected at maturity.

At each balance sheet date, trade receivables are measured at their amortised cost less any impairment losses in the event non-recovery risks. The assessment of this risk takes into account late payments and guarantees obtained.
Trade payables are current financial liabilities. They are initially measured at their fair value, which is generally their nominal value, unless there is any discounting effect.
Inventories and work in progress are recognised at their cost of acquisition or of production by the entity. Inventories mainly comprise the necessary supplies for the maintenance and upkeep of motorways, spare parts for equipment (toll booths, electrical equipment, transport, machinery) computer and office supplies. At each reporting date, they are measured at their historical cost, or if it is lower than the net realisable value.

12.1 Change in working capital requirement

(in € millions)		31/12/2021	31/12/2020	Changes 31/12/2021 – 31/12/2020: Changes in operating WCR	Changes 31/12/2021 – 31/12/2020: Other changes
Inventories and work in progress (net)		4.1	3.7	0.4	
Trade and other receivables		367.4	326.7	40.7	
Other current assets		199.8	197.2	2.6	
- Non-operating assets		(12.6)	(19.8)	7.2	
Inventories and operating receivables	**I**	**558.7**	**507.8**	**50.9**	**0.0**
Trade payables		(163.8)	(117.5)	(46.3)	
Other current payables		(626.8)	(575.9)	(50.9)	
- Non-operating liabilities		161.1	166.8	(5.7)	
Trade and other operating payables	**II**	**(629.5)**	**(526.6)**	**(102.9)**	**0.0**
Working capital requirement (excluding current provisions)	**I + II**	**(70.8)**	**(18.8)**	**(52.0)**	**0.0**
Current provisions		**(545.8)**	**(510.3)**	**(32.9)**	**(2.6)**
of which part at less than one year of non-current provisions		*(0.9)*	*(1.3)*		*0.4*
Working capital requirement (including current provisions)		**(616.6)**	**(529.1)**	**(84.9)**	**(2.6)**

12.2 Current operating assets and liabilities

Current operating assets and liabilities break down as follows:

(in € millions)		31/12/2021	Maturity: within 1 year: 1 to 3 months	Maturity: within 1 year: 3 to 6 months	Maturity: within 1 year: 6 to 12 months	Maturity: 1 to 5 years	Maturity: more than 5 years
Inventories and work in progress (net)		4.1			0.1	3.8	0.2
Trade and other receivables		367.4	366.4	0.1	0.1	0.7	0.1
Other current operating assets		187.2	101.8	15.6	22.1	47.2	0.5
Inventories and operating receivables	**I**	**558.7**	**468.2**	**15.7**	**22.3**	**51.7**	**0.8**
Trade payables		(163.8)	(105.0)	(58.8)			
Other current operating liabilities		(465.7)	(296.3)	(71.7)	(24.3)	(39.5)	(33.9)
Trade and other operating payables	**II**	**(629.5)**	**(401.3)**	**(130.5)**	**(24.3)**	**(39.5)**	**(33.9)**
Working capital requirement (connected with operations)	**I + II**	**(70.8)**	**66.9**	**(114.8)**	**(2.0)**	**12.2**	**(33.1)**

			Maturity				
			within 1 year				
(in € millions)		31/12/2020	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	more than 5 years
Inventories and work in progress (net)		3.7			0.1	3.5	0.1
Trade and other receivables		326.7	325.9			0.3	0.5
Other current operating assets		177.4	95.7	14.3	24.2	42.6	0.6
Inventories and operating receivables	**I**	**507.8**	**421.6**	**14.3**	**24.3**	**46.4**	**1.2**
Trade payables		(117.5)	(61.8)	(55.7)			
Other current operating liabilities		(409.1)	(255.9)	(58.0)	(22.2)	(38.1)	(34.9)
Trade and other operating payables	**II**	**(526.6)**	**(317.7)**	**(113.7)**	**(22.2)**	**(38.1)**	**(34.9)**
Working capital requirement (connected with operations)	**I + II**	**(18.8)**	**103.9**	**(99.4)**	**2.1**	**8.3**	**(33.7)**

Breakdown of trade receivables

The table below presents trade receivables and allowances:

(in € millions)	31/12/2021	31/12/2020
Trade receivables invoiced	22.1	44.6
Allowance against trade receivables	(1.3)	(1.3)
Net trade receivables	**20.8**	**43.3**

The Group implemented a specific monitoring procedures for its trade receivables.

At 31 December 2021, trade receivables between six and twelve months past due amounted to €1.4 million (€2.0 million at 31 December 2020). Impairment was recognised in the amount of €0.2 million at 31 December 2021, the same as at 31 December 2020. At 31 December 2021, trade receivables more than one year past due amounted to €3.6 million (€3.8 million at 31 December 2020). Impairment was recognised in the amount of €0.5 million at 31 December 2021 compared to €0.4 million at 31 December 2020.

12.3 Breakdown of current provisions

Accounting principles

Current provisions are directly linked to the operating cycle. They are recognised in accordance with IAS 37 and include the portion 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 expenses".

Provisions are taken for contractual obligations to maintain the condition of concession assets. They cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels and hydraulic infrastructure. Provisions are calculated on the basis of maintenance expense plans spanning several years, which are updated annually. These expenses are reassessed on the basis of appropriate indices (mainly the TP01 and TP09 indices). Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructures.

Provisions for disputes connected with operations mainly relate to disputes with customers, sub-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.

Provisions for other current liabilities mainly comprise provisions for other risks related to operations.

Changes in current provisions reported in balance sheet liabilities were as follows in 2021 and 2020:

(in € millions)	Opening	Allocations	Usage	Other reversals not used	Change in consolidation scope and miscellaneous	Change in the portion at less than one year	Closing
01/01/2020	**451.0**	**109.9**	**(58.2)**	**(29.2)**	**0.0**	**0.4**	**473.9**
Obligation to maintain the condition of concession assets	453.4	108.3	(58.0)	(17.3)			486.4
Other current liabilities	19.4	8.3	(4.6)	(0.5)			22.6
Reclassification of the portion at less than one year	1.1					0.2	1.3
31/12/2020	**473.9**	**116.6**	**(62.6)**	**(17.8)**	**0.0**	**0.2**	**510.3**
Obligation to maintain the condition of concession assets	486.4	97.6	(77.9)	(5.4)			500.7
Other current liabilities	22.6	31.7	(5.2)	(5.7)	0.8		44.2
Reclassification of the portion at less than one year	1.3					(0.4)	0.9
31/12/2021	**510.3**	**129.3**	**(83.1)**	**(11.1)**	**0.8**	**(0.4)**	**545.8**

The obligations to maintain the condition of concession assets comprised €398.8 million for ASF at 31 December 2021 (€389.6 million at 31 December 2020) and €101.9 million for Escota at 31 December 2021 (€96.9 million at 31 December 2020).

13 Non-current provisions

Accounting principles

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

Changes in non-current provisions reported in the balance sheet (excluding those for employee benefits) were as follows in 2021 and 2020:

(in € millions)	Opening	Allocations	Usage	Other reversals not used	Change in consolidation scope and miscellaneous	Change in the portion at less than one year	Closing
01/01/2020	**0.5**	**0.4**	**0.0**	**(0.2)**	**0.0**	**(0.3)**	**0.4**
Other risks	1.4						1.4
Reclassification of the portion at less than one year	(1.0)					(0.3)	(1.3)
31/12/2020	**0.4**	**0.0**	**0.0**	**0.0**	**0.0**	**(0.3)**	**0.1**
Other risks	1.4	0.8	(0.1)	(0.1)	(0.8)		1.2
Reclassification of the portion at less than one year	(1.3)					0.4	(0.9)
31/12/2021	**0.1**	**0.8**	**(0.1)**	**(0.1)**	**(0.8)**	**0.4**	**0.3**

Provisions for other liabilities not directly related to the operating cycle, include mainly the provisions for disputes and arbitration, some of which are described in Note L. "Note on litigation". These amounted to €1.2 million at 31 December 2021 (compared to €1.4 million at 31 December 2020), of which €0.9 million for the portion at less than one year (€1.3 million at 31 December 2020).

14 Lease liabilities

Accounting principles

At the start of the contract, the liability is assessed on the basis of the discounted value of the payments remaining due to the lessor, i.e.:
- the fixed lease payments, less any amounts received from the lessor to encourage the contract signature;
- the variable lease payments that depend on an index or rate, it being specified that the future payments are determined based on the level of the index or rate at the start of the contract;
- the payments to be made by the lessee pursuant to a guarantee of residual value;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise this option;
- penalties to be paid in the event of the exercise of a cancellation option in the contract, if the contract term has been determined under the assumption that the lessee would exercise it.

The liability may be reassessed in the following situations: change to the lease term; modification related to the assessment of the reasonably certain (or not) nature of the exercise of an option; reassessment relating to the guarantees of residual value; change to the rates or indices on which the rent payments are based when rent adjustments take place.

At 31 December 2021, liabilities related to lease contracts stood at €11.4 million, of which €6.6 million for lease liabilities of over one year and €4.8 million for lease liabilities of less than one year.

They amounted to €9.5 million at 31 December 2020.

The net change recorded during the period, i.e. an increase of €1.9 million, breaks down as follows:
- new lease liabilities taken out since 1 January 2021: €8.3 million;
- repayment of lease liabilities over the period: -€6.0 million;
- other changes during the period: -€0.4 million.

Schedule for non-current lease liabilities

(in € millions)	Non-current lease liabilities	between 1 and 2 years	between 3 and 5 years	more than 5 years
Lease liabilities related to property assets	0.3		0.1	0.2
Lease liabilities related to movable assets	6.3	3.0	2.7	0.6
31/12/2021	**6.6**	**3.0**	**2.8**	**0.8**

G. Data on the Group's shareholdings

15 Investments in companies accounted for under the equity method: associates

Accounting principles

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

If there is an impairment indicator, the recoverable value is tested according to modalities similar to those described in Note 10.3 "Impairment of property, plant and equipment and intangible assets". Impairment losses shown by these impairment tests are recognised through profit and loss and as a deduction from the book value of the corresponding investments.

In order to present the Group's operational performance in the best way possible, the profit or loss of companies accounted for under the equity method is reported on a specific line, between the lines "Operating income from ordinary activities" and "ordinary operating income".

The definition of associates is presented in Note 1.2 "Consolidation methods".

15.1 Changes during the period

(in € millions)	31/12/2021	31/12/2020
Value of shares at start of the financial year	**14.4**	**14.3**
Group share of income (loss) for the period	(0.7)	0.1
Value of shares at end of the financial year	**13.7**	**14.4**

15.2 Aggregated financial information

At 31 December 2021, investments in companies accounted for under the equity method relate to Axxès.

(in € millions)	31/12/2021	31/12/2020
% held	**42.9%**	**42.9%**
Income statement		
Revenue	320.0	327.4
Net income	(0.7)	0.1

In accordance with IAS 28, the Group limits the accounting of its share of losses in associates to the proportion of its interest in the associate. At both 31 December 2021 and 31 December 2020, there were no unrecognised losses against associates.

15.3 Transactions between subsidiaries and associates

The financial statements include certain business transactions between subsidiaries and associates. The main transactions are as follows:

(in € millions)	31/12/2021	31/12/2020
Revenue	271.7	265.4
Income from ancillary activities	0.3	0.5
Trade receivables	44.1	44.9
Purchases	1.4	1.3
Trade payables	0.3	0.3

16 Other non-current financial assets

Accounting principles

At the balance sheet dates, unconsolidated equity investments are measured at fair value through profit or loss or through equity, depending on the choice made upon initial recognition, as specified below. The fair value of shares in listed companies is determined on the basis of the stock market price at that balance sheet date. If the fair value of unlisted shares cannot be determined reliably, the shares continue to be measured at their original cost, i.e. their cost of acquisition plus transaction costs, and this value is adjusted by any fall or appreciation in value measured by analysing changes in the percentage of the equity held.
At each new acquisition of shares, an analysis of the Group's management intentions is carried out, in order to determine if they will be measured at fair value through profit and loss or through shareholders' equity. Only securities considered as strategic may be measured at fair value through other comprehensive income.

(in € millions)	31/12/2021	31/12/2020
Listed shares in subsidiaries and affiliates	4.4	2.7
Equity instruments	**4.4**	**2.7**
Financial assets at amortised cost(*)	15.4	15.2
Other non-current financial assets	**19.8**	**17.9**

(*) *Information on "Financial assets at amortised cost" can be found in Note 11.*

Equity instruments break down as follows:

(in € millions)	31/12/2021	31/12/2020
Société Marseillaise du Tunnel Prado Carénage	4.4	2.7
Available-for-sale financial assets (net)	**4.4**	**2.7**

During the period, the change in equity instruments was as follows:

(in € millions)	31/12/2021	31/12/2020
Start of the period	**2.7**	**3.3**
Changes in fair value recognised in equity	1.7	(0.6)
End of period	**4.4**	**2.7**

H. Equity

17 Equity

17.1 Share capital

The number of shares outstanding has amounted to 230,978,001 since 2002. The Company holds no treasury shares or instruments convertible into equity.

17.2 Transactions recognised directly in equity

(in € millions)		31/12/2021 Attributable to owners of the parent	31/12/2021 Share attributable to non-controlling interests	31/12/2021 Total	31/12/2020 Attributable to owners of the parent	31/12/2020 Share attributable to non-controlling interests	31/12/2020 Total
Hedging costs							
Reserve at beginning of period		**(0.9)**	**0.0**	**(0.9)**	**(0.7)**	**0.0**	**(0.7)**
Gross reserve before tax effect at balance sheet date	**I**	**(1.3)**	**0.0**	**(1.3)**	**(0.9)**	**0.0**	**(0.9)**
Cash flow and net investment hedges							
Reserve at beginning of period		**(12.0)**	**0.0**	**(12.0)**	**(28.7)**	**0.0**	**(28.7)**
Other changes in fair value in the period		10.1		10.1	11.1		11.1
Fair value items recognised in profit or loss		(1.6)		(1.6)	5.6		5.6
Gross reserve before tax effect at balance sheet date	**II**	**(3.5)**	**0.0**	**(3.5)**	**(12.0)**	**0.0**	**(12.0)**
Total gross reserve before tax effect at balance sheet date (items that may be recycled through profit or loss)	**I + II**	**(4.8)**	**0.0**	**(4.8)**	**(12.9)**	**0.0**	**(12.9)**
Associated tax effect		1.3		1.3	3.4		3.4
Reserve net of tax (items that may be recycled through profit or loss)	**III**	**(3.5)**	**0.0**	**(3.5)**	**(9.5)**	**0.0**	**(9.5)**
Equity instruments							
Reserve at beginning of period		**(0.4)**	**0.0**	**(0.4)**	**0.0**	**0.0**	**0.0**
Reserve net of tax at balance sheet date	**IV**	**0.7**	**0.0**	**0.7**	**(0.4)**	**0.0**	**(0.4)**
Actuarial gains and losses on retirement benefit obligations							
Reserve at beginning of period		**(32.8)**	**0.0**	**(32.8)**	**(34.0)**	**0.0**	**(34.0)**
Actuarial gains and losses recognised in the period		2.5		2.5	1.7		1.7
Associated tax effect		(0.7)		(0.7)	(0.5)		(0.5)
Reserve net of tax at balance sheet date	**V**	**(31.0)**	**0.0**	**(31.0)**	**(32.8)**	**0.0**	**(32.8)**
Reserve net of tax at balance sheet date (items that may not be recycled through profit or loss)	**IV + V**	**(30.3)**	**0.0**	**(30.3)**	**(33.2)**	**0.0**	**(33.2)**
Total of transactions recognised directly in equity	**III + IV + V**	**(33.8)**	**0.0**	**(33.8)**	**(42.7)**	**0.0**	**(42.7)**

The amount recorded in equity with respect to cash flow hedges mainly concerns operations relating to interest rate risk hedging. These operations are described in Note 21.1.2 "Description of hedging transactions".

17.3 Non-controlling interests

Only Escota has shareholders with non-controlling interests.

18 Dividends

The dividends paid by ASF SA in respect of 2021 and 2020 break down as follows:

		2021	2020
Interim dividend			
Amount *(in € millions)*	I	353.4	
Per share *(in euros)*		1.53	
Final dividend			
Amount *(in € millions)*	II		1,053.3
Per share *(in euros)*			4.56
Total net dividend per share			
Amount *(in € millions)*	I + II	353.4	1,053.3
Per share *(in euros)*		1.53	4.56

ASF SA paid an amount of €1,053.3 million in cash corresponding to the final dividend paid on 30 March 2021.

On 23 July 2021, the Board of Directors decided to pay an interim dividend for the 2021 financial year of €353.4 million on 31 August 2021.

The total dividend to be paid with respect to 2021 will be submitted to the Shareholders' Ordinary General Meeting for approval on 18 March 2022 (see Note 27 "Appropriation of 2021 net income").

I. Financing and financial risk management

19 Net financial debt

Accounting principles

Bonds, other loans and financial debt are recognised at amortised cost using the effective interest rate 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 "cost of gross financial debt".

The benefit of a loan at a significantly below-market rate of interest, which is in particular the case 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 agreements include early redemption options, for amounts systematically close to the amortised cost of the financial liabilities they cause to be recognised. Accordingly, the Group does not recognise derivative financial instruments separately from these host contracts.

The part at less than one year of borrowings is included in "current financial debts".

At 31 December 2021, net financial debt, as defined by the Group, stood at €8.3 billion, down €636.2 million from 31 December 2020 (€9.0 billion). It can be broken down as follows:

Analysis by accounting category	*(in € millions)*	Note	31/12/2021 Non-current	31/12/2021 Current(*)	31/12/2021 Total	31/12/2020 Non-current	31/12/2020 Current(*)	31/12/2020 Total
Financial liabilities at amortised cost	Bonds	19.1	(7,287.8)	(1,738.1)	(9,025.9)	(9,130.5)	(142.4)	(9,272.9)
	Other bank loans and borrowings	19.1	(404.0)	(54.5)	(458.5)	(462.0)	(55.5)	(517.5)
	Long-term financial debt(**)	**19.1**	**(7,691.8)**	**(1,792.6)**	**(9,484.4)**	**(9,592.5)**	**(197.9)**	**(9,790.4)**
	I - Gross financial debt	**19.1**	**(7,691.8)**	**(1,792.6)**	**(9,484.4)**	**(9,592.5)**	**(197.9)**	**(9,790.4)**
	of which: Impact of fair value hedges		*(275.1)*	*(20.9)*	*(296.0)*	*(548.4)*		*(548.4)*
Financial assets measured at fair value through profit or loss	Cash equivalents	20.1		829.7	829.7		258.2	258.2
	Cash	20.1		14.4	14.4		8.8	8.8
	II - Financial assets		**0.0**	**844.1**	**844.1**	**0.0**	**267.0**	**267.0**
Derivatives	Derivative financial instruments – liabilities	21	(80.0)	(7.5)	(87.5)	(112.0)	(8.1)	(120.1)
	Derivative financial instruments – assets	21	311.2	91.2	402.4	613.6	68.3	681.9
	III - Derivatives		**231.2**	**83.7**	**314.9**	**501.6**	**60.2**	**561.8**
	Net borrowing cost	**I+II+III**	**(7,460.6)**	**(864.8)**	**(8,325.4)**	**(9,090.9)**	**129.3**	**(8,961.6)**

(*) *Current portion including accrued interest not matured.*
(**) *Including the portion at less than one year.*

Change in net financial debt

(in € millions)	Opening	Cash flows	Ref.	"Non-cash" changes: Translation effect	Changes in fair value	Other changes	Total "non-cash"	Ref.	Closing
Non-current bonds	(9,130.5)		(3)	3.5	273.2	1,566.0	1,842.7	(4)	(7,287.8)
Other non-current loans and borrowings	(462.0)		(3)	5.2		52.8	58.0	(4)	(404.0)
Current financial debts	(197.9)	55.1			(20.9)	(1,628.9)	(1,649.8)		(1,792.6)
of which portion at less than one year of long-term debt	*(55.1)*	*55.1*	*(3)*		*(20.9)*	*(1,629.8)*	*(1,650.7)*	*(4)*	*(1,650.7)*
of which accrued interest non yet due on financial debt	*(142.8)*		*(4)*			*0.9*	*0.9*	*(4)*	*(141.9)*
Cash and cash equivalents	267.0	577.1	(1)					(1)	844.1
Net derivative and other financial instruments	561.8			(8.7)	(237.9)	(0.3)	(246.9)		314.9
of which fair value of derivative financial instruments	*496.0*		*(2)*	*(8.7)*	*(237.9)*	*(0.1)*	*(246.7)*	*(4)*	*249.3*
of which accrued interest not matured on derivative financial instruments	*65.8*		*(4)*			*(0.2)*	*(0.2)*	*(4)*	*65.6*
Net borrowing cost	**(8,961.6)**	**632.2**	**(5)**	**0.0**	**14.4**	**(10.4)**	**4.0**	**(5)**	**(8,325.4)**

"Other changes" include the reclassification of the non-current portion of long-term financial debt under current financial debt.

The table below reconciles the changes in net financial debt and the statement of cash flows.

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

(in € millions)	Ref.	31/12/2021
Change in net cash	(1)	577.1
Change in cash management assets and other current financial debt	(2)	
(Proceeds from)/repayment of loans	(3)	55.1
Other changes	(4)	4.0
Change in net borrowing cost	(5)	636.2

19.1 Detail of long-term financial debt

At 31 December 2021, long-term financial debt amounted to €9.5 billion, down €306.0 million from 31 December 2020 (€9.8 billion).

During 2021, the Group has not set up any new financing and occasionally used its credit facility with VINCI.

The debt repayments that took place during 2021 concerned EIB loans for €55.1 million.

Details of the main financial debt at 31 December 2021 are shown below:

				31/12/2021			31/12/2020	
(in € millions)	Currency	Contractual interest rate	Maturity	Outstanding capital	Carrying amount	of which accrued interest not matured	Outstanding capital	Carrying amount
Bonds I				**8,626.0**	**9,025.9**	**141.5**	**8,629.6**	**9,272.9**
of which:								
ASF 2007 bond issue	EUR	5.6%	July 2022	1,575.0	1,638.8	43.9	1,575.0	1,682.3
ASF 2013 bond issue	EUR	2.9%	January 2023	700.0	734.1	19.2	700.0	749.2
ASF 2014 bond issue	EUR	2.95%	January 2024	600.0	615.5	16.9	600.0	614.8
ASF 2016 bond issue	EUR	1.0%	May 2026	500.0	511.8	3.2	500.0	525.1
ASF 2017 bond issue	EUR	1.125%	April 2026	500.0	502.6	3.9	500.0	502.3
ASF 2017 bond issue	EUR	1.25%	January 2027	1,000.0	1,006.3	11.9	1,000.0	1,005.2
ASF 2018 bond issue	EUR	1.375%	January 2030	1,000.0	1,072.3	13.0	1,000.0	1,125.6
ASF 2018 bond issue	EUR	1.375%	June 2028	700.0	734.7	5.0	700.0	764.5
ASF 2019 bond issue	EUR	1.375%	February 2031	1,000.0	1,044.5	11.8	1,000.0	1,100.7
Other bank loans and borrowings II				**464.8**	**458.5**	**0.4**	**525.1**	**517.5**
EIB loans	**EUR**			**464.8**	**458.5**	**0.4**	**525.1**	**517.5**
Credit facilities	**EUR**			**0.0**			**0.0**	**0.0**
of which:								
ASF VINCI credit facility(*)	EUR	Euribor	November 2023					
Long-term financial debt I + II				**9,090.8**	**9,484.4**	**141.9**	**9,154.7**	**9,790.4**

(*) *Internal credit facility with VINCI (see Note 20.2 "Revolving credit facilities").*

19.2 Maturity of the net financial debt

The Group's debt and associated interest payments, on the basis of the interest rates at 31 December 2021, break down as follows, by maturity date:

	31/12/2021					
(in € millions)	Carrying amount	Capital and interest cash flows(*)	within 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Bonds	**(9,025.9)**	**(9,457.1)**	**(1,795.8)**	**(952.2)**	**(2,202.1)**	**(4,507.0)**
Capital	(9,025.9)	(8,626.0)	(1,575.0)	(820.0)	(1,935.0)	(4,296.0)
Interest payment cash flows	,	(831.1)	(220.8)	(132.2)	(267.1)	(211.0)
Other bank loans and borrowings	**(458.5)**	**(473.9)**	**(55.8)**	**(55.6)**	**(155.1)**	**(207.4)**
Capital	(458.5)	(464.8)	(54.2)	(54.2)	(151.9)	(204.5)
Interest payment cash flows	,	(9.1)	(1.6)	(1.4)	(3.2)	(2.9)
Long-term financial debt	**(9,484.4)**	**(9,931.0)**	**(1,851.6)**	**(1,007.8)**	**(2,357.2)**	**(4,714.4)**
Financial debt I	**(9,484.4)**	**(9,931.0)**	**(1,851.6)**	**(1,007.8)**	**(2,357.2)**	**(4,714.4)**
Cash equivalents	829.7	829.7	829.7			
Cash	14.4	14.4	14.4			
Financial assets II	**844.1**	**844.1**	**844.1**	**0.0**	**0.0**	**0.0**
Derivative financial instruments – liabilities	(87.5)	(71.1)	(14.2)	(12.8)	(35.9)	(8.2)
Derivative financial instruments – assets	402.4	631.2	138.5	94.1	214.5	184.1
Financial derivatives III	**314.9**	**560.1**	**124.3**	**81.3**	**178.6**	**175.9**
Net borrowing cost I + II + III	**(8,325.4)**	**(8,526.8)**	**(883.2)**	**(926.5)**	**(2,178.6)**	**(4,538.5)**

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

At 31 December 2021, the average maturity of the Group's long-term financial debt was 4.6 years (5.6 years at 31 December 2020).

19.3 Credit ratings and financial covenants

Credit ratings

At 31 December 2021, the Group's credit ratings were as follows:

	Rating		
Agency	**Long term**	**Outlook**	**Short term**
Standard & Poor's	A-	Stable	A-2
Moody's	A3	Stable	P-1

Financial covenants

Certain financial covenants contain early repayment clauses applicable in the event of non-compliance with financial ratios; the Group was in compliance with the latter at 31 December 2021.

20 Net cash managed and available resources

Accounting principles

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 monetary UCITS and certificates of deposit with maturities not exceeding three months at the origin. Bank overdrafts are not included in cash and are reported under current financial liabilities. Changes in the fair value of these instruments are recognised in profit or loss.
Cash management financial assets comprise investments in monetary and bond securities, 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 carried on the income statement.
Purchases and sales of cash management financial assets are recognised at their transaction date.

At 31 December 2021, the Group's available resources amounted to €3.3 billion, of which €844.1 million in net cash and €2.5 billion in available VINCI internal credit line (see Note 20.2 "Revolving credit facilities").

20.1 Net cash managed

Net cash managed, breaks down as follows:

(in € millions)	31/12/2021	31/12/2020
Cash equivalents	**829.7**	**258.2**
Cash current account	829.7	258.2
Cash	**14.4**	**8.8**
Net cash managed	**844.1**	**267.0**

The investment vehicles used by the Group are money market funds (UCITS), interest-bearing accounts, term deposits or monetary instruments (bank certificates of deposit, generally having a maturity of less than three months). They are measured and recognised at their fair value.

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

20.2 Revolving credit facilities

ASF has an internal revolving credit facility with VINCI for €2.5 billion which matures in November 2023. This credit line is not used at year end.

21 Financial risk management

Management rules

The ASF group has implemented a system to manage and monitor the financial risks to which it is exposed, principally interest rate risk.

In the context of the health crisis, the Group has implemented specific procedures to ensure that its risks are properly monitored.

In application of the rules defined by VINCI group's Finance Department, responsibility for identifying, measuring and hedging financial risks lies with the operating entities. However, management of derivative products is generally carried out by VINCI group's Finance Department on behalf of the concerned subsidiaries.

As ASF group has significant exposure to financial risks, a Treasury Committee, in which VINCI SA and ASF Finance Departments take part, regularly analyses the main exposures and decides on hedging strategies.

In order to manage its exposure to market risks, the Group uses derivative financial instruments.

Accounting principles

Most interest rate and foreign exchange derivatives used by ASF group are designated as hedges. Hedge accounting is applicable if the conditions provided for in IFRS 9 are satisfied:

- the hedging relationship must be clearly designated and documented at the date of inception of the hedge;
- the economic link between the hedged item and the hedge must be documented, as well as the potential sources of ineffectiveness;
- retrospective ineffectiveness must be measured at each closing date.

Changes in fair value from one period to another are recognised in various ways, depending on the designation of the instrument for accounting purposes:

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

The Group applies the provisions allowed or required by IFRS 9 for the treatment of hedging costs for all its hedging instruments which qualify for hedge accounting.

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

A cash flow hedge allows exposure to variability in future cash flows associated with an existing asset or liability, or a highly probable forecast transaction, to be hedged.

Changes in the fair value of the hedging instrument are recognised in items of other comprehensive income for the "effective portion" and in profit and loss for the period for the "ineffective portion". Cumulative gains or losses in equity are reclassified in profit or loss under the same line item as the hedged item – i.e. operating income for hedges of operating flows and cost of net financial debt for the others – when the hedged cash flow is completed.
If the hedging relationship is disqualified, the cumulative gains or losses in respect of the hedging instrument are retained in equity and reclassified in profit or loss at the same pace as the hedged flows occur, with subsequent changes in fair value recorded directly in profit or loss. If the future cash flow is no longer expected, the gains and losses previously recognised in equity are recorded in profit or loss.

Net investment hedging consists of hedging the currency exchange risk related to the net position of an investment in a consolidated foreign subsidiary outside of the euro zone. Changes in the value of the hedging instrument are recorded in equity under "translation differences" for the effective portion. The "ineffective" portion of changes in the value of the heading instrument is recorded under net borrowing cost. Translation differences related to changes in the value of the hedging instrument are recorded in profit and loss when they leave the scope of the foreign entity subject to the initial investment.

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 through profit or loss.

At the date of approval of the financial statements, the fair value of derivative financial instruments breaks down as follows:

			31/12/2021			31/12/2020		
(in € millions)	**Balance sheet entry**	**Note**	**Assets**	**Liabilities**	**Fair value(*)**	**Assets**	**Liabilities**	**Fair value(*)**
Derivatives linked to Net Financial Debt								
Interest-rate derivatives: fair value hedges		21.1.2	405.1	(34.5)	370.6	686.9	(65.6)	621.3
Interest-rate derivatives: cash flow hedges		21.1.2		(0.9)	(0.9)		(5.0)	(5.0)
Interest-rate derivatives	Net borrowing cost		**405.1**	**(35.4)**	**369.7**	**686.9**	**(70.6)**	**616.3**
Exchange-rate derivatives: fair value hedges		21.2		(37.0)	(37.0)		(33.7)	(33.7)
Exchange-rate derivatives: cash flow hedges		21.2		(15.3)	(15.3)		(15.9)	(15.9)
Exchange-rate derivatives	Net borrowing cost		**0.0**	**(52.3)**	**(52.3)**	**0.0**	**(49.6)**	**(49.6)**
Other derivatives	Net borrowing cost		**(2.7)**	**0.2**	**(2.5)**	**(5.0)**	**0.1**	**(4.9)**
Total derivative financial instruments			**402.4**	**(87.5)**	**314.9**	**681.9**	**(120.1)**	**561.8**

(*) *Fair value includes interest accrued but not matured amounting to +€65.6 million at 31 December 2021 (+€65.8 million at 31 December 2020).*

21.1 Management of interest rate risk

Management of interest rate risk is provided at Group level and works on two time horizons: the long term, aiming to ensure and maintain the concession's economic equilibrium, and the short term, with an objective of limiting the impact from the cost of debt on results for the financial year.

Over the long-term, the objective is to ensure that the breakdown between fixed-rate and floating-rate debt is adjusted according to the debt, with a greater proportion at fixed rate when the level of debt is high.

To hedge its interest rate risk, the Group uses derivative financial instruments in the form of options or swaps of which the start may be deferred. These derivatives may, where appropriate, be designated as hedges or not, within the meaning of IFRS. The Group ensures that the ineffective portion of hedging is not significant.

At 31 December 2021, the Group applied the procedures allowed pursuant to the amendments to IFRS 7 and IFRS 9 "Interest rate benchmark reform - Phase 2", making it possible to not take into account the effects of the interest rate reform, in particular in the assessment of the highly probable nature of hedged interest rates, until the transition to the new indices is effective. This leads it to maintain the designation in hedging for accounting purposes of interest rate swaps.

In preparation for phase II of the amendment, a dedicated working group has been set up.

The main indices used by ASF group and affected by the reform are the Euribor and Libor JPY.

The Group is in the process of signing the various amendments making it possible to implement the transition to the new indices, which will be effective for each contract for the first coupon in 2022.

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

Characteristics of long-term financial debt before and after interest rate hedging

The table below shows the breakdown at 31 December 2021 of long-term debt between fixed rate debt and floating rate debt, before and after taking account of hedging derivative financial instruments:

	Breakdown between fixed and floating rate before hedging							
	Fixed-rate			Floating-rate			Total	
(in € millions)	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	Rate
ASF	8,730.8	*96.0%*	2.51%	360.0	*4.0%*	0.40%	9,090.8	2.43%
Total at 31/12/2021	**8,730.8**	***96.0%***	**2.51%**	**360.0**	***4.0%***	**0.40%**	**9,090.8**	**2.43%**
Total at 31/12/2020	**8,819.7**	***96.3%***	**2.51%**	**335.0**	***3.7%***	**0.18%**	**9,154.7**	**2.42%**

	Breakdown between fixed and floating rate after hedging							
	Fixed-rate			Floating-rate			Total	
(in € millions)	Debt	*Proportion*	Rate	Debt	*Proportion*	Rate	Debt	Rate
ASF	5,247.8	*57.7%*	1.67%	3,843.0	*42.3%*	0.34%	9,090.8	1.11%
Total at 31/12/2021	**5,247.8**	***57.7%***	**1.67%**	**3,843.0**	***42.3%***	**0.34%**	**9,090.8**	**1.11%**
Total at 31/12/2020	**5,838.1**	***63.8%***	**1.57%**	**3,316.6**	***36.2%***	**0.43%**	**9,154.7**	**1.16%**

Sensitivity to interest rate risk

The Group's income statement is exposed to changes in interest rates, taking account of:
- the cash flows connected with net floating-rate financial debt;
- fixed-rate financial instruments, recognised in the balance sheet at the fair value through profit or loss;
- derivative financial instruments that are not designated as hedges.

However, 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 financial debt and derivatives at 31 December 2021 remains constant over one year. The consequence of a variation in interest rates of 25 basis points at the balance sheet date would be an increase or decrease of equity and pre-tax income for the amounts shown below. For the purpose of this analysis, the other variables are assumed to remain constant.

	31/12/2021			
	Impact of sensitivity calculation			
	Profit or loss		Equity	
(in € millions)	+25 bps	-25 bps	+25 bps	-25 bps
Floating-rate debt after hedging (accounting basis)	(9.6)	9.6		
Floating-rate assets after hedging (accounting basis)	2.1	(2.1)		
Derivatives designated as cash flow hedges			0.2	(0.2)
Total	**(7.5)**	**7.5**	**0.2**	**(0.2)**

21.1.2 Description of hedging transactions

Description of fair value hedges

At the balance sheet date, instruments designated as fair value hedges including receive fixed/pay floating interest rate swaps and cross-currency swaps had the following features:

(in € millions)	Receive fixed/pay floating interest-rate swap					
	Fair value	Notional	within 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
At 31/12/2021	**370.6**	**7,538.0**	**752.0**	**820.0**	**1,835.0**	**4,131.0**
At 31/12/2020	621.3	7,538.0		752.0	1,155.0	5,631.0

These transactions hedge ASF's issues of fixed-rate bonds.

Description of cash flow hedges

The Group is exposed to changes in the interest rates applicable to its floating-rate debt. To hedge this risk, the Group enters into floating-rate lender/fixed-rate borrower swaps designated as "cash flow hedges".

Thus, the Group has set up interest-rate swaps that serve to render interest payments on floating-rate debt fixed. Contractual cash flows relating to swaps are paid symmetrically with the hedged interest payment flows. The amount deferred in equity is recognised in profit or loss in the period in which the interest payment cash flow affects profit or loss.

At 31 December 2021, the instruments designated as cash flow hedges were as follows:

(in € millions)	31/12/2021					
	Fair value	Notional	within 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Floating-rate receiver/fixed-rate payer swap	(0.9)	2,000.0	2,000.0			
Total interest-rate derivatives designated for accounting purposes as cash-flow hedges	**(0.9)**	**2,000.0**	**2,000.0**	**0.0**	**0.0**	**0.0**
of which hedging of contractual cash flows		*2,000.0*	*2,000.0*			
of which hedging of highly probable projected cash flows(*)						

(*) Deferred start floating-rate receiver/fixed-rate payer swap.

(in € millions)	31/12/2020					
	Fair value	Notional	within 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Floating-rate receiver/fixed-rate payer swap	(5.0)	4,500.0	2,500.0	2,000.0		
Total interest-rate derivatives designated for accounting purposes as cash-flow hedges	**(5.0)**	**4,500.0**	**2,500.0**	**2,000.0**	**0.0**	**0.0**
of which hedging of contractual cash flows		*4,500.0*	*2,500.0*	*2,000.0*		
of which hedging of highly probable projected cash flows(*)						

(*) Deferred start floating-rate receiver/fixed-rate payer swap.

The following table shows the periods when the Group expects the amounts recorded in equity at 31 December 2021 for settled and unsettled derivatives designated as cash flow hedges to have an impact on profit or loss:

(in € millions)	Position at 31/12/2021				
		Amount recycled in profit or loss			
	Amount in the equity of companies controlled	within 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Total interest-rate derivatives designated for accounting purposes as cash-flow hedges	**(4.8)**	**(1.7)**	**(0.8)**	**(1.4)**	**(0.9)**
of which hedging of contractual cash flows	*(4.8)*	*(1.7)*	*(0.8)*	*(1.4)*	*(0.9)*
of which hedging of highly probable projected cash flows					

21.2 Management of foreign currency exchange risk

Nature of the Group's exposure to foreign currency exchange risk

The Group's operations are mainly located in France. Operations outside the Eurozone are generally financed in local currency.

ASF's exchange rate risk management policy hedges "transactional risk" linked to the sales flows of subsidiaries.

Nevertheless, ASF is exposed to foreign exchange risk whenever, exceptionally, financing is realised in foreign currencies. This risk is generally hedged by exchange-rate swaps (cross currency swaps).

Breakdown of exposure to exchange rate risk

The amounts of foreign-currency debt break down as follows:

	31/12/2021		31/12/2020	
(in € millions)	Amount	Percentage	Amount	Percentage
Euros	9,184.1	96.8%	9,465.2	96.7%
Other	300.3	3.2%	325.2	3.3%
Total long-term borrowings	**9,484.4**	**100.0%**	**9,790.4**	**100.0%**

At both 31 December 2021 and 31 December 2020, ASF had hedged all of its liabilities denominated in foreign currency (JPY) and is therefore not exposed to exchange rate risk.

Detail of exchange-rate derivatives related to net financial debt

Foreign currency derivative transactions carried out by the Group, notably to hedge its financial transactions, break down as follows:

	31/12/2021					
(in € millions)	Fair value	Notional	within 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Currency swaps (including Cross *Currency Swaps*)	(37.0)	115.0				115.0
Fair value hedge	**(37.0)**	**115.0**	**0.0**	**0.0**	**0.0**	**115.0**
Currency swaps (including Cross *Currency Swaps*)	(15.3)	184.1	15.3	15.3	46.0	107.5
Hedges of net investments	**(15.3)**	**184.1**	**15.3**	**15.3**	**46.0**	**107.5**
Total exchange rate derivatives	**(52.3)**	**299.1**	**15.3**	**15.3**	**46.0**	**222.5**

	31/12/2020					
(in € millions)	Fair value	Notional	within 1 year	between 1 and 2 years	between 2 and 5 years	more than 5 years
Currency swaps (including Cross *Currency Swaps*)	(33.7)	118.6				118.6
Fair value hedge	**(33.7)**	**118.6**	**0.0**	**0.0**	**0.0**	**118.6**
Currency swaps (including Cross *Currency Swaps*)	(15.9)	205.5	15.8	15.8	47.4	126.5
Hedges of net investments	**(15.9)**	**205.5**	**15.8**	**15.8**	**47.4**	**126.5**
Total exchange rate derivatives	**(49.6)**	**324.1**	**15.8**	**15.8**	**47.4**	**245.1**

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 2021, adjustments recognised for counterparty risk and own credit risk were not material.

Offsetting arrangements for derivative financial instruments

At 31 December 2021 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:

	31/12/2021			31/12/2020		
(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	402.4	(39.1)	363.3	681.9	(40.5)	641.4
Derivative financial instruments – liabilities	(87.5)	39.1	(48.4)	(120.1)	40.5	(79.6)
Derivative financial instruments net	**314.9**	**0.0**	**314.9**	**561.8**	**0.0**	**561.8**

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

22 Book value and fair value of financial assets and liabilities by accounting category

The methods for measuring the fair value of financial assets and liabilities have not changed since the closing of 31 December 2020.

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

31/12/2021
(in € millions)

	Accounting categories							Fair value			
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 non-observable factors**	**Fair value of the class**
Equity instruments				4.4			4.4	4.4			4.4
Financial assets at amortised cost					15.4		15.4		15.4		15.4
I – Non-current financial assets(*)	**0.0**	**0.0**	**0.0**	**4.4**	**15.4**	**0.0**	**19.8**	**4.4**	**15.4**	**0.0**	**19.8**
II – Derivative financial instruments – assets	**(2.7)**	**405.1**					**402.4**		**402.4**		**402.4**
Cash equivalents			829.7				829.7	829.7(**)			829.7
Cash			14.4				14.4	14.4			14.4
III – Current financial assets	**0.0**	**0.0**	**844.1**	**0.0**	**0.0**	**0.0**	**844.1**	**844.1**	**0.0**	**0.0**	**844.1**
Total assets	**(2.7)**	**405.1**	**844.1**	**4.4**	**15.4**	**0.0**	**1,266.3**	**848.5**	**417.8**	**0.0**	**1,266.3**
Bonds						(9,025.9)	(9,025.9)	(9,013.5)	(241.2)		(9,254.7)
Other bank loans and borrowings						(458.5)	(458.5)		(471.6)		(471.6)
IV – Long-term financial debt	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(9,484.4)**	**(9,484.4)**	**(9,013.5)**	**(712.8)**	**0.0**	**(9,726.3)**
V – Derivative financial instruments – liabilities	**0.2**	**(87.7)**					**(87.5)**		**(87.5)**		**(87.5)**
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	**0.2**	**(87.7)**	**0.0**	**0.0**	**0.0**	**(9,484.4)**	**(9,571.9)**	**(9,013.5)**	**(800.3)**	**0.0**	**(9,813.8)**
Total	**(2.5)**	**317.4**	**844.1**	**4.4**	**15.4**	**(9,484.4)**	**(8,305.6)**	**(8,165.0)**	**(382.5)**	**0.0**	**(8,547.5)**

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

The following table shows the book value and the fair value of financial assets and liabilities in the balance sheet as of 31 December 2020, by accounting category as defined in IFRS 9:

31/12/2020
(in € millions)

	Accounting categories							Fair value			
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 non-observable 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(*)	**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(**)			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)**	**686.9**	**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)**

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

J. Employee benefits and share-based payments

23 Provisions for employee benefits

At 31 December 2021, the long-term portion of provisions for employee benefits broke down as follows:

(in € millions)	Note	31/12/2021	31/12/2020(*)
Provisions for retirement benefit obligations	23.1	86.7	88.2
Long-term employee benefits	23.2	1.2	3.7
Total provisions for employee benefits		**87.9**	**91.9**

(*) *Restated at 1 January 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*

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 revaluation 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 2021, 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)	31/12/2021	31/12/2020(*)
Portion beyond one year	86.7	88.2
Portion at less than one year(**)	3.0	6.5
Total provisions for retirement benefit obligations	**89.7**	**94.7**

(*) *Restated at 1 January 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*
(**) *The portion of provisions for retirement benefit obligations that matures within less than one year is shown under "other current payables".*

At 31 December 2021, provisions for retirement benefit obligations connected with post-employment benefit plans amounted to €89.7 million (including €86.7 million at more than one year) compared with €94.7 million at 31 December 2020 (including €88.2 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 (€3.0 million at 31 December 2021 and €6.5 million at 31 December 2020) 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	31/12/2021	31/12/2020
Discount rate	1.05%	0.80%
Inflation rate	1.8%	1.6%
Rate of salary increases	0.0% - 2.8%	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 2021. The book value at 31 December 2021 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

	31/12/2021			31/12/2020(*)		
(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	41.0	72.2	113.2	41.6	76.3	117.9
Fair value of plan assets	(20.8)	(2.7)	(23.5)	(20.0)	(3.2)	(23.2)
Deficit (or surplus)	**20.2**	**69.5**	**89.7**	**21.6**	**73.1**	**94.7**
Provision recognised as liabilities in the balance sheet	**20.2**	**69.5**	**89.7**	**21.6**	**73.1**	**94.7**

(*) *Restated at 1 January 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*

Overall, the share of obligations allocated to retired beneficiaries amounted to approximately 19.2% of the total at 31 December 2021.

Change in actuarial liability and plan assets during the period

(in € millions)		2021 Financial year	2020 Financial year(*)
Actuarial liability with respect to retirement benefit obligations			
At the beginning of the period		**117.9**	**122.1**
of which obligations covered by plan assets		*80.8*	*83.9*
Cost of services rendered during the period		6.6	5.5
Effect of discounting actuarial liability to present value		1.0	0.9
Cost of services rendered (scheme amendments and reductions)			0.2
Actuarial gains and losses recognised in other comprehensive income		(1.5)	(1.3)
of which impact of changes in demographic assumptions			*1.2*
of which impact of changes in financial assumptions		*(1.3)*	*(2.8)*
of which experience gains and losses		*(0.2)*	*0.3*
Payments made to beneficiaries		(10.8)	(9.5)
At the end of the period	**I**	**113.2**	**117.9**
of which obligations covered by plan assets		*78.8*	*80.8*
Hedging assets			
At the beginning of the period		**23.2**	**26.5**
Interest income during the period		0.2	0.1
Actuarial gains and losses recognised in other comprehensive income(**)		1.0	0.5
Payments made to beneficiaries		(5.2)	(5.4)
Contributions paid to funds by the employer		4.3	1.5
At the end of the period	**II**	**23.5**	**23.2**
Deficit (or surplus)	**I - II**	**89.7**	**94.7**

(*) *Restated at 1 January 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*
(**) *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 2022 for retirement benefit obligations at €4.2 million, of which €2.9 million in pension benefits to be paid to retired or qualifying employees (benefits not covered by hedges) and €1.3 million to be paid to pension fund managers.

The pension funds should also pay €6.6 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)	2021 Financial year	2020 Financial year(*)
Provisions for retirement benefit obligations recognised in liabilities		
At the beginning of the period	**94.7**	**95.6**
Total expense recognised with respect to retirement benefit obligations	7.4	6.5
Actuarial gains and losses recognised in other comprehensive income	(2.5)	(1.8)
Payments made to beneficiaries by the employer	(5.6)	(4.1)
Contributions paid to funds by the employer	(4.3)	(1.5)
At the end of the period	**89.7**	**94.7**

(*) *Restated at 1 January 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*

Expenses recognised in respect of defined benefit plans

(in € millions)	2021 Financial year	2020 Financial year(*)
Cost of services rendered during the period	6.6	5.5
Effect of discounting actuarial liability to present value	1.0	0.9
Interest income on plan assets	(0.2)	(0.1)
Cost of services rendered (scheme amendments and reductions)		0.2
Total	**7.4**	**6.5**

(*) *Restated at 1 January 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*

Breakdown of plan assets by type of investment

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

	31/12/2021	31/12/2020(*)
	Eurozone	Eurozone
Breakdown of plan assets		
Shares	17.4%	15.0%
Bonds	77.1%	75.8%
Property	3.1%	4.7%
Money-market securities	2.4%	4.2%
Other		0.3%
Total	**100.0%**	**100.0%**
Plan assets *(in € millions)*	**23.5**	**23.2**
Plan assets/Actuarial liability with respect to retirement benefit obligations *(as %)*	**20.8%**	**19.7%**

(*) *Restated at 1 January 2020 following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements").*

At 31 December 2021, the amount of hedging assets in active markets (level 1 in the fair value hierarchy under IFRS 13) was €22.5 million (€22.0 million at 31 December 2020). Over the period, the actual rate of return on plan assets was 2.98%.

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 4.1%.

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 0.7%.

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	31/12/2021	31/12/2020
Discount rate	1.05%	0.80%
Inflation rate	1.8%	1.6%
Rate of salary increases	1.8% - 2.0%	1.6% - 2.0%

This provision amounted to €1.5 million (including €1.2 million at more than one year) at 31 December 2021, against €4.2 million at 31 December 2020 (including €3.7 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	31/12/2021	31/12/2020
Discount rate	-0.40%	-0.25%
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 is close to zero (including zero at more than one year) at 31 December 2021, against €0.1 million at 31 December 2020 (including zero at more than one year). This is net of the fair value of financial assets for a value close to zero at 31 December 2021 (value close to zero at 31 December 2020).

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 €4.5 million at 31 December 2021 (€5.2 million at 31 December 2020).

The VINCI Board of Directors at its meeting on 4 February 2021 decided to vest 88.28% of the original performance share allocations of the 2018 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 8 April 2021 decided to implement a new performance share plan that consists of granting employees a conditional performance share award. They will only be vested at the end of a three-year period, subject to beneficiaries being employed by the Group until the end of the vesting period and the achievement of 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.

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 and 2021 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.

The expense for the group savings plan was measured at €5.7 million at 31 December 2021 (€7.4 million at 31 December 2020).

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 2021 and 2020 as follows:

(in € thousands)	31/12/2021	31/12/2020
Remuneration	1,982.0	2,081.3
Employer's social charges	1,374.2	1,398.6
Post-employment benefits	45.3	37.3
Share-based payments(*)	2,018.4	1,770.4

(*) *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 2021 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 €0.4 million at 31 December 2021 (€0.4 million at 31 December 2020 - Restated following the IFRS IC decision of May 2021, clarifying the calculation of retirement benefit obligations (see Note 1.1 "Basis of preparation of the financial statements")).

25.2 Transactions with the VINCI group

Transactions in 2021 and 2020 between the ASF group and the VINCI group break down as follows:

(in € millions)	31/12/2021	31/12/2020
Subcontracting of construction work	7.4	6.2
Trade receivables	32.4	28.0
Current tax assets		79.1
Dividend payments	1,406.3	896.2
Trade and other operating payables	48.1	42.1
Other current payables	16.8	13.9
Current tax liability[(*)]	12.7	
Revenue and revenue from ancillary activities	58.4	45.2
Fees	22.7	21.9
Other external expenses	138.8	138.8

[(*)] *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 2021				PricewaterhouseCoopers 2021				KPMG 2021			
(in € thousands)	Statutory Auditors (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	105.0	105.0	105.0	60.0%	79.0	79.0	79.0	91.9%	79.0	79.0	79.0	80.6%
Fully consolidated subsidiaries	63.0	63.0	63.0	36.0%								
Sub-total	**168.0**	**168.0**	**168.0**	**96.0%**	**79.0**	**79.0**	**79.0**	**91.9%**	**79.0**	**79.0**	**79.0**	**80.6%**
Services other than the certification of financial statements[(*)]												
ASF SA	7.0	7.0	7.0	4.0%	7.0	7.0	7.0	8.1%	19.0	19.0	19.0	19.4%
Fully consolidated subsidiaries												
Sub-total	**7.0**	**7.0**	**7.0**	**4.0%**	**7.0**	**7.0**	**7.0**	**8.1%**	**19.0**	**19.0**	**19.0**	**19.4%**
Total	**175.0**	**175.0**	**175.0**	**100.0%**	**86.0**	**86.0**	**86.0**	**100.0%**	**98.0**	**98.0**	**98.0**	**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 2021 net income

The Board of Directors finalised the consolidated financial statements for the year ended 31 December 2021 on 28 January 2022. These financial statements will only become definitive when approved by the Shareholders' General Meeting. A dividend of €5.96 per share will be proposed to the Shareholders' Ordinary General Meeting of 18 March 2022, which, taking into account the interim dividend already paid on 31 August 2021 (€1.53 per share), would bring the balance of the dividend to be distributed to €4.43 per share, to be paid no later than 31 March 2022.

28 Other post-balance sheet events

Prices

The reference index for the price increase at 1 February 2022 showed an increase of 2.6%.

On this basis, and in accordance with the amendments to the concession contract signed by the State, ASF and Escota, the price increase excluding taxes at 1 February 2022 will be:
- for ASF: [0.70 i + 0.39], i.e. 2.191% for all classes of vehicles;
- for Escota: [0.70 i + 0.25], i.e. 2.051% 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 non-controlling interests subsequent to takeovers

In accordance with IFRS 10, acquisitions or disposals of 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

63, rue de Villiers
92208 Neuilly-sur-Seine
France

KPMG Audit
A department of KPMG SA
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2, avenue Gambetta
92066 Paris La Défense Cedex
France

Deloitte & Associés

6, place de la Pyramide
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France

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

Registered office:
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92757 Nanterre Cedex
France

Share capital: €29,343,640.56

Report of the Statutory Auditors on the consolidated financial statements

(Year ended 31 December 2021)

To the Shareholders' General Meeting

Autoroutes du Sud de la France
1973, boulevard de la Défense
92000 Nanterre
France

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 2021, 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 2021 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.

Observation

Without calling into question the opinion expressed above, we draw your attention to the following item presented in the "Accounting principles" note to the consolidated financial statements with regard to the IFRS IC decision on the methodology for calculating employee-benefits and the period for acquiring rights.

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 €500.7 million at 31 December 2021, 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 2021;
- 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 2021 with those used to 31 December 2020;
- 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 2021, PricewaterhouseCoopers Audit was in its third year of engagement and Deloitte & Associés and KPMG S.A. were both in the 16th 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, 31 January 2022
Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit *A department of KPMG SA*	Deloitte & Associés
Bertrand BALOCHE	**Karine DUPRÉ**	**Mansour BELHIBA**

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 2021 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 2021 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.

Nanterre, 28 January 2022

Frédéric VAUTIER

Chief Financial Officer

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