



# CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

## CONTENTS

<b>CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>4</b>
1. <b>CONSOLIDATED BALANCE SHEET .....</b>	<b>4</b>
2. <b>CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>5</b>
3. <b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>7</b>
4. <b>CONSOLIDATED STATEMENT OF CASH FLOWS.....</b>	<b>8</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>9</b>
1. <b>GENERAL INFORMATION .....</b>	<b>9</b>
2. <b>SIGNIFICANT ACCOUNTING POLICIES AND METHODS.....</b>	<b>10</b>
2.1. <b>Basis of preparation.....</b>	<b>10</b>
2.2. <b>Basis and methods of consolidation .....</b>	<b>11</b>
2.3. <b>Non-current assets.....</b>	<b>11</b>
2.3.1 <b>Property, plant and equipment.....</b>	<b>11</b>
2.3.2 <b>Intangible assets arising from concessions .....</b>	<b>11</b>
2.3.3 <b>Other intangible assets.....</b>	<b>12</b>
2.4. <b>Borrowing costs .....</b>	<b>12</b>
2.5. <b>Asset impairment .....</b>	<b>12</b>
2.6. <b>Financial instruments .....</b>	<b>12</b>
2.6.1 <b>Financial assets and liabilities .....</b>	<b>12</b>
2.6.2 <b>Recognition and measurement .....</b>	<b>13</b>
2.7. <b>Inventories .....</b>	<b>13</b>
2.8. <b>Trade and other receivables .....</b>	<b>14</b>
2.9. <b>Retirement indemnities.....</b>	<b>14</b>
2.10. <b>Provisions .....</b>	<b>14</b>
2.10.1 <b>Non-current provisions.....</b>	<b>14</b>
2.10.2 <b>Current provisions .....</b>	<b>14</b>
2.11. <b>Leasing agreements.....</b>	<b>15</b>
2.12. <b>Revenue and other income.....</b>	<b>15</b>
2.13. <b>Income tax.....</b>	<b>15</b>
2.14. <b>Dividends .....</b>	<b>16</b>
2.15. <b>Segment reporting.....</b>	<b>16</b>
2.16. <b>Basis of presentation .....</b>	<b>16</b>
2.17. <b>Tax credit for competitiveness and employment .....</b>	<b>16</b>
3. <b>FINANCIAL RISK MANAGEMENT .....</b>	<b>17</b>
4. <b>SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS.....</b>	<b>19</b>
5. <b>NON-CURRENT ASSETS .....</b>	<b>19</b>
6. <b>INVESTMENTS IN ASSOCIATES.....</b>	<b>21</b>
7. <b>TRADE AND OTHER RECEIVABLES .....</b>	<b>22</b>
8. <b>OTHER CURRENT ASSETS.....</b>	<b>22</b>
9. <b>CASH AND CASH EQUIVALENTS.....</b>	<b>22</b>
10. <b>FINANCIAL ASSETS AND FINANCIAL LIABILITIES.....</b>	<b>23</b>
11. <b>SHARE CAPITAL .....</b>	<b>27</b>

12.	PROVISIONS.....	27
13.	EMPLOYEE BENEFITS PROVIDED UNDER DEFINED BENEFIT PLANS AND LONG-TERM BENEFITS.....	28
14.	OTHER CURRENT AND NON-CURRENT LIABILITIES .....	30
15.	REVENUE.....	31
16.	PURCHASES AND EXTERNAL CHARGES.....	31
17.	EMPLOYEE BENEFIT EXPENSES AND HEADCOUNT .....	31
18.	TAXES (OTHER THAN INCOME TAX).....	32
19.	DEPRECIATION AND AMORTISATION EXPENSE.....	32
20.	OTHER OPERATING INCOME AND EXPENSES.....	32
21.	INCOME FROM CASH AND CASH EQUIVALENTS.....	33
22.	FINANCE COSTS.....	33
23.	INCOME TAX EXPENSE.....	34
24.	EARNINGS PER SHARE .....	35
25.	DIVIDEND.....	35
26.	COMMITMENTS .....	36
27.	RELATED PARTY TRANSACTIONS.....	37
28.	MANAGEMENT INDICATORS.....	37
29.	EVENTS AFTER THE BALANCE SHEET DATE .....	38
30.	FEES PAID TO THE STATUTORY AUDITORS .....	38

# CONSOLIDATED FINANCIAL STATEMENTS

## 1. CONSOLIDATED BALANCE SHEET

(€ millions)	Notes	31/12/2019	31/12/2018
<b>Non-current assets</b>			
Property, plant and equipment	5	164.7	164.7
Right-of-use lease assets	5	4.7	
Intangible assets arising from concessions	5	6,597.6	6,560.3
Other intangible assets	5	66.9	61.6
Investments in associates	5	13.4	21.4
Other non-current financial assets	5	40.6	49.2
Other non-current assets	5	0.0	0.0
Deferred tax assets	23	27.1	13.2
<b>Total non-current assets</b>		<b>6,915.1</b>	<b>6,870.3</b>
<b>Current assets</b>			
Inventories		7.9	8.1
Trade and other receivables	7	169.0	153.0
Current tax assets		0.0	0.0
Other current assets	8	236.8	233.4
Cash and cash equivalents	9	1,639.2	934.9
<b>Total current assets</b>		<b>2,053.0</b>	<b>1,329.5</b>
<b>TOTAL ASSETS</b>		<b>8,968.0</b>	<b>8,199.8</b>

(€ millions)	Notes	31/12/2019	31/12/2018
<b>Capital and reserves</b>			
Share capital	11	33.9	33.9
Consolidated reserves		(1,534.4)	(1,598.3)
Profit (loss) for the period		874.3	828.8
Share of equity attributable to equity holders of the parent company		(626.2)	(735.5)
Non-controlling interests		0.3	0.3
<b>Total equity</b>		<b>(625.9)</b>	<b>(735.3)</b>
<b>Non-current liabilities</b>			
Non-current borrowings	10	6,343.1	6,848.6
Lease debt	10	2.5	0.0
Deferred tax liabilities	23	0.0	0.0
Non-current provisions	12	313.8	296.9
Other non-current liabilities	14	66.8	75.9
<b>Total non-current liabilities</b>		<b>6,726.2</b>	<b>7,221.5</b>
<b>Current liabilities</b>			
Trade and other payables		141.8	135.8
Borrowings	10	1,300.6	203.3
Non-current borrowings due within one year	10	1,002.2	1,002.2
Lease debt	10	2.3	0.0
Current tax liability	10	65.1	53.0
Current provisions	12	48.9	40.9
Other current liabilities	14	306.8	278.4
<b>Total current liabilities</b>		<b>2,867.8</b>	<b>1,713.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,968.0</b>	<b>8,199.8</b>

## **2. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME**

### **Consolidated income statement**

(€ millions)	Notes	31/12/2019	31/12/2018
Revenue of which:	15	3,015.9	2,899.9
- revenue from the operation of infrastructures		2,611.0	2,537.6
- revenue from the construction of infrastructures held under concessions		405.0	362.2
Purchases and external charges	16	(520.1)	(478.4)
Employee benefit expenses	17	(206.9)	(205.5)
Taxes (other than income tax)	18	(353.4)	(346.4)
Depreciation and amortisation expenses	19	(432.7)	(418.1)
Provisions		(63.9)	(48.3)
Other operating income (expenses) from ordinary activities	20	6.5	4.5
<b>Operating profit on ordinary activities</b>		<b>1,445.5</b>	<b>1,407.6</b>
Other income (expenses) from operations		-	-
<b>Operating profit</b>		<b>1,445.5</b>	<b>1,407.6</b>
Income from cash and cash equivalents	21	6.7	4.9
Gross finance costs	22	(124.9)	(148.1)
<b>Net finance costs</b>		<b>(118.2)</b>	<b>(143.2)</b>
Other financial income (expenses)	22	5.2	(3.7)
Share of profit (loss) of associates		0.4	(0.0)
Income tax expense	23	(458.2)	(431.5)
<b>Profit for the year from continuing operations</b>		<b>874.7</b>	<b>829.2</b>
<b>Profit for the year attributable to:</b>		<b>874.7</b>	<b>829.2</b>
- Equity holders of the parent company		874.3	828.8
- Non-controlling interests		0.4	0.4
<b>Earnings per share attributable to equity holders of the parent company</b>			
- Basic earnings per share (euros)	24	7.73	7.33
- Diluted earnings per share (euros)	24	7.73	7.33

## **Consolidated statement of comprehensive income**

(€ millions)	31/12/2019	31/12/2018
Profit for the year	874.7	829.2
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Actuarial gains and losses on staff benefits	(5.0)	(0.5)
Tax on items that will not be reclassified to profit or loss	1.2	0.2
Share of gains and losses of associates that will not be reclassified to profit or loss	0.0	0.0
<b>Items that may be reclassified subsequently to profit or loss</b>		
Translation differences	0.0	0.0
Re-measurement of derivative hedging instruments	0.0	0.0
Tax on items that are or may be reclassified subsequently to profit or loss	0.0	0.0
Share of gains and losses of associates that are or may be reclassified subsequently to profit or loss	(8.4)	0.2
Total income and expense recognised directly in equity	(12.2)	(0.1)
Comprehensive income for the year	862.5	829.0
Attributable to		
- Equity holders of the parent company	862.1	828.7
- Non-controlling interests	0.4	0.4

### 3. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

#### Consolidated statement of changes in equity for 2019

(€ millions)	Share capital	Share premium	Reserves	Financial instruments	Other (**)	Attributable to equity holders of the parent company	Non-controlling interests	Total equity
At 01/01/2019	33.9	0.3	(746.8)	(13.6)	(9.4)	(735.5)	0.3	(735.3)
Share-based payments			1.9		(2.9)	(1.0)		(1.0)
Dividends			(751.7)			(751.7)	(0.4)	(752.1)
Profit for the year			874.3			874.3	0.4	874.7
Income and expense recognised directly in equity				(8.4)	(3.8)	(12.2)		(12.2)
Total recognised income and expenses	0.0	0.0	124.5	(8.4)	(6.8)	109.4	0.0	109.4
Changes in scope and reclassifications						0.0		0.0
At 31/12/2019	33.9	0.3	(622.3)	(22.0)	(16.2)	(626.2)	0.3	(625.9)

#### Consolidated statement of changes in equity for 2018

(€ millions)	Share capital	Share premium	Reserves	Financial instruments	Other (**)	Attributable to equity holders of the parent company	Non-controlling interests	Total equity
At 01/01/2018	33.9	0.3	(812.1)	(13.8)	(7.9)	(799.6)	0.2	(799.3)
Share-based payments			1.6		(1.1)	0.5		0.5
Dividends			(765.3)			(765.3)	(0.4)	(765.6)
Profit for the year			828.8			828.8	0.4	829.2
Income and expense recognised directly in equity				0.2	(0.4)	(0.1)		(0.1)
Total recognised income and expenses	0.0	0.0	65.1	0.2	(1.5)	63.9	0.0	63.9
Changes in scope and reclassifications			0.2			0.2		0.2
At 31/12/2018	33.9	0.3	(746.8)	(13.6)	(9.4)	(735.5)	0.3	(735.3)

(\*\*) The comprehensive income in this column includes the actuarial gains and losses arising from the measurement of commitments in respect of retirement indemnities.

## 4. CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Notes	31/12/2019	31/12/2018
Cash and cash equivalents at the beginning of the year	9	934.9	1,800.9
Profit for the year		874.7	829.2
Net impact of associates		(0.4)	0.0
Depreciation and amortisation expense and provisions	19	452.3	431.0
Other adjustments		8.9	9.6
Gains (losses) on disposals		(1.7)	(1.5)
Cash generated by operations		1,333.9	1,268.3
Net interest expense		109.8	132.9
Interest paid		(127.5)	(176.1)
Income tax expense	23	458.2	431.5
Income tax paid		(458.7)	(455.4)
Movement in working capital related to ordinary activities		(0.9)	(31.7)
Net cash from operating activities (I)		1,314.8	1,169.5
Purchases of non-current assets		(470.1)	(418.8)
Non-current financial assets		(6.2)	(1.7)
Total purchases of non-current assets		(476.2)	(420.4)
Proceeds from disposals of non-current assets		17.3	17.6
Net cash used in investing activities (II)		(458.9)	(402.9)
Dividends paid to the shareholders	25	(752.1)	(765.6)
Reimbursement of rental debts		(3.3)	0.0
Repayment of borrowings	10	(1,004.2)	(1,367.0)
New borrowings	10	1,608.0	500.0
Net cash used in financing activities (III)		(151.6)	(1,632.6)
Net increase (decrease) in cash and cash equivalents (I+II+III)		704.3	(866.0)
Cash and cash equivalents at the end of the year	9	1,639.2	934.9

Long-term borrowings due within one year and Current borrowings and other debts, excluding Net cash from (used in) financing activities decreased by €7.3 million over the course of the financial year ended 31 December 2019. This decrease was mainly due to the following movements:

- a reduction in accrued interest on borrowings and other financial liabilities,
- amortisation of loan costs and issuance premiums,
- a reduction in the value of derivative instruments reported as liabilities
- partially offset by the indexation of certain borrowings.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

---

The APRR Group is primarily composed of two companies: APRR and AREA. These companies operate motorway networks, the construction of which they financed under the terms of two separate motorway concession agreements that will expire in November 2035 in the case of APRR and September 2036 in the case of AREA. Contract-based plans define the investment programmes for the two concessions and practices regarding tariffs for the periods covered by these plans.

The network covers a total of 2,318 kilometres of motorways, 2,314 kilometres of which are in service.

The motorway concession agreements and the related specifications are the principal instruments defining the relations between the French State, APRR and AREA: they govern the construction and operation of the motorways, the financial provisions applicable, the term of the concessions and the conditions for the return of the facilities at the end of the concession.

The principal provisions that could influence the operating outlook include:

- the obligation to maintain all structures in good service condition and to use every resource to maintain the continuity of traffic flows under good conditions;
- the provisions setting the toll rates and the rules for changing the rates;
- the clauses stipulating the provisions that will apply in the event of a change in the technical regulations or tax rules applicable to motorway companies; if such a change were likely to seriously compromise the financial position of the concessions, the State and the motorway company would come to a mutual agreement regarding compensation.
- the provisions that would guarantee the repair of the concession works at the expiration date, particularly the establishment, seven years prior to the end of the concession, of a maintenance and replacement programme for the last five years;
- the conditions for returning the assets to the State at the end of the concession and the restrictions on the assets: the assets to be returned shall revert to the State without financial consideration and they may not be sold, pledged as security or subjected to easements;
- the option for the French State of pre-emptively terminating concession contracts and buying back concession contracts: under public law, the State has a unilateral option to terminate concessions in the public interest and under the control of the courts; in addition, the agreement gives the State a buyback right as of 1 January 2012 on the grounds of the public interest.

The concession relating to the Maurice Lemaire tunnel (TML) has, since 31 January 2016, been integrated into APRR's concession agreement, whose term has been extended until 30 November 2035.

The parent company, APRR, is a limited company (*Société Anonyme - SA*) having its registered office at 36, Rue du Docteur Schmitt, 21850 Saint-Apollinaire, France.

It is controlled by Eiffage Group through its subsidiary Eiffarie, whose entire capital at 31 December was owned jointly by Eiffage Group and Macquarie Autoroutes de France (a company managed by Macquarie and owned by infrastructure investment funds).

The 2019 consolidated financial statements were approved by the Board of Directors on 25 February 2020 and shareholders will be invited to approve these financial statements at the General Meeting that is to be held on 24 June 2020.

### **Significant events in 2019:**

There are no significant developments to report for the year.

## **2. SIGNIFICANT ACCOUNTING POLICIES AND METHODS**

---

### ***2.1. Basis of preparation***

The consolidated financial statements of APRR Group for the year ended 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union on 31 December 2019.

The information contained in the consolidated financial statements is presented in millions of euros unless otherwise indicated.

As a rule, assets and liabilities are reported at cost in the balance sheet, net of any amortisation and depreciation, subject to the following exceptions:

- cash equivalents, financial investments and derivative instruments are measured at fair value;
- provisions for liabilities and charges represent the discounted present value of the estimated expenditure to settle the obligation;
- provisions for employee benefits provided under defined benefit plans are measured on the basis described in Note 2.9 and section 13.

Changes in International Financial Reporting Standards (IFRS) up to the balance sheet date are summarised below.

A number of new standards adopted by the European Union will be effective for annual periods beginning on or after 1 January 2019. These were applied for the preparation of the present consolidated financial statements:

#### **IFRS 16 “Leases”:**

IFRS 16 establishes a single accounting model for lessees. As such, all leases are recorded in the balance sheet, with a debt corresponding to the obligation to pay rents and an asset representing the right to use the leased item.

In the income statement, the rent expense is replaced by the depreciation of the right of use and the interest on the rent debt.

IFRS 16 is applied by the Group as of 1 January 2019 using the simplified retrospective method. According to this approach, the comparative information presented is not restated.

The APRR Group applies the provisions of IFRS 16 to all of its leases for assets whose new value is greater than €5,000 and/or whose lease term is greater than 12 months.

The lease terms used include firm contract terms and expected renewal periods.

The APRR Group's leases mainly concern vehicles, real estate and equipment.

The discount rates used correspond to APRR's incremental borrowing rate.

The impacts are not significant at the Group level.

As at 31 December 2018, future payments on finance leases treated under IAS 17 amounted to €4.7 million. Commitments on other leases were not material.

The amount of the lease debt was valued on these contracts at €0.8 million as at 1 January 2019. The impact of discounting is not material, with lease debt at 1 January 2019 amounting to €5.5 million.

### **IFRIC 23 "Uncertainty over Income Tax Treatments":**

This interpretation, applicable to financial years beginning on or after 1 January 2019, does not affect the Group's financial statements.

## ***2.2. Basis and methods of consolidation***

Pursuant to IFRS 10, entities controlled directly or indirectly by APRR are consolidated under the full consolidation method.

Control is established if APRR fulfils all the following conditions:

- it has power over the investee enabling it to direct the financial and operational policies that significantly affect the investee's returns;
- it has exposure to variable returns from its involvement with the investee; and
- it has the ability to use its power over the investee to affect the amount of the variable returns.

Pursuant to IAS 28 (revised), entities over which APRR exercises significant influence or possesses a right to the net assets through joint control of the entity are consolidated under the equity method.

APRR Group consists of the parent company APRR, its wholly-owned subsidiary AREA Participation which is fully consolidated, AREA, its 99.84%-owned subsidiary which is fully consolidated, and Adelaç, a 49.90%-owned associate of APRR that is consolidated under the equity method. It also includes Axxès, a 34.01%-owned associate of APRR (including 6.42% by AREA) consolidated under the equity method.

APRR has its registered office at 36, rue du docteur Schmitt, 21850 Saint-Apollinaire, France. AREA and AREA Participation have their registered office at 250, avenue Jean Monnet, 69671 Bron, France.

Adelaç has its registered office at La Ravoire, 74370 Épagny Metz-Tessy, France. Axxès has its registered office at 15, rue des Cuirassiers, 69003 Lyon, France.

## ***2.3. Non-current assets***

Non-current assets are classified in three categories:

- Property, plant and equipment;
- Intangible assets arising from concessions
- Other intangible assets

### ***2.3.1 Property, plant and equipment***

Property, plant and equipment consists of "renewable" assets that have a useful life shorter than the concession (toll equipment, signage, remote transmission, video surveillance and computer equipment, motor vehicles and tooling). These assets are reported on the balance sheet at their historical cost, net of accumulated depreciation.

They are depreciated using the straight-line method over their useful life, which is estimated at between three and ten years.

### ***2.3.2 Intangible assets arising from concessions***

Since the application of IFRIC 12 in 2009, intangible assets arising from concessions correspond to the right of the operator to charge users of the motorway networks held under concession arrangements, which was given in return for building the infrastructures.

The right granted to the operator is measured at the fair value of the construction services of the infrastructures, to which are added borrowing costs incurred during the period of construction and from which are deducted all remuneration received in cash, i.e. subsidies received from the party having granted the concession.

The intangible asset is amortised over the term of the concession using the straight-line method to reflect the rate at which the economic benefits derived from the service concession arrangement are consumed, as from the date the infrastructure is brought into service.

### **2.3.3 Other intangible assets**

Other intangible assets comprise mainly software applications that are amortised using the straight-line method over their useful life, estimated at between three and five years.

## **2.4. Borrowing costs**

Borrowing costs incurred during the period of construction of a qualifying asset are capitalised as part of the cost of the asset. In the Group's case, qualifying assets are intangible assets arising from concessions for which construction took longer than 12 months to complete.

In respect of qualifying assets:

- interest is capitalised on the basis of the average monthly value of the assets or work in progress for which a payment has been made during the year;
- the specific effective interest rate for the loan is applied to this monthly average disbursement, if the qualifying asset has been financed by a specific loan, or the weighted average effective interest rate for other loans for qualifying assets not financed by a specific loan.

## **2.5. Asset impairment**

Given the legal terms of the existing concession agreements and the financial provisions governing these agreements, two distinct cash-generating units (CGU) have been identified: one for the APRR concession and the other for the AREA concession.

Impairments tests are performed when there is any indication that an asset may be impaired. When there is an indication of impairment, the net carrying amount of the asset is compared to its recoverable amount, which is defined as the higher of an asset's fair value less costs to sell and its value in use. The value in use is the discounted present value of the future cash flows expected to be generated by the CGU, taking into account the asset's residual value when appropriate. The present value of this cash flow is determined using a discount rate appropriate to the nature of the CGU.

## **2.6. Financial instruments**

### **2.6.1 Financial assets and liabilities**

Financial assets include, depending on the business model and the characteristics of the related cash flows:

- financial assets that are held both to collect contractual cash flows and to sell (non-consolidated participating interests classified as equity instruments);
- financial assets held to maturity to collect contractual cash flows (operating loans and receivables);
- other financial assets held under either of the above two business models (including cash and cash equivalents).

## **2.6.2 Recognition and measurement**

- a) Held-to-maturity financial assets are investments with a determinable payment and fixed maturity. After initial recognition at fair value, these assets are measured and accounted for at amortised cost using the effective interest method, less any impairment losses.
- b) Non-consolidated participating interests classified as equity instruments are measured at fair value through equity in other comprehensive income that will not be reclassified subsequently to profit or loss.
- c) Financial assets held to maturity to collect contractual cash flows (operating loans and receivables) are measured at amortised cost.

Other financial assets held under either of the two business models referred to above (including cash and cash equivalents) are measured at fair value through profit or loss. Gains and losses on these assets, which correspond to interest, dividends, changes in fair value and gains or losses on disposal, are accounted for as financial costs or other financial income and charges depending on the nature of the assets concerned.

- d) Cash and cash equivalents measured at fair value through profit or loss include cash in hand, cash at bank, short-term deposits on the date of initial recognition, and very short-term UCITS not presenting significant risk of an impairment in value.

Bank facilities repayable on demand form an integral part of the Group's treasury management and constitute a component of cash positions for the purpose of the statement of cash flows.

- e) Loans and other financial liabilities are recognised initially at fair value less transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.
- f) Derivative financial instruments held by the Group to hedge its exposure to risks of changes in interest rates in respect of certain variable rate loans are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Subsequent changes in fair value, obtained from the financial institutions having issued the instruments, are recognised directly in equity for the effective portion of the derivative instruments designated as cash flow hedges.

Derivative instruments, when they have been entered into to hedge risks of changes in fair value arising from the interest rate risk on certain fixed rate loans, are recognised initially at fair value. Subsequent changes in fair value, obtained from the financial institutions having issued the instruments, are recognised directly in profit or loss, the hedged loans being re-measured to reflect the interest risk and any changes are recognised in profit or loss.

Changes in fair value of the ineffective portion are recognised in profit or loss. Instruments not qualifying as hedging instruments for accounting purposes are recognised initially and measured subsequently at fair value, with changes in fair value recognised in profit or loss under "other financial income and charges".

The gain or loss relating to the effective portion of a hedge is recognised as a component of borrowing costs in the periods during which the hedged items affect the income statement.

The valuation linked to the credit risk of derivative instruments is calculated from past default probabilities based on the calculations produced by a first-rate credit rating agency, to which are then applied a collection rate.

## **2.7. Inventories**

Inventories are valued applying the weighted average cost method. An impairment loss is recognised when net realisable value is less than the cost of acquisition.

## **2.8. Trade and other receivables**

Trade and other receivables have due dates under six months. They are measured at face value. Appropriate allowances for estimated irrecoverable amounts are recognised when it is uncertain whether these amounts can be collected.

The group opted for the simplification measure offered by IFRS 9 for non-financing receivables, consisting of considering only a single credit loss risk at maturity, estimated over a period of 12 months.

## **2.9. Retirement indemnities**

Employee benefits under defined benefit plans concern retirement indemnities. The actuarial method used to measure these obligations is the projected unit credit method.

Assets allocated to cover these obligations are measured at fair value and deducted from the actuarial obligation reported on the balance sheet.

Actuarial gains and losses result from the effects of changes in actuarial assumptions and from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred). These actuarial differences are now recognised directly in other comprehensive income.

Past service cost corresponds to benefits vested when the company introduces a new defined benefit plan or when it modifies the level of benefits for an existing plan. Past service cost is now recognised directly in profit or loss.

## **2.10. Provisions**

### **2.10.1 Non-current provisions**

Non-current provisions comprise provisions for retirement indemnities and for long service medals (see Note 2.9 above) as well as provisions for maintaining infrastructures in condition.

Contractual obligations for maintaining infrastructures in condition require provisions to be recognised. These provisions cover mainly the cost of heavy repairs to the surface courses. They are determined based on a multi-year spending programme, which is revised each year. This spending is re-measured by applying appropriate indexes (mainly the TP09 index).

Provisions are also recognised when it is established that repairs must be carried out to specific engineering works to remedy problems.

These provisions are recognised at their present value. The cost of discounting provisions is recognised under other finance costs.

The current portion of these provisions is classified as current provisions.

### **2.10.2 Current provisions**

Current provisions comprise mainly:

- the current portion of provisions for maintaining infrastructures in condition,
- the current portion of provisions for retirement indemnities and for long service medals, and
- other provisions for liabilities and charges, for staff disputes and for disputes related to the activities (i.e. disputes with customers, sub-contractors and suppliers).

## **2.11. Leasing agreements**

The APRR Group's leases mainly concern vehicles, real estate and equipment. The APRR Group applies the provisions of IFRS 16 to all of its leases for assets whose new value is greater than €5,000 and/or whose lease term is greater than 12 months. The lease terms used include firm contract terms and expected renewal periods. The discount rates used correspond to APRR's incremental borrowing rate.

Assets made available under leases are depreciated over their estimated useful life.

When assets built by the Group are made available under operating leases (fibre optic cables leased to telecommunication operators, commercial facilities leased to operators at rest areas), these assets are recognised as assets in the balance sheet and are accounted for in the same way as other items of property, plant and equipment. Income guaranteed under these lease agreements is recognised over the term of the lease agreements using the straight line method. Conditional rents are recognised when earned.

## **2.12. Revenue and other income**

Under the terms of IFRIC 12 "Service Concession Arrangements", the APRR group, as a concession operator, may operate both:

- a construction activity in respect of its obligations to build and finance infrastructure that it delivers to the grantor at the end of the concession;
- an operating and maintenance activity in respect of concession assets.

A review of the contractual terms of the concessions did not identify any separate performance obligation related to the infrastructure maintenance and replacement work. Therefore, this work continues to be covered by a specific provision, which is measured and recognised in accordance with IAS 37.

Revenue from the operation of infrastructures is generated mainly by the tolls collected for the use of these infrastructures. It is recognised as and when the corresponding services are provided.

As required by IFRIC 12, revenue from the construction of infrastructures held under concessions includes the income relating to construction services subcontracted by the Group (determined using the percentage of completion method in accordance with IFRS 15). Related costs are included under purchases and external charges.

## **2.13. Income tax**

Income tax includes current tax and deferred tax.

Income tax is calculated in accordance with tax regulations applicable in France.

As a rule, deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset realised insofar as these rates are known at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which to obtain relief.

Deferred tax assets and liabilities are offset, regardless of the period when they are expected to reverse, given the existence of a tax group, provided these assets and liabilities relate to transactions entered into since the election to be assessed on a group basis.

Since 1 January 2011, APRR Group has been a member of the tax consolidation group of which the parent company is Financière Eiffarie and which includes Eiffarie, APRR, AREA Participation, AREA and SIRA. The agreement signed by the companies belonging to this tax group was drawn up on the basis of fiscal neutrality for the various group companies.



## **2.14. Dividends**

Dividends distributed to the Company's shareholders are recognised as a liability in the consolidated financial statements in the period when these dividends have been approved by the Shareholders' General Meeting.

## **2.15. Segment reporting**

The Group has a single activity consisting of the operation of motorway networks under concession agreements. In the case of the two main concessions consolidated under the full method, the agreements expire on 30 November 2035 and 30 September 2036 respectively. These networks are located exclusively in France. All key indicators for the Group and its performances are analysed by management at consolidated level. Furthermore, the Toll activity accounts for 97% of revenue (excluding revenue from the construction of infrastructures held under concessions), so that ancillary activities are not material as regards the Group's performances. Consequently, no information broken down by business segment or by geographic region is provided in the consolidated financial statements.

## **2.16. Basis of presentation**

In the balance sheet, assets and liabilities are analysed and reported as either current or non-current items.

In the income statement, operating expenses are analysed and reported according to their nature.

Operating profit on ordinary activities, operating profit, finance costs and net finance costs reported in the income statement and in the statement of comprehensive income are presented in accordance with recommendation no. 2013-03 of 7 November 2013.

Net finance costs represent total finance cost on borrowings less financial income generated by cash and cash equivalents.

## **2.17. Tax credit for competitiveness and employment**

The third Additional Budget Act for 2012 introduced a tax credit for competitiveness and employment (*Crédit d'Impôt pour la Compétitivité et l'Emploi - CICE*) effective from 1 January 2013.

In 2019, it was replaced by a reduction in certain employers' social contributions.

In 2018, the income receivable in respect of this tax credit was recognised to match the pace at which corresponding payroll costs are committed.

This income is offset against employee benefit expense in the income statement.



### **3. FINANCIAL RISK MANAGEMENT**

---

#### **Currency risk**

The Group operates principally in the countries of the euro zone, essentially in France. It is therefore exposed to a limited currency risk on the transactions to which it is party.

All of the Group's borrowings are denominated in euros.

#### **Liquidity risk**

The liquidity risk is mitigated by the recurring nature of the cash flow and debt repayments.

To finance its day-to-day operations, the Group has negotiated a €1,800 million syndicated loan bearing a variable interest rate. At 31 December 2019, no amount had been drawn down against this loan.

This credit line was renewed on 20 February 2020 and increased to €2,000 million.

One bond issue was completed in 2019:

- in January, an issue of €500 million of fixed-rate bonds maturing in January 2028.

Under these conditions, the amount remaining available under the EMTN programme came to €2.05 billion at 31 December 2019 taking into account notes issued and redeemed since the programme's inception.

The Group has given undertakings to Caisse Nationale des Autoroutes (CNA) and the members of the banking pool to comply with the following ratios:

- Net debt will be less than 7 times EBITDA
- EBITDA will be more than 2.2 times net financial charges.

These two ratios were 3.6 times and 16.4 times, respectively, at 31 December 2019.

Non-compliance with either of these ratios would be regarded as a default event, triggering the early repayment of APRR's entire debt.

The Group's long-term debt is rated A- (Stable Outlook) by Standard & Poor's and Fitch.

Were these ratings to be downgraded, this would push up spreads and interest rates on the bank loans and on the bonds issued in connection with the EMTN programme.

An analysis of financial liabilities is provided in Note 10.

#### **Interest rate risk**

At 31 December 2019, 89 % of the Group's gross borrowings bore fixed rates, 2 % fixed rates on a nominal amount indexed to inflation, and 9 % variable rates.

Based on borrowing at the year-end, the Group does not have significant exposure in terms of interest expenses to a rise in interest rates.

A sensitivity analysis was performed, which indicates that:

- Based on borrowings at 31 December 2018, a 100 basis point change in variable rates (Euribor) would impact finance costs by €12.9 million and net profit by €8.5 million.
- Based on borrowings at 31 December 2019, a 100 basis point change in variable rates (Euribor) would impact finance costs by €7.9 million and net profit by €5.2 million.

### **Inflation risk**

As toll fares are indexed to the annual retail price index, excluding tobacco, the Group is exposed to the risk of a fall in inflation.

This exposure is partly mitigated to the extent that a portion of the Group's borrowing bears a rate fixed on a nominal indexed to inflation.

The portion of the borrowings in question amounted to around 2 % at 31 December 2019 (compared with 2 % at 31 December 2018).

In this way, the Group benefits from a partial hedge of the risk attendant to weaker inflation. If inflation is weaker, this will lead to a lower increase in toll fares but it will also reduce finance costs in the portion of the borrowings indexed to inflation, as a result reducing the overall negative impact of weaker inflation on the Group's earnings.

### **Credit risk**

(€ millions)	2019	2018
Overdue receivables : between 0 and 3 months	6,3	5,0
Overdue receivables : between 3 and 6 months	2,4	3,4
Overdue receivables : over 6 months	6,6	5,4
<b>Total overdue receivables</b>	<b>15,3</b>	<b>13,8</b>

Overdue receivables concern a very large number of customers given the activities carried on by the Group. It is therefore impossible to assess the overall financial solidity of these customers.

The provisioning rate in respect of overdue receivables is around 31 % of the total amount receivable.

For the purpose of managing its cash position and hedging transactions, the Group enters into relations only with the most reputable financial institutions.

### **Risk management**

Risk management is aimed at identifying, assessing, processing and monitoring the risks to which the Group is exposed. These risks are of a diverse nature: operational, financial, strategic, human, regulatory and reputational.

Risk management is based on a structured, documented process and on the risk management policy as defined by top management.

The mapping of the risks to which the Group is exposed was updated in 2019.

## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the consolidated financial statements, reliance is placed on estimates and assumptions that could affect the amounts of the assets and liabilities at the balance sheet date and income and charges for the period.

These estimates take into account economic data as well as assumptions that may vary over time, and contain elements of uncertainty.

The estimates concern essentially the determination of recoverable amounts of the assets, retirement obligations, the fair value of derivative instruments, and current and non-current provisions.

## 5. NON-CURRENT ASSETS

### 2019

	At 1 January	Increases	Decreases	At 31 December
<b>a) Cost or valuation</b>				
Property, plant and equipment	747	53	(54)	747
Right-of-use assets	12	4	(3)	13
Intangible assets arising from concessions	14 204	413	(4)	14 613
Other intangible assets	248	19	(0)	266
Investments in associates	21	0	(8)	13
Unlisted equity securities	5	1	-	6
Other investments	3	5	-	8
Loans	7	1	(0)	7
Other financial assets	36	3	(19)	21
Total other financial assets	51	10	(19)	42
Total	15 283	499	(89)	15 694

	At 1 January	Increases	Decreases	At 31 December
<b>b) Accumulated depreciation and impairment</b>				
Property, plant and equipment	(587)	(48)	54	(582)
Right-of-use assets	(7)	(4)	3	(8)
Intangible assets arising from concessions	(7 644)	(374)	3	(8 016)
Other intangible assets	(186)	(13)	0	(199)
Investments in associates	-	-	-	-
Unlisted equity securities	(2)	-	0	(1)
Other investments	-	-	-	-
Loans	-	-	-	-
Other financial assets	-	-	-	-
Total other financial assets	(2)	-	0	(1)
Total	(8 426)	(439)	60	(8 806)
Carrying value (a-b)	6 857	60	(29)	6 888

The increase in intangible assets from concessions in 2019 was due notably to new constructions (the connection between the A6 and the A89, the Sévenans interchange on the A36, the Mâcon interchange on the A406 and the Montmarault interchange on the A71) and work aimed at widening motorway sections (A6, A75 and A480 motorways).

Borrowing costs amounting to €6.0 million were capitalised in 2019 (2018: €3.2 million).

**2018**

	At 1 January	Increases	Decreases	At 31 December
<b>a) Cost or valuation</b>				
Property, plant and equipment	756	50	(46)	759
Intangible assets arising from concessions	13 848	371	(14)	14 204
Other intangible assets	230	17	-	248
Investments in associates	21	0	(0)	21
Unlisted equity securities	4	0	-	5
Other investments	2	1	(0)	3
Loans	7	1	(1)	7
Other financial assets	54	3	(21)	36
Total other financial assets	67	5	(21)	51
Total	14 922	443	(82)	15 283

	At 1 January	Increases	Decreases	At 31 December
<b>b) Accumulated depreciation and impairment</b>				
Property, plant and equipment	(590)	(51)	46	(595)
Intangible assets arising from concessions	(7 293)	(363)	11	(7 644)
Other intangible assets	(175)	(11)	-	(186)
Investments in associates	-	-	-	-
Unlisted equity securities	(2)	-	0	(2)
Other investments	-	-	-	-
Loans	-	-	-	-
Other financial assets	-	-	-	-
Total other financial assets	(2)	-	0	(2)
Total	(8 060)	(425)	58	(8 426)
Carrying value (a-b)	6 862	19	(24)	6 857

(€ millions)	31/12/2019	31/12/2018
Works contracts signed but not executed	300.6	263.6

Furthermore, from 2020 to 2024, the Group is committed to undertaking work to build and widen motorways and to create new exchanges that are expected to cost €470 million in total.

## 6. INVESTMENTS IN ASSOCIATES

Investments in associates consist of the Group's shareholding in Adelaç, the concession holder for a 19-kilometre section of the A41 motorway between Villy-le-Pelloux - Saint-Martin-Bellevue and Saint-Julien-en-Genevois, and Axxès, which markets and manages toll subscriptions for heavy goods vehicles.

Key financial data for associates are summarised in the table below:

(€ millions)	ADELAC	AXXES
Country	France	France
Percentage owned	49.90%	34.01%
Dividends paid to the Group	0.0	0.0
Current assets	59.0	185.4
Non-current assets	677.4	34.0
<b>Total assets</b>	<b>736.4</b>	<b>219.4</b>
Capital and reserves	(8.7)	39.3
Current liabilities	3.7	158.3
Non-current liabilities	741.4	21.7
<b>Total equity and liabilities</b>	<b>736.4</b>	<b>219.4</b>
Revenue	56.8	914.1
Profit (loss) for the year	9.9	1.2
Other comprehensive income	(35.4)	0.0
<b>Comprehensive income</b>	<b>(25.5)</b>	<b>1.2</b>
Share of profit (losses) of associates recognised	0.0	0.4
Share of items of other comprehensive income of associates recognised	(8.4)	0.0
Group's share of the capital and reserves of associates	(4.3)	13.4
Share of losses of associates not recognised	12.6	0.0
Share of items of other comprehensive income of associates not recognised	(8.3)	0.0
<b>Carrying amount of investment</b>	<b>0.0</b>	<b>13.4</b>
Market capitalisation	N/A	N/A
Headcount	0	77

Other items of comprehensive income are related to changes in the fair value of interest-rate hedging instruments, which are treated in a similar way as the APRR group (See Note 2.6.2).

## 7. TRADE AND OTHER RECEIVABLES

(€ millions)	31/12/2019	31/12/2018
Trade receivables – Tolls	114.4	97.6
Trade receivables - Other activities	59.3	59.6
Impairment losses	(4.8)	(4.2)
Trade and other receivables	169.0	153.0

Trade receivables arising from other activities include mainly amounts billed to sub-concession operators in respect of commercial establishments at motorway rest areas.

## 8. OTHER CURRENT ASSETS

(€ millions)	31/12/2019	31/12/2018
State - Value added tax	49.8	54.6
Sundry receivables	184.1	176.0
Prepayments	1.0	1.1
Other	1.9	1.6
Other current assets	236.8	233.4

Sundry receivables comprise mainly receivables linked to inter-company toll payments.

## 9. CASH AND CASH EQUIVALENTS

(€ millions)	31/12/2019	31/12/2018
Cash at bank and in hand	377.8	327.5
Cash equivalents	1,261.4	607.4
Cash and cash equivalents	1,639.2	934.9

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that present negligible risk of changes in value.

## 10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In 2019, one new bond issue amounting to €500 million was completed in connection with the EMTN programme.

During the year, loans totalling €4 million were repaid to Caisse Nationale des Autoroutes (CNA) along with debenture loans totalling €1,000 million in respect of the EMTN programme.

As regards the syndicated loan which totalled €1,800 million, no amounts were drawn down nor were any repayments made during the year under review.

The outstanding commercial paper totalled €1,200 million at 31 December 2019, compared with €92 million at 31 December 2018.

### Net debt analysed by maturity and related interest receivable and payable:

At 31 December 2019	Carrying value	Capital and interest movements	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
<b>Cash and cash equivalents</b>								
Marketable securities	377.8							
Cash at bank and in hand	1,261.4							
<b>Sub-total</b>	<b>1,639.2</b>							
<b>Financial liabilities: current and non-current</b>								
Long-term borrowings	6,341.2	6,393.3	0.0	760.1	401.0	5.5	505.5	4,721.0
Derivative instruments - liabilities	4.3							
<i>Interest payable in respect of non-current financial liabilities</i>		798.6	95.7	94.4	83.9	78.2	78.0	368.4
<b>Non-current borrowings</b>	<b>6,345.6</b>	<b>7,191.9</b>	<b>95.7</b>	<b>854.5</b>	<b>484.9</b>	<b>83.8</b>	<b>583.5</b>	<b>5,089.4</b>
Long-term borrowings due within 1 year	1,004.5	1,006.7	1,006.7					
<i>Interest payable in respect of non-current borrowings due within 1 year</i>		11.6	11.6					
<b>Non-current borrowings due within one year</b>	<b>1,004.5</b>	<b>1,018.3</b>	<b>1,018.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Current borrowings and other debts</b>	<b>1,300.6</b>	<b>1,200.0</b>	<b>1,200.0</b>					
<b>Total financial liabilities</b>	<b>8,650.7</b>	<b>9,410.2</b>	<b>2,314.0</b>	<b>854.5</b>	<b>484.9</b>	<b>83.8</b>	<b>583.5</b>	<b>5,089.4</b>
<b>Net debt</b>	<b>-7,011.5</b>							

Capital and interest movements exclude loan issuance costs, issuance premiums and other items not involving the movement of funds.

Capital and interest movements in the above table concern the debt as reported on the balance sheet at 31 December 2019. They do not reflect any early repayments or new loans that may occur in the future.

Interest movements include movements relating to derivative instruments (i.e. interest rate swaps). They were not discounted to their present value.

Interest movements for variable rate loans are based on interest rates prevailing on 31 December 2019. Movements for loans with fixed rates on an indexed nominal are based on projected annual inflation of 1.50%.

€101 million of the movements in respect of current borrowings and other debts concerned accrued interest payable, which is included in the above interest movement. The remainder, amounting to €1,200 million, corresponds to outstanding commercial paper that has been issued.

At 31 December 2018								
	Carrying value	Capital and interest movements	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
<b>Cash and cash equivalents</b>								
Marketable securities	327.5							
Cash at bank and in hand	607.4							
<b>Sub-total</b>	<b>934.9</b>							
<b>Financial liabilities: current and non-current</b>								
Long-term borrowings	6,839.9	6,895.9	0.0	1,005.1	759.4	400.5	5.2	4,725.7
Derivative instruments - liabilities	8.7							
<i>Interest payable in respect of non-current financial liabilities</i>		856.3	99.1	101.2	89.2	78.0	72.0	416.9
<b>Non-current borrowings</b>	<b>6,848.6</b>	<b>7,752.3</b>	<b>99.1</b>	<b>1,106.3</b>	<b>848.6</b>	<b>478.5</b>	<b>77.2</b>	<b>5,142.6</b>
Long-term borrowings due within 1 year	1,002.2	1,006.7	1,006.7					
<i>Interest payable in respect of non-current borrowings due within 1 year</i>		25.3	25.3					
<b>Non-current borrowings due within one year</b>	<b>1,002.2</b>	<b>1,032.0</b>	<b>1,032.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Current borrowings and other debts</b>	<b>203.3</b>	<b>92.0</b>	<b>92.0</b>					
<b>Total financial liabilities</b>	<b>8,054.2</b>	<b>8,876.3</b>	<b>1,223.1</b>	<b>1,106.3</b>	<b>848.6</b>	<b>478.5</b>	<b>77.2</b>	<b>5,142.6</b>
<b>Net debt</b>	<b>-7,119.3</b>							

Capital and interest movements exclude loan issuance costs, issuance premiums and other items not involving the movement of funds.

(€ millions)	Carrying value 31/12/2019	Fair value 31/12/2019	Carrying value 31/12/2018	Fair value 31/12/2018
<b>Financial assets:</b>				
Cash and cash equivalents and marketable securities	1,639.2	1,639.2	934.9	934.9
Loans	7.3	7.3	6.8	6.8
Interest rate swaps	0.0	0.0	0.0	0.0
Other financial assets	33.3	33.3	42.4	42.4
Trade and other receivables	169.0	169.0	153.0	153.0
Other current assets	236.8	236.8	233.4	233.4
Other non-current assets	0.0	0.0	0.0	0.0
<b>Financial liabilities</b>				
Variable rate loans	775.0	778.2	1,271.2	1,279.9
Fixed rate loans with indexed nominal	158.1	177.7	157.2	166.9
Fixed rate loans	6,387.4	6,853.3	6,389.0	6,521.7
Interest rate swaps	4.3	4.3	8.7	8.7
Other financial liabilities	1,325.8	1,325.8	228.1	228.1
Trade and other payables	141.8	141.8	135.9	135.9
Other non-current liabilities	66.8	66.8	75.9	75.9
Other current liabilities	306.8	306.8	278.4	278.4

The fair value of derivative instruments corresponds to the mark-to-market value communicated by the various counterparties.



(€ millions)	2019			2018		
	Fair value hierarchy level			Fair value hierarchy level		
	level 1:	level 2:	level 3:	level 1:	level 2:	level 3:
<b>Financial assets measured at fair value</b>						
Cash and cash equivalents and marketable securities	1,639.2			934.9		
Interest rate swaps		0.0			0.0	
Unlisted participating interests			4.7			3.2
<b>Total financial assets measured at fair value</b>	<b>1,639.2</b>	<b>-</b>	<b>4.7</b>	<b>934.9</b>	<b>-</b>	<b>3.2</b>
<b>Financial liabilities</b>						
Fixed-rate loans measured at fair value <i>Notional</i> <i>Revalued</i>						
Interest rate swaps		4.3			8.7	
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>4.3</b>	<b>-</b>	<b>-</b>	<b>8.7</b>	<b>-</b>

Level 1: quoted prices in an active market

Level 2: internal model using observable inputs

Level 3: internal model using unobservable inputs

(€ millions)	Notional amounts analysed by maturity date at 31 December 2019	Fair value	o/w derivatives qualifying as fair value hedges		o/w derivatives qualifying as autonomous	
			Notional	Fair value	Notional	Fair value
	2020					
<b>Interest rate swaps</b>						
Interest rate swap, pay 4.5%/receive variable	91.6	(4.3)	-	-	91.6	(4.3)
<b>Total financial assets measured at fair value</b>	<b>91.6</b>	<b>(4.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>91.6</b>	<b>(4.3)</b>

At 31 December 2019, the APRR Group's derivatives portfolio consisted of a swap paying a fixed rate and receiving a variable rate resulting from the exercise of a swaption maturing in April 2010, treated as a stand-alone instrument with a nominal value of €91.6 million and a maturity of 2020.

## Financial assets and financial liabilities analysed by category

At 31 December 2019

Financial assets	Financial asset category (*)					
	Carrying value	Financial assets at fair value through equity	Financial assets at fair value through profit or loss	Loans and receivables	Financial hedging instruments	Fair value
Other non-current financial assets and investments in associates	54.0	4.7	13.4	35.9	0.0	54.0 (2) and (3)
Trade and other receivables	169.0	0.0	0.0	169.0	0.0	169.0 (2)
Other current assets	236.8	0.0	0.0	236.8	0.0	236.8 (2)
Cash and cash equivalents	1,639.2	0.0	1,639.2	0.0	0.0	1,639.2 (1)
<b>Total</b>	<b>2,099.1</b>	<b>4.7</b>	<b>1,652.6</b>	<b>441.8</b>	<b>0.0</b>	<b>2,099.1</b>

(\*) "Financial assets available for sale" have been reclassified as "Equity instruments" following the application of IFRS 9. "Equity instruments" are recognised in "Financial assets at fair value through equity" in accordance with the chosen accounting model for first-time application of IFRS 9.

Financial liabilities	Carrying value	Liability at amortised cost	Financial hedging instruments	Fair value
Borrowings and other debts	8,650.7	8,646.3	4.3	9,139.4 (2)
Trade payables	141.8	141.8	0.0	141.8 (2)
Other current and non-current liabilities	373.6	373.6	0.0	373.6 (2)
<b>Total</b>	<b>9,166.1</b>	<b>9,161.8</b>	<b>4.3</b>	<b>9,654.8</b>

Fair value determined by reference to:

- (1): Level 1: quoted prices in an active market
- (2): Level 2: internal model with observable inputs
- (3): Level 3: internal model with unobservable inputs

At 31 December 2018

Financial assets	Financial asset category (*)					
	Carrying value	Financial assets at fair value through equity	Financial assets at fair value through profit or loss	Loans and receivables	Financial hedging instruments	Fair value
Other non-current financial assets and investments in associates	70.6	3.2	21.4	46.0	0.0	70.6 (2) and (3)
Trade and other receivables	153.0	0.0	0.0	153.0	0.0	153.0 (2)
Other current assets	233.4	0.0	0.0	233.4	0.0	233.4 (2)
Cash and cash equivalents	934.9	0.0	934.9	0.0	0.0	934.9 (1)
<b>Total</b>	<b>1,391.9</b>	<b>3.2</b>	<b>956.3</b>	<b>432.5</b>	<b>0.0</b>	<b>1,391.9</b>

(\*) "Financial assets available for sale" have been reclassified as "Equity instruments" following the application of IFRS 9. "Equity instruments" are recognised in "Financial assets at fair value through equity" in accordance with the chosen accounting model for first-time application of IFRS 9.

Financial liabilities	Carrying value	Liability at amortised cost	Financial hedging instruments	Fair value
Borrowings and other debts	8,054.2	8,045.4	8.7	8,205.4 (2)
Trade payables	135.8	135.8	0.0	135.8 (2)
Other current and non-current liabilities	354.3	354.3	0.0	354.3 (2)
<b>Total</b>	<b>8,544.3</b>	<b>8,535.6</b>	<b>8.7</b>	<b>8,695.5</b>

Fair value determined by reference to:

- (1): Level 1: quoted prices in an active market
- (2): Level 2: internal model with observable inputs
- (3): Level 3: internal model with unobservable inputs

## 11. SHARE CAPITAL

	Number of shares	Euros
Ordinary shares issued and fully paid at 31/12/2019	113,038,156	33,911,446.80

The share capital consists of shares with a par value of €0.30 each.

The number of shares in issue and their par value have not changed since 1 January 2019.

The company does not hold any of its shares in treasury. No particular right, preference or restriction is attached to the shares.

## 12. PROVISIONS

	At 01/01/2019	Additional provisions in the period	Provisions utilised	Provisions reversed	Other movements	At 31/12/2019
Provision for retirement indemnities	46,0	3,1	(2,8)		5,4	51,7
Provision for long-service medals	1,0	0,2	(0,2)		(0,0)	1,0
Provision for maintaining infrastructures in condition	249,9	63,1	(43,5)		(8,4)	261,1
<b>Non-current provisions</b>	<b>296,9</b>	<b>66,3</b>	<b>(46,5)</b>	<b>0,0</b>	<b>(3,0)</b>	<b>313,8</b>
Provision for retirement indemnities	1,8				(0,4)	1,4
Provision for long-service medals	0,1				0,0	0,2
Provision for maintaining infrastructures in condition	38,0				8,4	46,4
Other provisions for liabilities and charges	0,9	0,4	(0,3)	(0,1)		0,9
<b>Current provisions</b>	<b>40,9</b>	<b>0,4</b>	<b>(0,3)</b>	<b>(0,1)</b>	<b>8,0</b>	<b>48,9</b>

Items in the "Other movements" column correspond mainly to actuarial gains and losses on retirement indemnities recognised in other comprehensive income.

	At 01/01/2018	Additional provisions in the period	Provisions utilised	Provisions reversed	Other movements	At 31/12/2018
Provision for retirement indemnities	45,1	3,1	(2,3)		0,1	46,0
Provision for long-service medals	1,1	0,1	(0,2)		0,0	1,0
Provision for maintaining infrastructures in condition	233,2	56,4	(40,9)		1,2	249,9
<b>Non-current provisions</b>	<b>279,4</b>	<b>59,6</b>	<b>(43,4)</b>	<b>0,0</b>	<b>1,3</b>	<b>296,9</b>
Provision for retirement indemnities	1,4				0,4	1,8
Provision for long-service medals	0,2				(0,0)	0,1
Provision for maintaining infrastructures in condition	39,2				(1,2)	38,0
Other provisions for liabilities and charges	1,0	0,5	(0,4)	(0,1)		0,9
<b>Current provisions</b>	<b>41,7</b>	<b>0,5</b>	<b>(0,4)</b>	<b>(0,1)</b>	<b>(0,8)</b>	<b>40,9</b>

### 13. EMPLOYEE BENEFITS PROVIDED UNDER DEFINED BENEFIT PLANS AND LONG-TERM BENEFITS

These benefits consist of retirement indemnities and long service medals.

#### Changes during the year

	<i>Retirement indemnities</i>		<i>Long service medals</i>	
	2019	2018	2019	2018
Discount rate	0.50%	1.50%	0.50%	1.50%
Expected rate of inflation	1.75%	1.75%	1.75%	1.75%
Expected rate of salary increases	2.75%	2.75%	2.75%	2.75%
Mortality tables for men	TH 12-14	TH 12-14	TH 12-14	TH 12-14
Mortality tables for women	TH 12-14	TH 12-14	TH 12-14	TH 12-14
Retirement age for managers				
Retirement age for non-managers	63 years	63 years	63 years	63 years
Social security charges	45.0%	45.0%	45.0%	45.0%

#### Charge for the year

<i>(€ millions)</i>	<i>Retirement indemnities</i>		<i>Long service medals</i>	
	2019	2018	2019	2018
Cost of past services	2.4	2.4	0.1	0.1
Net interest on provision (asset)	0.7	0.7	0.0	0.0
Cost of benefits recognised in income statement	3.1	3.1	0.1	0.1
Immediate recognition of (gains) losses	0.0	0.0	0.1	(0.0)
Charge recognised for accounting purposes	3.1	3.1	0.2	0.1

The corresponding charge is included under employee benefit expenses in the income statement.

#### Other comprehensive income (OCI)

<i>(€ millions)</i>	<i>Retirement indemnities</i>		<i>Long service medals</i>	
	2019	2018	2019	2018
Actuarial losses (gains) due to experience adjustments	(0.3)	0.5	-	-
Actuarial losses (gains) due to changes in actuarial assumptions	5.4	0.0	-	-
Actuarial losses (gains) recognised in OCI for the period	5.0	0.5	-	-
(Higher) lower return on plan assets than based on discounting	0.0	(0.0)	-	-
Total (gain) loss recognised in OCI for the period	5.0	0.5	-	-

### Cost of defined benefits

(€ millions)	<i>Retirement indemnities</i>		<i>Long service medals</i>	
	2019	2018	2019	2018
Cost of service	2.4	2.4	0.1	0.1
Net interest on provision (asset)	0.7	0.7	0.0	0.0
Immediate recognition of (gains) losses	0.0	0.0	0.1	(0.0)
Total (gain) loss recognised in OCI for the period	5.0	0.5	0.0	0.0
Total cost of defined benefits	8.1	3.6	0.2	0.1

### Analysis of provision recognised for accounting purposes

(€ millions)	<i>Retirement indemnities</i>		<i>Long service medals</i>	
	2019	2018	2019	2018
Actuarial obligation at the start of the period	(53.1)	(47.8)	(1.1)	(1.1)
Fair value of plan assets	0.0	0.0	0.0	0.0
Assets (provision) at the end of the period	(53.1)	(47.8)	(1.1)	(1.1)

### Reconciliation of provision recognised for accounting purposes

(€ millions)	<i>Retirement indemnities</i>		<i>Long service medals</i>	
	2019	2018	2019	2018
Asset (provision) at the start of the period	(47.8)	(46.5)	(1.1)	(1.2)
Charge for period recognised for accounting purposes	(3.1)	(3.1)	(0.2)	(0.1)
Gain (loss) recognised in OCI	(5.0)	(0.5)	0.0	0.0
Benefits paid directly by the company	2.8	2.3	0.1	0.2
Assets (provision) at the end of the period	(53.1)	(47.8)	(1.1)	(1.1)

## **Reconciliation of actuarial obligation**

<b>(€ millions)</b>	<b>Retirement indemnities</b>		<b>Long service medals</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Obligation at the start of the period	(47.8)	(46.5)	(1.1)	(1.2)
Cost of past services	(2.4)	(2.4)	(0.1)	(0.1)
Interest on actuarial obligation	(0.7)	(0.7)	(0.0)	(0.0)
Actuarial (gain) loss - experience	0.3	(0.5)	0.0	0.0
Actuarial (gain) loss - demographic assumptions	(0.1)	0.0	(0.0)	0.0
Actuarial (gain) loss - financial assumptions	(5.3)	0.0	(0.1)	0.0
Benefits paid out of assets	0.0	0.0	0.0	0.0
Benefits paid by the company	2.8	2.3	0.1	0.2
Obligation at the end of the period	(53.1)	(47.8)	(1.1)	(1.1)

## **Reconciliation of plan assets**

<b>(€ millions)</b>	<b>Retirement indemnities</b>		<b>Long service medals</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Fair value at the start of the period	0.0	0.0	-	-
Net interest on plan assets	0.0	0.0	-	-
(Higher) lower return on plan assets than based on discounting	0.0	0.0	-	-
Benefits paid	0.0	0.0	-	-
Fair value at the end of the period	0.0	0.0	-	-

Benefits in respect of retirement indemnities and long service medals totalling €1.6 million are expected to be paid in 2020.

## **Sensitivity analysis**

A 0.5 point change in the discount rate has an impact of around 5% on the actuarial obligation in respect of retirement indemnities.

## ***14. OTHER CURRENT AND NON-CURRENT LIABILITIES***

<b>(€ millions)</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
Payments on account	23.1	23.0
Tax and social security	194.2	177.1
Deferred income	9.9	10.7
Other debts	79.6	67.6
Other current liabilities	306.8	278.4
Deferred income	66.8	75.9
Other non-current liabilities	66.8	75.9

## 15. REVENUE

(€ millions)	2019	2018
Toll revenue	2 534,5	2 463,0
Rental income from commercial facilities	46,1	43,8
Revenue from leasing telecommunication installations	9,1	9,8
Other	21,3	21,0
Revenue excluding construction services	2 611,0	2 537,6
Construction services (IFRIC 12)	405,0	362,2
<b>Total</b>	<b>3 016,0</b>	<b>2 899,9</b>

Rental income from commercial facilities is collected from third parties that operate the commercial establishments located at the rest areas.

Revenue from leasing telecommunication installations corresponds essentially to leases entered into with telecommunication operators for the use of fibre optic cables and towers.

## 16. PURCHASES AND EXTERNAL CHARGES

(€ millions)	2019	2018
Energy	(14,0)	(14,0)
Supplies	(7,4)	(7,4)
Spare parts	(5,2)	(5,2)
Infrastructure maintenance	(14,9)	(19,0)
Routine maintenance	(19,4)	(17,9)
Construction services (IFRIC 12)	(405,0)	(362,2)
Other external charges	(54,1)	(52,7)
<b>Purchases and external charges</b>	<b>(520,1)</b>	<b>(478,4)</b>

## 17. EMPLOYEE BENEFIT EXPENSES AND HEADCOUNT

(€ millions)	2019	2018
Wages and salaries	(104,4)	(105,6)
Social security contributions and deferred benefits	(70,0)	(69,7)
Discretionary employee profit sharing	(8,2)	(7,1)
Mandatory employee profit sharing	(24,3)	(23,1)
<b>Employee benefit expenses</b>	<b>(206,9)</b>	<b>(205,5)</b>

Headcount:	2019	2018
Management grade	509	499
Supervisor grade	1 624	1 649
Workers and office staff	1 072	1 107
<b>Total</b>	<b>3 205</b>	<b>3 255</b>

## 18. TAXES (OTHER THAN INCOME TAX)

(€ millions)	2019	2018
Regional development tax	(167,6)	(166,4)
Territorial economic contribution	(70,8)	(69,9)
Fee for the use of public property	(88,4)	(85,2)
Contribution to AFITF (French Transport Infrastructure Financing Agency)	(16,3)	(16,1)
Other taxes and duties	(10,3)	(8,8)
<b>Taxes (other than income tax)</b>	<b>(353,4)</b>	<b>(346,4)</b>

The fee for the use of public property is based on the revenue, the rental value and the length of the motorway network in kilometres, and is therefore treated as an operating expense.

The regional development tax is based on the number of kilometres travelled and is therefore treated as an operating expense.

## 19. DEPRECIATION AND AMORTISATION EXPENSE

(€ millions)	2019	2018
Amortisation of other intangible assets	(13,3)	(10,9)
Amortisation of intangible assets arising from concessions	(367,5)	(356,1)
Depreciation of property, plant and equipment (other than assets made available under finance leases)	(48,4)	(47,9)
Depreciation of property, plant and equipment made available under leases	(3,6)	(3,1)
<b>Total</b>	<b>(432,7)</b>	<b>(418,1)</b>

## 20. OTHER OPERATING INCOME AND EXPENSES

(€ millions)	2019	2018
Impairment losses recognised in respect of current assets	(0,7)	0,2
Gains (losses) on disposals	1,7	1,5
Other income	10,4	8,7
Other expenses	(4,9)	(5,9)
<b>Other operating income (expenses)</b>	<b>6,5</b>	<b>4,5</b>



## 21. INCOME FROM CASH AND CASH EQUIVALENTS

(€ millions)	2019	2018
Net proceeds from the disposal of marketable securities	0,0	0,0
Income from debt-related derivative instruments	0,0	0,0
Other financial income	6,7	4,9
Total	6,7	4,9

## 22. FINANCE COSTS

(€ millions)	2019	2018
Interest and other financial charges	(130,9)	(151,3)
Financial charges transferred	6,0	3,2
Gross finance costs	(124,9)	(148,1)
Other financial income	5,2	5,2
Other financial charges	0,0	(8,9)
Other financial income (expenses)	5,2	(3,7)

Fees in respect of unutilised credit lines came to €2.2 million in 2019 (2018: €2.3 million).

In 2019, derivative financial instruments (interest rate swaps) generated:

- additional gross finance cost amounting to €4.5 million (2018: €4.4 million),
- additional other financial income of €4.4 million (2018: €4.7 million).

## 23. INCOME TAX EXPENSE

### Tax charge for the year

(€ millions)	2019	2018
Current tax	(470,9)	(436,7)
Deferred tax credit (charge)	12,7	5,2
Total	(458,2)	(431,5)

### Reconciliation of theoretical tax charge to effective tax charge

(€ millions)	2019	2018
Net profit for the year	874,7	829,2
Income tax expense	458,2	431,5
Share of profit of associates	(0,4)	0,0
Profit before tax	1 332,5	1 260,7
Applicable tax rate	34,43%	34,43%
Theoretical tax on the profit before tax determined above	458,8	434,1
Permanent differences	(3,4)	(2,8)
Other differences	2,8	0,2
Income tax expense recognised	458,2	431,5

Other differences mainly comprise the effects of:

- applicable tax regimes resulting in the taxation of a share of certain transactions within the Group,
- tax credits (including in 2018 the tax credit for competitiveness and employment (Crédit d'Impôt pour la Compétitivité et l'Emploi - CICE)).

In accordance with the methods described in Note 2.13 on income tax, the Group's deferred tax principles have resulted in a revaluation on the basis of the rates that will apply at the time of reversal, namely 32.02% in 2020, 28.41% in 2021, and 25.83% from 2022. This resulted in an additional deferred tax charge of €3.3 million.

## **Analysis of deferred tax assets and liabilities**

<b>(€ millions)</b>	<b>2019</b>	<b>2018</b>
<b>Deferred tax assets resulting from</b>		
IFRIC 12	(121,8)	(115,0)
Provisions for retirement indemnities	(10,3)	(10,3)
Provisions for holiday pay	(5,5)	(5,4)
Employee profit sharing	(7,8)	(7,4)
Swap reversals	-	-
Other	(20,3)	(20,5)
<b>Deferred tax assets</b>	<b>(165,8)</b>	<b>(158,5)</b>
<b>Deferred tax liabilities arising from</b>		
Charges capitalised, net of depreciation	79,4	84,6
Depreciation of renewable fixed assets	31,8	31,7
Regulated provisions	21,8	20,8
Provisions for replacement	5,2	6,8
Other	0,4	1,4
<b>Deferred tax liabilities</b>	<b>138,6</b>	<b>145,3</b>
<b>Net deferred tax liabilities</b>	<b>(27,1)</b>	<b>(13,2)</b>

## **24. EARNINGS PER SHARE**

The average number of shares was calculated taking into account the number of days elapsed since the dates of the last transactions having affected the capital.

Earnings per share are calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

<b>(€ million)</b>	<b>2019</b>	<b>2018</b>
Net profit for the year attributable to ordinary equity holders of the parent entity	874,7	829,2
Weighted average number of ordinary shares outstanding during the year	113 038 156	113 038 156
Basic earnings per share	7,74	7,34
Net profit for the year attributable to ordinary equity holders of the parent entity	874,7	829,2
Weighted average number of ordinary shares outstanding during the year	113 038 156	113 038 156
Diluted earnings per share	7,74	7,34

There are no potentially dilutive instruments in issue.

## **25. DIVIDEND**

In 2019, a dividend of €6.91 per share was distributed in respect of the year ended 31 December 2018.

## 26. COMMITMENTS

(€ millions)	31/12/2019	31/12/2018
Sundry guarantees	0.0	0.0
Work to be performed (1% landscape)	0.0	0.0
Total	0.0	0.0

(€ millions)	31/12/2019	31/12/2018
Bank guarantees	62.4	47.6
Other	0.0	0.0
Total	62.4	47.6

(€ millions)	31/12/2019	31/12/2018
Works contracts signed but not executed	300.6	263.6

(€ millions)	31/12/2019	31/12/2018
Within 1 year	2.4	2.7
Between 1 and 5 years	2.6	2.0
After 5 years	0.0	0.0
Total	5.0	4.7

Amounts payable in the future relate to long-term vehicle leases.

(€ millions)	31/12/2019	31/12/2018
Within 1 year	39.5	38.7
Between 1 and 5 years	123.4	126.1
After 5 years	145.5	145.9
Total	308.4	310.7

Amounts receivable in the future correspond to lease payments in respect of commercial establishments.

## 27. RELATED PARTY TRANSACTIONS

Related parties include: (i) entities over which the Group exercises exclusive control, joint control or significant influence (i.e. joint ventures and associates); (ii) shareholders exercising joint control over group joint ventures; (iii) non-controlling shareholders exercising significant influence over the group subsidiaries; and finally (iv) the directors, officers and managers of the Group and the companies over which they exercise exclusive control, joint control or significant influence or in which they hold significant voting rights.

Material transactions with related parties are summarised in the table below:

Work carried out by Eiffage group is negotiated on an arm's length basis and after inviting tenders from other construction and civil engineering groups.

Company	Nature	Type	Amount	Payable (Receivable)
Eiffage Group	Sundry services	Income	1.2	(0.1)
	Work	Charges	87.0	10.3
Financière Eiffarie	Staff made available	Charges	1.3	0.8
	Tax consolidation current account			65.1
Axxès	Heavy goods vehicles remote toll collection	Charges	1.2	(32.6)
Sira	Radio services (Autoroute Info)	Charges	1.6	(0.3)
	Sundry services	Income	0.2	(0.3)
	Cash advance	Charges	0.0	1.2
Park +	Cash advance	Income	0.0	(0.0)
	Sundry services	Income	0.1	-
	Sundry services	Charges	0.0	0.0
Adelac	Sundry services	Income	5.5	(0.5)
	Staff made available	Income	0.2	(0.0)
	Cash advance	Income	1.9	(19.3)
	Toll		-	5.5
Cera	Financial income	Income	0.3	-
Altech	Financial income	Income	0.0	
Infrasim	Cash advance	Income	0.0	(1.2)
DNR	Cash advance	Income	0.0	(0.3)

## 28. MANAGEMENT INDICATORS

(€ millions)	2019	2018
Operating cash flow	1 369	1 294
EBITDA	1 942	1 874
EBITDA margin	74,4%	73,8%

EBITDA (earnings before interest, tax, depreciation and amortisation) corresponds to the operating profit on ordinary activities adjusted for employee profit sharing and before amortisation, depreciation and provisions.

Operating cash flow corresponds to the net profit adjusted by adding back depreciation and amortisation expense and provisions and deducting profits on disposals and the share of profit of associates.

## 29. EVENTS AFTER THE BALANCE SHEET DATE

There has been no event after the balance sheet date requiring disclosure.

## 30. FEES PAID TO THE STATUTORY AUDITORS

(€)	KPMG Audit				PricewaterhouseCoopers Audit			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2019	2018	2019	2018	2019	2018	2019	2018
Statutory audit of the statutory and consolidated financial statements								
- Issuer	111,375	119,300	76%	77%	111,375	119,300	53%	56%
- Fully consolidated subsidiaries					77,320	70,250	37%	33%
Services other than certification of financial statements - required by law								
- Issuer	3,525	5,150	2%	3%	3,525	5,150	2%	2%
- Fully consolidated subsidiaries					3,500	4,300	2%	2%
Services other than certification of financial statements - other								
- Issuer	32,250	30,950	22%	20%	14,750	14,750	7%	7%
- Fully consolidated subsidiaries								
<b>Total</b>	<b>147,150</b>	<b>155,400</b>	<b>100%</b>	<b>100%</b>	<b>210,470</b>	<b>213,750</b>	<b>100%</b>	<b>100%</b>
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax and employment matters								
- Issuer								
- Fully consolidated subsidiaries								
Other								
- Issuer								
- Fully consolidated subsidiaries								
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0%</b>
<b>Total</b>	<b>147,150</b>	<b>155,400</b>	<b>100%</b>	<b>100%</b>	<b>210,470</b>	<b>213,750</b>	<b>100%</b>	<b>100%</b>

Non-audit services provided by the statutory auditors concern:

- statutory reports relating to the distribution of interim dividends, drawn up pursuant to Article L.232-12 of the French Commercial Code (Code de commerce);
- comfort letters relating to the EMTN programme;
- certification of financial information related to the financial statements.