KPMG SA
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris La Défense Cedex

PHM-AEC
64, Boulevard de Reuilly
75012 Paris

Holding d'Infrastructures de Transport (HIT)

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022
Holding d'Infrastructures de Transport (HIT)
30 Boulevard Gallieni - 92130 Issy-les-Moulineaux

KPMG SA
Tour EQHO
2 Avenue Gambetta
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75012 Paris

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Holding d'Infrastructures de Transport (HIT)

30 Boulevard Gallieni - 92130 Issy-les-Moulineaux

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022

To the Sole Shareholder of Holding d'Infrastructures de Transport (HIT),

Opinion

In compliance with the engagement entrusted to us by decision of the Sole Shareholder, we have audited the accompanying consolidated financial statements of Holding d'Infrastructures de Transport (HIT) for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1st, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Observation

Without qualifying the opinion expressed above, we draw your attention to the point set out in Notes 3.2 and 4.19.1 to the consolidated financial statements concerning the change in the accounting method for employee benefits relating to the period for spreading the commitments under defined benefit pension plans.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revenue recognition related to revenues from « Tolls » (« Péages »)

(Notes 3.18 « Revenue recognition » et 4.2. « Revenue » to the consolidated annual accounts)

Risk identified

The revenue generated using the French motorway network infrastructure, pursuant to the two concessions contracts expiring respectively on December 31, 2031 and August 31, 2033, is made up of €. 1,763 million by the “Tolls” activity, or 88% of the total revenues.

Revenue from the “Tolls” activity is made up of a large number of low single-value transactions to which a tariff law governed by the concession contracts operated is applied. Their management and accounting process depend on an information system with a significant degree of automation as well as manual or automatic internal control procedures.

This financial statement caption requires the implementation of a specific audit approach involving extensive work on the information system and the use of specific skills. This leads us to consider the revenue recognition related to revenues from “Tolls” as a key audit matter.

Our response to the risk

We gained an understanding of the internal control system implemented to cover the identified risk. With contribution of our own information system experts, we carried out the following procedures:

- Review of IT general controls relating to data access and application management;
- Application and effectiveness tests of a sample of automatic, semi-automatic and manual controls such as the setting of annual tariffs and the correct integration of data from technical toll installations into accounting.

Our work also consisted in:

- Performing revenue recognition tests for a sample of physical transactions carried out at different periods of the year and on different sections of the networks operated;
- Corroborate the evolution of the turnover recorded with the tariff and traffic evolutions;
- Reconcile recorded revenue with data from the information system;
- Check the reconciliation of toll revenue accounted for with receipts.

Assessment of provisions on toll roads under concession

(Note 3.16 « Current and non-current provisions », 4.7 « Depreciation, amortization and provisions » and 4.18 « Provisions » to the consolidated annual accounts)

Risk identified

In order to meet the contractual obligation to maintain the condition of the infrastructure under concession, the group accounts for provisions in its consolidated financial statements in accordance with IFRIC 12 – Service Concession Arrangements. The amount stands at €. 374.9 million as at December 31, 2022.

These provisions are recognized to cover the costs of renewing the pavements and maintaining the state of the structures. They are determined on the basis of a multi-year expenses program revised each year, and reassessed on the basis of appropriate sector indices (mainly the index TP01 – Public Works index – General all work and TP09 – Public Works index – Manufacture and application of asphalt).

These provisions are recognized for their amounts discounted at each closing period.

We considered that the assessment of the provisions for maintaining the condition of the infrastructure is a key audit matter, as it relies on the judgment of management to estimate the forecast expenses.

Our response to the risk

We gained an understanding of the process for evaluating these provisions, and examined the relevance of the methodology used and its consistency with respect to previous years.

Our work also consisted in:

- Corroborate the data used for the calculations of the provisions with those taken from the provisional expense budget over 10 years;
- Assess the consistency of the forecast expense budget by comparison with the achievements observed in previous years;

- Examine the consistency of the assumptions used for the indexation of expenses and the discount rate.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the President.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Holding d'Infrastructures de Transport (HIT) by the Annual General Meeting held on December 16, 2013 for PHM-AEC and by decision of the Sole Shareholder taken on April 13, 2021 for KPMG S.A..

As at December 31, 2022, PHM-AEC was in the 9th year and KPMG S.A. was in the 2nd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

French original signed by

Paris La Défense, on the March 9, 2023	Paris, on the March 9, 2023
KPMG S.A.	PHM-AEC
Xavier Fournet	Vincent Molinié
Partner	Partner

HIT Group

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2022

SUMMARY FINANCIAL STATEMENTS

1. *CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*

Income statement

(in € thousands)	Notes	December 31, 2022	December 31, 2021
Operating income		**2,047,631**	**1,890,890**
Revenue	4.2	2,013,630	1,868,485
of which revenue excluding construction		*1,861,654*	*1,685,084*
of which revenue from construction	3.18	*151,976*	*183,401*
Other income	4.5	34,000	22,406
Operating expenses		**(1,101,111)**	**(1,109,437)**
Purchases and external expenses	4.3	(262,165)	(283,002)
of which construction costs	3.18	*(151,976)*	*(183,401)*
Payroll costs	4.4	(173,695)	(169,870)
Other expenses	4.5	11,736	(4,724)
Taxes other than on income	4.6	(223,923)	(201,116)
Depreciation, amortization and provision	4.7	(453,064)	(450,724)
Net operating income		**946,519**	**781,453**
Interest expenses	4.8	(140,372)	(232,138)
Other financial expenses	4.8	(129,792)	(22,770)
Financial income	4.8	2,082	181,347
Income before tax		**678,437**	**707,892**
Income tax	4.9	(173,705)	(158,085)
Share in net income of associates	4.1	181	(22,661)
Net income before non-controlling interests		**504,913**	**527,147**
Non-controlling interests		41	30
Net income attributable to shareolder of the Parent		**504,872**	**527,118**

Basic earnings per share (in euros)	4.10	0.53	0.51
Weighted average number of shares		959,358,743	1,040,267,743
Diluted earnings per share (in euros)		0.53	0.51
Weighted average number of shares		959,358,743	1,040,267,743

Comprehensive income:

(in € thousands)	December 31, 2022	December 31, 2021
Net income	**504,913**	**527,147**
Revaluation of net liabilities (assets) of defined benefit plans	6,729	2,276
Tax effect	(1,738)	(1,500)
Items not potentially reclassifiable to profit and loss	***4,991***	***776***
Fair value adjustment on cash flow hedges	34,311	
Recycling to the income statement of the hedge swaps set up at the time of the acquisition of the Sanef group by HIT	27,919	16,752
Recycling to the income statement of the hedge swaps set up at the time of the refinancing operation (Liability Management) in 2014, amortized from 2018	1,157	1,157
Tax effect	(16,373)	(5,088)
Items potentially reclassifiable to profit and loss	***47,014***	***12,821***
Other comprehensive income	**52,005**	**13,597**
Total income and expenses recognized during the period	**556,918**	**540,744**
Attributable to shareholders of the Parent	556,877	540,715
Non-controlling interests	41	30

2. *CONSOLIDATED STATEMENT OF FINANCIAL POSITION*

ASSETS	Notes	December 31, 2022	December 31, 2021*
Goodwill	4.11	2,820,166	2,820,166
Intangible assets	4.12	3,902,725	4,116,396
Property, plant and equipment	4.13	192,923	183,108
Investments in associates	4.1	498	1,132
Non-current financial assets	4.14	36,998	3,330
Total non-current assets		**6,953,309**	**7,124,133**
Inventories		4,994	4,927
Trade and other accounts receivable	4.15	220,211	211,323
Current financial assets	4.14	-8	-28
Cash and cash equivalents	4.16	315,944	396,174
Total current assets		**541,141**	**612,396**
TOTAL ASSETS		**7,494,451**	**7,736,529**

EQUITY AND LIABILITIES	Notes	December 31, 2022	December 31, 2021*
Share Capital	4.17	959,359	1,040,268
Additional paid-in capital	4.17		
Retained earnings and net income		300,240	362,453
Equity attributable to the owners of HIT		**1,259,599**	**1,402,721**
Equity attributable to the non-controlling interests		**272**	**266**
Total equity		**1,259,871**	**1,402,986**
Non-current provisions	4.18	374,939	386,730
Provisions for long-term employment benefits	4.19	39,675	49,593
Non-current financial liabilities	4.20	4,782,039	5,086,500
Deferred tax liabilities	4.9	117,956	135,511
Total non-current liabilities		**5,314,610**	**5,658,335**
Current provisions	4.18	31,420	42,631
Current financial liabilities	4.20	576,085	349,443
Trade and other accounts payable	4.21	301,994	279,967
Current tax liabilities		10,472	3,167
Total current liabilities	**-**	**919,970**	**675,208**
TOTAL EQUITY AND LIABILITIES		**7,494,451**	**7,736,529**

(*) Figures adjusted following the change of accounting method (see point 3.2)

3. *CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

(In € thousands)	Share Capital	Consolidated reserves and net income	Share attributable to owners of the parent company	Non-controlling interests	Total Equity
As of January 1, 2022 (*)	**1,040,268**	**362,453**	**1,402,721**	**265**	**1,402,986**
Net income for the period		504,872	504,872	41	504,913
Gains and losses recognized in other comprehensive income		52,005	52,005		52,005
Net income and gains and losses recognized in other comprehensive income		**556,877**	**556,877**	**41**	**556,918**
Others		2	2	1	3
Distribution of dividends	(80,909)	(619,091)	(700,000)	(36)	(700,036)
As of December 31, 2022	**959,359**	**300,241**	**1,259,600**	**272**	**1,259,871**

(*) Figures adjusted following the change of accounting method (see point 3.2)

(In € thousands)	Share capital	Consolidated reserves and net income	Share attributable to owners of the parent company	Non-controlling interests	Total Equity
As of January 1, 2021	**1,062,268**	**254,955**	**1,317,223**	**276**	**1,317,499**
Net income for the period		527,118	527,118	30	527,147
Gains and losses recognized in other comprehensive income		13,597	13,597		13,597
Net income and gains and losses recognized in other comprehensive income		**540,715**	**540,715**	**30**	**540,744**
Change in périmeter		37,942	37,942		37,942
Others (*)		6,795	6,795		6,795
Distribution of dividends	(22,000)	(477,954)	(499,954)	(40)	(499,994)
As of December 31, 2021	**1,040,268**	**362,453**	**1,402,721**	**265**	**1,402,986**

(*) Figures adjusted following the change of accounting method (see point 3.2)

4. *CONSOLIDATED STATEMENT OF CASH FLOWS*

(in € thousands)	Notes	December 31, 2022	December 31, 2021
OPERATING ACTIVITIES			
Net operating income		**946,519**	**781,453**
Depreciation, amortization and provisions	4.7	462,611	471,034
Recoveries of depreciation, amortization and provisions	4.7	(29,970)	(18,633)
Disposal gains and losses		503	(552)
Change in inventories		(67)	133
Change in trade and other accounts receivable		(8,849)	32,447
Change in trade and other accounts payable		5,430	17,137
Taxes paid		(204,711)	(155,773)
		1,171,467	**1,127,246**
INVESTING ACTIVITIES			
Additions to property, plant and equipment	4.13	(56,189)	(37,302)
Additions to intangible assets	4.12	(168,551)	(187,423)
Expenses related to IFRIC12 provision		(46,882)	(28,096)
Proceeds from disposals of property, plant and equipment and intangible assets			1,063
Proceeds from disposals	4.1		223,403
Change in financial assets		51	19
Interest income		717	771
Dividends received		815	291
		(270,040)	**(27,274)**
FINANCING ACTIVITIES			
Dividends paid to owners of HIT		(700,000)	(499,954)
Dividends paid to non-controlling shareholders		(36)	(40)
Deposits and guarantees		324	367
Reimbursement of borrowings		(1,083,500)	(1,581,300)
New borrowings		1,000,000	586,418
Interest expense		(198,467)	(244,479)
Other financial expenses/income		21	(1,520)
		(981,658)	**(1,740,508)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(80,231)**	**(640,535)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**396,174**	**1,036,709**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**315,944**	**396,174**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION CONCERNING THE GROUP

1.1. Information concerning HIT, the parent company

HIT was founded on November 2, 2005 with a view to acquiring Sanef's shares within the framework of the call for tenders launched by the French government for the disposal of its holdings in three toll road concession operators.

HIT won the tender and acquired the French government's stake in the Sanef group on February 3, 2006. HIT then launched a standing market order and a mandatory minority buyout, ultimately enabling it to become Sanef's sole shareholder.

The majority shareholder of HIT is the Abertis Group, which is headquartered in Madrid, Spain. HIT's consolidated financial statements are included in the consolidated financial statements of Abertis.

HIT does not hold any direct shares other than those in Sanef.

HIT's headquarters are located at 30, boulevard Gallieni – 92130 Issy-Les-Moulineaux – France.

1.2. Information concerning the Sanef subgroup

The Sanef group holds two concessions granted by the French government, through which it manages the construction and operation of 1,785 kilometers of toll roads, engineering structures and facilities. Of this total, Sanef manages 1,406 kilometers and Sapn manages 379 km. Following the opening of the A16 section between L'Isle-Adam and La Francilienne, which took place in November 2019, the Sanef Group's network in-service increased by 8 km. The group's network in service consisted of 1,781 kilometers.

Since the signing of an agreement with the French State to make sustainable development investments in 2010, the terms of the concessions of Sanef and Sapn were set at December 31, 2029.

The French Government entered into a highway stimulus plan ("Plan de Relance") with the major highway concession-holders totaling €3.2 billion for the whole sector in 2015. This stimulus plan ("Plan de Relance") comes as part of the negotiations completed in April 2015 with the signature of a framework agreement between the French Government and the Vinci, APRR-AREA and Sanef (including Sapn) groups.

The agreement establishes the shared aim of the French Government and the highway concession-holders to continue their contractual arrangement far into the future and to develop it based on the following principles:

1. Expanded investment in infrastructure:
   - i) Direct investments through the Stimulus Plan:
     - a) For Sanef, the Stimulus Plan represents an investment program of about €330 million and a two-year extension of the concession.
     - b) For Sapn, the Stimulus Plan represents an investment program of €260 million and a three year eight month extension of the concession.
   - ii) Indirect investments through:
     - a) the concessionaires' paying the AFITF an Extraordinary Voluntary Contribution (French acronym CVE). The CVE, in the amount of €60 million per year, will be paid by all the highway concessionaires party to the agreement until the end of each company's concession. The Sanef (Sanef and Sapn) Group's share represents 17% of the total CVE.

b) The creation by Vinci, APRR and the Sanef shareholders of a €200 million fund for the ecological modernization of transportation (French acronym FMET). The contribution to this made by Sanef Group shareholders was €50 million.

2. Stabilizing the contractual relationship with Sanef and Sapn and the economic balance of the concessions:
   i) Inserting a so-called "fiscal stability" provision by amending Article 32
   ii) Implementation of a measure to cap the profitability of concessions, made by amending Article 36 of the Sanef and Sapn concession agreements.
3. Compensation for the 2013 increase in the State fee for use of public land (*redevance domaniale*) by an additional increase in tolls from 2016 through 2018 and compensation for the toll freeze in 2015 by an additional increase in tolls from 2019 through 2023.
4. Adding to the company sustainability policies of the concessionaires, fostering carpooling, environmentally friendly vehicles and helping young people and/or students.
5. Creating an independent regulatory authority for the highway sector. On October 15, 2015, ARAF became ARAFER (French acronym for rail and road operators regulatory authority) and ART (French acronym for transportation regulatory authority) in 2019 and took over the regulation of the highway sector (i.e. consultation on plans to amend a concession or any other contract if it has an impact on toll rates or the time period of the concession.)

Decree no. 2015-1046 of August 21, 2015, approving the riders to the agreements made between the French Government and Sanef was published on August 23, 2015 in the *Journal Officiel.*
As a result of these riders, the Sanef concession contracts now expire on December 31, 2031 and the Sapn contracts on August 31, 2033.

The primary concession arrangements are similar for both companies, and the attached specifications constitute the fundamental instruments establishing the relationships between the French government as grantor and both companies. In particular, these arrangements set out the terms and conditions for the construction and operation of the toll roads, the applicable financial provisions, the duration of the concession and the terms under which the installations are to be recovered at the end of the concession.

The provisions most likely to influence the outlook of the Group's operations include:

- the obligation to maintain all engineering structures in a good state of repair and to ensure the continuity of traffic circulation under good safety conditions and in good working order;

- the provisions setting toll rates and the conditions for changes thereto;

- the clauses providing for applicable provisions in the event of regulatory changes of a technical or tax nature applicable to toll road operators. If such a change was liable to seriously compromise the financial equilibrium of the concessions, the French government and the concession operators would agree the compensation to be envisaged by mutual agreement;

- the provisions liable to guarantee that all of the engineering structures of the concession have been placed in a proper state of repair on the date the contract expires;

- the conditions under which the assets are to be turned back over to the French government at the end of concession and the restrictions placed upon the assets;

- the ability of the French government to buy out the concession arrangements in the general interest.

In the context of the privatization of the Company, the French government announced its desire to modify the concession arrangements awarded to Sanef via amendments to the agreements that were approved by the boards of directors of Sanef and Sapn on April 27 and May 4, 2006, respectively.

Negotiations on a new plan contract, the Highway Investment Plan (Plan d'Investissement Autoroutier "PIA"), were initiated in the autumn of 2016. The Rail and Road Transport Regulation Authorities issues its approval in June 2017.

Discussions between the Sanef Group and the French State resumed in December 2017 following an amendment to the plan. The draft amendments to the concession agreements which will incorporate the PIA investments and the price increases in the Sanef and SAPN concessions were examined by the Conseil d'Etat in the first half of 2018.

In the amount of 122 million euros, the PIA provides the creation or modification of 4 interchanges, carpooling and protection facilities of natural environments. The PIA will be compensated by a further increase in toll rates for Sanef and SAPN between 2019 and 2021 and cofinanced by certain local authorities.

The Highway Investment Plan (PIA) was published in the Journal Officiel on August 30, 2018 after receiving a favorable opinion from the Council of State.

As of December 21, 2021 Decree no. 2021-1726 was signed, approving the twelfth amendment to the SAPN Concession Agreement; it was published in the Journal Officiel on December 22, 2021. This amendment provides for the deployment of a barrier-free tolling system on the A13 and A14 highways. The cost of this operation amounts to €122.1 million (the July 2018 value).

Sanef's registered office is located at 30 boulevard Gallieni – 92130 Issy-les-Moulineaux – France.

2. *KEY EVENTS OF THE FINANCIAL YEAR AND ENVIRONMENT-RELATED MATTERS*

Compared to 2021, traffic rose to 10.7% at the end of the year, the past year has not been impacted by traffic restriction measures, nevertheless traffic has still not caught up with its 2019 level and is at -0.6% compared to December 2019.

Under these conditions, toll revenues amounted to €1,763 million, representing an increase of €168 million compared with the end of December 2021, and operating income improved by €165 million compared with the year 2021.

Environment-related matters:

The HIT Group is careful to limit the environmental impact of its operations and of the use of its freeways by its customers. This is why the group is working to understand these impacts (greenhouse gas emissions, impacts on the water cycle, noise pollution, biodiversity, etc.) and to quantify them in a fair and operational manner.
Greenhouse gas emissions linked to the traffic of the Group's customers on our highways represent the first challenge. This is why the HIT group has equipped most of its service areas with electric vehicle recharging stations in 2022, with a large number of recharging stations with a power rating of over 150kW. The equipment of the last service areas will be completed at the very beginning of 2023. This equipment should enable the Group to achieve a 25% reduction in emissions from our light vehicle customers by 2030.
To accompany this project, the group has decided to gradually switch its light vehicle fleet to 100% electric. All light vehicle renewals since 2022 have been carried out with 100% electric vehicles.
The goal is to have a 100% electric fleet by 2026 for company vehicles and by 2030 for the entire fleet (light and medium vehicles).
At the same time, by 2023 the group will equip all its sites with charging stations for company vehicles and those of its employees.
The group is also studying the various decarbonization options for heavy goods vehicles, as well as all options for reducing greenhouse gas emissions from our operations (increasing the recycling rate of pavements, energy management of buildings, replacement of lighting in tunnels, etc.).

In preparing its financial statements, the Company has taken into account the effects of relevant climate-rated matters. It has not identified any significant accounting impact at this stage.

3. ACCOUNTING POLICIES

3.1. Applicable accounting principles

The HIT Group's consolidated accounts for 2022 have been prepared in accordance with IFRS, as adopted by the European Union on December 31, 2022.

The texts published by the IASB and not adopted by the EU are not applicable to the Group.

They were prepared on a historical cost basis, with the exception shown below. The preparation of the financial statements requires estimates and choices to be made on how to apply the standards to certain transactions.

The following standards and interpretations are applicable with effect from 2022:

- Amendments to IFRS 3 "References to the Conceptual Framework", applicable as of January 1, 2022,
- Amendment to IAS 37 "Onerous contracts - Costs of fulfilling a contract", applicable as of January 1, 2022,
- Amendments to IAS 16 "Pre-use Revenue from Property, Plant and Equipment", effective January 1, 2022,
- Annual improvements "2018-2020 cycle", applicable as of January 1, 2022.

These amendments don’t have an indicative impact on the group’s consolidated financial statement.

The group has not elected for early adoption in its financial statements of any standards or interpretations whose application is not mandatory as of 2022.

Estimates and judgments

The preparation of the consolidated financial statements required Management to make certain judgments and to include certain estimates and assumptions. Those estimates and their underlying assumptions were based on past experience and other factors deemed reasonable under the circumstances.

They served as the basis for the judgments that were made, as the information required to determine the carrying amounts of certain assets and liabilities could not be obtained directly from other sources. Actual values may differ from these estimates.

The main estimates made by the Group relate to the measurement of concession intangible assets with a view to a potential impairment, depreciation periods for renewable assets, provisions (particularly provisions for infrastructure rehabilitation), and impairment of receivables and the fair value of derivatives.

3.2. Change in accounting policy: Application of the decisions of the IFRS Interpretation Committee (“IFRS IC”) relating to the attribution of post-employment benefits to periods of service

<u>Presentation of the change in accounting policy:</u>

The decision of the IFRS Interpretations Committee ("IFRS IC") adopted in 2021 and relating to the attribution of post-employment benefits to periods of service, in the context of the application of IAS 19, is applied by the HIT Group from the 2022 fiscal year.

This change in accounting policy is applied retrospectively, resulting in a decrease in the liability for retirement benefits.

The comparative figures for the first half of 2022 and the opening balance sheet at January 1, 2022 have been restated as if this IFRS IC decision had always been in force (see table in note 3.3).

The first-time application of this IFRS IC decision has had an impact on the retirement benefit obligations of Sanef, Sapn and SE BPNL, in view of their characteristics and the terms of the agreements:

- The granting of rights is conditional on presence in the company at the time of retirement (with loss of all rights in the event of early retirement),
- The rights depend on seniority, but are capped after a certain number of years of service, with the cap occurring, at least for some employees, well before retirement

Until now, the estimated cost of the commitment was spread on a straight-line basis over the employee's entire career, starting from the date of hire. The application of the IFRS IC decision means that the estimated cost of the commitment is now spread only over the period preceding the retirement age for which the maximum entitlement to compensation is reached.

3.3. Balance sheet restated to take into account the decision of the IFRS Committee ("IFRS IC")

ASSETS (In € thousands)	**January 1,2022 before restatement**	**New calculation**	**January 1,2022 (restated)**
Goodwill	2,820,166		2,820,166
Intangible assets	4,116,396		4,116,396
Property, plant and equipment	183,108		183,108
Investments in associates	1,132		1,132
Non-current financial assets	3,330		3,330
Total non-current assets	**7,124,133**		**7,124,133**
Inventories	4,927		4,927
Trade and other accounts receivable	211,323		211,323
Current financial assets	-28		-28
Cash and cash equivalents	396,174		396,174
Total current assets	**612,396**		**612,396**
TOTAL ASSETS	**7,736,529**		**7,736,529**

EQUITY AND LIABILITIES (in € thousands)	**January 1,2022 before restatement**	**New calculation**	**January 1,2022 (restated)**
Share capital	1,040,268		1,040,268
Retained Earnings and net income	355,658	6,795	362,453
Equity attributable to the owners of HIT	**1,395,925**	**6,795**	**1,402,721**
Equity attributable to the non-controlling interests	**266**		**266**
Total equity	**1,396,191**	**6,795**	**1,402,986**
Non-current provisions	386,730		386,730
Provisions for long-term employment benefits	58,755	-9,162	49,593
Non-current financial liabilities	5,086,500		5,086,500
Deffered tax liabilities	133,145	2,367	135,511
Total non-current liabilities	**5,665,130**	**-6,795**	**5,658,335**
Currrent provisions	42,631		42,631
Current financial liabilities	349,443		349,443
Trade and other accounts payable	279,967		279,967
Current tax liabilities	3,167		3,167
Total current liabilities	**675,208**		**675,208**
TOTAL EQUITY AND LIABILITIES	**7,736,529**	**0**	**7,736,529**

3.4. Approval of the consolidated financial statements

The HIT Group's consolidated financial statements were approved by its Chairman on March 1, 2023.

3.5. Consolidation method

The financial statements include the financial statements of HIT and its controlled subsidiaries and equity-accounted companies, prepared at the end of each reporting period. The financial statements of subsidiaries and equity-accounted companies are prepared for the same period as those of the parent company.

Subsidiaries are consolidated when they are controlled by the Group. Such control is established if the following criteria are met:

- HIT holds, directly or indirectly, the rights to make financial and operational decisions, in order to obtain benefits from the entity;
- HIT is exposed to variable returns from the entity; and
- HIT has the ability to act on these variable returns.

Non-controlling interests are presented in the balance sheet in a separate category within capital and reserves. The share of non-controlling interests in the profit and loss is presented on a separate line of the profit and loss account.

Entities are accounted for using the equity method when the Group exercises a significant influence over them. A significant influence is presumed when the Group has 20% or more of the voting rights. If this criterion is not met, other criteria – such as whether the Group is represented on the Board of Directors of the entity – are taken into account when analyzing the significant influence.

Companies that have been newly acquired are consolidated as from the effective date control is acquired.
Their assets and liabilities are valued at that date in accordance with the acquisition method used.

The Group's consolidated accounts are presented in thousands of euros.

3.6. Segment data

The Group is not obliged to provide segment data, as defined in IFRS 8. However, some indicators presenting separately the concessions, the other activities (basically telematics) and the holding activity are presented in note 4.25.

3.7. Goodwill

Goodwill represents the total of the consideration transferred and non-controlling interests, minus the net amount recognized for identifiable assets acquired and liabilities assumed. Goodwill is not amortized, in accordance with IFRS 3 "Business Combinations".

The Group has a period of 12 months from the date of acquisition to finalize the accounting for any business combinations.

Goodwill is tested for impairment as soon as there is an indication of a loss of value, and at least once per year. For the purpose of this test, goodwill is allocated to cash-generating units, which represent the smallest groups of assets generating autonomous cash flows, compared to the total cash flows of the Group.

3.8. Intangible assets

3.8.1. Intangible assets held under concession arrangements

In accordance with IFRIC 12, intangible assets held under concession arrangements represent the contractual right to use the public service infrastructure made available by the government and to charge users of the public service. The infrastructure must be returned to the government without charge at the end of the concession period.

The concession covers all land, engineering structures and facilities required for the construction, maintenance and operation of each toll road or section of toll road, including on- and off-ramps, out-buildings and other facilities used to provide services to toll road users or designed to optimize toll road operations. Assets may include either original infrastructure or complementary investments on toll roads in service.

On initial recognition, the assets are measured based on the fair value of the construction or improvement work performed on the infrastructure with a contra-entry in profit or loss, corresponding to the revenue recognized for the services performed for the government granting the concession. In practice, fair value is equal to the cost of construction work entrusted to third parties and recognized in other external expenses. Intangible assets held under concession arrangements are amortized over the life of the concession (expiring in December 2031 for Sanef and in August 2033 for Sapn, the Group's principal concessions.) at a pace that reflects the consumption of economic benefits expected from the intangible right conceded (on a straight-line basis for mature concessions and based on traffic forecasts for new concessions).

As the arrangement between the French Government and Sanef and Sapn had been made final (see Note 1.2), it was decided to recognize the CVE (extraordinary voluntary contribution) as an intangible asset of the concessions by applying IFRIC 12 (in that the CVE was judged to be a supplemental right to operate the public service infrastructure opened up for concession by the State) with an offsetting provision in liabilities.

3.8.2. Other intangible assets

The remaining intangible assets mainly consist of software purchased by the Group. They are recognized at cost and are amortized on a straight-line basis over a period of three to five years, depending on their useful life.

Currently, development expenses are mainly charged to the statement of comprehensive income in the period during which they are incurred, as they do not meet the requirements for “capitalization”.

3.9. Property, plant and equipment

Following the adoption of IFRIC 12, only the replaceable assets that are not controlled by the grantor, such as toll booth equipment, signage, remote transmission and video-surveillance systems, computer equipment, vehicles, machinery and tools are classified as “property, plant and equipment” in the HIT Group financial statements. They are depreciated on a straight-line basis over their useful life.

Useful lives	*Number of years*
Equipment and tools	*5 to 8 years*
Computer hardware	*3*
Vehicles	*5*
Facilities	*8*

Following the application of IFRS 16, leases are recorded as an item of property, plant and equipment representing the right to use the leased property and are amortized on a straight-line basis over the lease term.
IFRS 16 establishes a single accounting model for lessees of leases. As such, all contracts are recorded in the statement of financial position, with a liability corresponding to the obligation to make the lease payments and an asset representing the right to use the leased asset. Depreciation of the right-of-use asset and interest on the lease payment liability are recorded n the income statement.

The leases eligible under IFRS16 relate to vehicle rentals (long term) and an office rental contract for the Group's headquarters.

3.10. Financial instruments

The valuation and recognition of financial assets and liabilities are defined by IFRS 9 relating to financial instruments.

3.10.1. Non-derivative financial assets

Depending on the model, financial assets include:
- non-consolidated equity holdings classified as assets representing equity instruments;
- financial assets held in order to receive contractual cash flows (operating loans and receivables);
- other financial assets held under either of the above two business models (including cash and cash equivalents).

After initial recognition at fair value, loans and receivables are valued and recognized at amortized cost using the Effective Interest Rate (EIR) method, minus any impairment losses.

Non-consolidated equity holdings classified as assets representing equity instruments are valued at fair value, through profit and loss.

Other financial assets held under either of the two business models referred to above (including cash and cash equivalents) are valued at fair value through profit or loss. Gains and losses on these assets, corresponding to interest, dividends, changes in fair value and any capital gain or loss, are recognized in financial debt or in other financial income and expenses, depending on the nature of the assets concerned.

Cash and cash equivalents, valued at fair value through profit or loss, include all cash balances, short-term deposits (less than three months) at the date they are recognized in the balance sheet, and very short-term UCITS that do not present any significant risk of impairment.

3.10.2. Non-derivative financial liabilities

Financial liabilities include financial debt, trade payables and other payables related to operations.

With the exception of financial liabilities valued at fair value through profit or loss, borrowings and other interest-bearing financial liabilities are initially recognized at fair value, minus any transaction costs, and subsequently valued at amortized cost using the effective interest rate method, which results in an actuarial amortization of the transaction costs directly attributable to issuance of the financial liability.

3.10.3. Derivatives financial instruments

Derivative instruments are recognized in the balance sheet at fair value.

Derivative instruments used in accordance with the Group's interest rate risk management policy, but which do not meet the conditions for classification as hedges, or for which the Group has not chosen hedge accounting, are recognized in the balance sheet at fair value, with changes in fair value being recognized in profit or loss.

When they meet the conditions for classification as fair value hedging instruments, the change in their fair value is recognized in profit or loss. The inverse change in fair value of the hedged position, related to the hedged risk, results in the recognition in profit or loss of the adjustment to the value of this position in the balance sheet. Given the characteristics of the derivatives used by the Group, the impact of this method of accounting is immaterial with regard to the profit and loss account.

A cash flow hedge is a hedge of the exposure to changes in cash flows that are attributable to a particular risk associated with a recognized asset or liability or a forecast transaction and which would affect the net income presented. When derivatives meet the conditions for classification as cash flow hedging instruments, their change in fair value for the effective portion is recognized directly in other comprehensive income items and in profit or loss for the ineffective portion.

3.11. Inventories

Inventories consist of fuel, and salt. They are estimated using the weighted average cost method. They are written down when their cost exceeds their net realizable value.

3.12. Trade and other accounts receivable

Trade receivables are initially recognized at their transaction price, and subsequently valued at amortized cost.

Impairment of trade receivables is recognized to take into account the losses expected at maturity

3.13. Recognition of income taxes

Taxes include both income taxes payable and deferred taxes.

Tax receivables and payables generated during the year are classified as current assets or liabilities.

Deferred taxes are recognized on temporary differences between the balance sheet value of assets and liabilities and their tax value. Deferred taxes are calculated using the tax rates expected to apply when the temporary differences reverse, if such tax rates have been enacted or almost enacted at the end of the financial year.

Deferred tax assets are recognized only when it is probable that they will be recovered in the future.

Deferred tax assets and liabilities are offset, regardless of their maturity, where they concern entities in the tax group. Deferred taxes are not discounted to their present value and are recognized in the balance sheet as non-current assets and liabilities.

3.14. Equity

All costs directly attributable to the capital increases are deducted from additional paid-in capital.

Dividend distributions to HIT shareholders are recognized as a liability in the financial statements of the Group on the date the dividends are approved by the shareholders.

3.15. Interest expenses

The interest expenses generated during the building of conceded engineering structures are included in the building cost of these structures.

3.16. Current and non-current provisions

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when the Group has an obligation to a third party arising from a past event and it is probable that an outflow of resources will be required to fulfill this obligation.

Non-current provisions mainly correspond to the contractual obligation to maintain or restore the infrastructure (excluding any improvements) as well as the CVE. These provisions are measured based on the Group's best estimate of the future expenditure required to renew toll road surfaces and maintain engineering structures and are set aside as the infrastructure is used. The provision for the CVE consists of projected future payments. They are discounted using a discount rate representing the time value of money. The impact of discounting non-current provisions is recognized in "Other financial expenses".

3.17. Employee defined benefit obligations

Employees of the Sanef Subgroup receive retirement benefits which are paid to those employees who are actively employed by the Group when they retire. Furthermore, employees who retire before 2017 from the subsidiary SAPN are entitled to partial coverage by its supplementary pension scheme.

Before retiring, employees are paid long-term benefits by the Group in the form of long service awards.

These obligations are recognized in the balance sheet and valued using the projected unit credit method, based on estimated future salaries, which are used to calculate benefits. Expenses recognized during a financial year include the costs of services rendered during the financial year, presented in payroll costs, and the financial cost corresponding to the reversal of the discounting of the actuarial obligation classified as financial costs; the expected return on the hedge assets is charged against this financial cost.

The revaluation of the net defined benefit liability (asset) resulting from the valuation of post-employment commitments is recognized in "other comprehensive income". Actuarial gains and losses on other long-term benefits are recognized immediately through profit or loss.

3.18. Revenue recognition

Revenues mainly consist of toll receipts and are recognized as the corresponding services are provided.

In accordance with IFRIC 12, the Group recognizes income as "Construction" revenue (and expenses as "Purchases and external expenses") relating to the services provided to the granter for construction work or improvements to the facilities covered by the concession, with a corresponding entry being made for an intangible asset received (see note 3.8). This revenue is recognized in accordance with IFRS 15, depending on the stage of completion of works.

Revenue from services provided under long-term contracts by the Group is recognized in accordance with IFRS 15 "Revenue from contracts with customers" based on the stage of completion of the services.

Before recognizing revenue, the standard requires identifying a contract as well as the various performance obligations set out in the contract. The number of performance obligations depends on the types of contracts and activities. Most of the Group contracts include only one performance obligation.

The fundamental principle of IFRS 15 is that the recognition of revenue from contracts with customers must reflect:

- on the one hand, the pace of fulfillment of performance obligations corresponding to the transfer of control of a good or service to a customer;
- and, on the other hand, the amount to which the seller expects to be entitled as remuneration for the activities carried out.

The analysis of the notion of transfer of control of a good or service is decisive, as this transfer determines the recognition of revenue. The transfer of control of a good or service can be carried out continuously (recognition of revenue on a percentage-of-completion basis) or on a specific date (recognition on completion).

The revenue recognition method for concession contracts follows the provisions of IFRIC 12 "Service Concession Arrangements" and includes:

- on the one hand, the income received on freeway facilities under concession and the income from related activities such as fees for commercial installations, income from the leasing of telecommunications infrastructures and parking lots; and
- on the other hand, the revenue recognized for the construction of new infrastructures under concession, earned on a percentage-of-completion basis in accordance with IFRS 15

3.19. Financial income and expenses

Interest expense includes interest payable on borrowings, calculated using the amortized cost method at the effective interest rate.

The result on hedging derivatives includes changes in fair value and all flows exchanged.

Other financial income and expenses includes revenues from loans and receivables, calculated using the amortized cost method at the effective interest rate, as well as gains on investments of cash and cash equivalents, impairment of financial assets, dividends and foreign exchange gains and losses.

3.20. Measuring the fair value of financial instruments

The fair value of all financial assets and liabilities is determined at the end of the financial period and is recognized either directly in the financial statements or in the notes to the financial statements. The fair value is the amount for which an asset could be exchanged or for which a liability could be extinguished between informed, consenting parties at arm's length.

Most derivative instruments (swaps, caps, collars, etc.) are traded in over-the-counter markets for which there are no quoted prices. As a result, they are measured on the basis of models commonly used by the players involved to measure such financial instruments, using the market conditions existing at the end of the reporting period.

The following valuation techniques, all classified as level 2 of the categories of fair values under IFRS 7, are used to determine the fair value of derivative instruments:

- Interest rate swaps are measured by discounting all future contractual cash flows;
- Options are measured using valuation models (e.g. Black & Scholes) that are based on quotes published on an active market and/or on listings obtained from independent financial institutions;
- Currency and interest rate derivative instruments are measured by discounting the differential in interest payments.

The fair value of listed loans is the market value at the closing date, while the fair value of unlisted loans is calculated by discounting the contractual flows, one borrowing at a time, at the interest rate HIT would obtain on similar borrowings at the end of the borrowing period.

The carrying amount of receivables and payables due within one year and certain floating rate receivables and payables is considered to be a reasonable approximation of their fair value, taking into account the short payment and settlement periods used by HIT.

The valuations generated by these models are adjusted in order to take into account the changes in HIT's credit risk.

3.21. Reporting standards and interpretations not yet in effect

The standards and interpretations adopted by the European Union and effective for periods beginning on or after January 1, 2023, have not been applied early for these financial statements:

- Amendment to IAS 1 "Disclosure of Accounting Policies", applicable as of January 1, 2023,
- Amendment to IAS 8 "Definition of an accounting estimate", applicable as of January 1, 2023,
- Amendment to IAS 12, "Deferred Taxes on Assets and Liabilities Arising from the Same Transaction", applicable as of January 1, 2023,
- IFRS 17, Insurance Contracts (05/17), with Amendments (06/20), applicable as of January 1, 2023,
- IFRS 17 Amendment "First-time adoption of IFRS 17 and IFRS 9", applicable as of January 1, 2023.

The impact of the application of these standards and interpretations within the Group is not currently known.

4. *DETAILS OF THE SUMMARY FINANCIAL STATEMENTS*

4.1. Scope of consolidation

The HIT Group consists of the parent company HIT and the following subsidiaries:

Company	Activity	Consolidation Method
Sanef	Toll road concession operator	Full consolidation
Sapn	Toll road concession operator	Full consolidation
Bip&Go	Distribution (Telematics)	Full consolidation
SE BPNL	Toll road operator	Full consolidation
Léonord Exploitation	Toll road operator	Full consolidation
Léonord	Toll road concession operator	Equity method
Routalis	Toll road operator	Equity method
Sanef 107.7	Toll radio	Full consolidation

There is no change in scope of consolidation between December 31,2021 and December 31,2022.

4.1.1. Investments in associates

Summary financial highlights of associates :

2022 (in € thousands)	**ROUTALIS**	**LEONORD**
% Interest	*30.00%*	*35.00%*
In local currency	*Euro*	*Euro*
Assets	1,373	78,958
Liabilities	900	78,079
Equity	473	879
Revenue	2,984	20,071
Operating profit (loss)	397	1,303
Profit (loss) before tax	404	252
Net Income (loss)	429	149

2021 (in € thousands)	**ROUTALIS**	**LEONORD**
% Interest	*30.00%*	*35.00%*
In local currency	*Euro*	*Euro*
Assets	5,167	109,361
Liabilities	2,602	108,640
Equity	2,565	721
Revenue	5,971	18,089
Operating profit (loss)	468	1,459
Profit (loss) before tax	3,691	306
Net Income (loss)	2,521	175

4.1.2. Investments in equity instruments

(In € thousands)	**% interest held as of December 31, 2022**	**Carrying amount**	
		December 31, 2022	**Dec 31, 2021**
- Centaure Pas de Calais	34,00	259	259
- Centaure Paris Normandie	49,00	343	343
- Centaure Grand-est	14,44	131	131
- Autoroutes Trafic SNC	20,63	72	72
Total non-consolidated affiliates		**805**	**805**

Non-consolidated affiliates include entities controlled, but not consolidated. If these entities were consolidated, the impact on the consolidated financial statements would not be material.

4.2. Revenue

(in € thousands)	**December 31, 2022**	**December 31, 2021**
Toll receipts	1,762,805	1,595,250
Subscription sales and telematics services	*29,664*	*26,119*
Fees from service area operators	*40,186*	*34,670*
Telecommunications fees	*7,767*	*7,933*
Engineering services and other	*21,233*	*21,112*
Revenue from activities other than toll collection	**98,849**	**89,834**
Revenue from construction work performed by third parties	151,976	183,401
Revenue	**2,013,630**	**1,868,485**

Sales of subscriptions and telematics services include the billing of operating expenses on subscriptions.

Fees from service station and other service area operators correspond to fees received from the operators of service stations and other retail outlets located in toll road rest and service areas.

Telecommunications fees correspond mainly to the rental of fiber optic cables and masts to telecoms operators.

Engineering services and other includes sales of fuel, the various services provided on the network or in close proximity, services provided by other companies.

4.3. Purchases and external expenses

(in € thousands)	**December 31, 2022**	**December 31, 2021**
Maintenance of infrastructure	(10,926)	(10,490)
Maintenance and repairs	(29,938)	(30,030)
Consumption and expenses related to operations	(21,895)	(21,141)
Other external expenses	(47,429)	(37,941)
Expenses for construction work carried out by third parties	(151,976)	(183,401)
Purchases and external expenses	**(262,165)**	**(283,002)**

4.4. Payroll costs

(in € thousands)	**December 31, 2022**	**December 31, 2021**
Salaries and wages	(100,063)	(98,822)
Payroll taxes	(44,436)	(45,181)
Incentive plan	(5,381)	(6,449)
Employee profit-sharing	(17,838)	(14,497)
Other payroll costs	(3,257)	(2,492)
Post-employment and other long-term employee benefits	(2,720)	(2,429)
Payroll costs	**(173,695)**	**(169,870)**

4.5. Other income and expenses

(in € thousands)	December 31, 2022	December 31, 2021
Repairs refund	8,234	7,658
Operating grants	190	177
Miscellaneous income	25,576	14,571
Other income	**34,000**	**22,406**
Miscellaneous expenses	503	560
Other net additions to provisions	11,232	(5,284)
Other expenses	**11,736**	**(4,724)**

Other miscellaneous income in 2022 included Leonord Exploitation income from the operating contract on the north ring road around Lyon (see Note 4.1).

4.6. Taxes other than on income

(in € thousands)	December 31, 2022	December 31, 2021
Regional development tax	(114,606)	(101,430)
Local business tax	(34,901)	(30,759)
Local government royalties	(64,782)	(59,681)
Other taxes	(9,633)	(9,245)
Total other financial expenses	**(223,923)**	**(201,116)**

The regional development tax is calculated on the basis of the number of kilometers of toll-paying toll roads in the network that were traveled during the year. This tax is paid on a monthly basis and a final adjustment payment is made at the end of the year. The regional development tax has been levied at the basic rate of €7.50 per thousand kilometers traveled in 2022 (€7.36 per thousand kilometers traveled in 2021).

The royalty paid to local governments (also known as the annual royalty for occupation of a public domain) is an obligation created by Article 1 of Decree No. 97-606, dated May 31, 1997 and voted as Article R.122-27 of the French Toll Road Code. It is a tax calculated on the basis of the revenues earned by the concessionaire from its toll road concession activity, operated in the public domain, and the number of kilometers of toll roads operated as of December 31 of the preceding year. This obligation therefore exists as of July 1 of each year and is recognized in full during the second half of the year.

The change in the line “Taxes other than on income” is therefore very directly related to the change in revenues, essentially from the concession operator companies.

4.7. Depreciation, amortization and provisions

(In € thousands)	December 31, 2022	December 31, 2021
Amortization of intangible assets	(381,744)	(365,886)
Depreciation of PP&E: concessions	(38,784)	(47,701)
Depreciation of PP&E: other companies	(97)	(209)
Total depreciation and amortization	**(420,625)**	**(413,796)**
Additional provisions on infrastructures under concession	(32,439)	(36,928)
Depreciation, amortization and provisions	**(453,064)**	**(450,724)**

4.8. Financial income and expenses

Analysis of financial income and expenses:

(in € thousands)	December 31, 2022	December 31, 2021
Interest expenses on debt stated at amortized cost	(140,372)	(232,138)
Total interest expenses	**(140,372)**	**(232,138)**

(in € thousands)	December 31, 2022	December 31, 2021
Other financial expenses		
Amortization of the cash equalization payments on the swaps cancelation	(29,076)	(17,909)
Discounting expense	(13,314)	(4,861)
Termination costs of BNP Dexia loan	(84,187)	
Cash equalization payments in 2015	(3,216)	
Total financial expenses	**(129,792)**	**(22,770)**

(in € thousands)	December 31, 2022	December 31, 2021
Financial income		
Income from equity investments	171	
Income from other receivables and marketable securities	1,259	150
Other financial income	652	181,196
Total financial income	**2,082**	**181,347**

The discounting expenses for long-term provisions were higher due to the change in the IFRIC 12 provision on discount rates, from 0.196% to 3.016% (close to Assimilable Treasury Bond - ATBs). This rate is assessed by convention using the yield on 10-year ATBs issued by the French State.

Interest expense on debt measured at amortized cost fell as a result of the Group's debt reduction following the early repayment of the BNP DEXIA loan.

Other financial expenses mainly include the payment of the redemption premium on the BNP DEXIA loan, as well as the €3 million loss related to the termination of a HIT swap put in place to freeze the early redemption indemnity on the BNP DEXIA loan. HIT carried out a bond issue in early 2022 which was used to set up a loan between HIT and Sanef for the early repayment of the BNP DEXIA loan.

4.9. Income taxes

(in € thousands)	**2022**	**2021**
Corporation tax expense	(209,370)	(187,324)
Deferred tax expense	35,665	29,239
Corporation tax	**(173,705)**	**(158,085)**

Tax proof for fiscal years 2022 and 2021 :

(in € thousands)	**2022**	**2021**
Net income (net of non-controlling interests)	**504,872**	**527,118**
Income tax	173,705	158,085
To be excluded: Share in net income of associates/capital gain on disposal	181	158,251
Non-controlling interests	41	30
Profit before tax	**678,396**	**526,951**
Theoretical tax expense (25,83%)	(175,230)	(149,707)
Non deductible expenses - permanent differences	(1,942)	(6,234)
Difference observed in rates on deferred taxes recognized	2,663	(2,190)
Tax credits, limitation of deductibility of net financial expenses, temporary differences and other	803	47
Effective tax expense	**(173,705)**	**(158,085)**

Analysis of deferred taxes by key statement of financial position lines:

	December 31, 2022		**December 31, 2021(*)**	
(in € thousands)	**Basis**	**Taxes**	**Basis**	**Taxes**
Property, plant and equipment and intangible assets	(764,057)	197,314	(857,990)	221,586
Provisions for risks and charges	393,243	(100,836)	396,116	(102,295)
Debt, derivatives and other	(82,846)	21,478	(62,815)	16,220
TOTAL	**(453,659)**	**117,956**	**(524,689)**	**135,511**

(*) Figures adjusted following the change of accounting method (see point 3.2)

As it was the case at December 31, 2021, no tax assets were recorded at December 31, 2022.

4.10. Earnings per share and dividends

Basic earnings per share are calculated by dividing distributable net income attributable to owners of the parent for the period by the weighted average number of shares outstanding during the period.

As the Group has no dilutive instruments, diluted earnings per share are identical to basic earnings per share.

4.11. Goodwill

Goodwill amounted to €2,820,166 thousand at December 31, 2022 and at December 31, 2021.

The difference between the purchase price of Sanef's shares (€5,324 million) and Sanef's consolidated net assets at the time of acquisition (€1,360 million) is €3,964 million.

The impairment test performed in 2022 (as it is the case each year) did not reveal any impairment loss.

The Group business plan used for this test included the projected cash flows of the Sanef and Sapn concessionaires through the end of their concession. Cash flows were discounted at the average weighted cost of capital and reflects the forecast breakdown between equity and debt for the period in question.
The Group carried out sensitivity tests in respect of goodwill, based on discount rate and cash flow assumptions. The tests showed that a 50-base point increase in the discount rate or a 4% decrease in annual cash flows would not result in any impairment of goodwill.

4.12. Intangible assets

Gross amount (In € thousands)	**January 1, 2022**	**Additions**	**Disposals**	**Changes in consolidation scope and other (*)**	**December 31, 2022**
Purchased software	113,042	16,575	(45)	333	129,905
Other intangible assets	3,843				3,843
Concession intangible assets	11,915,968	151,976		(812)	12,067,132
TOTAL	**12,032,853**	**168,551**	**(45)**	**(479)**	**12,200,881**

(*)Reclassification with tangible assets (see 4.13)

Gross amount (In € thousands)	**1er janvier 2021**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2021**
Purchased software	102,143	8,705		2,194	113,042
Other intangible assets	3,843				3,843
Concession intangible assets	11,765,482	183,402		(32,916)	11,915,968
TOTAL	**11,871,469**	**192,107**		**(30,722)**	**12,032,853**

Amortization (In € thousands)	**January 1, 2022**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2022**
Purchased software	(89,413)	(5,273)	45		(94,641)
Other intangible assets	(3,845)				(3,845)
Concession intangible assets	(7,823,198)	(376,471)			(8,199,670)
TOTAL	**(7,916,456)**	**(381,744)**	**45**		**(8,298,156)**

Amortization (In € thousands)	**1er janvier 2021**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2021**
Purchased software	(83,285)	(6,197)		68	(89,413)
Other intangible assets	(3,845)				(3,845)
Concession intangible assets	(7,463,508)	(359,689)			(7,823,197)
TOTAL	**(7,550,637)**	**(365,886)**		**68**	**(7,916,455)**

Net amount (In € thousands)	**January 1, 2022**	**December 31, 2022**
Purchased software	23,629	35,264
Other intangible assets	(2)	(2)
Concession intangible assets	4,092,771	3,867,463
TOTAL	**4,116,398**	**3,902,725**

Net amount (In € thousands)	**1er janvier 2021**	**December 31, 2021**
Purchased software	18,859	23,629
Other intangible assets	(2)	(2)
Concession intangible assets	4,301,975	4,092,770
TOTAL	**4,320,832**	**4,116,397**

Works signed but not yet executed amounted to €76,285 thousand as of December 31, 2022 and €117,988 thousand as of December 31, 2021. These works concern primarily intangible assets.

4.13. Property, plant and equipment

Gross amount (In € thousands)	**January 1, 2022**	**Additions**	**Disposals**	**Changes in consolidation scope and other (*)**	**December 31, 2022**
Concession operating assets	876,018	56,189	(22,618)	1,356	910,945
Other companies' assets	1,186				1,186
TOTAL	**877,204**	**56,189**	**(22,618)**	**1,356**	**912,131**

(*)Reclassification with intangible assets (see 4.12)

Gross amount (In € thousands)	**1er janvier 2021**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2021**
Concession operating assets	828,378	37,160	(19,382)	29,862	876,018
Other companies' assets	3,904	142	(141)	(2,719)	1,186
TOTAL	**832,282**	**37,302**	**(19,523)**	**27,143**	**877,204**

Amortization (In € thousands)	**January 1, 2022**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2022**
Concession operating assets	(693,125)	(38,881)	13,769	(972)	(719,208)
Other companies' assets	(972)			972	
TOTAL	**(694,097)**	**(38,881)**	**13,769**		**(719,208)**

Amortization (In € thousands)	**1er janvier 2021**	**Additions**	**Disposals**	**Changes in consolidation scope and other**	**December 31, 2021**
Concession operating assets	(654,835)	(47,701)	9,411		(693,125)
Other companies' assets	(3,396)	(209)	138	2,494	(972)
TOTAL	**(658,231)**	**(47,910)**	**9,549**	**2,494**	**(694,097)**

Net amount (In € thousands)	**January 1, 2022**	**December 31, 2022**
Concession operating assets	182,893	191,737
Other companies' assets	214	1,186
TOTAL	**183,107**	**192,923**

Net amount *(in € thousands)*	**1er janvier 2021**	**December 31, 2021**
Concession operating assets	173,543	182,893
Other companies' assets	509	214
TOTAL	**174,052**	**183,108**

4.14. Current and non-current financial assets

4.14.1. Carrying amount of financial assets by accounting category

The financial assets reported in the tables below exclude "Trade and other accounts receivable" (note 4.15) and "Cash and cash equivalents" (note 4.16).

Non-current financial assets

Non current financial assets (In € thousands)	**December 31, 2022 – Carrying amount**			
	Amortized cost	Fair value through Equity	Fair value through Profit and loss	Carrying amount
Non-consolidated affiliates			805	805
Loans to equity investments	650			650
Loans	798			798
Deposits and collateral	437			437
Derivatives		34,311		34,311
Others financial assets	(3)			(3)
Total non-current financial assets	**1,882**	**34,311**	**805**	**36,998**

Non current financial assets (In € thousands)	**December 31, 2021 – Carrying amount**			
	Amortized cost	Fair value through Equity	Fair value through Profit and loss	Carrying amount
Non-consolidated affiliates			805	805
Loans to equity investments	701			701
Loans	1,352			1,352
Deposits and collateral	476			476
Others financial assets	(3)			(3)
Total non-current financial assets	**2,525**		**805**	**3,330**

Current financial assets

Current financial assets (In € thousands)	**December 31, 2022 – Carrying amount**			
	Amortized cost	Fair value through Equity	Fair value through Profit and loss	Carrying amount
Other financial receivables			(8)	(8)
Total current financial assets			**(8)**	**(8)**

Current financial assets (In € thousands)	**December 31, 2021 – Carrying amount**			
	Amortized cost	Fair value through Equity	Fair value through Profit and loss	Carrying amount
Other financial receivables			(28)	(28)
Total current financial assets			**(28)**	**(28)**

As of December 31, 2022 and 2021, the HIT Group had no outstanding loans with its parent company Abertis

4.14.2. Derivatives

The variable-rate syndicated loan issued in connection with the acquisition of Sanef, totaling €1.150 million, was fully hedged by three variable-rate lender – fixed-rate borrower swaps (see below). Following the €750 million partial repayment of this loan in 2011, and the repayment of the €334 million balance in 2012, the hedges were revised by the same amounts.

In 2020, HIT cancelled the remaining swaps. This cancellation resulted in the payment of a premium of €64.8 million. These swaps had staggered start dates over the 2021-2024 period, with a nominal value ranging from €750 million in 2021 to 0 in 2024. The swaps, qualified as cash flow hedges, were allocated to hedge the risk of a change in interest expenses on future loans, which will most likely be necessary to meet refinancing needs over the 2021-2024 period.

The market value of these swaps on the cancellation date was frozen in overall comprehensive income and will be moved from overall comprehensive income to profit and loss between 2021 and 2024, depending on the schedule of the initially hedged nominal amount.
In September 2014, the HIT Group also refinanced its bond debt (through an operation known as "Liability Management") and hedged interest rate setting rates applicable to the transaction over the 2018-2025 period (hedging swaps qualified as cash flow hedges) between the start of the transaction and its completion. This transaction, when it was unwound in September 2014, resulted in a cash payment of €7.6 million, minus any shareholders' equity. It has been reclassified as income since March 2018.

In April 2022, HIT set up deferred interest rate hedging instruments to cover future issues (see note 4.23).
These interest rate swaps are considered as cash flow hedges and have a value of €34,311 thousand in assets.

In addition, on April 12, 2022, HIT set up a hedging instrument to cover the prepayment indemnity for the BNP-Dexia loan on May 25, 2022, with a Euribor 6 Month rate of 0.737%. The purpose of this contract was to freeze the prepayment indemnity at April market conditions.
April market conditions. The loss associated with this instrument of €3.215 million was recognized in May 2022.

4.14.3. Information on loans and receivables in non-current financial assets

Building-related loans for a discounted amount of €661 thousand are included in the “Loans” category as of December 31, 2022. These interest-free loans, which were granted to employees as part of the employer’s legal obligation to contribute to the construction effort, are to be repaid over a period of 20 years. The interest rate used to discount these loans (4%) is also used to calculate the corresponding financial income recognized in the statement of comprehensive income.

Loans to equity investments amounted to €650 thousand as of December 31, 2022 (€701 thousand as of December 31, 2021) concern Leonord.

4.15. Trade and other accounts receivable

(in € thousands)	December 31, 2022	December 31, 2021
Prepayments and down payments on orders	303	224
Receivables from toll activities	116,631	115,324
Receivables from other activities	11,889	9,386
Doubtful accounts	4,611	7,640
Unbilled receivables	45,059	38,375
Other miscellaneous receivables	7,941	6,155
Provisions for impairment of trade receivables	(5,172)	7,365
Trade and other operating receivables (1)	**181,261**	**169,740**
Tax and other receivables	38,966	41,583
Total trade and other accounts receivable	**220,211**	**211,322**

(1) Financial assets classified as loans and receivables.

Trade and other accounts receivables are shown in the balance sheet at face value and may be impaired.

Tax and other receivables include social security and tax receivables, with the exception, where applicable, of current income tax receivables.

The table below shows invoiced customer receivables (customers subscribed to TIS) as well as any impairment.

(in € thousands)	December 31, 2022	December 31, 2021
Accounts receivable invoiced	141,374	138,729
Provisions for impairment of trade receivables	(5,172)	(7,365)
Net receivables	**136,203**	**131,365**

As of December 31, 2022, the breakdown of receivables and impairment is as follows:

(in € thousands)	December 31, 2022	1-3 months	3-6 months	6-12 months	More than one year
Accounts receivable invoiced	141,374	136,758	561	2,246	1,808
Provisions for impairment of trade receivables	(5,172)	(2,522)	(299)	(1,342)	(1,008)

4.16. *Cash and cash equivalents*

Cash and cash equivalents are carried at fair value through profit or loss.
Analysis of cash and cash equivalents:

(in € thousands)	December 31, 2022	December 31, 2021
Cash equivalents: certificates of deposit	149,000	56,000
Cash in bank	166,943	340,174
Total cash and cash equivalents	**315,944**	**396,174**

4.17. *Capital stock and additional paid-in capital*

By decision of the sole Shareholder on November 24, 2022, the share capital was reduced by €80,909 thousand and the legal reserve was reduced by €8,091 thousand by way of distribution to the Shareholder. Thus the number of shares, which was 1,040,267,743 at December 31, 2021, was exchanged for 959,358,743 new shares at December 31, 2022, with a par value of 1 euro each. All shares entitle the holder to receive dividend payments

4.18. *Provisions*

As of December 31, 2022 :

Non-current	January 1, 2022	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2022
			Uses	Reversal without use			
Provisions on toll roads under concession	386,730	32,439	(57,536)		12,429	877	374,939
TOTAL	**386,730**	**32,439**	**(57,536)**		**12,429**	**877**	**374,939**

Current	January 1, 2022	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2022
			Uses	Reversal without use			
Claims and litigation	14,433	1,247	(12,487)				3,194
Other	28,197	6,857	(6,829)				28,226
TOTAL	**42,631**	**8,105**	**(19,316)**				**31,420**

TOTAL	January 1, 2022	Additions	Recoveries		Discounting effects	Change in scope and other	December 31, 2022
			Uses	Reversal without use			
Provisions on toll roads under concession	386,730	32,439	(57,536)		12,429	877	374,939
Claims and litigation	14,433	1,247	(12,487)				3,194
Other	28,197	6,857	(6,829)				28,226
TOTAL	**429,361**	**40,543**	**(76,852)**		**12,429**	**877**	**406,359**

As of December 31, 2021 :

Non-current	January 1, 2021	Additions	Recoveries		Discoun-ting effects	Change in scope and other	December 31, 2021
			Uses	Reversal without use			
Provisions on toll roads under concession	384,859	36,928	(38,482)		4,218	(793)	386,730
TOTAL	**384,859**	**36,928**	**(38,482)**		**4,218**	**(793)**	**386,730**

Current	January 1, 2021	Additions	Recoveries		Discoun-ting effects	Change in scope and other	December 31, 2021
			Uses	Reversal without use			
Claims and litigation	11,233	5,943	(2,742)				14,433
Other	26,592	7,111	(5,505)				28,197
TOTAL	**37,824**	**13,053**	**(8,247)**				**42,631**

TOTAL	January 1, 2021	Additions	Recoveries		Discoun-ting effects	Change in scope and other	December 31, 2021
			Uses	Reversal without use			
Provisions on toll roads under concession	384,859	36,928	(38,482)		4,218	(793)	386,730
Claims and litigation	11,233	5,943	(2,742)				14,433
Other	26,592	7,111	(5,505)				28,197
TOTAL	**422,683**	**49,981**	**(46,729)**		**4,218**	**(793)**	**429,361**

All provisions pertaining to the toll road concessions (provisions for future renewal of toll road surfaces, maintenance of engineering structures and CVE) are classified as non-current provisions.

4.19. Long-term employee benefits

Long-term employee benefits include post-employment defined benefit plans (termination benefits, retirees' supplemental health insurance) and other types of benefits (long service awards, GEPP measures and other benefits).

Analysis of total long-term employee benefits on the statement of financial position:

(In € thousands)	December 31, 2022	December 31, 2021*
Post-employment defined benefit plans	29,871	35,948
Other benefits	9,804	13,644
Total	**39,675**	**49,592**

(*) Figures adjusted following the change of accounting method (see 3.2)

4.19.1. Post-employment defined benefit plans

Analysis of defined benefit plans:

(In € thousands)	December 31, 2022	December 31, 2021*
Obligations and rights at the end of the period	29,871	35,948
Total	**29,871**	**35,948**

(*) Figures adjusted following the change of accounting method (see 3.2)

	December 31, 2022	**December 31, 2021**
Discount rate	3.75%	1.00%
Salary increase rate	2.75%	2.35%

The sensitivity of the obligations to changes in these two main assumptions at December 31, 2022 is as follows:

(in € thousands)	**December 31, 2022**			
	Discount rate		**Salary increase rate**	
	50 bp increase : 4,25%	50 bp decrease : 3,25 %	50 bp increase : 3,25%	50 bp decrease : 2,25%
Total obligations and rights	**28,528**	**30,881**	**27,738**	**25,523**

The following tables summarize the Group's obligations as of December 31, 2022 and December 31, 2021, and the fair value of the funded plan assets, for each type of obligation (pensions) and supplemental health benefits for the retirees of Sapn.

Employee benefits	**Termination benefits**		**Supplemental health benefits**		**TOTAL**	
(in € thousands)	**December 31, 2022**	**December 31, 2021(*)**	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021(*)**
Obligations and rights at beginning of year	31,442	42,054	4,507	5,188	**35,948**	**47,242**
Change of method (IFRIC recommendation)		(9,162)				**(9,162)**
Current service costs	2,573	2,249	277	304	**2,850**	**2,553**
Interest expense	308	206	45	26	**353**	**232**
Actuarial (gains) losses	(5,333)	(1,396)	(1,396)	(880)	**(6,729)**	**(2,276)**
Benefits paid	(2,392)	(2,439)	(159)	(131)	**(2,552)**	**(2,570)**
Change in scope		(71)				**(71)**
Obligations and rights at end of year	**26,597**	**31,442**	**3,274**	**4,507**	**29,871**	**35,948**

(*) Figures adjusted following the change of accounting method (see 3.2)

The total actuarial gains attributable to defined benefit post-employment obligations amounted to €6,729 thousand in 2022 (€2,276 thousand in actuarial gains in 2021).

The total actuarial gains of €6,729 thousand break down as follows based on their origin:

(in € thousands)	**2022**	**2021**
Actuarial (gains) losses generated during the period	**(6,729)**	**(2,276)**
from changes in financial actuarial assumptions	(7,769)	(1,576)
from changes in demographic actuarial assumptions		
from experience-related actuarial changes on plan liabilities	1,040	(700)
from experience-related actuarial changes on plan assets		

4.19.2. *Other long-term benefits*

Other long-term benefits include the long service awards and other benefits.

(in € thousands)	**December 31, 2022**			**December 31, 2021**		
	Long service awards	Others	**TOTAL**	Long service awards	Others	**TOTAL**
As of January 1	871	12,774	**13,644**	993	13,826	**14,818**
Change of scope			**0**			**0**
Addition		8,740	**8,740**		7,293	**7,293**
Recoveries (uses)	(157)	(12,458)	**(12,615)**	(138)	(8,345)	**(8,483)**
Actuarial (gains) losses	34		**34**	16		**16**
At the end of the period	**748**	**9,056**	**9,804**	**871**	**12,774**	**13,644**

4.20. Financial liabilities by accounting category

Current and non-current financial liabilities:

(in € thousands)	December 31, 2022				
	Liabilities at amortized cost	Liabilities held for trading	Derivatives qualified as hedging	**Carrying amount**	**Fair value**
Borrowings: current and non-current portions	5,270,885			5,270,885	4,705,896
Lease - Financial liabilities (*)	13,538			13,538	13,538
Deposits and guarantees received	21,895			21,895	21,895
Accrued interest not due	51,805			51,805	51,805
Total financial liabilities excluding trade accounts payable	**5,358,124**	**0**	**0**	**5,358,124**	**4,793,134**
Total trade and other financial payables (see note 4.21)	134,396			134,396	134,396
Total financial liabilities as per IFRS9	**5,492,520**	**0**	**0**	**5,492,520**	**4,927,531**

(in € thousands)	December 31, 2021				
	Liabilities at amortized cost	Liabilities held for trading	Derivatives qualified as hedging	**Carrying amount**	**Fair value**
Borrowings: current and non-current portions	5,343,620			5,343,620	5,764,714
Lease - Financial liabilities (*)	9,554			9,554	9,554
Central government advances	17,318			17,318	17,318
Deposits and guarantees received	21,571			21,571	21,571
Accrued interest not due	43,879			43,879	43,879
Total financial liabilities excluding trade accounts payable	**5,435,943**			**5,435,943**	**5,857,037**
Total trade and other financial payables (see note 4.21)	126,150			126,150	126,150
Total financial liabilities as per IFRS9	**5,562,092**	**0**	**0**	**5,562,092**	**5,983,186**

(*)IFRS16

Deposits and guarantees received correspond mainly to payments received from toll road subscribers. These payments are reimbursed in the event of the cancellation of the subscription, after the card or badge is returned. They are considered to be demand deposits and therefore are not discounted.

The fair value of all financial liabilities other than borrowings is equal to their carrying amount.

In January 2022, HIT carried out a bond issue of €1,000 million, maturing in 2031 and with a coupon rate of 1.475%. This new bond issue was carried out with the aim of refinancing the debt of Sanef and SAPN with the early repayment of the BNP DEXIA loan in May 2022.

4.21. Trade and other accounts payable

(in € thousands)	**December 31, 2022**	**December 31, 2021**
Advances and down payments received on orders	4,450	3,974
Trade accounts payable	41,470	39,843
Due to suppliers of non-current assets	88,477	82,332
Total trade and other financial payables (1)	***134,396***	***126,150***
Taxes and payroll costs	158,099	144,343
Prepaid income	9,498	9,474
Total non-financial payables	***167,597***	***153,817***
Total trade and other accounts payable	**301,993**	**279,966**

(1) Financial liabilities stated at amortized cost

As trade and other accounts payable are very short-term, their carrying amount approximates fair value.

4.22. Contingent liabilities and off-balance shett commitments

Claims and litigation

In the normal course of their business, Group companies are involved in a certain number of claims and legal proceedings. As of December 31, 2022, HIT considers that no claims or litigation relating to its business are in progress that would be likely to have a material adverse effect on its results of operations or financial position (other than those risks for which provisions have been recognized in the financial statements).

Guarantees given:

Sanef issued a guarantee for a total amount of €900 thousand for Albea in connection with the A150 highway project.

Guarantees totaled €908 thousand at December 31, 2022 (€2,017 thousand as of December 31, 2021).

Guarantees received:

HIT Group companies received bonds and guarantees on contracts for a total of €53,036 thousand as of December 31, 2022 (€56,129 thousand as of December 31, 2021).

The guarantees received by the HIT group amount to €10,163 thousand as of December 31, 2022. These guarantees were granted by Electronic Toll Service providers and by charge card issuers which collect tolls on behalf of HIT Group.

Other commitments:

As of December 31, 2022, the HIT Group has undrawn available credit facilities of €1,100 million.

4.23. Management of financial risks and derivative instruments

4.23.1. Market risks

Of the various types of market risk (interest rate risk, currency risk, and market risk on listed equities), HIT is primarily exposed to interest rate risk.

The Group would be exposed to fair value risk in the event that the portion of HIT's borrowings at fixed rates was bought on the market, while floating-rate borrowings could impact future financial results.

A significant portion of the HIT Group's financial debt was contracted at a fixed rate.

All things considered, HIT is exposed to only a limited risk of its financial expenses rising in the event that interest rates rise (see sensitivity analysis below).

The loan interest rate structure is as follows:

(in € thousands)	December 31, 2022	December 31, 2021
Fixed or adjustable rate	5,273,495	5,324,073
Floating rate	- 2,610	19,547
Total	**5,270,885**	**5,343,620**

As of December 31, 2022 the Group had a total of €2,6 million (€19,5 million as of December 31, 2021) in floating rate debt (not capped).

No ineffectiveness was recognized through profit or loss on the cash flow hedges.

In April 2022, HIT put in place 4 interest rate swaps qualifying as cash flow hedges to hedge future issues:

(in € thousands)	Maturity	Market value as of december 31, 2022	HIT pays fixed rate	HIT receives floating rate	Nominal value
Swap BBVA	apr-30	8,760	1.65%	Euribor 6 mois	**0**
Swap SG	apr-31	8,638	1.68%	Euribor 6 mois	**0**
Swap SG	apr-30	8,852	1.67%	Euribor 6 mois	**0**
Swap BNP	apr-31	8,061	1.77%	Euribor 6 mois	**0**
TOTAL		**34,311**			**0**

The change in the balance sheet of swaps qualifying as cash flow hedges before tax effect is explained as follows:

December 31, 2022	
Changes in fair value	34,311
Loss on unwound swaps to be recycled to profit or loss	(22,123)
Total	12,188
December 31, 2021	
Accumulated losses on swaps in force	
Loss on unwound swaps to be recycled to profit or loss	(51,199)
Total	**(51,199)**

The balance of losses to be recycled to income before tax is 22,123 thousand Euros at December 31, 2022.

The fact that the HIT Group's financial debt is at a fixed rate has the effect of making the fair value of this debt sensitive to changes in interest rates. A decrease in interest rates increases the fair value, an increase in interest rates reduces the fair value. The difference between the fair value of the fixed rate debt and its carrying amount would only be recognized as a loss or gain if HIT decided to make early repayments based on market opportunities.

Sensitivity of income and equity to changes in interest rates:

The sensitivity of interest flows for the floating rate instruments was calculated by taking into account all variable flows on non-derivative and derivative instruments. The analysis was prepared assuming that the amount of debt and financial instruments on the statement of financial position as of December 31, 2022 and 2021 remain constant over one year.

(in € thousands)	**December 31, 2022**				**December 31, 2021**			
	Earnings		**Equity**		**Earnings**		**Equity**	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Floating rate debt	-	-	-	-	(115)	115	-	-

In addition, the HIT Group has rather little exposure to currency risk on transactions stemming from its normal course of business.

4.23.2. Credit risk

Credit risk represents the risk of financial loss to HIT should a customer or counterparty to a financial instrument default on its contractual obligations.

The carrying amount of its financial assets, shown below, indicates maximum exposure to credit risk:

(in € thousands)	**Note**	**December 31, 2022**	**December 31, 2021**
Loans to associates	4.14	650	701
Loans	4.14	798	1,352
Deposits and guarantees	4.14	437	476
Trade and other receivables	4.15	181,261	169,740
Current financial assets	4.14	-8	-28
Cash and cash equivalents	4.16	315,944	396,175
	Total	**499,082**	**568,414**

As of December 31, 2022, HIT had trade and other accounts receivable totaling €181 million (€170 million as of December 31, 2021) and cash of around €316 million (€396 million as of December 31, 2021). These amounts indicate a very low exposure to credit risk, especially in view of the quality of the Group's customers and counterparties and the fact that all operating receivables are paid in cash or settled very quickly.

HIT invests its surplus cash and enters into interest rate swaps and other derivatives only with leading financial institutions.

4.23.3. Liquidity risk

Liquidity risk is defined as the risk of a company not being able to honor payments on its borrowings or other commitments.

With the exception of capital expenditures, financing needs are not sufficiently material to make any borrowing difficulties likely.

Analysis of borrowings by maturity:

Year	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
2022							
2023	499,713						**499,713**
2024		-468					**-468**
2025			617,846				**617,846**
2026				596,419			**596,419**
2027						1,089,957	**1,089,957**
2028						888,072	**888,072**
2029						591,938	**591,938**
December 31, 2022	499,713	-468	617,846	596,419		2,569,967	**5,270,885**
December 31, 2021	264,500	860,339	453,724	604,909	595,356	2,564,792	**5,343,620**

As HIT's financial debt all falls due prior to the expiration of its concession contract, and thanks to the predictability of its operating and investment cash flows, the Group will be able to obtain refinancing. At present, the Group cannot foresee any problems with its ability to obtain funding.

(in € thousands)	**Note**	**Carrying amount**	**Contractual cash-flows**	**6 months or less**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**	**> 5 years**
Non-derivative financial liabilities								
Financial debt	**4.20**	5,271	5,798	559	24	80	2,550	2,585
Advances from French central government and regional agencies	**4.20**	0	0	0	0	0	0	0
Deposits, guaranties and other financial debts	**4.20**	22	22	22	0	0	0	0
Trade accounts payable	**4.21**	134	134	134	0	0	0	0
Other current liabilities	**4.21**	0	0	0	0	0	0	0
Derivative financial liabilities								
Interest rate derivatives	**4.20**	0	0	0	0	0	0	0
		Total flows	**5,955**	**715**	**24**	**80**	**2,550**	**2,585**

The accounts have been prepared on a going concern basis.

4.24. Related parties

At December 31, 2022 (as at December 31, 2021), the HIT group did not provide loans to its Abertis parent company. No other information is given for the transactions between related parties insofar as these transactions were not considered significant under IAS 24.

Sanef SA and Abertis Infraestructura, SA concluded an industrial agreement on June 12, 2017. By contract, Abertis will transfer its know-how and expertise in the motorway sector and provide the technical assistance necessary for this transfer. This contract grants the possibility for Sanef to extend this agreement within its subsidiaries. In return Sanef undertakes to pay an annual fee. This contract came into force on July 1, 2017.

Equity-accounted companies are presented in note 4.1.

The table below shows the remuneration and similar benefits, on a full-year basis, granted by HIT and the companies that it controls, to persons who, during 2022 or at the balance sheet date, are members of the Executive Committee or the Board of Directors of the Group:

(in € millions)	December 31, 2022
Remuneration	4.8
Payroll taxes	2.1
Post-employment benefits	0.0
Other long term benefits	0.0
Termination benefits	0.0
Share-based payments	0.0

These senior management staff costs totaled €6,9 million in 2022.

The attendance fees paid in 2022 amounted to €236 thousand.

4.25. Segment data

The group’s operations management monitors the following operating segments: the toll road concessions, the other operating activities and the Holding activity of HIT SAS.

Other operating activities include the group's non-toll road operator subsidiaries (SE BPNL, Sanef 107.7,…) and the equity-accounted companies (Routalis, Leonord).
The main products and services of the other activities are operation of the North Lyon ring road and operation of the A65.

The holding companies carry the financing on HIT SAS’s acquisition of the Sanef subgroup and the impact of the allocation of the goodwill generated on that acquisition.

Management monitors sectors based on their contribution to consolidated earnings.

Primary financial indicators by activity in 2022:

2022, in € millions	Toll road concessions	Holding	Others activities	**Total group HIT**
Revenue	**2,001.2**		**12.4**	**2,013.6**
Of which revenue from construction	*152.0*			*152.0*
EBITDA	**1,399.1**	**(0.6)**	**1.1**	**1,399.6**
Amortization of tangible assets	(38.8)		(0.1)	(38.9)
Amortization of intangible assets	(300.9)	(80.8)	(0.0)	(381.7)
Additional provisions on infrastructures under concession	(32.4)			(32.4)
EBIT	**1,026.9**	**(81.4)**	**1.0**	**946.5**
Interest income	1.3	.7		2.1
Interest expenses	(161.3)	(108.8)	(0.0)	(270.2)
Profit before tax	**866.9**	**(189.5)**	**1.0**	**678.4**
Share in net income from associates			0.2	0.2
Income tax	(203.6)	30.1	(0.2)	(173.7)
Net income	**663.3**	**(159.3)**	**.9**	**504.9**
Acquisitions of property, plant and equipment and intangible assets	208.2		16.6	224.7
Total Assets	**2,936.4**	**4,545.4**	**12.7**	**7,494.5**

EBITDA is net operating income before depreciation, amortization and provisions.

4.26. Auditors’ fees

The firms KPMG & Associés and PHM-Audit Expertise et Conseil, and their respective network members, act as auditors of the HIT group as of December 31, 2022.

Auditing fees incurred for statutory audit and for services other than the auditing of accounts ("SACC"), for HIT group consolidation entities, amounted to €275 thousand in 2021, of which €53 thousand for "SACC" which correspond essentially to the issuance of comfort letters, preparation of the independent third-party body’s report on CSR information.

4.27. Events after the reporting period

In January 2023, HIT completed a bond issue of 500,000 thousand euros, with a maturity date of March 2030 and a coupon of 4.250%.

At the time of this issue, the amounts of the four hedging contracts (see 4.23.1) put in place in April 2022 were cancelled and will be paid to HIT between 2024 and 2028.

The publication in the Journal Officiel of January 31, 2023 of the 14th and 13th amendments to the respective concession agreements of Sanef and SAPN, approved by decree on January 30, 2023, validates the completion of network improvements worth €143 million for Sanef and €38 million for SAPN.

This investment plan, designed in partnership with the concession grantor and the local authorities, will enable projects to be carried out focusing on multiple issues such as:

- Every day and low-carbon mobility: a multimodal exchange hub, reserved lanes, carpooling parking lots and motorway interchange developments,
- Biodiversity preservation: a wildlife crossing, facilities to help protect water resources,
- Service and safety for truck drivers with new dedicated parking spaces and secure parking facilities.