

ALIS
Administration & Finance
Emilio Labrador
Lieu-dit « Le Haut Croth »
27310 Bourg-Achard

Paris,
May 22, 2019,

Sir,

Please find enclosed, the free translation of the French statutory audit report in English, regarding Alis' annual accounts as of December 31st 2018, and dated May 16, 2019.

Best regards



Olivier Thireau

Partner MAZARS

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2018

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

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

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

To the Shareholders of Autoroute de Liaison Seine-Sarthe,

Opinion

In compliance with the engagement entrusted to us by your general meeting, we have audited the accompanying financial statements of Autoroute de Liaison Seine-Sarthe for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of Assessments

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 following matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

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

Note 3.c. iii of the financial statements describes the amortization method of tangible assets held under concession. We have assessed the appropriateness of these estimating methods and their correct application.

Notes 3.h and 9 of the financial statements describe the accounting method of bond issuance fees and cash payments made for the new debt incurred after refinancing. We have assessed the validity of the accounting method and the relevance of explanations provided in the notes.

Note 8 of the financial statements describes the accounting method of deferred tax, and the estimating methods used. We have assessed the validity of the accounting method and the relevance of explanations provided in the note. We have also assessed the appropriateness of these estimating methods and their correct application.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the other documents with respect to the financial position and the financial statements provided to shareholders.

Information relating to corporate governance

We attest that the corporate governance section of the management report sets out the information required by Article L.225-37-4 of the French Commercial Code.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements were approved by the board of directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the 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 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 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 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 financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

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

Courbevoie, on May 16, 2019
The statutory auditor

French original signed by

MAZARS

OLIVIER THIREAU

AUTOROUTE DE LIAISON SEINE-SARTHE

Balance Sheet as at 31 DECEMBER 2018

(in Euros)

ASSETS	Gross	Depreciation Provisions	as at 31/12/2018	as at 31/12/2017
CAPITAL SUBSCRIBED AND NOT PAID-IN	0	0	0	0
Capital subscribed and not paid-in				
INTANGIBLE ASSETS	2 148 890	566 669	1 582 221	1 677 613
<i>FIXED ASSETS OWNED BY THE COMPANY</i>				
Patents and similar rights	38 077	32 742	5 335	0
Goodwill				
Other intangible fixed assets				
<i>FIXED ASSETS ON CONCESSION</i>				
Intangible assets	1 690 537	191 394	1 499 143	36 679
In-progress intangible assets	420 277	342 534	77 743	1 640 934
Deposits on intangible fixed assets				
TANGIBLE ASSETS	918 440 621	141 693 576	776 747 045	789 339 971
Land				
Buildings				
Technical installations, equipments and tools				
Other tangible assets	101 377	56 248	45 129	13 503
<i>FIXED ASSETS ON CONCESSION</i>				
Other tangible assets	918 302 128	141 637 329	776 664 800	789 302 002
In progress tangible assets	23 430		23 430	10 780
Deposits on tangible fixed assets	13 685		13 685	13 685
	3 919	0	3 919	3 919
Investments in subsidiaries and affiliates				
Receivables related to subsidiaries and affiliates				
Other portfolio investments				
Loans				
Other financial fixed assets	3 919		3 919	3 919
FIXED ASSETS	920 593 430	142 260 246	778 333 184	791 021 503
INVENTORIES AND WORK-IN-PROGRESS	47 649	0	47 649	52 997
Goods	47 649		47 649	52 997
Raw material and consumables				0
DEPOSITS AND DOWNPAYMENTS	18 033	0	18 033	4 278
ACCOUNT RECEIVABLES	11 827 883	0	11 827 883	9 301 806
Trade debtors and related accounts	10 525 289	0	10 525 289	7 844 650
Other operating account receivable	1 302 595		1 302 595	1 457 156
OTHER ACCOUNT RECEIVABLES	1 671 320	0	1 671 320	965 083
CASH AND CASH EQUIVALENTS	79 654 902	0	79 654 902	69 034 262
CURRENT ASSETS	93 219 787	0	93 219 787	79 358 427
Deferred tax asset	30 534 924		30 534 924	34 869 322
Deferred expenses	218 350 866		218 350 866	230 976 937
Prepayments	1 535 848		1 535 848	1 499 281
Foreign currency translation adjustment				
TOTAL ASSETS	1 264 234 855	142 260 246	1 121 974 609	1 137 725 469

AUTOROUTE DE LIAISON SEINE-SARTHE**Balance Sheet as at 31 DECEMBER 2017**

(in Euros)

EQUITY AND LIABILITIES	as at 31/12/2018	as at 31/12/2017
Share capital	2 850 000	2 850 000
Retained earnings	(111 021 774)	(118 317 145)
	0	0
NET INCOME OF PERIOD	16 276 628	7 295 371
Investment grants	302 102 467	307 010 382
NET EQUITY	210 207 320	198 838 608
Provisions for contingencies	1 205 200	367 625
Provisions for charges	1 574 828	1 269 942
PROVISIONS FOR CONTINGENCIES AND CHARGES	2 780 028	1 637 567
Other bonds	895 412 742	902 165 774
Loans and debts with financial institutions	0	0
Other financial loans and debts	29 000	21 275 171
FINANCIAL DEBTS	895 441 742	923 440 945
ADVANCES AND DEPOSITS RECEIVED ON ORDERS IN PROGRESS	0	0
ACCOUNTS PAYABLES	5 438 906	4 388 456
Trade payables and related accounts	1 592 525	1 060 136
Tax and social liabilities	3 097 394	2 784 118
Other payables	748 986	544 202
OTHER LIABILITIES	8 065 183	9 378 581
Liabilities on fixed assets and related accounts	6 682 619	7 283 305
Tax liabilities not related to operations	1 382 564	2 095 276
Other liabilities	0	0
NON FINANCIAL LIABILITIES	13 504 089	13 767 037
CURRENT CREDITS LINES AND CREDIT BALANCES IN BANK ACCOUNTS	0	0
Deferred income	41 430	41 312
Foreign Currency translation adjustment	0	0
TOTAL LIABILITIES	1 121 974 609	1 137 725 469

AUTOROUTE DE LIAISON SEINE-SARTHE

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2018

(in Euros)

	2 018	2 017	2 016
Goods sold	254 496	220 628	208 814
Traffic toll revenues	89 768 435	80 573 705	75 676 550
REVENUES	90 022 931	80 794 334	75 885 364
Fixed assets capitalisation			
Release of depreciation, amortizations and provision charges	248 524	240 840	31 910
Transfer of charges			15 254 737
Other ordinary income	966 954	604 178	568 054
TOTAL OPERATING INCOME	91 238 409	81 639 352	91 740 065
Purchase of goods	206 294	189 596	177 347
Changes in inventories of goods for resale	5 348	-5 601	-2 449
Purchase of raw materials and other supplies			
Change in inventories			
Other purchases and external charges	12 542 269	11 448 341	27 405 161
Expenses from third parties	12 542 269	11 448 341	27 405 161
Taxes, duties and similar payroll costs	5 298	4 510	1 249
Other taxes and duties	8 141 084	7 687 097	7 354 362
Taxes, duties and similar payments	8 146 382	7 691 608	7 355 610
Payroll	432 511	398 513	111 388
Social charges	205 036	175 977	48 009
Personnel charges	637 548	574 490	159 397
Fixed assets depreciation	15 127 258	14 743 918	14 419 039
Provisions on fixed assets	171 534	171 000	
Current assets depreciation		31 443	
Contingencies and charges depreciation	212 229	292 853	11 000
Total depreciation and provisions	15 511 021	15 239 214	14 430 039
Other operating expenses	32 628	39 156	35 238
TOTAL OPERATING EXPENSES	37 081 489	35 176 803	49 560 344
NET OPERATING INCOME	54 156 920	46 462 548	42 179 721
Income from investments			
Income from other securities and receivables from fixed assets			
Other interest and similar incomes	3 571	1 097	70 960
Provisions release			89 143 590
Foreign exchange gains			1 204
Net gains on sale of investment securities			
Transfers of financial expenses			
TOTAL FINANCIAL INCOME	3 571	1 097	89 215 753
Depreciation of capitalised financial charges	11 491 265	10 804 472	4 331 391
Interest and similar expenses	22 859 308	25 783 377	127 213 970
Foreign exchange losses		97	141
Net losses on sale of investment securities			
TOTAL FINANCIAL EXPENSES	34 350 573	36 587 946	131 545 502
NET FINANCIAL INCOME	-34 347 002	-36 586 850	-42 329 749
RECURRENT INCOME BEFORE TAXES	19 809 917	9 875 699	-150 028
Investment grants recognised as income for the period	4 907 915	4 686 518	4 611 625
Extraordinary income on operating activities	3 883	49 797	
Extraordinary income on financial activities			
Provisions released			
Transfers of extraordinary expenses			
TOTAL EXTRAORDINARY INCOME	4 911 798	4 736 315	4 611 625
Extraordinary expenses on operating activities	5	450	
Extraordinary expenses on financial activities		35 154	1 281 015
Extraordinary depreciations			
TOTAL EXTRAORDINARY EXPENSES	5	35 604	1 281 015
NET EXTRAORDINARY INCOME	4 911 794	4 700 711	3 330 610
Employee profit sharing			
Income taxes	8 445 083	7 281 039	1 694 768
NET PROFIT	16 276 628	7 295 371	1 485 814

* including deferred taxes

4 334 398

4 526 249

1 003 205

APPENDIX

1. Company Activity

Following the 2017 trend, 2018 traffic has increased. Heavy Good Vehicles have had a higher increase than Light Vehicles.

The AADT (Average Annual Daily Traffic) on the A28 Rouen - Alençon was 8,978 vehicles/day, increasing by 4.7% in 2017. The distribution was as follows:

- +3.3% for Light Vehicles;
- +11.0% for Heavy Goods Vehicles.

The company's turnover was €90.02m in 2018, an increase of 11.42% due to both the increase in traffic and the tariff increase on 1st of February 2018 (+3.5% on average).

Toll revenue for the year was 13.5% lower than forecast in the original 2002 financial model and 1.7% better than forecast in the 2016 refinancing model.

The year 2018 was marked with the following events:

- A new management team arrived in the last quarter, allowing an evolution of the Alis organization and the implementation of the ALIS 2020 project;
- Purchase of land for Bosrobert new head offices;
- The payment of the interest and principal of debt in accordance with the financial covenants;
- The implementation of the electronic banking chain and the PCI-DSS solution, a development that meets the demand of the banks to comply with the standard required by the card issuers to improve the security of bank card transactions.

2. Highlights of the year

a) A1 and A2 bond issues

In accordance with the maturity schedule of the A1 bond issue, the company paid €13.137m at maturity 3 on 31st of January 2018, of which €10.565m were interests.

As at 31st of July 2018, at maturity date 4, an amount of €14.649m was paid, including interests of €10.533m.

In accordance with the maturity schedule of the A2 bond issue, the payment of the A2 bond issue coupon was made on 31st of July 2018 for an inflated amount of €0.915m of interest.

b) Shareholder advances

In 2018, the company has paid €20.220 m in shareholder advances as part of the debt refinancing in 2016. With this payment, shareholder advances have been completely reimbursed.

c) Changes in reserve accounts

Debt Service Reserve Account

In accordance with the new financial documentation, the Senior Debt Reserve Account maintained a balance of €19.520m as at 31st of December 2018. This amount corresponds to the maximum debt service over a six-month period during the first five years following the issue.

"Major Maintenance" Reserve Account

According to the terms of the financial documentation, the company has a reserve account to finance future major maintenance expenses and at the end of 2018, the company had €20.015 million in this account.

"Redemption A2 Bonds" Reserve Account

In compliance with the terms of the financial documentation, the Redemption A2 Bonds reserve account had a balance of €6.360m at the end of 2018, corresponding to 14.6% of the index-linked bond, valued at €43.565 at 31 July 2018.

d) Deferred taxes

The Finance Act of 30 December 2017, announcing the progressive reduction in corporate income tax over the period 2018-2022, led to the updating of profit forecasts and the assessment of the impact on the amount of deferred taxes recorded in the financial statements as at 1st January 2016.

As at 31st of December 2018, the company has updated its forecasts and reduced the amount of deferred taxes by €173.3k.

3. Accounting Principles

The financial statements have been prepared in accordance with the French accounting rules

a) Changes in method

There were no changes in accounting policies during 2018.

b) Intangible assets

Intangible fixed assets mainly include software and licenses depreciated over a period ranging from 1 to 3 years.

Intangible fixed assets concessionary concerning the implementation of the electronic banking chain and the PCI-DSS solution are amortized over 10 years, considering the expected useful life given the current technical developments to come.

c) Tangible fixed assets

The fixed assets on the company's balance sheet are almost all held under concession; for the most part, they will revert free of charge to the state when the concession expires.

i. Tangible assets owned by the company

Assets owned by the company are neither returnable nor transferrable.

Tangible fixed assets recorded on the balance sheet include computer and office equipment depreciated over 3 to 5 years and office furniture over 10 years.

ii. Tangible assets under concession

Concession cover all grounds, structures, and installations needed for construction, use, and maintenance of roads in addition to any adjacent installations required. These may include junctions to existing roadways, outbuildings, and adjacent installations needed to better serve users or erected to improve operation.

The moveable assets and real property provided by the state and acquired or created by the concession holder are returnable and transferrable assets:

- Returnable assets include the grounds, buildings, structures, installations, and moveable objects needed for operation of the concession. These assets belong to the licensing authority as soon as they are completed, acquired, or made available for use. At the end of the concession, these assets are required to be returned to the licensing authority free of charge.
- Transferrable assets include those that can be returned to the licensing authority at the end of the concession with a compensation.

The French State and ALIS have agreed that these assets will be inventoried in the presence of parties, the licensing authority and the company, in order to be organized into the three categories mentioned above.

During construction, the following tangible assets under concession were added to the balance sheet at their historical costs:

- The sums paid to GIE Constructeurs A28,
- Financial fees (including fees paid to the FSA, a monoline insurance company),
- Survey costs,
- General attributable expenses incurred by the company until the road opening in October 2005
- Commissions and fees paid to banks and other consultants.

After refinancing at the beginning of August 2016, financial fees, commissions, and honoraria were removed from the company's fixed assets.

iii. Depreciation of tangible assets under concession

Tangible assets under concession are subject to depreciation based on the carrying value of the motorway, the ratio of traffic volume over the year under review with respect to total estimated traffic volume throughout the construction period.

The goal of this calculation is not to establish a technical depreciation, but rather to decrease the net value to a null value at the concession's expiration in December 2067.

The renewable tangible assets, that have a lifespan shorter than that of the concession, are subject to depreciation calculated on a straight-line basis over the estimated time of use.

By virtue of the 11 October 1988 CNC exemption for motorway companies and for the financial community to better understand the profit and loss account and the balance sheet, depreciation of licensed assets and other depreciations are listed together.

In the profit and loss account, depreciations are considered as an operating charge. On the balance sheet, they are deducted from the tangible assets to which they relate to.

d) Inventories

Inventory is valued at cost.

e) Accounts Receivables and Other Operating Debts

Receivables are valued at their nominal value; those which present uncertainties of recovery are subject to a depreciation by way of a provision.

f) **Investment grants**

Investments related to the construction of the motorway are eligible for the payment of grants, which are recognized in equity and transferred to income as the associated costs held under concession are depreciated according to traffic volume.

g) **Risk and Debt Provisions**

i. **Renewal provision**

This provision, for renewal of renewable tangible assets under concession, is the difference between the acquisition cost of the asset and its replacement cost. The replacement cost is estimated based on the initial cost of the asset, adjusted for inflation for its lifespan.

ii. **Inflation provision**

The provision for inflation, relating to the inflated repayment of the principal amount of the A2 bond debt, is discounted each year according to changes in the consumer price index provided for in the financial documentation.

iii. **Risk provision**

Risk provisions are meant to cover litigations with residents along the A28 and are updated either according to changes in cases before the courts or according to estimations of indemnities that may need to be paid.

iv. **Expense provision**

Expense provisions are meant to cover expenses that are incurred throughout the year and cannot be absorbed otherwise.

h) **Bonds and prepayments**

Bond issuance fees and cash payments made for the new debt incurred after refinancing are amortized according to the outstanding amount of the prepayment.

4. Fixed assets

ASSETS (k€)	As at 1 st of January 2018	Increases		Decreases		As at 31 st December 2018
		Acquisition	Transfers	Disposals	Transfers	
Intangible assets	1 946	173	1 610	0	1 581	2 148
. By the company	<u>32</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>38</u>
. Under concession	<u>1 914</u>	<u>167</u>	<u>1 610</u>	<u>0</u>	<u>1 581</u>	<u>2 110</u>
<i>currently in service</i>	102	7	1 581	0	0	1 690
<i>in progress</i>	1 812	160	29	0	1 581	420
Fixed tangible assets	918 365	155	0	50	29	918 441
. By the company	<u>112</u>	<u>39</u>	<u>0</u>	<u>50</u>	<u>0</u>	<u>101</u>
. Under concession	<u>918 253</u>	<u>116</u>	<u>0</u>	<u>0</u>	<u>29</u>	<u>918 340</u>
<i>currently in service</i>	918 228	104	0	0	29	918 303
<i>in progress</i>	25	12	0	0	0	37
Financial assets	4	0	0	0	0	4
Total	920 315	328	1 610	50	1 610	920 593

AMORTIZATIONS AND PROVISIONS (in €k)	As at 1 st of January 2018	Changes during the year		As at 31 st December 2018
		Increases	Decreases	
Intangible assets	269	298	0	567
<u>Intangible assets owned by the company</u>	<u>32</u>	<u>1</u>	<u>0</u>	<u>33</u>
<u>Intangible assets under concession</u>	<u>237</u>	<u>297</u>	<u>0</u>	<u>534</u>
<i>Amortizations</i>	66	125	0	191
<i>Depreciations</i>	171	172	0	343
Fixed tangible assets	129 024	12 719	50	141 693
<u>Fixed tangible assets owned by the company</u>	<u>99</u>	<u>7</u>	<u>50</u>	<u>56</u>
<u>Fixed tangible assets under concession</u>	<u>128 925</u>	<u>12 712</u>	<u>0</u>	<u>141 637</u>
<i>Depreciation of assets under concession</i>	120 736	12 609	0	133 345
<i>Depreciation of renewable assets</i>	8 189	103	0	8 292
TOTAL	129 293	13 017	50	142 260

5. Inventory and work in progress

An amount of €47.6k was booked as at 31st of December 2018 after inventorying fuel not yet sold at the Domaine d'Harcourt rest stop.

6. Accounts receivable

Receivables for current assets are broken down as follows (in k€):

Receivables	Less than 1 year	Over a year old	Total	Of which deferred income
Accounts receivable	10 525	0	10 525	4 548
Advances to personnel	3		3	
Social Security debts	2	0	2	1
Tax debts	531	756	1 287	217
<i>of which VAT</i>	314	756	1 070	
<i>of which other taxes</i>	217		217	217
Other operating receivables	11		11	
Other debts	1 671	0	1 671	1 194
<i>of which Insurance</i>	1 022		1 022	1 022
<i>of which other debts</i>	649		649	172
Total	12 743	756	13 499	5 960

7. Cash

The €79,654.9k in cash is distributed as follows:

- Checking account: €31,654.7k
- Reserve accounts: €47,894.9k
- Other cash in hand: €105.3k

8. Deferred Taxes

Deferred taxes amount to €34,869.3k at the beginning of 2018 resulting from the company's tax losses of €40,398.8k. The original of tax losses at the end of 2015 was €136,397k.

Based on the forecast tax results, this tax losses carry forward will be completely used in 9 years.

Following the progressive reduction of the corporate income tax rate for the period 2018 to 2022 and the updating of the forecast net income, the initial valuation of tax losses was reduced by €173.3k, this effect has been recorded as a tax charge for the 2018 financial year.

Deferred taxes evolved as follows during the 2018 financial year (in €k)

Beginning of 2018:	34 869
Corporate Income Tax charge	-8 618
Update of the deferred tax	173
Corporate Income Tax paid	4 111
End of 2018:	30 535

9. Prepayments

As part of the refinancing, ALIS recorded €249,493.6k deferred charges, to be spread over the term of the amounts borrowed.

€208,292.6k was recorded for the difference between the market value of the previous debt and its nominal value.

€41,201k relate to the net book value of the costs capitalized for the initial financing and the expenses incurred for the refinancing.

During the 2018 financial year, an amount of €12,626.1k was amortized, bringing the balance of the prepayment to €218,350.9k as at the end of December 2018.

10. Prepaid expenses

- State fee:	€1,311.7k	
- Archiving:	€89.4k	
- Insurance:	€37.2k	
- Plot management:	€30.2k	
- IT Maintenance	€29.1k	
- Other:	€36.4k	
Total	€1,535.8k	(including €1,504.4k prepayment expenses to be amortized in less than one year)

11. Equity

The share capital of €2,850,000, divided into 5,700,000 shares with a par value of €0.50 each, is distributed as follows:

Shareholders	Shares	%	Amount (in euros)
DIOMEDEA COOPERATIEF	1 890 690	33,17%	945 345
MCIF	1 482 000	26,00%	741 000
ABERDEEN INFRA N°2 LLP	750 120	13,16%	375 060
SANEF	665 190	11,67%	332 595
SAPN	456 000	8,00%	228 000
EGIS INVESTMENT PARTNERS FRANCE III	456 000	8,00%	228 000
Total shareholder account	5 700 000	100,00%	2 850 000

Net equity changes during the year were as follows (in €k):

Change in net equity	Shareholder account	Losses carryforward	Net income	Grants	Total net equity
Beginning of the year:	2 850	-118 317	7 295	307 011	198 839
Increase in capital					
Transfer of previous year to net income		7 295	-7 295		
Net income of the year			16 277		
Grants released to net income				-4 908	
End of the year	2 850	-111 022	16 277	302 103	210 208

12. Investment grants

Under the concession agreement, at the end of December 2009, an amount of € 354,675.9 k of grants were presented to the different public authorities. These contributions were cashed in 2010.

Grants are included in 2018 net income for an amount of €4,907.9 k. This amount is calculated following the same principles for depreciation of the concession. Grants are released to net income for the period to bring the balance to zero as at the end of the concession.

As at 31st of December 2018, the cumulative amount released to net income was €52.6m and the balance of the grants remaining to be recognized as income amounts to €302.1m.

13. Risk and expenses provision

Risk and expenses provisions movement for the year (in €K):

Risk and expenses provision	Amounts at the beginning of the year	Increases	Utilizations	Amount at the end of the year
Resident claims	0	5		5
Inflation A2 bond issue index CPI 10/2018	368	832		1 200
Amounts expensed to refurbish the highway	193	522	193	522
Amounts expensed to refurbish the DBA	100		24	76
Equipment renewal CPI index 12/2015	977			977
Total	1 638	1 359	217	2 780

The risk and expense provisions are recorded to meet contractual obligations.

The repair provisions of the network and equipment are to be considered of less than one-year maturity.

The renewal provision is forecast to include the evolution of toll roads during 2020.

The inflation provision values the A2 bonds €42.5m in July 2032.

14. Financial debts

Financial debts break down as follows (in €K) :

Financial debts	Less than one year	Between 1 and 5 years	More than 5 years	Total	of which prepayments
Debt with shareholders				0	
A1 bonds	8 272	48 020	787 317	843 609	
A1 bonds interests	8 918			8 918	8 918
A2 bonds			42 500	42 500	
A2 bonds interests	386			386	386
Deposits	29			29	
Crédit Mutuel				0	
Total	17 605	48 020	829 817	895 442	9 304

The A1 and A2 debts are pledged.

15. Non-financial debts

Non-financial debts break down as follows (in €K) :

Non-financial debts	Less than one year	Between 1 and 5 years	More than 5 years	Total	of which prepayments
Accounts payable	1 593			1 593	840
Social Security debts	241			241	193
Tax debts	2 857			2 857	144
<i>of which VAT</i>	2 499			2 499	
<i>of which other taxes</i>	358			358	144
Other operating debts	749			749	
Total operating debts	5 440	0	0	5 440	1 177
Fixed assets debts	685	2 532	3 466	6 683	97
Non-operating tax debts (CIT)	1 383			1 383	
Total	7 508	2 532	3 466	13 506	1 274

16. Deferred income

- Optical fiber leases: 38,0 k€ less than one year
- Rent of telecom towers: 3,0 k€ less than one year

17. Turnover

- Turnover excluding taxes from toll transactions: 88 735,8 k€
- Fuel revenue: 254,5 k€
- Other income: 1 032,6 k€
- Total turnover :** **90 022,9 k€**

18. Extraordinary income

They amount to €4,911.8k and correspond essentially to the release of equity grants to net income for an amount of €4,907.9k.

19. Extraordinary expenses

None.

20. Staff expenses

During 2018, the Company welcomed 3 new employees. There were 7 managers and 5 employees as at the end of December 2018.

21. Managers remuneration

The total amount of direct and indirect remuneration of all kinds received from French and foreign companies by the members of the management team (Chief Executive Officer), invoiced during the 2018 financial year amounted to €70.5k, including €9.1k for 2017 (including social charges and provisions).

No attendance fees were allocated to directors and censors during the 2018 financial year.

22. Off-balance sheet commitments

a) Commitments given

None.

b) Commitments received

- As part of the pavement reloading, a performance contract was signed on 19st of July 2013 between ALIS, the project owner, and the contractor.

In order to ensure that the construction is finished exactly as planned and that penalties are paid as dictated by the contract, ALIS received a joint surety limited to a maximum of 4 477 629€. This contracted amount is updated and revised according to stipulations in article 9 of the contract.

The surety bond ends one year after its entry into force, or at the latest on 23st of June 2018. After this date, requests for activation of the surety will not be considered.

- As part of the transfer of the management of ALIS subscribers (TIS Liberté), a contract was signed with an external partner (the "Service Provider") on 9st of February 2015 which is responsible for collecting toll transactions in the name and on behalf of ALIS and other circulated highway companies.

In order to ensure payment, ALIS received a guarantee on first demand of 5 976 000€. This guarantee is renewed annually in accordance with article 12 of the contract and was extended to 31st of December 2018.

As part of the acceptance and use of maps to pay motorway tolls and secure car park services for heavy goods vehicles in the network operated by motorway in France, an agreement has been concluded between ALIS and the society MS EUROPE BV as from 16st of July 2018.

In accordance with the provisions of Article 4 of the Convention, ALIS received a guarantee at first demand of €5,600 starting from its signature and expiring on 31st of July 2019.

23. Subsequent events

None.

24. Related party transactions

The company identified no material related party transactions concluded under abnormal market conditions.

25. Consolidation

The accounts of the company AUTOROUTE DE LIAISON SEINE SARTHE are consolidated using the equity method in the accounts of the SANEF group, a limited company with capital of 53,090 461.67 euros, 30 Boulevard Gallieni, 92130 Issy les Moulineaux.

26. Remuneration of the Statutory Auditors

The fees relating to the audit of the accounts closed as at 31st December 2018 amounts to €25k.
