

ALIS
Administration & Finance
Emilio Labrador
ZAC de Maison Rouge
27800 BOSROBERT

Paris,
April 3, 2020,

Sir,

Please find enclosed, the free translation of the French statutory audit report in English, regarding Alis' annual accounts as of December 31st 2019, and dated March 31, 2020

Best regards

Olivier Thireau

Partner MAZARS

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

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, 2019. These financial statements have been approved by the board of directors on March 25, 2020 based on information available at that date regarding the evolving context of Covid-19's sanitary crisis.

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, 2019 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, 2019 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, approved in the aforementioned context, 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 approved on March 25, 2020 and in the other documents with respect to the financial position and the financial statements provided to shareholders. Regarding the events that occurred and elements that have been known since the date the financial statements were approved and in relation to the effects of Covid-19's crisis, management informed us that this would be subject to a specific communication addressed to the shareholders' meeting called to vote on said financial statements.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D. 441-4 of the French Commercial Code (Code de commerce) is fairly presented and consistent with the financial statements.

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 March 31, 2020
The statutory auditor

French original signed by

M A Z A R S

OLIVIER THIREAU

Balance Sheet as at 31 DECEMBER 2019

(in Euros)

ASSETS	Gross	Depreciation Provisions	as at 31/12/2019	as at 31/12/2018
CAPITAL SUBSCRIBED AND NOT PAID-IN	0	0	0	0
Capital subscribed and not paid-in				
INTANGIBLE ASSETS	1 992 039	425 103	1 566 937	1 582 221
<i>FIXED ASSETS OWNED BY THE COMPANY</i>				
Patents and similar rights	114 699	41 904	72 795	5 335
Goodwill				
Other intangible fixed assets				
<i>FIXED ASSETS ON CONCESSION</i>				
Intangible assets	1 792 772	383 199	1 409 573	1 499 143
In-progress intangible assets	84 568	0	84 568	77 743
Deposits on intangible fixed assets				
TANGIBLE ASSETS	919 570 269	153 771 084	765 799 185	776 747 045
Land				
Buildings				
Technical installations, equipments and tools				
Other tangible assets	816 010	73 171	742 839	45 129
<i>FIXED ASSETS ON CONCESSION</i>				
Other tangible assets	918 389 189	153 697 913	764 691 277	776 664 800
In progress tangible assets	365 070	0	365 070	23 430
Deposits on tangible fixed assets	0	0	0	13 685
	0	0	0	3 919
Investments in subsidiaries and affiliates				
Receivables related to subsidiaries and affiliates				
Other portfolio investments				
Loans				
Other financial fixed assets	0	0	0	3 919
FIXED ASSETS	921 562 308	154 196 187	767 366 122	778 333 184
INVENTORIES AND WORK-IN-PROGRESS	35 491	0	35 491	47 649
Goods	35 491	0	35 491	47 649
Raw material and consumables				
DEPOSITS AND DOWNPAYMENTS	3 846	0	3 846	18 033
ACCOUNT RECEIVABLES	10 967 276	0	10 967 276	11 827 883
Trade debtors and related accounts	9 917 762	0	9 917 762	10 525 289
Other operating account receivable	1 049 514	0	1 049 514	1 302 595
OTHER ACCOUNT RECEIVABLES	1 630 785	0	1 630 785	1 671 320
CASH AND CASH EQUIVALENTS	107 985 056	1	107 985 055	79 654 902
CURRENT ASSETS	120 622 453	1	120 622 452	93 219 787
Deferred tax asset	25 613 998		25 613 998	30 534 924
Deferred expenses	206 126 066		206 126 066	218 350 866
Prepayments	1 716 417		1 716 417	1 535 848
Foreign currency translation adjustment				
TOTAL ASSETS	1 275 641 242	154 196 188	1 121 445 055	1 121 974 609

Balance Sheet as at 31 DECEMBER 2019

(in Euros)

EQUITY AND LIABILITIES	as at 31/12/2019	as at 31/12/2018
Share capital	2 850 000	2 850 000
Retained earnings	(94 745 147)	(111 021 774)
NET INCOME OF PERIOD	20 230 628	16 276 628
Investment grants	297 414 290	302 102 467
NET EQUITY	225 749 772	210 207 320
Provisions for contingencies	1 469 975	1 205 200
Provisions for charges	1 148 695	1 574 828
PROVISIONS FOR CONTINGENCIES AND CHARGES	2 618 670	2 780 028
Other bonds	886 912 469	895 412 742
Loans and debts with financial institutions	6	0
Other financial loans and debts	19 273	29 000
FINANCIAL DEBTS	886 931 747	895 441 742
ADVANCES AND DEPOSITS RECEIVED ON ORDERS IN PROGRESS	0	0
ACCOUNTS PAYABLES	5 261 190	5 438 906
Trade payables and related accounts	1 251 168	1 592 525
Tax and social liabilities	3 204 708	3 097 394
Other payables	805 314	748 986
OTHER LIABILITIES	842 207	8 065 183
Liabilities on fixed assets and related accounts	122 403	6 682 619
Tax liabilities not related to operations	719 804	1 382 564
Other liabilities	0	0
NON FINANCIAL LIABILITIES	6 103 397	13 504 089
CURRENT CREDITS LINES AND CREDIT BALANCES IN BANK ACCOUNTS	0	0
Deferred income	41 469	41 430
Foreign Currency translation adjustment	0	0
TOTAL LIABILITIES	1 121 445 055	1 121 974 609
	1 121 445 055	1 121 974 609

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2019

(in Euros)

	2 019	2 018
Goods sold	221 708	254 496
Traffic toll revenues	94 252 776	89 768 435 0
REVENUES	94 474 483	90 022 931
Fixed assets capitalisation		
Release of depreciation, amortizations and provision charges	940 273	248 524
Transfer of charges	1 888	0
Other ordinary income	797 689	966 954
TOTAL OPERATING INCOME	96 214 333	91 238 409
Purchase of goods	180 475	206 294
Changes in inventories of goods for resale	12 158	5 348
Purchase of raw materials and other supplies		
Change in inventories		
Other purchases and external charges	14 427 366	12 542 269
Expenses from third parties	14 427 366	12 542 269
Taxes, duties and similar payroll costs	6 703	5 298
Other taxes and duties	8 284 976	8 141 084
Taxes, duties and similar payments	8 291 679	8 146 382
Payroll	615 750	432 511
Social charges	278 743	205 036
Personnel charges	894 492	637 548
Fixed assets depreciation	14 385 034	15 127 258
Provisions on fixed assets	0	171 534
Current assets depreciation	0	0
Contingencies and charges depreciation	171 606	212 229
Total depreciation and provisions	14 556 640	15 511 021
Other operating expenses	29 757	32 628
TOTAL OPERATING EXPENSES	38 392 567	37 081 489
NET OPERATING INCOME	57 821 766	54 156 920
Income from investments		
Income from other securities and receivables from fixed assets		
Other interest and similar incomes	3 530	3 571
Provisions release		
Foreign exchange gains		
Net gains on sale of investment securities		
Transfers of financial expenses		
TOTAL FINANCIAL INCOME	3 530	3 571
Depreciation of capitalised financial charges	10 520 488	11 491 265
Interest and similar expenses	21 936 229	22 859 308
Foreign exchange losses		0
Net losses on sale of investment securities		
TOTAL FINANCIAL EXPENSES	32 456 717	34 350 574
NET FINANCIAL INCOME	-32 453 187	-34 347 003
RECURRENT INCOME BEFORE TAXES	25 368 579	19 809 917
Investment grants recognised as income for the period	4 688 177	4 907 915
Extraordinary income on operating activities	0	3 883
Extraordinary income on financial activities		
Provisions released		
Transfers of extraordinary expenses		
TOTAL EXTRAORDINARY INCOME	4 688 177	4 911 798
Extraordinary expenses on operating activities	19	5
Extraordinary expenses on financial activities	345 159	0
Extraordinary depreciations		
TOTAL EXTRAORDINARY EXPENSES	345 178	5
NET EXTRAORDINARY INCOME	4 342 999	4 911 794
Employee profit sharing		
Income taxes	9 480 950	8 445 083
NET PROFIT	20 230 628	16 276 628
* including deferred taxes	4 920 926	4 334 398

APPENDIX

1. Company Activity

Following the 2019 trend, 2019 traffic has increased. Heavy Good Vehicles have had a slight decrease which has been largely offset by the increase in Light Vehicles

The AADT (Average Annual Daily Traffic) on the A28 Rouen - Alençon was 9 107 vehicles/day, increasing by 1.4% in 2018. The distribution was as follows:

- + 2.4% for Light Vehicles;
- - 2.6% for Heavy Goods Vehicles.

The company's turnover was €94.47m in 2019, an increase of 4.94% due to both the increase in traffic and the toll tariff increase on 1st of February 2019 (+4.49% on average).

Toll revenue for the year decreased by 8.8% (€94,5m with respect to €103,6m) lower than forecast in the original 2002 financial model and increased by 12.6% (€94,5m with respect to €83,8m) in the 2016 refinancing model.

The year 2019 was marked with the following events:

- Payment for the debt service in accordance with the financial documentation.
- Early repayment of the operational and subordinated SAPN debt.
- Construction and relocation to the company's new headquarters in June 2019.
- The announcement at the end of the year of the 2020 stop of the electronic tolling activity by Easytrip.
- The preparation for the renegotiation of the operating contract with Routalis which will take place between April and October 2020.
- The launch of studies for the renovation of the resting areas.
- The start of studies for the Alis toll station modernization project (PMGA).

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 €13.710m at maturity 5 on 31st of January 2019, of which €10.482m were interests.

As at 31st of July 2019, at maturity date 6, an amount of €15.486m was paid, including interests of €10.442m.

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 2019 for an inflated amount of €0.922m of interest.

b) SAPN debt

As at 30th of September 2019, the company has paid €6.035 m to fully early repay the SAPN subordinated and operational debt.

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 2019. 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 2019, the company had €19.225 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 €9.923m at the end of 2019, corresponding to 22.60% of the index-linked bond, valued at €43.908 as at 31 July 2019.

Shareholder distribution reserve account

The shareholder distribution reserve account balance amounts to 32 million € as at 31 December 2019.

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 2019.

b) Intangible assets

Intangible fixed assets mainly include software and licenses depreciated over a period ranging from 1 to 5 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 included in the balance sheet include in particular:

- land
- a building and fittings depreciated over 25 years
- construction installations and fixtures amortized over 10 years
- IT and office equipment depreciated over 3 to 5 years
- office furniture depreciated 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 2019	Increases		Decreases		As at 31 st December 2019
		Acquisition	Transfers	Disposals	Transfers	
Intangible assets	2 148	202	0	343	15	1 992
. <u>By the company</u>	<u>38</u>	<u>77</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>115</u>
. <u>Under concession</u>	<u>2 110</u>	<u>125</u>	<u>0</u>	<u>343</u>	<u>15</u>	<u>1 877</u>
<i>currently in service</i>	<i>1 690</i>	<i>102</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1 792</i>
<i>in progress</i>	<i>420</i>	<i>23</i>	<i>0</i>	<i>343</i>	<i>15</i>	<i>85</i>
Fixed tangible assets	918 441	1 254	29	140	14	919 570
. <u>By the company</u>	<u>101</u>	<u>728</u>	<u>0</u>	<u>13</u>	<u>0</u>	<u>816</u>
. <u>Under concession</u>	<u>918 340</u>	<u>526</u>	<u>29</u>	<u>127</u>	<u>14</u>	<u>918 754</u>
<i>currently in service</i>	<i>918 303</i>	<i>184</i>	<i>29</i>	<i>127</i>	<i>0</i>	<i>918 389</i>
<i>in progress</i>	<i>37</i>	<i>342</i>	<i>0</i>	<i>0</i>	<i>14</i>	<i>365</i>
Financial assets	4	0	0	4	0	0
Total	920 593	1 456	29	487	29	921 562

AMORTIZATIONS AND PROVISIONS (in €k)	As at 1 st January 2019	Changes during the year		As at 31 st December 2019
		Increases	Decreases	
Intangible assets	567	201	343	425
<u>Intangible assets owned by the company</u>	<u>33</u>	<u>9</u>	<u>0</u>	<u>42</u>
<u>Intangible assets under concession</u>	<u>534</u>	<u>192</u>	<u>343</u>	<u>383</u>
<i>Amortizations</i>	<i>191</i>	<i>192</i>	<i>0</i>	<i>383</i>
<i>Depreciations</i>	<i>343</i>	<i>0</i>	<i>343</i>	<i>0</i>
Fixed tangible assets	141 693	12 215	137	153 771
<u>Fixed tangible assets owned by the company</u>	<u>56</u>	<u>27</u>	<u>10</u>	<u>73</u>
<u>Fixed tangible assets under concession</u>	<u>141 637</u>	<u>12 188</u>	<u>127</u>	<u>153 698</u>
<i>Depreciation of assets under concession</i>	<i>133 345</i>	<i>12 067</i>	<i>0</i>	<i>145 412</i>
<i>Depreciation of renewable assets</i>	<i>8 292</i>	<i>121</i>	<i>127</i>	<i>8 286</i>
TOTAL	142 260	12 416	480	154 196

5. Inventory and work in progress

An amount of €35.5k was booked as at 31st of December 2019 after inventorying fuel not yet sold at the Domaine d'Harcourt rest area.

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	9 918	0	9 918	5 234
Advances to personnel	0		0	
Social Security debts	14	0	14	
Tax debts	1 026	0	1 026	824
<i>of which VAT</i>	202		202	
<i>of which other taxes</i>	824		824	824
Other operating receivables	11		11	
Other debts	1 630	0	1 630	881
<i>of which Insurance</i>	881		881	881
<i>of which other debts</i>	749		749	
Total	12 599	0	12 599	6 939

7. Cash

The €107,985.1k in cash is distributed as follows:

- Checking account: €27 210,0k
- Reserve accounts: €80,668.0k
- Other cash in hand: €107.1k

8. Deferred Taxes

Deferred taxes amount to €30,535.0k at the beginning of 2019 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 as at 31.12.2019 will be completely used in 5 years.

Deferred taxes evolved as follows during the 2019 financial year (in €k)

Beginning of 2019:	30 535
Corporate Income Tax charge	-9 481
Update of the deferred tax	
Corporate Income Tax paid	4 560
End of 2019:	25 614

9. Prepayments

The costs of the refinancing and the cost to issue the new refinanced 2016 debt are amortized according to the outstanding amount of this debt.

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 2019 financial year, an amount of €12,224.8k was amortized, bringing the balance of the prepayment to €206 126.1k as at the end of December 2019.

10. Prepaid expenses

- State fee:	€1,356.5k	
- Archiving:	€156.5k	
- Insurance:	€83.4k	
- Plot management:	€51.5k	
- IT Maintenance	€28.9k	
- Other:	€39.7k	
Total	€1,716.4k	(including €1,502.8k prepayment expenses to be amortized in less than one year)

11. Net 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	-111 022	16 277	302 103	210 208
Increase in capital					
Transfer of previous year to net income		16 277	-16 277		
Net income of the year			20 231		
Grants released to net income				-4 689	
End of the year	2 850	- 94 745	20 231	297 414	225 750

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 received in 2010.

Grants are included in 2019 net income for an amount of €4,688.2 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 2019, the cumulative amount released to net income was €57.3m and the balance of the grants remaining to be recognized as income amounts to €297.4m.

13. Risk and expenses provision

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

Risk and expense provision	Amounts at the beginning of the year	Increases	Utilizations	Amount at the end of the year
Resident claims	5			5
Inflation A2 bond issue index CPI 10/2018	1 200	265		1 465
Amounts expensed to refurbish the highway	522	172	522	172
Amounts expensed to refurbish the DBA	76		76	0
Equipment renewal CPI index 12/2015	977			977
Total	2 780	437	598	2 619

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 cost to replace the toll plaza modernization project to be carried out from 2020 to 2022.

The inflation provision updates the A2 bonds total reimbursement of the €42.5m face value due 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	9 079	53 056	773 201	835 336	
A1 bonds interests	8 687			8 687	8 687
A2 bonds			42 500	42 500	
A2 bonds interests	390			390	390
Deposits	19			19	
Crédit Mutuel				0	
Total	18 175	53 056	815 701	886 932	9 077

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	1 251			1 251	711
Social Security debts	280			280	210
Tax debts	2 925			2 925	38
<i>of which VAT</i>	2 651			2 651	
<i>of which other taxes</i>	274			274	38
Other operating debts	805			805	
Total operating debts	5 261	0	0	5 261	959
Fixed assets debts	122			122	50
Non-operating tax debts (CIT)	720			720	
Total	6 103	0	0	6 103	1 009

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: 93 096,2 k€
- Fuel revenue: 221,7 k€
- Other income: 1 156,6 k€
- **Total turnover** : **94 474,5 k€**

18. Extraordinary income

The amount is €4,688.2k and correspond essentially to the release of the 2019 portion of equity grants to net income

19. Extraordinary expenses

The amount is 345.1 k € and correspond mainly to the disposal of capital expenditure in progress incurred for the EMV-MPAA project.

20. Staff expenses

As at 31.12.2019, there were 8 managers and 3 employees present in the company.

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 2019 financial year amounted to €162.4k (including social charges and provisions).

No attendance fees were allocated to directors during the 2019 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 19th 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 11st of July 2020. 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 8 646 000€. This guarantee is renewed annually in accordance with article 12 of the contract and was extended to 31st of December 2020.

- 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 €5,500 starting from its signature and expiring on 31st of July 2020.
- As part of the maintenance work on the wearing course of the A28-A88 diffuser, ALIS received a surety of € 44,919 from the company EUROVIA, corresponding to the retention of guarantee of 5% of the project. This surety will expire one year from the date of receipt of March 26, 2019, even if there is no release.
- As part of the design and construction contract for the modular office building in Bosrobert, the new head office of the Company, ALIS received a surety of € 26,400 from the company COUGNAUD CONSTRUCTION, corresponding to the retention of guarantee of 5% of the project. This warranty will end under the conditions provided for in article 124 of decree 2016-360 of March 25, 2016 relating to public procurement. For this same market, ALIS also received a surety of € 9,900 from the company MBTP, co-contractor, corresponding to the retention of guarantee of 5% of the project. This warranty will be released at the end of the period of one year from the date of receipt of May 16, 2019 made with or without reservation.

23. Subsequent events

Containment measures have been put in place in various countries of the world in order to limit the spread of the COVID-19 virus. The effects on the 2020 accounts are uncertain and unknown at this stage, but they could relate to a reduction in the company's gross turnover and cash flow. This situation does not affect the ability of the company to meet its commitments in terms of financing.

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 2019 amounts to €25,8k.