FINEXSI AUDIT

ERNST & YOUNG Audit

This is a translation into English of the statutory auditors' review report on the condensed interim consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

TDF Infrastructure

Period from January 1 to June 30,2022

Statutory auditors' review report on the condensed interim consolidated financial statements

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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles et du Centre

TDF Infrastructure

Period from January 1 to June 30, 2022

Statutory auditors' review report on the condensed interim consolidated financial statements

To the President,

In our capacity as statutory auditors of TDF Infrastructure and in accordance with your request in connection with a possible exit from Brookfield's capital or a potential refinancing, we have performed a review of the accompanying condensed interim consolidated financial statements for the period from January 1 to June 30, 2022.

The preparation of these condensed interim consolidated financial statements is your responsibility. Our role is to express a conclusion on these condensed interim consolidated financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

Paris and Paris-La Défense, September 22, 2022

The Statutory Auditors

French original signed by

FINEXSI AUDIT | ERNST & YOUNG Audit

Olivier Roussel | Thierry Cornille

TDF INFRASTRUCTURE SAS GROUP

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Consolidated statement of comprehensive income, 6 months period ended June 30, 2022

In thousands euros	*Notes*	June 2022 (6 month)	Dec 2021 (12 month)	June 2021 (6 month)
Revenue	*7.1*	**380 304**	**731 694**	**360 426**
Other income	*7.2*	(1 578)	7 091	5 695
Consumed purchases	*7.3*	(42 981)	(94 666)	(41 588)
Personnel costs	*7.4*	(62 593)	(106 131)	(56 578)
External expenses	*7.5*	(24 886)	(55 469)	(34 609)
Profit on disposal of non-current operating assets	*7.6*	(58)	1 223	25
Other expenses	*7.2*	(14 197)	(19 516)	(17 229)
EBITDA		**234 011**	**464 226**	**216 142**
Depreciation, amortisation and impairment losses	*7.7*	(101 305)	(199 797)	(95 077)
Current Operating Income		**132 706**	**264 430**	**121 065**
Impairment of goodwill & intangible assets identified in business combinations	*7.7/8.1/8.2*	-	-	-
Other operating income	*7.8*	410	1 817	-
Other operating charges	*7.8*	(619)	(6 364)	(2 584)
Operating Income (Loss)		**132 497**	**259 883**	**118 481**
Income from cash and cash equivalents		(167)	6	5
Gross finance costs		(88 688)	(194 628)	(90 355)
Net finance costs	*7.9*	**(88 855)**	**(194 622)**	**(90 350)**
Other financial income / charges	*7.9*	(2 924)	(4 672)	(1 963)
Share of net profits of associates	*13*	271	511	278
Income tax	*7.10*	(28 521)	(68 767)	(31 420)
NET INCOME (LOSS) FOR THE YEAR		**12 468**	**(7 668)**	**(4 974)**
Other comprehensive (loss) income				
Currency translation differences		(5)	(46)	(21)
Cash flow hedge		21 538	-	-
Actuarial gains		6 650	(72)	-
Other items		-	19	21
Income tax on other comprehensive loss		(7 281)	20	-
Income and expenses recognized directly in equity	*7.9/7.10*	**20 902**	**(79)**	**-**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**33 370**	**(7 747)**	**(4 974)**
Net (loss) income for the year attributable to				
Owners of the company		14 091	(3 596)	(3 151)
Non controlling interests		(1 622)	(4 071)	(1 823)
Profit for the period		**12 468**	**(7 668)**	**(4 974)**
Total comprehensive (loss) income for the year attributable to				
Owners of the company		31 718	(3 675)	(3 151)
Non controlling interests		1 653	(4 071)	(1 823)

Consolidated balance sheet as of June 30, 2022

In thousands euros	*Notes*	June 2022	Dec 2021	June 2021
Non-current assets				
Goodwill	*8.1*	1 716 612	1 737 634	1 737 128
Intangible assets	*8.2*	716 286	629 439	554 802
Property, plant and equipment	*8.3*	2 042 523	1 990 078	1 920 647
Shares in associates	*13*	6 241	6 654	6 422
Financial assets available for sale		83	83	72
Other non-current assets	*8.5*	8 206	8 335	8 409
Derivated financial assets	*8.4*	23 737	-	-
Deferred tax assets		11 717	9 248	7 822
TOTAL NON-CURRENT ASSETS		**4 525 405**	**4 381 471**	**4 235 301**
Current assets				
Inventories	*8.5*	9 535	16 197	15 274
Trade receivables	*8.5*	365 737	115 958	167 481
Other current assets	*8.5*	103 015	87 368	107 626
Cash and cash equivalents		76 486	228 224	30 154
TOTAL CURRENT ASSETS		**554 772**	**447 747**	**320 535**
TOTAL ASSETS		**5 080 177**	**4 829 218**	**4 555 836**

In thousands euros	*Notes*	June 2022	Dec 2021	June 2021
Share capital		300 000	300 000	300 000
Additionnal paid-in-capital		1 010 375	1 010 375	1 010 375
Currency translation reserve		(236)	(231)	(207)
Hedging reserve		12 700	-	-
Other reserves and Retained earnings		(1 456 748)	(1 367 539)	(1 367 710)
Net loss for the year - attributable to owners of the company		14 091	(3 596)	(3 151)
Participations ne donnant pas le contrôle		7 355	7 532	7 680
TOTAL EQUITY		**(112 463)**	**(53 459)**	**(53 012)**
Non-current liabilities				
Bond	*9.1*	1 588 924	1 587 951	1 392 395
Bank debt	*9.1*	562 776	227 005	277 640
Shareholders' debt	*9.1*	1 063 599	1 063 599	1 063 599
Other financial debts	*9.1*	62 160	100 665	82 943
Lease liability (IFRS 16)	*9.1*	216 886	214 944	212 155
Provisions	*9.3*	89 360	109 580	110 751
Deferred tax liabilities		241 039	230 205	227 479
Other non-current liabilities	*9.4*	262 666	129 705	107 961
TOTAL NON-CURRENT LIABILITIES		**4 087 410**	**3 663 655**	**3 474 922**
Current liabilities				
Bank debt	*9.1*	10 000		
Bond	*9.1*	219 967	219 750	-
Other financial debts	*9.1*	28 511	24 816	24 827
Lease liability (IFRS 16)	*9.1*	42 578	44 410	42 247
Provisions	*9.3*	15 889	13 020	11 001
Trade payables	*9.4*	214 233	233 701	202 572
Tax and social liabilities	*9.4*	181 398	157 874	157 666
Other current liabilities	*9.4*	233 739	96 420	226 332
Accrued interest		158 914	429 029	469 282
TOTAL CURRENT LIABILITIES		**1 105 230**	**1 219 022**	**1 133 926**
TOTAL EQUITY AND LIABILITIES		**5 080 177**	**4 829 218**	**4 555 836**

Consolidated statement of cash flows
6 months period ended June 30, 2022

In thousands euros	*Notes*	June 2022 (6 month)	Dec 2021 (12 month)	June 2021 (6 month)
Net income (loss) from continuing operations		**12 468**	**(7 668)**	**(4 974)**
Non-cash items and other adjustments				
Depreciation, amortisation and impairment		101 314	200 387	95 161
Change in provisions and non-cash expenses		(9 599)	3 991	2 796
Gain (loss) on disposal of non-current assets		105	56	(65)
Total income tax		28 521	68 768	31 421
Finance items		102 362	197 733	90 802
Cash generated from operating activities before changes in working capital	*10.1*	**235 171**	**463 267**	**215 141**
Income tax paid		(47 200)	(41 967)	(14 694)
Change in working capital	*10.2*	(64 937)	11 363	(64 647)
Net cash from operating activities		**123 034**	**432 663**	**135 800**
Acquisitions of non-current operating assets		(207 618)	(418 238)	(197 837)
Proceeds from disposal of non-current operating assets		434	6 958	4 614
Dividends from non consolidated companies		-	686	686
Acquisition of controlling interests, net of cash & cash equivalents acquired		(186)	(30 570)	(30 503)
Net proceeds from disposals of subsidiaries		(1 525)	(1 804)	(733)
Change in other financial assets		(115)	853	91
Net cash used in investing activities	*10.3*	**(209 010)**	**(442 115)**	**(223 682)**
Dividends paid by parent company		-	(100 000)	-
Dividends paid to non-controlling interests		(383)	(765)	(765)
Proceeds from bond		-	800 000	-
Bond repayments		-	(379 900)	-
Proceeds from bank debt		360 000	515 000	-
Bank debt repayments		-	(360 000)	-
Proceeds from other financial debts		20 159	47 100	386 200
Other financial debts repayments		(70 859)	(63 174)	(190 740)
Premium given on financial instruments		(2 199)	-	-
Fees related to the refinancing		(16 383)	(16 441)	(1 987)
Income from cash and cash equivalents		9	6	5
Changes of interest in controlled entities		-	2 100	-
Financial interests (including financial lease)		(356 105)	(260 378)	(128 944)
Net cash from financing activities	*10.4*	**(65 761)**	**183 548**	**63 769**
Effect of exchange rate changes on cash			(164)	(24)
Net change in cash and cash equivalents		**(151 737)**	**173 932**	**(24 137)**
Opening cash & cash equivalents		**228 224**	**54 292**	**54 292**
Closing cash & cash equivalents		**76 486**	**228 224**	**30 155**

Consolidated statement of changes in equity

In thousands euros	Number of outstanding shares	Attributable to owners of the company						Non-controlling interests	Total Equity
		Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserves	Other reserves and retained earnings	Total		
At December 31th, 2020	10 000 000	**300 000**	**1 010 375**	**(765)**	**-**	**(1 267 430)**	**42 180**	**10 269**	**52 449**
Consolidated net income		-	-	-	-	(3 151)	(3 151)	(1 823)	**(4 974)**
Other comprehensive income		-	-	537	-	(537)	-	-	**-**
Total comprehensive income		**300 000**	**1 010 375**	**(228)**	**-**	**(1 271 118)**	**39 029**	**8 446**	**47 475**
Dividends paid				-			-	(765)	**(765)**
Dividends not paid						(100 000)	(100 000)		**(100 000)**
Stock options valuation						278	278		**278**
Changes of interest in controlled entities and changes in consolidation scope				-		-	-		**-**
At June 30th, 2021	10 000 000	**300 000**	**1 010 375**	**(228)**	**-**	**(1 370 840)**	**(60 693)**	**7 680**	**(53 012)**
At December 31th, 2021	10 000 000	**300 000**	**1 010 375**	**(231)**		**(1 371 133)**	**(60 989)**	**7 532**	**(53 459)**
Consolidated net income						14 091	14 091	(1 622)	**12 469**
Other comprehensive loss				(5)	12 700	4 935	17 630	3 275	**20 905**
Total comprehensive income		**300 000**	**1 010 375**	**(236)**	**12 700**	**(1 352 107)**	**(29 268)**	**9 185**	**(20 085)**
Dividends paid							-	(765)	**(765)**
Dividends not paid						(100 000)	(100 000)		**(100 000)**
Stock options valuation						223	223		**223**
Changes of interest in controlled entities and changes in consolidation scope						9 229	9 229	(1 065)	8 164
At June 30th, 2022	10 000 000	**300 000**	**1 010 375**	**(236)**	**12 700**	**(1 442 655)**	**(119 816)**	**7 355**	**(112 463)**

Notes to the consolidated financial statements

1. Highlights of the period

Conflict in Ukraine

The Group has little direct exposure to the conflict that has broken out between Russia and Ukraine on February 24, 2022, on the one hand because it has no subsidiary in these territories, and on the other hand because it has only non-significant purchase or sale transactions with third parties in those countries.

Nevertheless, the Group remains very vigilant regarding the evolution of the situation and the consequences of this conflict on the world economy, given that it contributes in particular to fueling an inflationary macro-economic context around certain categories of supplies.

Eurozone interest rates

Concerning interim period, IAS 34 standard authorizes extrapolation of assumptions of the previous year to update provisions, except in the event of significant variations in these assumptions.

In the first half of 2022, the rise in interest rates in the eurozone led to a significant increase in the discount rates used when calculating certain provisions recognized by the Group.

In this context, the Group has therefore updated the discount rate assumptions.
The provisions concerned are the following:

- Provision for post-employment benefits (see notes 9.2 and 9.3)
- Provisions for dismantling (see note 9.3)

In addition, the increase in interest rates in the eurozone led the Group to assess if there were impairment indicator, resulting in particular from an increase in the discount rate used at the time of the impairment tests of assets.
The sensitivity analyzes that have been carried out do not indicate any risk of impairment on goodwill, intangible and tangible fixed assets.

Reorganization of the capital of TDF Fibre and raising of a new bank debt line

On February 17th, 2022, Group announced the entry of Caisse des Dépôts into the capital of TDF Fibre, a company previously wholly owned by TDF (see note 16).
TDF and Caisse des Dépôts now represent 79.5 % and 20.5 % of capital respectively in TDF Fibre's shareholding structure, which holds 100% of the capital of the project companies Val d'Oise Fibre, Yvelines Fibre, Val de Loire Fibre and Anjou Fibre.

Concomitantly with the reorganization of its capital, TDF Fibre has raised a bank loan providing increased financial resources to ensure both the partial refinancing of the current structure, the development of existing networks and future needs associated with the takeover or rollout of new networks.
With an available amount €735 million, this floating rate non-recourse financing has a 7-year maturity and benefits from the "Social Loan" label.
See notably notes 4.1, 4.4, 7.9, 9.1 and 10.4 concerning impacts related to this new financing.

In conjunction with the raising of bank debt line by TDF Fibre, the Group has implemented a floating rate debt hedging policy in order to manage its exposure to interest rate fluctuations.
This resulted in the subscription of derivative instruments during the first half of 2022 (see notes 4.2 and 8.4).

One-year extension of the Capex facility

On February 15th, 2022, TDF Infrastructure SAS obtained the agreement of all lenders concerned, allowing to exercise a one-year extension option bringing to March 26, 2025, the maturity of the syndicated acquisition and capex facility.
This capex facility was signed in March 2021 (see the note 4.4)

Goodwill allocation of the entity Torm acquired on May 31, 2021 (IFRS 3)

In accordance with IFRS 3, work has been performed concerning the purchase price allocation following the acquisition of TORM.
Studies have been led on assets and liabilities of the entity acquired, and led to the recognition mainly of:

- recognition of intangible assets, which fair values determined at May 31, 2021, represent a global amount of 12 million euros (see below). These assets value the commercial gains resulting from the telecom hosting activity carried out with Telco Oi, its main customer and current minority shareholder,
- revaluations of certain tangible assets, the fair value determined as of May 31, 2021, of these assets being an overall amount of 17.6 million euros (see below),
- deferred taxes related to these recognitions or revaluations of assets and liabilities, which constitute deferred tax bases, valued at the tax rate in force for the Torm entity.

In thousands euros	Fair value determined at June 30, 2022	Useful lives	Evaluation method	Observation	WACC sensibility	
					WACC -0,5 pt	WACC +0,5 pt
Backlog Telecom	12,0	20	Super profits	Backlog as of June 30, 2022 WACC : 7%	12,5	11,5
Total intangible assets	**12,0**					

In thousands euros	Fair value determined at June 30, 2022	Useful lives	Evaluation method	Observation
Towers	17,6	35,5	Average long term incremental costs	Average long term incremental costs, such as contracted for deploying Torm sites
Total tangible assets	**17,6**			

The valuation work is based on the commercial commitments obtained by Torm through a 20-year hosting contract, including the roll-out of 100 additional sites over the next decade.

The remaining goodwill, which was under allocation as of December 31st, 2021, equal to the difference between the acquisition price and the value of assets and liabilities of TORM acquired on May 31, 2021, as valued after the purchase price allocation process, amounts to €21 at June 30, 2022, and is recognized among the "Towers France" CGU (see also note 8.1). Allocation work is completed.

2. General presentation

The Group's consolidation head company, TDF Infrastructure SAS, is a "société par actions simplifies" (simplified joint stock company) with registered office at 92 120 Montrouge - 155 bis Avenue Pierre Brossolette.

As a partner to television, radio, telecommunication operators and local governments, the Group performs the following activities:

- telecommunications (design, deployment, maintenance, and management of 2G, 3G, 4G, 5G and fiber telecommunication networks infrastructure, and ultra-highspeed connections, hosting on roof tops, datacenters and hosting of broadcasting and reception equipment on proprietary sites),
- digital network facilities in France through the deployment and marketing of Very High-Speed optical fiber networks,
- design, build, implementation, and operation of pylons for Telecoms, Audiovisual and Transmissions,
- audiovisual services (TV and radio digital broadcasting, radio FM broadcasting).

The Group draws upon its recognized expertise and over 19 400 terrestrial sites mainly in France and focuses on developing new digital solutions such as connected Digital TV, catch-up TV, and ultra-high-definition television.
In addition, given the tenders won to deploy, operate and market Very High-Speed optical fiber networks, the Group aims to extend its business to optical fiber, and will invest in this market to increase the speed of deployment of digital network facilities in France.

The Group operates in markets characterized by sweeping changes in both technology and regulations (for example, some businesses are subject to pricing constraints imposed by local regulatory authorities).

2.1 Presentation of the financial statements

The main performance indicators used by the Group are:

EBITDA, which is equivalent to current operating income before depreciation, amortization, and impairment of assets.

EBITDAaL (EBITDA after Leases, see note 5), which corresponds to EBITDA adjusted for:

- charges corresponding to operating leases,
- charges booked in relation to the application of IFRS 2 which are non-cash in nature,
- charges corresponding to severance payments and all fees directly related (lawyers, etc.)

Current operating income, which is equivalent to operating income before:

- Any impairment of goodwill,
- "Other operating income" and "other operating expenses", which may include;
    - Material and unusual gains or losses on sale and/or impairment of non-current tangible and intangible assets;
    - Certain restructuring charges;
    - Gains or losses on sale of subsidiaries net of selling costs, liquidation costs and acquisition costs of subsidiaries;
    - Other operating income and expenses, such as a provision for material litigation, changes in provisions for dismantling affecting income and related to changes in calculation assumptions.

3. Basis of preparation

3.1 Statement of compliance

The TDF Infrastructure Group condensed consolidated financial statements, for the 6 months ended June 30, 2022, have been prepared in accordance with IAS34 – Interim financial reporting. As condensed financial statements, they include selected explanatory notes and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021.

IFRS can be downloaded from the following website: https://ec.europa.eu/info/index_fr

The condensed consolidated financial statements at June 30, 2022, are audited and were prepared under the supervision of the management of the Group, and faithfully reflect the results for the period in accordance with IFRS.

The condensed consolidated financial statements at June 30, 2022, were approved by the Chairman of TDF Infrastructure SAS on September 22, 2022.

3.2 Functional and presentation currency

The consolidated financial statements are stated in thousands of euros, which is the presentation and functional currency of the Group's consolidation head company.

3.3 Basis of measurement

Financial statements have been drawn up on the historical cost basis, except for the following items that are recognized at fair value: financial instruments held for trading, available-for-sale financial instruments and liabilities arising from cash-settled share-based transactions.

3.4 Judgments and estimates

In the process of drawing up the consolidated financial statements, the measurement of certain balance sheet items requires the use of assumptions, estimates or assessments. This is notably the case with goodwill (notes 3.7 and 8.1), tangible and intangible assets (notes, 8.2 and 8.3), amounts of provisions (notes 9.2 and 9.3), deferred tax valuation (notes 3.8 and 7.10), recognition of revenue. These assumptions, estimates and assessments are made based on information available or situations existing at the time the financial statements are drawn up and may subsequently turn out different from future conditions.

At each closing date, the Group identifies the assets for which a disposal has been initiated and assesses if the sale is highly probable as required by IFRS 5.
IFRS 5 states that an entity shall classify a non-current asset (or disposal Group) as held for sale if its book value will be recovered principally through a sale transaction rather than through continuing use. For the sale to be highly probable the asset (or disposal Group held for sale) must be available for immediate sale in its present condition and management must be committed to the sale.
In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification. In this case the non-current asset (or disposal Group) is valued at the lower of its carrying value and fair value less costs to sell.

Most Group entities have multi-year agreements with large customers. During the term of the agreements and upon expiry and/or renewal, discussions take place between those entities and their customers over the conditions, particularly financial, that have applied to these agreements. In view of this, where applicable, the entities record in their books the expected benefits and obligations under the agreements, including their best estimate of the effect of consequences deriving from the terms thereof. These estimates are uncertain by nature, and the final results may prove significantly different from estimates made at the date of preparation of the financial statements.

The Group is not subject to significant seasonal fluctuations.

3.5 Error corrections

No error correction has been accounted for during the year.

3.6 Standards and interpretations in force

The accounting policies are unchanged compared to those used in the preparation of the consolidated financial statements for the year ended December 31, 2021.

As of June 30, 2022, no amendment to IFRS standards has a significant impact on the Group's financial statements.

Financial instruments derivatives and hedge accounting

As a reminder, when subscribing to interest rate hedging derivatives instruments, the Group applies the principles of hedge accounting, as defined by IFRS standards.

Hedge accounting can only be applied to a hedging relationship if all of the following criteria are met:

- the hedging relationship only includes qualifying hedging instruments and qualifying hedged items;
- the hedging relationship is from the beginning established through a formal designation and structured documentation describing the hedging relationship as well as the entity's objective in terms of risk management and its hedging strategy;
- the hedging relationship satisfies all of the following hedge effectiveness constraints:
    - there is an economic link between the hedged item and the hedging instrument;
    - the effect of credit risk does not predominate over the changes in value resulting from this economic link; and
    - the hedge ratio of the hedging relationship is equal to the ratio between the quantity of the hedged item that is actually hedged by the entity and the quantity of the hedging instrument that the entity actually uses to hedge this quantity of the hedged item.

Derivatives are initially recognized at fair value; attributable transaction costs are recognized in profit or loss when incurred. After initial recognition, derivatives are measured at fair value and the resulting changes are recognized according to the terms described below:

- The part of the gain or loss on the hedging instrument that is considered to constitute an effective hedge must be recognized in other comprehensive income (OCI).
- Any residual gain or loss on the hedging instrument represents hedge ineffectiveness and must be recognized in profit or loss.

Derivative instruments are valued at fair value and classified at level 2 of the hierarchy defined by IFRS 13: they are recognised in balance sheet at their fair value including the effect of the Group’s net exposure to the counterparty credit risk (for asset derivative financial instruments) or the counterparty’s net exposure to the Group credit risk (for liability derivative financial instruments). This credit risk estimate is based on likelihood of default observed in the market for Groups with a similar rating TDF Infrastructure SAS Group and on an estimation of recoverability rate specific to the TDF Infrastructure SAS Group.

Types of hedges

Fair value hedges aim to hedge exposure to changes in fair value that might affect a recognised asset or liability or an unrecognised firm commitment where such changes are attributable to a particular risk and may affect earnings. The Group has no fair value hedges.

Cash flow hedges are intended to cover exposure to fluctuations in cash flows or to net foreign investments attributable to a particular risk associated with a recognised asset or liability that may affect earnings. The contractual flows associated with interest rate swaps are paid at the same time as those associated with floating rate borrowings, and the amount deferred in equity is taken to profit or loss over the period in which the interest on borrowings impacts profit or loss.

Hedges of the net investment in a foreign operation are intended to cover the risk of a diminution in the value of assets in the event of a fall in the exchange rate of the currency in which the financial statements of the subsidiary are established.

Effectiveness tests

Two types of tests exist:

Prospective tests: prospective tests are performed using the so-called "change in fair value changes" method. At each reporting date, a computation is made applying the new interest rate environment to demonstrate that the change in the present value of the hedged items (i.e., interest coupons) is correlated to the change in the present value of the cash flows of the variable portion of the hedging instrument.

Retrospective tests: retrospective tests are performed using the so-called "hypothetical derivative" method, which compares changes in:

- the value of the actual swap designated as the hedging instrument
- the value of a hypothetical swap that, based on its terms and conditions, hedges perfectly the risk and that had no value at the inception of the hedging relationship.

3.7 Impairment tests

For interim financial statements, unless any impairment loss indicator is identified, no impairment test on goodwill, on intangible assets with an indefinite useful life, and on other tangible and intangible assets, is performed.

The current context linked to the increase in eurozone rates (see note 1) has led the Group to assess the existence of an impairment indicator, resulting in particular from an increase in the discount rate used at the time of the impairment tests of assets.
The sensitivity analyzes that have been carried out do not indicate any risk of impairment on goodwill, intangible and tangible fixed assets.
In addition, as of June 30, 2022, the Group's results remain in line with the last formally approved business plan.

In accordance with the operating segments presented (see note 5) and the application of IFRS 8, the CGUs or groups of CGUs that were selected for goodwill impairment testing are Towers France, Fiber, PSN Infrastuktura and Levira.

3.8 Income tax

The measurement of the interim income tax expense is calculated by applying pre-tax profit for the period to the effective annual forecasted income tax rate (see note 7.10). The forecasted effective tax rate is calculated excluding any impacts of disposal of subsidiary or activity and in particular excluding any impairment of goodwill if it is not subject to tax.

3.9 Exchange rates used for the period

The following were the functional currencies used in the Group:

	Average	Closing	Opening	Average N-1
Polish zloty	0,215694	0,214961	0,215810	0,220352

4. Financial risk management

4.1 Credit risk

The total carrying value of financial assets takes account of the maximum exposure to credit risk.

Trade receivables

For some major TV, Radio and Telecom customers, sales invoices are issued in advance in compliance with contractual terms.
Trade receivables are subject to provisions for impairment depending on the risks incurred and on ageing.

Short–term investments

The Group places its cash with first class banking institutions, the objective being to generate a secure, as opposed to a speculative, return. Cash is invested in euro-denominated money market UCITS and in term deposits with a maturity of under 3 months.

4.2 Market risk

A. Management of interest rate risk

Exposure to the Group's interest rate risk can be analyzed below:

In thousands euros	June 2022 Outstandin g	June 2022 % of the debt	Dec 2021 Outstanding	Dec 2021 % of the debt
Fixed interest rate debt	3 179 974	83,8%	3 247 783	93,2%
Variable interest rate debt	615 427	16,2%	235 357	6,8%
Total before hedging	**3 795 401**	**100,0%**	**3 483 140**	**100,0%**
Fixed interest rate debt	3 468 724	91,4%	3 247 783	93,2%
Variable interest rate	326 677	8,6%	235 357	6,8%
Total after hedging	**3 795 401**	**100,0%**	**3 483 140**	**100,0%**

At June 30, 2022, closing date, the Group notably bears:
- €1 063.6m of debt with fixed interest rate towards Tivana France Holdings (indirect shareholder);
- €1 820.1m of bond debt with fixed rates (excluding loan issuance costs);
- €259.5m related to lease liabilities related to IFRS 16 application,
- €350m of floating rate term loan (excluding loan issuance costs) following the drawdowns on the new financing line dedicated to Fiber entities activity (see below).

During the first half of 2022, the Group, through the entity TDF Fibre, raised a non-recourse bank financing for a total available amount of €735 million, with a 7-year maturity.
This floating rate debt is subject to EURIBOR (3 and 6 months) plus margin (see note 4.4 on the characteristics of this debt).

the Group has implemented a floating rate debt hedging policy in order to manage its exposure to interest rate fluctuations, and thus subscribed derivatives instruments to hedge defined tranches of the new bank debt:
- two swaps with a fixed rate of 0.9588%,
- one cap of 0.5% strike to hedge part of the debt from 2023 and for which a premium of 2.2m€ has been paid in the first half of 2022.

As of June 30th, 2022, the notional amount hedged by derivated instruments is €288.8m

Sensitivity analysis of cash flows for variable rate instruments

As of June 30, 2022

Sensitivity analysis of cash flows for variable rate instruments takes account of all variable flows from derivative and non-derivative instruments. The analysis was carried out on the assumption that the value of financial borrowings and derivatives as of June 30th, 2022, remain constant throughout the year.

An increase / decrease of 25 basis points in variable rates would have the following impact on a forward-looking basis on the outstanding debt as of June 30, 2022:

In thousands euros	**Juin 2022**	
	Résultat	Capitaux propres
interests rates (increase of 25 pts)	-	4 482
interests rates (decrease of 25 pts)	-	(4 472)

As of June 30, 2022, derivate financial instruments classified as hedge instruments are recognized at fair value and taking into account the effectiveness tests carried out by the Group, the changes in fair value are recognized in other comprehensive income.

B. Exchange risk

The Group's functional currency is euro. The Group has little exposure to exchange rate fluctuations in other currencies.

4.3 Liquidity risk

To ensure liquidity, the Group has available resources of €771.6 (€548.2m on December 31, 2021), of which €391.5m can only be used the Fiber operating segment.

The available liquidity consists of:

- Cash and cash equivalents of €76.6m as of June 30, 2022 (€228.2m on December 31, 2021), of which €16.5m exclusively available for the Fiber operating segment;
- A Revolving Credit Facility negotiated under a "Credit Agreement" signed on December 5, 2018, for an amount of €250.0m, by TDF Infrastructure SAS to cover its own needs and those of its subsidiaries in respect of acquisitions, capital expenditure and working capital. As of June 30, 2022, this line is not used.
- A Capex Facility, signed on March 26, 2021, for an amount of €300.0m by TDF Infrastructure SAS for the financing or refinancing of the Group's capital expenditure and investments. As of June 30, 2022, this line is used for an amount of €230.0m.
- A credit line, exclusively dedicated to the financing of Fiber operating segment, signed on February 17, 2022, available for €735m by TDF Fibre to ensure both the partial refinancing of the roll-out already made, the development of existing networks and future needs associated with the takeover or rollout of new networks (see note 1 and 4.4). As of June 30, 2022, this non-recourse line is used for an amount of €360.0m (€350m of term loan and €10m of revolving credit facility)

Contractual maturities of financial debt break down as follows (including interest payments):

In thousands euros	June 2022		Maturities		
	Book value	Cash flow	< 1 year	1 to 5 years	> 5 years
Financial debts - Nominal	3 564 370	3 564 370	258 611	1 035 678	2 270 081
Loan issue expenses	(28 433)	-	-	-	-
Financial interest	157 247	1 074 585	284 812	496 305	293 468
Lease liability (IFRS 16)	259 464	259 464	42 578	121 602	95 284
Financial interest on lease liability (IFRS 16)	1 667	111 929	12 363	45 472	54 094
Trade payables	214 233	214 233	214 233	-	-
Total financial liabilities	**4 168 548**	**5 224 581**	**812 596**	**1 699 057**	**2 712 927**

In thousands euros	Dec 2021		Maturities		
	Book value	Cash flow	< 1 year	1 to 5 years	> 5 years
Financial debts - Nominal	3 239 180	3 239 180	244 916	1 117 229	1 877 035
Loan issue expenses	(15 394)	-	-	-	-
Financial interest	427 493	1 369 075	567 693	484 365	317 017
Lease liability (IFRS 16)	259 354	259 354	44 410	124 323	90 621
Financial interest on lease liability (IFRS 16)	1 536	104 734	7 590	39 268	57 876
Trade payables	233 701	233 701	233 701	-	-
Total financial liabilities	**4 145 870**	**5 206 044**	**1 098 310**	**1 765 185**	**2 342 549**

See the notes 4.4 and 9.1 which describe the split, the nature, and the characteristics of financial debts.

As of June 30, 2022, we have:

- the shareholder debt, towards Tivana France Holdings for €1 063.6m (indirect shareholder of the Group), with a fixed rate interests of 7.7% and a maturity on March 20, 2030;
- the first bond debt, issued on October 19, 2015, for €600m, with a fixed coupon of 2.875% and a maturity on October 19, 2022 :
  - o which was partially repaid for €379.9m in December 2021
  - o the remaining debt of €220.1m as of June 30, 2022, has been fully repaid on July 19th, 2022 (see the note 15)
- the second bond debt, issued on April 7, 2016, for €800m, with a fixed coupon of 2.50% and a maturity on April 7, 2026.
- the third bond debt, issued on December 1, 2021, for €800m, with a fixed coupon of 1.750% and a maturity on December 1, 2029.
- The non-recourse bank debt dedicated to the financing of Fiber operating segment, signed on February 17th, 2022, available for €735m, which has been drawdown for €360m :
  - o 350m of term loan, with a 7 years maturity (term on February 17, 2022)
  - o €10m of revolving credit, presented with a maturity inferior to one year according to the clean down clause (see the note 4.4 about the characteristics of this debt)

Financial expenses are calculated up to the contractual maturity of the liabilities to which they relate.

Maturities on financial debts (bank and bond debts) correspond to contractual maturities, without presuming any early repayments.

For floating rate debt hedged by a derivative instrument, interest rates after hedging are retained.

Concerning the shareholder loan of €1 063.6m towards Tivana France Holdings, quarterly interests on that debt can be:

- capitalized
- paid
- or the payment can be deferred, without the interests being capitalized.

Therefore, within the liquidity risk disclosure section, the following assumptions are made:

- interests that are neither capitalized nor paid are disclosed with a maturity under one year,

- future interests are paid every quarter until maturity, without considering the deferred payments or capitalization mechanisms that are authorized by the loan documentation.

4.4 Indebtedness

The Group has contracted an unsecured senior debt towards bondholders (« bond debt ») and bank lenders (« bank debt »).

Bond debt

The characteristics of bond debts of the Group are unchanged compared to December 31, 2021.

Bank debt

Revolving credit facility

As of June 30, 2022, as of December 31, 2021, the Group has a 250 million euros revolving credit facility negotiated under the "Credit Agreement".
As of June 30, 2022, this line is not used

The conditions of this agreement have not changed compared to December 31, 2021.

The bank agreement includes a financial covenant to be respected if the credit line is used:
- A ratio of net debt to EBITDA which must be less than 5.50x,
- For the calculation of this ratio, certain adjustments, defined in the bank agreement, must be applied,
- The covenant is calculated and communicated to the lenders' agent every semester, based on June and December financial statements,
- At end of June 2022, the Group is compliant with the covenant.

Capex facility

As of June 30, 2022, as of December 31, 2021, the Group has a 300 million euros Capex facility negotiated under a syndicated loan, signed on March 26th, 2021.
As of June 30th, 2022, as of December 31st, 2021, this line is used for €230m.

On February 15th , 2022, TDF Infrastructure SAS obtained the agreement of all lenders concerned, allowing to exercise a one-year extension option bringing to March 26, 2025, the maturity of this credit line (see note 1).

Other conditions remain unchanged from December 31, 2021.

The bank agreement related to the Capex facility also includes a financial covenant to be respected:
- A ratio of net debt to EBITDA which must be less than 6.00x.
- For the calculation of this ratio, certain adjustments, defined in the bank agreement, must be applied,
- The covenant is calculated and communicated to the lenders' agent every semester, based on June and December financial statements,
- At end of June 2022, the Group is compliant with the covenant.

Bank debt line dedicated to Fiber entities

During the first half of 2022, the Group, through the entity TDF Fibre, has raised a non-recourse bank loan, with an available amount of €735 million and a 7-year maturity.
The bank debt is composed as follow:
- €700 millions of term loan composed by 2 tranches, of which €350 millions are used as of June 30, 2022,
- €35 millions of revolving credit line, of which €10 millions are used as of June 30, 2022. This revolving line is subject to a "clean down" clause which obliges TDF Fibre not to have any outstanding drawdowns during 30 consecutive days at least once per accounting year.

As defined in the bank agreement, TDF Fibre can use this line only to finance activities of Group's fiber entities.

The characteristics of this debt are as following:

In thousands euros	*Debt project TDF Fibre*	**Negotiated amount**	**Amount due at June 2022**	Margin applied to EURIBOR (3 month & 6 month)	Maturity
Term loan	Tranche A	360,0	10,0	1,95%	17-Feb-29
	Tranche B	340,0	340,0	2,50%	17-Feb-29
Revolving	Revolving	35,0	10,0	1,95%	17-Feb-29
	Total Fiber bank debt	**735,0**	**360,0**		

In order to be able to draw on the credit lines dedicated to Fiber entities; certain ratios need to be respected (drawstop ratios) :

- A ratio of net debt to households passed,
- A ratio of net debt to households connected,
- A gearing ratio.

At end of June 2022, the Group is compliant with these ratios. The drawstop ratios are tested at each drawings until the end of the availability period (i.e., 17 February 2025).

The bank agreement related to credit line dedicated to Fiber entities also includes financial covenants to be respected:

- A loan life coverage ratio lower than 1.35x,
- For the calculation of this ratio, certain adjustments, defined in the bank agreement, must be applied,
- The covenant is calculated and communicated to the lenders' agent every semester, based on June and December financial statements, until the end of the availability period (i.e. February 17, 2025).

At end of June 2022, the Group is compliant with the covenants.

5. Operating segments

Pursuant to IFRS 8, the Group reports its results and assets by operating segment. The determination of the operating segments reflects the Group's internal reporting structure. The results of all operating segments are regularly reviewed by Group senior management with a view to assessing their performance and to taking decisions on the resources to allocate to each segment.

Each of the CGUs or group of CGUs corresponds to an operating segment except PSN Infrastruktura and Levira (see note 3.7) which are not presented separately and are part of the Towers segment because they are below the quantitative thresholds required by IFRS 8 (i.e., 10% of revenues, assets, and profits, taken individually) and correspond to the aggregation criteria defined by the standard.

This segmentation reflects the fact the Group's operations are focused primarily on the nature and the distinction of costs which are necessary for the infrastructure's deployment, maintenance, and operation to be able to provide services to the Group's customers.
Also, the operating segments disclosed highlight the characteristics of the Group's activities, notably for financing purposes of each segment.

Under IFRS 8, the Group discloses revenue by business lines which are broken down as follows:

- Television: carrying and broadcasting digital signals and related services, provision of uplink services, temporary or permanent rental of 'space' (satellite transponder time), allowing TV broadcasting to given territories,
- Radio: carrying and broadcasting signals and related services,
- Telecom and Services: hosting of broadcasting and reception equipment on Group's sites, providing maintenance and engineering services, locating sites, data centers, high speed networks,
- Fiber (FTTH): roll-out, operation and marketing of optical fiber networks,

Finally, figures disclosed hereafter represent the way the Group activity is reviewed internally, in particular the key indicator « EBITDAaL », which is EBITDA:

- restated from expenses related to operating leases,
- restated from charges booked in application of IFRS 2 (which are in the Group's case without cash impact),
- restated from all charges corresponding to severance payments and recognized over the period (legal and transactional severance payments) among the Group, and all fees directly related (lawyers, etc.)

Therefore, indicators below are disclosed without any presentation impact related to operating leases restatement under IFRS 16 :

- Operating cash available after operating leases,
- Operating capex excluding increase of Right of use asset,
- Net debt excluding Shareholder's loan, accrued interests and lease liability

External net debt disclosed below does not include the fair value of hedging instruments.

In thousands euros	Towers			Fiber			Total				
	June 2022 (6 month)	**Dec 2021 (12 month)**	**June 2021 (6 month)**	**June 2022 (6 month)**	**Dec 2021 (12 month)**	**June 2021 (6 month)**	**June 2022 (6 month)**	**Dec 2021 (12 month)**	**June 2021 (6 month)**	**Variation Juin 2021 / Juin 2020**	**en %**
Revenue	**356 257**	**695 978**	**346 796**	**24 047**	**35 716**	**13 630**	**380 304**	**731 694**	**360 426**	**19 878**	**5,5%**
EBITDA	221 150	442 577	208 871	12 861	21 649	7 271	234 011	464 226	216 142	17 869	8,3%
EBITDAaL	193 062	390 510	185 001	12 861	21 649	7 271	205 923	412 159	192 272	13 651	7,1%
Depreciation, amortisaton and impairment losses	(90 041)	(184 123)	(88 363)	(11 264)	(15 674)	(6 714)	(101 305)	(199 797)	(95 077)	(6 228)	6,6%
Current Operating income	**131 109**	**258 455**	**120 508**	**1 597**	**5 975**	**557**	**132 706**	**264 430**	**121 065**	**11 641**	**9,6%**
Impairment of goodwill & intangible assets identified in business combinaisons	-	-	-	-	-	-	-	-	-	-	-
Other operating income and	(209)	(4 547)	(2 584)	-	-	-	(209)	(4 547)	(2 584)	2 375	-91,9%
Operating Income	**130 900**	**253 908**	**117 924**	**1 597**	**5 975**	**557**	**132 497**	**259 883**	**118 481**	**14 016**	**11,8%**
Net cash from operating activities after operating leases (a)	79 095	332 598	106 823	13 978	45 570	3 709	93 073	378 168	110 532	(17 459)	-15,8%
Net cash from operating capex and operating	(81 357)	(191 423)	(76 033)	(125 826)	(219 858)	(117 191)	(207 183)	(411 281)	(193 224)	(13 959)	7,2%
Operating cash available *after operating leases* (a) + (b)	**(2 262)**	**141 175**	**30 790**	**(111 848)**	**(174 288)**	**(113 482)**	**(114 110)**	**(33 113)**	**(82 692)**	**(31 418)**	**38,0%**
Operating capex *excluding increase of Right of use asset*	**106 553**	**220 200**	**93 205**	**96 745**	**198 162**	**98 174**	**203 298**	**418 362**	**191 379**	**11 919**	**6,2%**
External net debt *excluding Shareholders loan, accrued interests and lease liability*	**2 008 344**	**1 835 532**	**1 667 025**	**387 492**	**96 417**	**80 622**	**2 395 836**	**1 931 949**	**1 747 647**	**648 189**	**37,1%**
Leverage	**5,04**	**4,70**	**4,29**	**14,23**	**4,45**	**5,81**	**5,63**	**4,69**	**4,34**	**1,28**	**29,5%**

6. Discontinued operations, assets held for sale and disposed entities

6.1 Discontinued operations

At June 30, 2022, as at December 31, 2021, the Group does not have any discontinued operations in the meaning of IFRS 5.

6.2 Assets held for sale and disposed entities

At June 30, 2022, the Group does not have any assets held for sale in the meaning of IFRS 5.

Disposal of SIT entity

On November 30, 2021, SIT entity was sold.
Profit and loss and cash flows of the entity are included in comprehensive income and in the cash flow statement of the Group until its date of effective loss of control.
As of June 30, 2021, its contribution (excluding intercompany transactions) are as follows:

- €0.6m of revenue,
- €(0.2)m of Ebitda.

7. Notes to the statement of comprehensive income

7.1 Revenue

In thousands euros	June 2022 (6 month)	June 2021 (6 month)
Digital Television	80 310	86 944
Radio	57 212	56 091
Total Broadcasting Services	**137 522**	**143 035**
Telecom: site hosting	188 639	179 569
Telecom: other services	26 865	20 933
Total Telecoms & Services	**215 504**	**200 502**
Fiber (FTTH)	**24 299**	**13 947**
Others	2 979	2 942
Total revenue	**380 304**	**360 426**

7.2 Other income and expenses (in current operating income)

In thousands euros	June 2022 (6 month)	June 2021 (6 month)
Other income	**(1 578)**	**5 695**

Other income and expenses mainly comprise compensations from insurance and change in work in progress.

In thousands euros	June 2022 (6 month)	June 2021 (6 month)
Business tax	(2 630)	(3 850)
Property tax	(5 319)	(9 902)
Other taxes	(2 983)	(2 773)
Provision on receivables - Prov. for risks and charges	(1 010)	668
Other operating expenses	(2 256)	(1 372)
Other expenses	**(14 197)**	**(17 229)**

The line "Provision on receivables – Prov. For risks and charges" includes changes in provision for risks and charges and changes in provisions on trade receivable and other current assets. The reversals of provision for risks and charges correspond to conclusions reached concerning litigation already provisioned, and to successful negotiations for the Group.

The lines Property tax and Other taxes are impacted by the effect of the IFRIC 21 standard. Indeed, according to IFRIC 21, annual charges related to Property tax, IFER and C3S taxes have to be fully recognized on January 1st.

7.3 Consumed purchases

In thousands euros	June 2022 (6 month)	June 2021 (6 month)
Material purchases	(32 871)	(25 323)
Energy and fuels	(32 905)	(30 613)
Other purchases including change in inventory	(9 313)	(8 925)
Capitalized purchases	32 108	23 274
Consumed purchases	**(42 981)**	**(41 588)**

7.4 Personal cost

In thousands euros	June 2022 (6 month)	June 2021 (6 month)
Salaries & wages	(53 251)	(52 490)
Social security contributions	(16 819)	(17 151)
Tax contributions on salaries & wages	(4 240)	(3 238)
Statutory employee profit sharing	(6 262)	(6 252)
Post-employment benefits : defined benefit plans	(984)	(995)
Post-employment benefits : defined contributions	(5 316)	(4 963)
Share based payments	(223)	(278)
Other personnel costs	(3 975)	(2 838)
Capitalized personnel costs	28 477	31 626
Total personnel costs	**(62 593)**	**(56 578)**

Other personnel costs largely comprise of contractual employee profit sharing, various staff expenses (workers' council, lunch contribution, Committees for Occupational Health and Safety etc.), and accruals for vacation and other employee costs.

In addition, personnel costs include -€1.7m (-€1.3m in as of June 30, 2021) corresponding to severance payments recognized over the period (legal and transactional severance payments) among the Group, and all fees directly related such as legal fees.

7.5 External expenses

In thousands euros	June 2022 (6 month)	June 2021 (6 month)
Real estate	(1 103)	(5 946)
Technical subcontracting	(88 721)	(90 513)
Administrative subcontracting	(9 795)	(6 581)
Expenses linked to personnel	(5 942)	(5 395)
Surveys & consulting fees	(3 424)	(4 485)
External & internal communication costs	(612)	(423)
Corporate fees	(2 726)	(2 275)
Insurance	(1 980)	(1 103)
Other capitalized charges	89 416	82 112
External expenses	**(24 886)**	**(34 609)**

7.6 Profit on disposal of non-current operation assets

Profit on disposals over the various periods disclosed mainly corresponds to assets sales completed by TDF SAS.

7.7 Depreciation, amortization, and impairment losses

In thousands euros	June 2022 (6 month)	June 2021 (6 month)
Amortisation of intangible assets	(20 829)	(20 330)
Depreciation of tangible assets	(62 315)	(60 357)
Depreciation of assets related to right of use (IFRS 16)	(21 081)	(17 015)
Write-back of investment subsidies	3 091	2 661
Impairment of intangible assets	-	-
Impairment of tangible assets	(172)	(36)
Depreciation, amortisation and impairment losses	**(101 305)**	**(95 077)**

7.8 Other operating income and charges

Other operating income and charges mainly include income and costs, which are significant and unusual, and are recognized in non-recurrent operating income (below EBITDA, see also the note 2.1).

7.9 Net finance costs

Net finance costs can be broken down as follows:

In thousands euros	June 2022 (6 month)	June 2021 (6 month)
Revenues from available funds placed	(167)	5
Total financial revenue (a)	**(167)**	**5**
Finance expenses linked to debt : Bond	(20 068)	(18 445)
Finance expenses linked to debt : Bank debt revolving	(241)	(652)
Finance expenses linked to debt : Shareholder	(49 323)	(59 290)
Finance expenses linked to debt : Capex facility	(1 411)	(387)
Finance expenses linked to debt : Fiber project	(4 293)	-
Finance expenses linked to debt : Financial lease	(426)	(428)
Finance interests linked to lease liability : IFRS 16	(9 290)	(7 635)
Finance expenses linked to debt : Other debts	(1 788)	(2 093)
Refinancing costs	(14 887)	(1 880)
Result on financial instruments measured at amortized cost (b)	**(101 727)**	**(90 810)**
Capitalisation & amortisation of loan issue expenses (c)	**13 039**	**455**
Profit (loss) related to derivatives (d)	**-**	**-**
Total finance expenses (e) = (b) + (c) + (d)	**(88 688)**	**(90 355)**
Net financial debt cost (a) + (e)	**(88 855)**	**(90 350)**

Concerning the shareholder loan of €1063.6m towards Tivana France Holdings (amount unchanged vs 2021, fixed interest rate of 7.7%), quarterly interests on that debt can be, according to what TDF Infrastructure determines:

- capitalized
- paid
- or the payment can be deferred, without the interests being capitalized.

Refinancing costs and capitalization & amortization of loan issue expenses are impacted in 2022 by the signing of the new bank debt dedicated to Fiber entities activity, generating issuance costs for €14.7m, which have been capitalized in reduction of the debt.

On June 30th, 2022, the line « Financial expenses related to Fiber project debt » presents the interests of the new bank debt and the result (gains or losses) of corresponding hedging instruments (see note 1).

See notes 4.4 and 9.1 describing the change in financial debt and their characteristics.

On June 30, 2022, excluding shareholder debts and lease liability, the average interest rate on financial debt is 2.53% (2.68% at June 30, 2021), including financing costs.

Other financial income and charges are as follows:

In thousands euros	**June 2022 (6 month)**	**June 2021 (6 month)**
Net discounting costs excluding net debt	(2 415)	(1 922)
Forex gains (losses)	(10)	(3)
Other financial expenses & Income	(499)	(38)
Other financial revenues / charges	**(2 924)**	**(1 963)**

Net discounting costs mainly concern discounting effects on provisions and deferred income.

Finance income and expenses recognized under other comprehensive income are as follows:

In thousands euros	**June 2022 (6 month)**	**June 2021 (6 month)**
Currency translation differences for foreign operations	(5)	(21)
Effective portion of changes in fair value of cash flow hedges	21 538	
Income tax on other comprehensive income	(5 563)	
Finance income and expenses recognised in other comprehensive income	**15 970**	**(21)**

7.10 Income tax

From April 1, 2015, a new tax consolidation group was created headed by Tivana France Holdings (single shareholder of TDF Infrastructure Holding SAS since March 31, 2015, itself sole shareholder of TDF Infrastructure SAS). All French entities owned directly or indirectly at least 95% by Tivana France Holdings SAS are included in this tax group.
It should be noted that in 2022 and following the entry of Caisse des Dépôts into the capital of TDF Fibre, the entities TDF Fibre and Yvelines Fibre, now held at 79.5%, are no longer included in the tax consolidation group (see note 19).

The scope of the tax consolidation group being therefore greater than the consolidation of TDF Infrastructure SAS group, it should be noted that the effects of the tax consolidation (recognition of the tax group benefit and the Tax Group's tax loss carried forward) are not recognized in these consolidated financial statements. On the contrary, each entity calculates its tax expense on its own and recognizes its tax loss carried forward (or not) on its own, according to its own results and its own perspective to use or not the tax loss carried forward it generates.

The income tax expense is calculated applying the effective interest method as prescribed under IAS 34, based on the annual forecast and June 2022 earnings. The forecasted effective tax rate is calculated excluding any impacts of disposal of subsidiary or activity and in particular excluding any impairment of goodwill if it is not subject to tax.

The income tax of the period is analyzed below:

In thousands euros	**June 2022 (6 month)**	**June 2021 (6 month)**
Current tax expense	(32 338)	(32 347)
Autres impôts sur le résultat	(2 116)	(2 514)
Deferred tax expense	5 933	3 441
Income tax expense from continuing operations	**(28 521)**	**(31 420)**
Income tax from discontinued operations and disposed entities	-	
Total income tax	**(28 521)**	**(31 420)**

Note that among the €32.3m of current tax expenses mentioned above, €31.3m concern entities belonging to the tax consolidation group, of which TDF SAS, and are actually offset at the tax consolidation group level by loss of other companies, such as Tivana France Holdings SAS, TDF Infrastructure Holding SAS or TDF Infrastructure SAS (see hereafter).

Income tax recognized in other comprehensive income is analyzed below:

	June 2022 (6 month)			**June 2021 (6 month)**		
In thousands euros	Pre-tax	Tax (Expense) / Credit	**Net of tax**	Pre-tax	Tax (Expense) / Credit	**Net of tax**
Currency translation differences for foreign operations	(5)		(5)	(21)		(21)
Cash flow hedges	21 538	(5 563)	15 975			-
Actuarial gains (losses) on defined benefit plan	6 650	(1 718)	4 932	-	-	-
Others	-		-	-		-
Total	**28 183**	**(7 281)**	**20 902**	**(21)**	**-**	**(21)**

The reconciliation between the theoretical income tax based on a theoretical income tax rate and the income tax based on the effective tax rate method (as prescribed by IAS 34 for interim financial statements and based on annual forecasts) is provided below:

	June 2022 (6 month)		June 2021 (6 month)	
In thousands euros	**Value**	**Rate**	**Value**	**Rate**
Profit (loss) for the period	12 468		(4 974)	
Total income tax for the period	(28 521)		(31 420)	
Profit (loss) excluding income tax	40 989		26 447	
Theoretical income tax based on the French statutory income tax rate	**(10 588)**	**25,83%**	**(7 513)**	**28,41%**
Non-deductible interest	(5 031)	12,27%	(4 847)	18,33%
Other income tax expenses (CVAE, etc)	(1 474)	3,60%	(1 603)	6,06%
Impact of disposals of entitoies, of goodwill impairment and non deductible provisions	-		-	
Impairment of tax loss carried forward	(11 703)	28,55%	(14 042)	53,10%
Effect of difference in foreign tax rates (theoretical rate)	(617)	1,51%	(1 483)	5,61%
Deferred tax on "CVAE" (1)	224	-0,55%	224	-0,85%
Other permanent differences	(516)	1,26%	(502)	1,90%
Effet changement de taux d'IS			-	
Autres	1 183	-2,89%	(1 654)	6,25%
Actual income tax	**(28 522)**	**69,58%**	**(31 420)**	**118,81%**

(1) This deferred tax income relates to the Group decision to classify CVAE as income tax

As of June 30, 2022, the theoretical income tax rate used corresponds to the preponderant rate in the Group's French activities.

At June 30, 2022, depreciations or non-recognition of tax loss carried forward assets are mainly related to TDF Infrastructure SAS (€11.7m as at June 30, 2022, against €13.8 as of June 30, 2021).
These deferred tax assets are not recognized, since these entities do not have strong enough forecasts demonstrating consumption of tax loss carried forward but note that a tax consolidation is actually done above TDF Infrastructure SAS level (see above).

8. Notes to the balance sheets: assets

Except for deferred taxes that are classified as non-current assets or liabilities, assets and liabilities are classified as current when the amounts are expected to be recovered or settled no more than 12 months after the reporting date. If this is not the case, they are classified as non-current.

8.1 Goodwill

In accordance with the operating segments presented (see note 5) and the application of IFRS 8, the CGUs or groups of CGUs that were selected for goodwill impairment testing are Towers France, Fiber, PSN Infrastuktura and Levira.

As of June 30, 2022, the Group goodwill breakdown among the various CGUs or CGU groups is as follows:

In thousands euros	**Dec 2021**	Change in consolidation scope : acquisitions	Impairment losses	**June 2022**
Towers France	**1 737 634**	(21 022)	-	**1 716 612**
Total	**1 737 634**	**(21 022)**	**-**	**1 716 612**

The decrease of the Towers France CGU goodwill corresponds to the purchase price allocation work performed concerning the acquisition of Torm, pursuant to IFRS 3, which led to reduce the goodwill by €21 m as of June 30, 2022 (see notes 1, 8.2 and 8.3). Allocation work is now completed.

As a reminder, the Group obtained a sale agreement (call option), exercisable from May 31, 2024, concerning the 30% of the entity still held by the historical shareholder.
Considering the valuation in the Group's financial statements of this sale agreement exercise, in accordance with IFRS 3, acquisition goodwill (after purchase price allocation) is of €21m.

The current context linked to the increase in eurozone rates (see note 1) has led the Group to assess the existence of an impairment indicator, resulting in particular from an increase in the discount rate used at the time of the impairment tests of assets.
The sensitivity analyzes that have been carried out do not indicate any risk of impairment on goodwill, intangible and tangible fixed assets.

In addition, as of June 30, 2022, the Group's results remain in line with the last formally approved business plan.

8.2 Intangible assets

Intangible assets are analyzed below:

In thousands euros	Total
Gross value at June 1, 2022	**1 158 589**
Acquisitions	**96 112**
Disposals	**(116 615)**
Reclassifications	**(427)**
Changes in consolidation scope	**11 992**
Currency translation adjustments	**(1)**
Gross value at June 30, 2022	**1 149 650**

In thousands euros	Total
Amortization at June 1, 2022	**(422 898)**
Charge of the period	**(20 829)**
Disposals	**78 015**
Currency translation adjustments	**1**
Amortization at June 30, 2022	**(365 710)**

	Total
Impairment losses at June 1, 2022	**(106 256)**
Disposals	**38 600**
Impairment losses at June 30, 2022	**(67 656)**
Carrying amount at June 1, 2022	**629 439**
Carrying amount at June 30, 2022	**716 286**

Since no trigger event occurred at June 30, 2022 (see the note 3.7), no impairment test was performed on brands with an indefinite useful life (included in intangible assets). The net book value of these brands is €23.0m at June 30, 2022.

As of June 30, 2022, acquisitions of intangible assets mainly include completed or in progress roll-out of fiber optic networks in sparsely populated areas, in accordance with IFRIC 12 standard (Service Concession Arrangements) which is into force for this activity.

As of June 30, 2022, disposals of intangible assets include:

- €99.3m of IFRS intangible assets related to Television customer relationship, which were recognized following the constitution of the TDF Infrastructure Group in January 2007, in accordance with IFRS 3 and the goodwill allocation principles (PPA Purchase Price Allocation). These fixed assets have since 2007 been fully amortized and have therefore been written off.
- €14.2m of IFRS intangible assets, related to the backlog of broadcasting activity exerced by ITAS TIM and One Cast entities (now merged in TDF SAS), which were recognized following the acquisition of ITAS Group in 2016, in accordance with IFRS 3 and the goodwill allocation principles (PPA Purchase Price Allocation). These fixed assets have since 2016 been fully amortized and have therefore been written off.

The changes in consolidation scope effects correspond to the purchase price allocation work performed concerning the acquisition of Torm, which led to the recognition of a backlog, which fair value determined at May 31, 2021, represent a global amount of 12 millions before tax and amortized on 20 years (see note 1).

8.3 Property, plant, and equipment

Property, plant, and equipment are analyzed below:

In thousands euros	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	**Total**
Gross value at June 1, 2022	**1 229 052**	**1 959 521**	**56 493**	**653 300**	**3 898 366**
Acquisitions	61 632	33 762	3 967	35 302	**134 662**
Disposals	(3 945)	(10 656)	(2 754)	(11 658)	**(29 013)**
Reclassifications	(2 351)	(8 198)	316	(11 956)	**(22 188)**
Other changes in consolidation scope	0	15 156	(0)	(79)	**15 077**
Currency translation adjustments	(3)	(8)	(1)	(4)	**(16)**
Gross value at June 30, 2022	**1 284 386**	**1 989 576**	**58 021**	**664 905**	**3 996 888**

In thousands euros	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	**Total**
Amortisation at June 1, 2022	**(346 327)**	**(1 105 596)**	**(36 681)**	**(372 045)**	**(1 860 650)**
Charge of the period	(32 327)	(31 678)	(1 688)	(14 621)	**(80 314)**
Disposals	3 898	10 219	2 755	11 477	**28 349**
Reclassifications	5 508	(410)	(1)	(84)	**5 013**
Other changes in consolidation scope	(0)	992	(0)	(136)	**856**
Currency translation adjustments	2	6	1	3	**12**
Amortisation at June 30, 2022	**(369 246)**	**(1 126 467)**	**(35 614)**	**(375 406)**	**(1 906 733)**

	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	**Total**
Impairment losses at June 1, 2022	**(6 297)**	**(37 045)**	**(6)**	**(4 290)**	**(47 638)**
Charge of the period	(151)	-	-	(21)	**(172)**
Disposals	-	1	-	175	**176**
Impairment losses at June 30, 2022	**(6 448)**	**(37 044)**	**(6)**	**(4 135)**	**(47 632)**
Carrying amount at June 1, 2022	**876 427**	**816 881**	**19 807**	**276 964**	**1 990 077**
Carrying amount at June 30, 2022	**908 693**	**826 065**	**22 402**	**285 364**	**2 042 523**

The changes in consolidation scope effects correspond to the purchase price allocation work performed concerning the acquisition of Torm, which led to the recognition of certain tangible assets, which fair values determined at May 31, 2021, represent a global amount of 17.6 millions before tax (see note 1).

Tangible assets notably include assets recognized under the right of use (IFRS 16), thus presented in Land-Buildings and Other tangible assets.

8.4 Derivated financial instruments

On the first half of 2022, and in conjunction with the raising of bank debt line by TDF Fibre, the Group has implemented a variable rate debt hedging policy in order to manage its exposure to interest rate fluctuations.
Interests on bank debt dedicated to Fiber entities activity are calculated based on EURIBOR (3 and 6 months) plus margin, as described in the note 4.4.

Thus, the Group subscribed derivative instruments to hedge defined tranches of the new bank debt:
- two swaps with a fixed rate of 0.9588%,
- one cap of 0.5% strike to hedge one part of the debt from 2023 and for which a premium of 2.2m€ has been paid on the first half of 2022.

Derivative financial instruments are recognized at fair value, and their characteristics as of June 30, 2022, are as follows:

June 2022	Notional amount of interest rate hedging contracts by maturity date				Derivatives Fair value (Excluding Accrued interest)	
In thousands of euros	**Total**	< 1 year	1 to 5 years	> 5 years	**Assets**	**Liabilities**
Cash flow hedging						
Lender swap floating rate (0,9855%) / borrower fixed rate	288 750			288 750	19 401	
Cap lender* / borrower floating rate	3 500			3 500	4 336	
					23 737	

**The cap will not take effect until June 30th, 2023.*

The notional amount of hedging instruments will change depending on the financing drawdown by the Fiber segment, in order to maintain the required level of hedged debt, in particular concerning the cap which will take effect in June 2023.

8.5 Trade receivables and other current and non-current assets

Other current and non-current assets are as follows:

	June 2022			Dec 2021		
In thousands euros	Brut	Provision	Net	Brut	Provision	Net
Inventories,including items in progress	13 101	(3 566)	9 535	19 649	(3 452)	16 197
Total inventories	**13 101**	**(3 566)**	**9 535**	**19 649**	**(3 452)**	**16 197**

	June 2022			Dec 2021		
In thousands euros	Brut	Provision	Net	Brut	Provision	Net
Trade accounts receivables	370 960	(5 906)	365 054	119 658	(4 429)	115 229
Trade receivables on disposal of assets	683	-	683	729	-	729
Total trade accounts receivables	**371 643**	**(5 906)**	**365 737**	**120 387**	**(4 429)**	**115 958**

Change in the trade accounts receivables: the change of €249.8m is mainly related to IRU invoicing on Fiber activity, as well as seasonality effect in customer invoicing on other activities. This change should be analyzed notably in comparison to the change of €168m presented in deferred income (see note 9.4).

	June 2022			Dec 2021		
In thousands euros	Brut	Provision	Net	Brut	Provision	Net
Credit notes not yet received	-	-	-	8	-	8
Advance payment - corporate income tax	2 245	-	2 245	4 233	-	4 233
Tax and social security receivables	84 032	-	84 032	72 604	-	72 604
Prepaid expenses	4 544	-	4 544	1 708	-	1 708
Other receivables	13 324	(1 130)	12 194	9 945	(1 130)	8 815
Total other current assets	**104 145**	**(1 130)**	**103 015**	**88 498**	**(1 130)**	**87 368**
Non-current receivables	2 336	-	2 336	2 353	-	2 353
Loans, security deposit, guaranty	5 946	(76)	5 870	6 059	(77)	5 982
Total other non current assets	**8 282**	**(76)**	**8 206**	**8 412**	**(77)**	**8 335**

9. Notes on the balance sheet: equity and liabilities

Except for deferred taxes that are classified as non-current assets or liabilities, assets and liabilities are classified as current when the amounts are expected to be recovered or settled no more than 12 months after the reporting date. If this is not the case, they are classified as non-current.

9.1 Financial debt

As of June 30, 2022, the main part of financial debt consists of unsecured senior external debt held by bondholders (bond debt), bank debt, Fiber non-recourse project debt, as well as a shareholder loan. Overall, the Group's financial debt is analyzed and has varied as described below:

In thousands of euros	**Dec 2021**	Increase	Decrease	Others	**June 2022**
Bond	1 807 701	-	1 190	-	1 808 891
including term debt	*1 820 100*	-	-	-	*1 820 100*
including loan issuance costs	*(12 399)*	-	*1 190*	-	*(11 209)*
Bank debt	227 005	(194)	370	991	228 172
including loan issuance costs	*(2 995)*	*(194)*	*370*	*991*	*(1 828)*
including revolving debt	-	-	-	-	-
including capex facility	*230 000*	-	-	-	*230 000*
Fiber project debt	-	345 313	282	(991)	344 604
including loan issuance costs	-	*(14 687)*	*282*	*(991)*	*(15 396)*
including term debt	-	*350 000*	-	-	*350 000*
including revolving debt	-	*10 000*	-	-	*10 000*
Shareholders' debt	1 063 599	-	-	-	1 063 599
Finance lease debt	5 883	*2 456*	(1 741)	(215)	6 383
Operational investments debts	17 339	-	(450)	(619)	16 270
Lease liability (IFRS 16)	259 354	*28 740*	(20 800)	(7 830)	259 464
Other financial debts	102 259	*20 159*	(47 868)	(6 532)	68 018
Financial debt	**3 483 140**	**396 474**	**(69 017)**	**(15 196)**	**3 795 401**

In thousands of euros	**Dec 2020**	Increase	Decrease	Others	**June 2021**
Bond	1 391 238	-	1 157	-	1 392 395
including term debt	*1 400 000*	-	-	-	*1 400 000*
including loan issuance costs	*(8 762)*	-	*1 157*	-	*(7 605)*
Bank debt	74 252	353 119	(149 731)	-	277 640
including loan issuance costs	*(748)*	*(1 881)*	*269*	-	*(2 360)*
including revolving debt	75 000	*225 000*	*(150 000)*	-	*150 000*
Including Capex facility		*130 000*	-		*130 000* -
Shareholders' debt	1 063 599	-	-	-	1 063 599
Finance lease debt	7 124	638	(1 855)	-	5 907
Operational investments debts	18 818	-	(690)	-	18 128
Lease liability (IFRS 16)	228 121	33 228	(17 841)	*10 888*	254 396
Other financial debts	71 205	31 200	(20 354)	1 690	83 741
Financial debt	**2 854 357**	**418 185**	**(189 314)**	**12 578**	**3 095 806**

Bond debt

No change since December 31st, 2021.
See the note 15 concerning the final repayment of the first bon debt carried out on July 19th, 2022.

Bank debt

Revolving credit line subscribed as part of the "Credit Agreement" as of December 5th, 2018
At June 30 2022, as of December 31, 2021, revolving line is not used. This line has a maturity date on December 5, 2025.

Capex facility
At June 30, 2022, as of December 31, 2021, this line is used for an amount of €230m.

On February 15th, 2022, TDF Infrastructure SAS obtained the agreement of all lenders concerned, allowing to exercise a one-year extension option bringing to March 26, 2025, the maturity of the syndicated acquisition and capex facility (see note 1).

Bank debt line dedicated to Fiber entities
during the first half of 2022, the Group, through the entity TDF Fibre, has raised a non-recourse bank loan, with an available amount of €735 million and a 7-year maturity.
The bank debt is composed as follow:
- €700m of term loan composed by 2 tranches,
- €35m of revolving credit line.

See also the note 4.4.

As of June 30th, 2022:
- the term loan is used for €350m,
- the revolving credit line is used for €10m.

The bond issue expenses (including issue discount) disclosed as a deduction from the debt balance (according to effective interest rate IFRS method) amount to €15.4m as of June 30, 2022.

Shareholders loans

No change since December 31, 2021.

Operational investments debts

As part of the development of the fiber business within the Group, the companies dedicated to the roll-out of optical fiber networks are required, in accordance with the applicable accounting standards, to recognize as investments, since the beginning of each public delegation contract, certain specific fees that will be paid to the local authorities.
The discounted amount of outstanding fees at June 30, 2022, is €16.3m.

Lease liability (IFRS 16)

In accordance with the application of IFRS 16, a financial debt was recognized under the lease liability.
In relation with the principles of the standard:
- New leases concluded during the period are recognized as an increase in lease liability for the present value of expected payments,
- Decrease in lease liability represents the part of rental paid on the period and affected to the repayment of the financial debt, after deduction of the interest expenses (see the note 7.9).

Other financial debts

Other financial debts of €68m at June 30, 2022 (€102.3m as of December 31, 2021) correspond to:
- Current accounts with Tivana France Holdings and TDF Infrastructure Holding (direct and indirect shareholders of the Group) for a total amount of €24,6m (€4.5 as of December 31, 2021);
- Shareholder loans granted for an amount of €43.1m, to the entity TDF Fibre by Caisse des Dépôts following an equity investment of 20,5% in this entity.
  On December 31, 2021, shareholder loans of Caisse des Dépôts had been granted for an amount of €97.5m, to the entities Val d'Oise Fibre, Val de Loire Fibre and Anjou Fibre, but following the reorganization

of the capital of TDF Fibre on February 17th, 2022 (see note 1), those loans have been raised to the level of TDF Fibre and then partially repaid for €47.9m.

Financial debt (excluding accrued interests) is analyzed by maturity below:

In thousands euros	June 2022	< 1 year	1 to 5 years	> 5 years
Bond debt	1 808 891	219 967	795 144	793 780
Bank debt	572 776	10 000	228 172	334 604
Shareholders' debt	1 063 599	-	-	1 063 599
Finance lease debt	6 383	2 714	3 669	-
Operational investments debts	16 270	904	1 948	13 418
Lease liability (IFRS 16)	259 464	42 578	121 602	95 284
Other financial debts	68 018	24 893	61	43 064
Financial debt	**3 795 401**	**301 056**	**1 150 596**	**2 343 749**

In thousands euros	Dec 2021	< 1 year	1 to 5 years	> 5 years
Bond debt	1 807 701	219 750	794 542	793 409
Bank debt	227 005	-	227 005	-
Shareholders' debt	1 063 599	-	-	1 063 599
Finance lease debt	5 883	2 148	3 735	-
Operational investments debts	17 339	852	3 051	13 436
Lease liability (IFRS 16)	259 354	44 410	124 323	90 621
Other financial debts	102 259	21 816	80 443	-
Financial debt	**3 483 140**	**288 976**	**1 233 099**	**1 961 065**

As of June 30, 2022:

- shareholder debt of €1 063.6 bears 7.7% fixed rate interest and has a maturity of March 20, 2030;
- the first bond debt, for €220.1m (excluding loan issuance costs) has a fixed coupon of 2.875% and a maturity on October 19, 2022. The debt has been fully repaid on July 19th, 2022 (see the note 15);
- the second bond debt, for €800m (excluding loan issuance costs), has a fixed coupon of 2.50% and a maturity on April 7, 2026;
- the third bond debt, for €800m (excluding loan issuance costs), has a fixed coupon of 1.750% and a maturity on December 1, 2029;
- the bank debt dedicated to Fiber entities activity has been drawn down for €360m:
    - 350m of term loan, with a 7 years maturity (term on February 17, 2022);
    - €10m of revolving credit, presented with a maturity inferior to one year according to the clean down clause (see the note 4.4 about the characteristics of this debt).

9.2 Employee benefits

In the first half of 2022, the increase of eurozone interests' rates has led to a significant increase of the discount rate used when calculating the provision for retirement benefits (see note 1).

As of June 30, 2022, the discount rate used to calculate this provision is 2.6% (0,8% as of December 31, 2021).
Considering this significant change in key assumption, the Group has booked actuarial gains for €6.7m to recognize the decrease of the provision (see note 9.3).

The sensitivity analysis on discount rate assumptions as of June 30, 2022, is presented as follow:

In M€

Discount rate	-0,25 pt	27,2
		26,4
	+0,25 pt	25,4

9.3 Provisions

In thousands euros	Dec 2021	Provisions additions	Provisions utilisations	Provisions unused	Discounting	Currency translation adjustment	Others	June 2022
Prov. for post-employment benefits (pension, retirement benefit)	32 054	1 192	(155)	-	-	(0)	(6 650)	26 441
Prov. for employee-related measures	-	-	-	-	-	-	-	-
Provision for claims and disputes	4 925	1 840	(8)	(40)	-	-	-	6 717
Provision for dismantling, decommissioning and restoring sites	79 656	481	(1 278)	(500)	246	-	(11 517)	67 088
Prov for bringing into compliance of sites	1 554	-	(11)	(1 082)	-	-	-	461
Provision on onerous contract	-	-	-	-	-	-	-	-
Other provisions	4 411	201	(70)	-	-	(0)	-	4 542
Total provisions	**122 600**	**3 714**	**(1 522)**	**(1 622)**	**246**	**(0)**	**(18 167)**	**105 249**
Presented as current	**13 020**							**15 889**
Presented as non-current	**109 580**							**89 360**

In thousands euros	Dec 2020	Provisions additions	Provisions utilisations	Provisions unused	Discounting	Currency translation adjustment	Others	June 2021
Prov. for post-employment benefits (pension, retirement benefit)	32 806	994	-	-	(5)	-	74	33 868
Prov. for employee-related measures	688	-	(688)	-	-	-	-	-
Provision for claims and disputes	2 125	-	(21)	-	-	-	-	2 104
Provision for dismantling, decommissioning and restoring sites	79 235	-	(298)	-	152	-	1 721	80 810
Prov for bringing into compliance of sites	1 694	-	(61)	-	-	-	-	1 633
Other provisions	3 556	229	(444)	-	-	-	(3)	3 338
Total provisions	**120 103**	**1 222**	**(1 512)**	**-**	**147**	**-**	**1 792**	**121 752**
Presented as current	**12 957**							**11 001**
Presented as non-current	**107 147**							**110 751**

A provision is recognized when:

- there exists a current, legal, or implicit, obligation arising from a past event,
- it is likely that an outflow of resources representing economic benefits will be required to discharge this obligation, and
- the value of the obligation can be estimated with a sufficient degree of reliability.

Such obligations may be of a legal, regulatory, technical, or contractual nature. They may also stem from the Group's practices or public commitments that have given rise to legitimate expectations on the part of the third parties concerned that the Group will assume certain responsibilities.

The amount recognized as a provision is the best estimate of the outflow of economic benefits required to settle the present obligation at the reporting date. If the value cannot be estimated reliably, no provision is recognized; the obligation is then disclosed as a contingent liability (see note 12.1).

Claims and disputes, other provisions

Claims and disputes mainly arise from litigation the Group is facing, as well provisions for negative disposal result of entities.
These provisions are assessed and updated by senior management applying prudence in relation to damages claimed and the status of each case.

Provisions for dismantling, decommissioning, and restoring sites

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the amount recognized as a provision is the best estimate of the expenditure required to settle the Group's obligations.
The provision is discounted to present value using a rate that reflects the time value of money, based on the yield of a risk-free bond. This actuarial estimate is reviewed every year and, if necessary, the provision is adjusted in the following way (in accordance with IFRIC 1):

- by addition or deduction to/from the corresponding dismantling asset,
- or if the dismantling asset is already totally depreciated, the provision adjustment is taken to profit or loss.

As of June 30, 2022, the change in provision for dismantling is mainly impacted by the significant increase of the discount rate, in the context of the rise of interest rates in the eurozone over the first half of the year (see note 1).

9.4 Other current and non-current liabilities

Other liabilities are analyzed below:

In thousands euros	**June 2022**	**Dec 2021**
Trade payables	172 218	183 242
Trade payables on fixed assets aquisitions	42 014	50 460
Corporate income tax liabilities	6 722	21 455
Tax and social liabilities	174 676	136 419
Divivdend payable	100 000	-
Other current liabilities	133 739	96 420
Current liabilities	**629 370**	**487 996**
Other non-current liabilities	**262 666**	**129 704**
Total liabilities	**892 036**	**617 700**

The tax and social liabilities primarily include *cotisation foncière des entreprises* (i.e., "CFE"), social security payables, VAT, and employee vacation provisions.

As of June 30, 2022, the current liabilities include a dividend payable of €100m, to be paid by TDF Infrastructure SAS to TDF Infrastructure Holding SAS (sole shareholder of the Group). The payment of this dividend, enacted by decision of the sole shareholder on March 31st, 2022, was paid in cash in July 2022.

Other current and non-current liabilities include deferred income of €364m (€196.1m as of December 31, 2021) of which €246.4m is maturing after one year (€115.8m at December 31, 2021).

10. Cash flows

10.1 Cash generated from operating activities before changes in working capital

Cash generated from operating activities excludes cash flows on non-current asset sales/purchases, income tax and finance costs which are disclosed under Cash flows from investing activities, Income tax paid and Cash flows from financing activities respectively.

10.2 Changes in working capital

In thousands euros	**June 2022 (6 month)**	**Dec 2021 (12 month)**	**June 2021 (6 month)**
Changes in inventories	6 636	1 810	2 165
Changes in trade receivables	(249 826)	(30 900)	(82 119)
Changes in trade payables	(8 441)	(5 336)	(29 738)
Changes in prepaid income	166 203	31 486	42 608
Changes in other working capital	20 490	14 303	2 437
Changes in working capital	**(64 937)**	**11 363**	**(64 648)**

10.3 Net cash used in investing activities

As a reminder, on June 30, 2021, the line "Acquisition of controlling interests" mainly corresponds to the acquisition of TORM on May 31 2021.

10.4 Net cash used in financing activities

At June 30, 2022
- drawdowns and repayment of debts are principally composed of:
  - drawdowns on the new term loan dedicated to the Fiber entities activity for €350m,
  - drawdowns on the new revolving credit line dedicated to the Fiber entities activity for €10m,
  - current account net proceeds with TDF Infrastructure Holding and Tivana France Holdings (direct and indirect shareholders of the Group) for €20.2m,
  - net cash-out of €(47.9)m related to the partial repayment of the shareholder loan granted by Caisse de Dépôts to Fiber entities, following the reorganization of the capital of TDF Fibre (see notes 1 and 9.1).
  - cash outflows for rents of €(20.8)m presented as repayment of lease liability.
- the refinancing cost of €(16.4)m mainly corresponds to cash outflows of issuance costs of the new debt signed in 2022 and dedicated to the Fiber entities activity;
- the line « Financial interests » mainly corresponds to:
  - the €(20)m payment related to the annual coupon on the €800m bond debt issued on April 7, 2016,
  - the €(320.0)m payment of interests on shareholder's debt towards Tivana France Holdings (indirect shareholder of the Group),
  - cash outflows for rent presented as interests' expenses, in accordance with the application of IFRS 16.

At June 30, 2021 :
- drawdowns and repayment of debts are principally composed of:
  - drawdowns related to the use of revolving credit facilities for €225m, which generated a repayment of €(150.0)m over the period,
  - drawdowns related to the use of capex facility for €130m over the period,
  - a €31.2m drawdown related to a shareholder loan granted to entities of the Group, as part of an equity investment from a minority shareholder,
  - net cash-out of €(20.2)m concerning the current accounts with TDF Infrastructure Holding and Tivana France Holdings (direct and indirect shareholders of the Group),

- cash outflows for rents of €(17.8)m presented as repayment of lease liability.

- the line « Financial interests » mainly corresponds to:
  - the €(20)m payment related to the annual coupon on the €800m bond debt issued on April 7, 2016,
  - the €(100.0)m payment of interests on shareholder's debt towards Tivana France Holdings (indirect shareholder of the Group),
  - cash outflows for rent presented as interests' expenses, in accordance with the application of IFRS 16.

Concerning the table of changes in financial liabilities disclosed in note 9.1:

- At June 30, 2022:
  - increase in lease liability following IFRS 16 over the period (€28.7m), has no cash impact, the counterpart being the recognition of a fixed asset under right of use of assets rent,
  - the change in bond issuance costs (€13m) and the increase in finance lease debts (€2.5m) have no cash impact,
  - thus, after restatement of these items, changes in financial debts disclosed in note 9.1 represent a net cash impact of €309.3m.

- At June 30, 2021:
  - increase in lease liability following IFRS 16 over the period (€47.5m), has no cash impact, the counterpart being the recognition of a fixed asset under right of use of assets rent,
  - the change in bond issuance costs (€0.5m) and the increase in finance lease debts (€0.6m) have no cash impact,
  - thus, after restatement of these items, changes in financial debts disclosed in note 9.1 represent a net cash impact of €195.5m.

11. Workforce

Total Group headcount is as follows:

	June 2022	Dec 2021
France	1 802	1 803
International	118	114
Total workforce at closing	**1 920**	**1 917**

12. Contingent liabilities and off-balance sheet commitments

12.1 Contingent liabilities (assets)

Contingent liabilities correspond to:

- Possible obligations arising from past events whose existence will only be confirmed by the occurrence of uncertain future events that are beyond the company's control; or
- Present obligations arising from past events, which are not recognized because it is not probable that an outflow of resources representing economic benefits will be required to settle the obligation or because the obligation amount cannot be measured with sufficient reliability.

<u>Contingent liabilities as of June 30, 2022</u>

In June 2018, the French Competition Authority initiated a procedure against the Group.
Early 2021, the French Competition Authority decided to discontinue this procedure. Following this decision, a plea was filed.
No other significant change since December 31, 2021.

12.2 Firm commitments

A. Operating lease commitments – Group as lessee

At June 30, 2022, the Group directly recognizes in financial debt the lease liability related to rights of use of leases, in accordance with IFRS 16 (see the note 9.1).

B. Firm purchase commitments

Firm purchase commitments made by the Group are as follows:

In thousands euros	June 2022	< 1 year	1 to 5 years	> 5 years
Commitment of capex	200 031	199 023	938	70
Commitment others	29 416	22 928	5 810	678
Total	**229 447**	**221 951**	**6 748**	**748**

In thousands euros	Dec 2021	< 1 year	1 to 5 years	> 5 years
Commitment of capex	189 395	188 358	958	79
Commitment others	24 618	18 015	5 298	1 305
Total	**214 013**	**206 373**	**6 256**	**1 384**

C. Firm commitments to provide services

Under multi-year contracts with customers, Group entities have committed to provide services in the following business lines:

In thousands euros	**June 2022 Actual**	**Projection**	**< 1 year**	**1 to 5 years**	**> 5 years**
Digital Television	80 310	431 627	145 861	283 866	1 900
Radio	57 212	262 214	98 569	153 580	10 064
Total Broadcasting Services	**137 522**	**693 841**	**244 430**	**437 446**	**11 964**
Telecom: site hosting	188 639	2 354 124	314 073	1 074 742	965 310
Telecom: other services	26 865	115 092	23 499	30 226	61 367
Total Telecoms & Services	**215 504**	**2 469 216**	**337 572**	**1 104 968**	**1 026 677**
Fiber (FTTH)	**24 299**	**740 685**	**19 930**	**128 849**	**591 906**
Others	2 979	11 084	5 280	5 388	416
Total revenue / future contractual revenue	**380 304**	**3 914 826**	**607 212**	**1 676 651**	**1 630 963**

In thousands euros	**Dec 2021**	**Projection**	**< 1 year**	**1 to 5 years**	**> 5 years**
Digital Television	169 112	466 356	133 065	318 923	14 368
Radio	111 461	299 095	108 379	176 584	14 131
Total Broadcasting Services	**280 573**	**765 451**	**241 444**	**495 507**	**28 499**
Telecom: site hosting	362 614	2 198 774	290 372	981 997	926 405
Telecom: other services	44 864	38 370	9 378	14 028	14 964
Total Telecoms & Services	**407 478**	**2 237 144**	**299 750**	**996 025**	**941 369**
	36 301	**839 101**	**38 233**	**145 156**	**655 712**
Others	7 342	2 225	1 862	363	-
Total revenue / future contractual revenue	**731 694**	**3 843 921**	**581 289**	**1 637 051**	**1 625 580**

The above table shows known and estimated information to date. In future periods, certain contracts may be subject to pricing adjustments.

12.3 Contingent commitments

Guarantees given and received

At June 30, 2022, the Group has given and received bank guarantees, contracted in the course of business, which respectively amount to €83.2m and €10.5m, vs. respectively €85.6m and €10.5m on December 31, 2021.

Commitments under bank agreements

In connection with the new "Project Finance TDF Fibre" bank agreement put in place on February 15, 2022 (see note 1 and 4.4), commitments have been given:

TDF Infrastructure:

- French law pledge over receivables agreement (Intragroup loans) granted by TDF Infrastructure to TDF Fibre;

TDF SAS:

- French law pledge over securities account agreement granted by TDF SAS in relation to its shares in TDF Fibre;

TDF Fibre:

- French law pledge over securities account agreement granted by TDF Fibre in relation to its shares in Val d'Oise Fibre, Yvelines Fibre, Val de Loire Fibre and Anjou Fibre;

- French law pledge over TDF Fibre Bank Accounts and Permitted investment accounts;

- French law pledge over receivables agreement in relation to the shareholder loan granted by TDF Fibre to Val d'Oise Fibre, Yvelines Fibre, Val de Loire Fibre and Anjou Fibre;
- French law pledge over receivables agreement in relation to cash pooling between TDF Fibre and Val d'Oise Fibre, Yvelines Fibre, Val de Loire Fibre and Anjou Fibre;
- French law pledge over receivables in relation to FBF agreement between TDF Fibre and Société Générale ;
- French law pledge over receivables in relation to FBF agreement between TDF Fibre and Crédit Agricole CIB ;
- French law pledge over receivables in relation to insurance contracts granted by Allianz Global to TDF Fibre
- French law pledge over receivables in relation to insurance contracts granted by MSIG Insurance Europe to TDF Fibre.

Val d'Oise Fibre:
- French law pledge over Bank Accounts of Val d'Oise Fibre

Yvelines Fibre:
- French law pledge over Bank Accounts of Yvelines Fibre

Val de Loire Fibre:
- French law pledge over Bank Accounts of Val de Loire Fibre

Anjou Fibre:
- French law pledge over Bank Accounts of Anjou Fibre

No other significant change since December 31, 2021.

Other commitments

No significant change since December 31, 2021.

13. Shares in associates

Monaco Media Diffusion (ex MCR) is accounted for under the equity method.

In thousands euros	June 2022 (6 month)	June 2021 (6 month)
Revenue	**1 776**	**1 697**
EBITDA	**935**	**854**
OPERATING INCOME (LOSS)	**758**	**709**
Financial income and expenses	(76)	10
Income tax	(128)	(151)
NET INCOME	**554**	**568**

14. Related party disclosures

14.1 Compensation of key management personnel

No new compensation scheme towards key management personnel has been set up during 2022 first half year.

14.2 Transactions with related parties

The related parties at TDF Infrastructure SAS Group level are identified as:
1. Companies owned directly or indirectly by TDF Infrastructure Holding SAS,
2. Companies owned directly or indirectly by Tivana France Holdings or its shareholders, especially Brookfield Infrastructure group, Public Sector Pension Investment Board (PSP Investments), APG Asset Management N.V. and Arcus Infrastructure Partners,
3. Companies in which directors of the companies included in the TDF Infrastructure SAS group scope are company representatives,
4. Key management personnel.

The main transactions of the period made with related parties of the TDF Infrastructure SAS group are:

- Interest charges invoiced to the Group by Tivana France Holdings amounting over the period €49.3m and related to the shareholder loan of €1 063.6m; accrued interests on this loan are of €138.3m at June 30, 2022 (€408.9m as of December 31, 2021), and is disclosed as current liabilities by prudence (see also the note 4.3);
- Interest payment related to the shareholder loan is of €320m over the period (the payment can be deferred, see note 4.3). This payment explains the decrease of the accrued interests on the shareholder loan (see above);
- A dividend payable to TDF Infrastructure Holding SAS of €100m. This undistributed dividend is disclosed in current liabilities on June 30, 2022, and was paid in July 2022;
- net receipts of €20.2m from shareholders current accounts (with Tivana France Holdings and TDF Infrastructure Holding);
- €0.1m of income and €2.4m of expenses recognized by the Group over the period related to the management fees agreement with Tivana France Holdings.

Related party transactions were carried out on an arm’s length basis on normal commercial terms.

15. Significant subsequent events

Repayment of the bond debt issued on October 19, 2015

On July 19, 2022, the Group proceeded with the early redemption of the bond debt due October 19, 2022. This debt balance is €220.1m as of June 30, 2022.

As a reminder, this bond debt, for an initial amount of €600m, had already been the subject of concurrent tender offer in 2021 on part of the bonds of the initial debt.

See note 4.4 on the characteristics of this debt as of June 30, 2022.

Takeover of the fiber optic network of the Community of Faucigny-Glières (Haute-Savoie) territory, and creation of the entity Faucigny-Glières Fibre.

In July 2022, the Group was entrusted with the concession covering part of the fiber optic network already built (3,100 existing plugs) in the Community of Faucigny-Glières (Haute-Savoie) territory, as well as the roll-out of the network in areas and municipalities not yet deployed.

The project involves the roll-out, by 2025, of 11,000 new plugs that will provide a Very High-Speed Internet connection (FTTH) to residents and businesses in 100% of the seven municipalities concerned.

Faucigny-Glières Fibre, as a subsidiary of TDF Fibre, was created to take over this project.

16. Consolidation scope

List of consolidated companies	Operating segment	Countries	UGT	Share capital in € thousands	% Interests June 2022	 Dec 2021	 June 2021	Observation
Full consolidation								
TDF Infrastructure SAS		**France**		**300 000**	**100%**	**100%**	**100%**	
TDF SAS		France		166 957	100%	100%	100%	
SNC Drouot		France		1	100%	100%		Entity created in 2020
AD Valem Technologies SAS		France		500	100%	100%	100%	
Belvedere		France		164	70%	70%	70%	
TDF FTTH		France		150	100%	100%	100%	
TORM	**Towers**	France	**Tours France**	2 613	100%	100%		Entity acquired on May 31th, 2021
ITAS Anet		France		14 616	100%	100%	100%	
ITAS TIM		France		11 690			100%	Entity merged in TDF SAS on June 2021
SIT		France		894			100%	Entity disposed on November 30th, 2021
ITAS Pylones (ex Sud Ouest)		France		500			100%	Entity merged in TDF SAS on June 2021
ITEA		France		225	100%	100%	100%	
ITAS Méditerranée		France		355			100%	Entity merged in TDF SAS on June 2021
ITAS Sud Ouest		France		100			100%	Entity merged in TDF SAS on June 2021
PSN Infrastruktura	**Towers**	Poland	**PSN**	985	100%	100%	100%	
Levira		Estonia		9 587	49%	49%	49%	
Talinna Teletorn Foundation	**Towers**	Estonia	**Levira**	13	49%	49%	49%	
Levira Central Europe		Estonia		5	49%	49%	49%	
TDF Fibre		France		10 881	79,5%	100%	100%	
Val d'Oise Fibre		France		10 000	79,5%	70%	70%	
Yvelines Fibre	**Fiber**	France	**Fibre**	4 650	79,5%	100%	100%	"Caisse des dépôts" held 20,50% of TDF Fibre as a result of the Reorganization of the capital on February, 2022
Val de Loire Fibre		France		14 429	79,5%	70%	70%	
Anjou Fibre		France		8 429	79,5%	70%	70%	
Equity method								
Monaco Média Diffusion (Ex MCR)	**Towers**	Monaco	**Tours France**	549	49%	49%	49%	

The Estonian subsidiary Levira, in which TDF SAS holds a 49% equity stake and whose financial and operating policies are determined by the Group, is fully consolidated.

Since February 17th, 2022, Caisse des Dépôts entried into the capital of TDF Fibre, a company previously wholly owned by TDF.
TDF and Caisse des Dépôts now represent 79.5 % and 20.5 % of capital respectively in TDF Fibre's shareholding structure, which holds 100% of the capital of the project companies Val d'Oise Fibre, Yvelines Fibre, Val de Loire Fibre and Anjou Fibre (see the note 1), i.e., an interest percentage of 79.5% in each of these companies.

As a reminder, the Group acquired 70% of the TORM's shares on May 31, 2021 (see note 1). In accordance with IFRS 3 and considering the valuation of the sale agreement obtained on the 30% still held by the historical shareholder, the interest percentage applied is 100%.