FINEXSI AUDIT

ERNST & YOUNG Audit

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.
This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

TDF Infrastructure

Year ended December 31, 2021

Statutory auditors' report on the consolidated financial statements

FINEXSI AUDIT
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412 029 357 R.C.S. Paris

Commissaire aux Comptes
Membre de la compagnie
régionale de Paris

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

TDF Infrastructure

Year ended December 31, 2021

Statutory auditors' report on the consolidated financial statements

To the Sole Shareholder of TDF Infrastructure,

Opinion

In compliance with the engagement entrusted to us by Sole Shareholder's Decision, we have audited the accompanying consolidated financial statements of TDF Infrastructure for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

■ Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

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

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

Evaluation of non-current assets

Risk identified	Our response
As at December 31, 2021, the net value of the consolidated non-current assets amounts to € 4.4 billion within total assets on the balance sheet of € 4.8 billion. These non-current assets consist mainly of goodwill recognized upon acquisitions, property, plant and equipment, including land and transmission networks, and to a lesser extent of intangible asset including customer relationships. Those non-currents tangible and intangible assets are recognized in accordance with the methods described in Notes 4.9 to 4.11 of the notes to the consolidated financial statements. The Group performs impairment tests on these fixed assets whenever there is an indication that they may be impaired, and at least once a year in the case of assets with indefinite useful lives.	We obtained an understanding of the procedure set up by the Group to determine the recoverable value of non-current assets and analyzed the methodology used for performing impairment tests. Our work consisted mainly in: ► assessing in advance the correct application of the rules and methods of accounting for non-current assets; ► reconciling the future cash flows used with those included in the Management's business plans by analyzing the consistency of these forecasts with the Group's past performance and market outlook; ► analyzing the procedure for setting up and approving business plans;

Impairment tests are performed on goodwill. These tests are based on discounted cash flow projections generated by the assets in the current operating conditions (taking into account limited effects of the COVID-19 related crisis). These tests require the use of assumptions (perpetual grow rate and discount rate in particular), estimates or assessments. The methodology used to perform these tests is described in Note 9.1 of the notes to the consolidated financial statements. Therefore, we considered the valuation of non-current assets to be a key audit matter due to their significant importance in the accounts. Furthermore, this valuation is based on Management's judgments and estimates.	► studying sensitivity analyses carried out by the Group and performed our own sensitivity analyses on the key assumptions to assess the possible impact of a variation of these assumptions on the findings of the impairment tests; ► conducting interviews with Management and financial managers in charge of key data and assumptions on which the estimates are based underlying operational cash flows used in the valuation model; ► testing the clerical accuracy of the models and recalculating the values in use determined by the Group; ► assessing the methodologies used to determine the discount and long-term growth rates, comparing them with market data, and recalculating them with our own data sources.

Recognition of turnover

Risk identified	Our response
The Group's revenue derives mainly from Digital Television, Radio and Telecoms & Services activities. As described in Note 4.4 of the notes to the consolidated financial statements, the Group recognizes revenue consisting of sales and third parties' services, net of trade discounts and rebates and the sales taxes, and after eliminating intercompany sales. We considered revenue recognition to be a key audit matter given its significance in the accounts and the volume of associated flows.	We obtained an understanding of the procedure set up by the Group related to the accounting of different revenue streams, from the conclusion of the contract to the invoicing, until cash collection. Our work consisted mainly in: ► identifying the main controls implemented by the Group, relevant to our audit. We also included in our audit team information systems experts to assist us in performing tests on automated IT application controls; ► performing analytics procedures by reconciling our own revenue estimated with the recorded turnover; ► implementing procedures based on the completeness of the accounting ledger aiming at analyzing the Group's turnover flows for the year ended December 31, 2021. We achieved correlations between revenue, trade receivables and cash receipts by assessing the different book entry schemes and performing exception test of details;

- testing the most material accrued discounts and rebates by obtaining calculation data and contracts, while assessing the consistency of the calculations based on this information.

Specific Verifications

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

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

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of TDF Infrastructure by the decision of the Sole Shareholder on December 18, 2015 for FINEXSI AUDIT and on March 31, 2017 for ERNST & YOUNG Audit.

As at December 31, 2021, FINEXSI AUDIT was in the seventh year of total uninterrupted engagement and ERNST & YOUNG Audit was in its fifth year.

Previously, ENRST & YOUNG et Autres has been statutory auditor since 2006.

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

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

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

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the President.

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

Objectives and audit approach

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

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

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

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

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

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

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

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

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

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris and Paris-La Défense, March 24, 2022

The Statutory Auditors
French original signed by

FINEXSI AUDIT	ERNST & YOUNG Audit
Olivier Roussel	Thierry Cornille

TDF INFRASTRUCTURE SAS GROUP

CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2021

Consolidated statement of comprehensive income, Year ended December 31, 2021

In thousands euros	*Notes*	2021	2020
Revenue	*8.1*	**731 694**	**687 514**
Other income	*8.2*	7 091	7 378
Consumed purchases	*8.3*	(94 666)	(88 393)
Personnel costs	*8.4*	(106 131)	(107 502)
External expenses	*8.5*	(55 469)	(48 313)
Profit on disposal of non-current operating assets	*8.6*	1 223	6 236
Other expenses	*8.2*	(19 516)	(20 337)
EBITDA		**464 226**	**436 583**
Depreciation, amortisation and impairment losses	*8.7*	(199 797)	(208 263)
Current Operating Income		**264 430**	**228 320**
Impairment of goodwill & intangible assets identified in business combinations	*8.7/9.1/9.2*	-	-
Other operating income	*8.8*	1 817	1 391
Other operating charges	*8.8*	(6 364)	(5 661)
Operating Income		**259 883**	**224 050**
Income from cash and cash equivalents		6	10
Gross finance costs		(194 628)	(175 150)
Net finance costs	*8.9*	**(194 622)**	**(175 140)**
Other financial income / charges	*8.9*	(4 672)	(5 034)
Share of net profits of associates	*16*	511	519
Income tax	*8.10*	(68 767)	(54 935)
NET LOSS FOR THE YEAR		**(7 668)**	**(10 540)**
Other comprehensive loss			
Currency translation differences		(46)	(67)
Actuarial losses		(72)	(1 095)
Other items		19	(1)
Income tax on other comprehensive loss		20	351
Income and expenses recognized directly in equity	*8.9/8.10*	**(79)**	**(812)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(7 747)**	**(11 352)**

Net loss for the year attributable to			
Owners of the company		(3 596)	(9 140)
Non controlling interests		(4 071)	(1 399)
Total comprehensive loss for the year attributable to			
Owners of the company		(3 675)	(9 953)
Non controlling interests		(4 071)	(1 399)

Loss per share			
Basic (in euros)		(1)	(1)

Consolidated balance sheet as of December 31, 2021

In thousands euros	*Notes*	Dec 2021	Dec 2020
Non-current assets			
Goodwill	*9.1*	1 737 634	1 695 583
Intangible assets	*9.2*	629 439	490 112
Property, plant and equipment	*9.3*	1 990 078	1 842 756
Shares in associates	*16*	6 654	6 829
Financial assets available for sale	*9.4*	83	71
Other non-current assets	*9.6*	8 335	7 949
Deferred tax assets	*10.7*	9 248	5 841
TOTAL NON-CURRENT ASSETS		**4 381 471**	**4 049 141**
Current assets			
Inventories	*9.5*	16 197	17 112
Trade receivables	*9.6*	115 958	88 495
Other current assets	*9.6*	87 368	123 448
Cash and cash equivalents	*9.7*	228 224	54 292
Assets held for sale	*7*	0	-
TOTAL CURRENT ASSETS		**447 747**	**283 347**
TOTAL ASSETS		**4 829 218**	**4 332 488**

In thousands euros	*Notes*	Dec 2021	Dec 2020
Share capital		300 000	300 000
Additional paid-in capital		1 010 375	1 010 375
Currency translation reserve		(231)	(766)
Other reserves and Retained earnings		(1 367 539)	(1 258 288)
Net loss for the year - attributable to owners of the company		(3 596)	(9 141)
Non-controlling interests		7 532	10 269
TOTAL EQUITY	*10.1*	**(53 459)**	**52 449**
Non-current liabilities			
Bond	*10.2-5.4*	1 587 951	1 391 238
Bank debt	*10.2-5.4*	227 005	74 252
Shareholders' debt	*10.2*	1 063 599	1 063 599
Other financial debts	*10.2*	100 665	50 956
Lease liability (IFRS 16)	*10.2*	214 944	191 058
Provisions	*10.4-10.5*	109 580	107 147
Deferred tax liabilities	*10.7*	230 205	228 776
Other non-current liabilities	*10.7*	129 705	90 658
TOTAL NON-CURRENT LIABILITIES		**3 663 655**	**3 197 683**
Current liabilities			
Bond	*10.2-5.4*	219 750	-
Other financial debts	*10.2*	24 816	46 189
Lease liability (IFRS 16)	*10.2*	44 410	37 064
Provisions	*10.4-10.5*	13 020	12 957
Trade payables	*10.7*	233 701	239 742
Tax and social liabilities	*10.7*	157 874	142 401
Other current liabilities	*10.7*	96 420	92 863
Bank overdrafts	*9.7*	0	-
Accrued interest		429 029	511 140
Lliabilities related assets held for sale	*7*	0	-
TOTAL CURRENT LIABILITIES		**1 219 022**	**1 082 356**
TOTAL EQUITY AND LIABILITIES		**4 829 218**	**4 332 488**

Consolidated statement of cash flows, Year ended December 31, 2021

In thousands euros	*Notes*	2021	2020
Net loss from continuing operations		**(7 668)**	**(10 540)**
Non-cash items and other adjustments			
Depreciation, amortisation and impairment		200 387	208 294
Change in provisions and non-cash expenses		3 991	(15 596)
Gain on disposal of non-current assets		56	10 694
Other non-monetary income and expenses		-	-
Total income tax		68 768	54 935
Finance items		197 733	173 140
Cash generated from operating activities before changes in working capital	*12.1*	**463 267**	**420 927**
Income tax paid		(41 967)	(86 516)
Change in working capital	*12.2*	11 363	81 302
Net cash from operating activities		**432 663**	**415 713**
Acquisitions of non-current operating assets		(418 238)	(351 732)
Proceeds from disposal of non-current operating assets		6 958	4 472
Dividends from non consolidated companies		686	689
Acquisition of controlling interests, net of cash & cash equivalents acquired		(30 570)	(1 770)
Net proceeds from disposals of subsidiaries		(1 804)	(11 155)
Change in other financial assets		853	(194)
Net cash used in investing activities	*12.3*	**(442 115)**	**(359 690)**
Dividends paid by parent company		(100 000)	-
Dividends paid to non-controlling interests		(765)	(512)
Proceeds from bond		800 000	-
Bond repayments		(379 900)	-
Proceeds from bank debt		515 000	190 000
Bank debt repayments		(360 000)	(115 000)
Proceeds from other financial debts		47 100	27 000
Other financial debts repayments		(63 174)	(86 392)
Fees related to the refinancing		(16 441)	(325)
Income from cash and cash equivalents		6	10
Changes of interest in controlled entities		2 100	2 476
Financial interests (including financial lease)		(260 378)	(87 913)
Net cash from financing activities	*12.4*	**183 548**	**(70 656)**
Effect of exchange rate changes on cash		(164)	(121)
Net change in cash and cash equivalents		**173 932**	**(14 754)**
Opening cash & cash equivalents		**54 292**	**68 975**
Closing cash & cash equivalents		**228 224**	**54 292**

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	Other reserves and retained earnings	Total		
At December 31st, 2019	10 000 000	**300 000**	**1 010 375**	**(698)**	**(1 257 949)**	**51 728**	**9 702**	**61 430**
Consolidated net income		-	-	-	(9 141)	(9 141)	(1 399)	**(10 540)**
Other comprehensive income		-	-	(67)	(745)	(812)	-	**(812)**
Total comprehensive income		**300 000**	**1 010 375**	**(765)**	**(1 267 835)**	**41 775**	**8 303**	**50 078**
Dividends paid				-		-	(510)	**(510)**
Stock options valuation					405	405		**405**
Changes of interest in controlled entities and changes in consolidation scope				-	-	-	2 476	**2 476**
At December 31st, 2020	10 000 000	**300 000**	**1 010 375**	**(765)**	**(1 267 430)**	**42 180**	**10 269**	**52 449**
Consolidated net income					(3 596)	(3 596)	(4 072)	**(7 668)**
Other comprehensive loss			0	534	(613)	(79)	-	**(79)**
Total comprehensive income		**300 000**	**1 010 375**	**(231)**	**(1 271 639)**	**38 505**	**6 197**	**44 702**
Dividends paid					(100 000)	(100 000)	(765)	**(100 765)**
Stock options valuation					506	506	-	**506**
Changes of interest in controlled entities and changes in consolidation scope					-	-	2 100	**2 100**
At December 31st, 2021	10 000 000	**300 000**	**1 010 375**	**(231)**	**(1 371 133)**	**(60 989)**	**7 532**	**(53 459)**

Notes to the consolidated financial statements

1. Highlights of the year

Acquisition of the entity TORM

On May 31, 2021, the group TDF Infrastructure SAS (the "Group") acquired 70% of the entity TORM, an overseas company (La Reunion and Mayotte) specialized in Telecoms site hosting.
TORM currently operates 195 sites for its customers which are key actors of the telecommunication industry and notably Telco Oi, its historical shareholder. TORM will benefit from a 20-year master services agreement, including the roll-out of 100 new sites over the next decade.

The purchase of this controlling interest for €32 million allows the Group to recognize TORM under full consolidation method as of December 31, 2021.

TORM is included in the CGU Towers France. On December 31 2021, TORM contributive figures in the consolidated accounts since its acquisition date are revenues of €2.5m and an EBITDA of €2,0m.

See notes 9.1, 9.3 and 12.3.

Third bond issue on December 1, 2021 and tender offer on the existing bonds of the first issue

On December 1, 2021, the Group TDF Infrastructure announces the successful settlement of €800 million bonds, whose characteristics are described in the note 5.4.

The proceeds of the new bonds will be used for general corporate purposes and to finance the concurrent tender offer, carried out simultaneously on a part of the existing bond of €600 million due on October 19th, 2022, the results of which were announced on 29 November 2021.

See notes 5.4, 10.2 and 12.4.

Syndicated acquisition and capex facility

On March 29, 2021, TDF Infrastructure SAS announced that it has successfully signed a syndicated €300 million acquisition and capex facility (see notes 5.4, 10.1, and 12.4).

Segment reporting: evolution of operating segment

As of December 31, 2021, the Group reviewed the presentation of segment reporting, in accordance with the definiting criterion of operating segments described in IFRS 8.

Thus, note 6 reflects the Group's internal reporting structure and the results of each operating segment, as they are regularly reviewed by the by Group senior management.

As of December 31, 2021, the operating segments disclosed are:
- The "Towers" segment, grouping together the historical activities of telecommunication infrastructure operator and audiovisual broadcasting,
- The "Fiber" segment concerning the activity created in 2017 for the deployment and marketing of Very High-Speed optical fiber networks.

See note 6 – Operating segments

Therefore, as of December 31, 2021, the Group has also redefined the existence of Cash Generating Units ("CGU"). In connection with the presentation of the operating segments, the Fiber CGU is now separated from the Towers France CGU (see notes 4.11 and 9.1)

COVID-19

The year 2021 was marked by the continuation of preventive measures in the context of the COVID-19 health crisis, which caused for some sectors a slowdown in economic activity.
In this context, it is important to remind that the Group's activities are by nature resilient.

Thus, the factors resulting from the aftermath of the health crisis are not likely to seriously disrupt the financial soundness of the Group as a whole and its ability to meet its obligations.

- In the year 2021, the Group reports EBITDAal growth of + 5.8% compared to December 2020,
- at December 31, 2021, the Group notably had €250 million available on its revolving credit line and €70 million on its capex facility (see Note 5.3 - Liquidity risk)
- moreover, as part of the annual impairment tests, carried out on the basis of updates made to its forecasts, the Group has also determined that the COVID-19 crisis and its effects did not represent an impairment indicator of its assets (see the note 9.1).

Disposal of SIT

On November 30, 2021, SIT was sold (see note 7).

2. General presentation

The Group's consolidation head company, TDF Infrastructure SAS, is a "société par actions simplifiées" (simplified joint stock company) with a 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 services (TV and radio digital broadcasting, radio FM broadcasting).

The Group draws upon its recognized expertise and over 19 200 terrestrial sites mainly in France and focuses on rolling out its telecommunication infrastructures and 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 extended its business to optical fiber, and invested 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 6), 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 consolidated financial statements of the TDF Infrastructure Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable at the reporting date, December 31, 2021.

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

The TDF Infrastructure Group's financial statements were approved by the Chairman of TDF Infrastructure on March 24, 2022.

3.2 Functional and presentation currency

The TDF Infrastructure Group's 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 items have been determined based on a 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. The methods applied to estimate the fair value of these items are explained in note 4.12.

3.4 Judgments and estimates

In the preparing the consolidated financial statements, the measurement of certain balance sheet items requires the use of assumptions, estimates or judgments. This is notably the case with goodwill (see notes 9.1 and 4.11), tangible and intangible assets (see notes 4.9 to 4.11, 9.2 and 9.3), provisions (see notes 10.4 and 10.5), deferred taxes (see notes 4.8 and 10.6), and revenue recognition (see note 4.4). These assumptions, estimates and assessments are determined based on information available or situations existing at the time the consolidated financial statements are prepared and may subsequently differ from future conditions.

At each reporting 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 actual results may be significantly different from estimates made at the date of the preparation of the consolidated financial statements.

The Group is not subject to significant seasonal fluctuations.

4. Significant accounting policies

As of December 31, 2021:

- The accounting policies described hereunder have been applied by all Group entities throughout all the periods presented in the consolidated financial statements.
- The accounting policies are unchanged compared to those used in the preparation of the consolidated financial statements for the year ended December 31, 2020.

The only change in accounting policies concerns the application of the IFRIC decision on the calculation of defined benefit pension plans (IAS 19 – Employee benefits), for which application effect is not significant to the Group's financial statements.

4.1 Standards and interpretations in force

The Group has applied the standards, amendments to standards and interpretations as adopted by the European Union that are required to be applied from December 31, 2021.

4.2 Consolidation

The consolidated financial statements include the financial statements of TDF Infrastructure SAS and its subsidiaries, as well as the financial statements of associates and joint ventures.
Entities are included in the consolidation scope at the date when control is transferred to the Group. They are excluded from the consolidation at the date they cease to be controlled by the Group. See note 19 for the consolidation scope for the consolidated financial statements.

Subsidiaries

In accordance with IFRS 10, subsidiaries are all entities on which the Group exercises control, that is it is determined to have:

- power over the entity;
- exposure, or rights, to variable return from its involvement with the subsidiary;
- ability to use its power over the subsidiary in order to affect the expected returns.

Subsidiaries' financial statements are consolidated, and non-controlling interests are measured based on their pro rata share of equity in the underlying business.

Investments in associates

An associate is an entity over which the Group has significant influence, meaning the power to participate in the financial and operating decisions but not to exercise control over these policies. Significant influence is presumed when the Group holds directly or indirectly through its subsidiaries 20% or more of the voting rights. Investments in associates are accounted for under the equity method.
Under this method, investments in associates are reported as a separate item on the balance sheet and the net income or loss of associates is reported as a separate item in the statement of comprehensive income.
If the Group's share of the losses of an associate exceeds the carrying value of the investment, the investment is written off. The Group continues to recognize its share of the losses of the associate only to the extent it has a binding obligation to make additional investments to cover those losses.

Non-controlling interests

Non-controlling interests are identified separately within equity. The share of non-controlling interests in consolidated net income is reported as a separate item in the statement of comprehensive income.

4.3 Foreign currency translation

Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rate prevailing at the reporting date. Non-monetary items measured at historical cost are translated using the historical exchange rate as at the date of the transaction, while those measured at fair value are translated using the exchange rate as at the date on which fair value is determined.

Translation of foreign entities' financial statements

The functional currency of foreign companies is their local currency, which they use for most of their transactions. The financial statements of foreign subsidiaries whose functional currency is not the euro are translated into euro as follows:

- Assets and liabilities, including related goodwill, are translated at the rate prevailing on the reporting date,
- Income and expense items are translated at the average exchange rate over the period (the average exchange rate is an approximate value of the transaction date rate when there is no significant fluctuations),
- The cash flow statement is translated at the average exchange rate over the period.

Exchange differences arising on translation are shown in the currency translation reserve included in equity. In the event of a loss of control of a foreign entity, the cumulative amount in the currency translation reserve related to this foreign entity is recorded in profit or loss. In the case of a partial disposal without loss of control, a proportion of the cumulative amount of exchange differences related to this entity held in the currency translation reserve is reclassified from equity attributable to owners of the company to non-controlling interests.

Exchange rates used for the period

The following were the functional currencies and the associated exchange rates used in preparing the Group's consolidated financial statements:

	December 2021		December 2020	
	Average	Closing	Average	Closing
Polish zloty	0,219019	0,215810	0,225166	0,223319
US dollar	N/A	N/A	0,899431	0,902120
CFA Franc	N/A	N/A	0,001524	0,001524

4.4 Revenue recognition (IFRS 15)

Revenue consists in the sale of goods and services to third parties, net of discounts or rebates and sales related taxes. Intra-group sales are eliminated upon consolidation.

Revenue recognition complies with the principles of IFRS 15, that is to say an income recognition based on the transfer of goods or services to a customer (performance obligations), for an amount that reflects the payment that the entity expects to receive in return for these goods or services.

Main characteristics of revenue recognition, depending on Group activities, are as follows :

1. Digital Television
Two distinct Performance Obligations (POs) are identified:
- reception and formatting of the signal to be broadcasted
- broadcast via the use of a transmitter and various other equipment

For each of these POs, the client benefits from the service throughout the duration of the contract and as TDF carries out the service. The revenue recognition of these two POs is spread.

2. Radio
Three distinct Performance Obligations (POs) are identified:
- Transport
- Acquisition-Treatment
- Broadcast

For each of these POs, the client benefits from the service throughout the duration of the contract and as TDF carries out the service. The revenue recognition of these three POs is spread.

3. Telecom: site hosting
Three distinct Performance Obligations (POs) are identified, with the following characteristics:
- The engineering service to prepare site hosting:
  - The performance obligation is reached once the study is finalized and communicated to the client, whether it progresses further,
  - The revenue is therefore recognized for the overall amount of the engineering package when the study is delivered;
- Site hosting and energy supply
  - The customer benefits from site hosting and energy supply throughout the duration of the contract and as TDF carries out the service,
  - The revenue is therefore recognized in a spread manner, considering the different mechanics of price revisions and contractual credit notes applicable
- Use of air equipment:
  - The customer benefits from the availability of such equipment as and when made available,
  - The revenue relating to this provision is therefore spread over the duration of the contract

4. Fiber activity

FTTH “Fiber to the Home” contracts consist in providing the customer with a right of use the rolled-out fiber optic network. All of the services included in this contract are covered by the performance obligation relating to the use of the network.
The customer benefits from the services throughout the duration of the contract, as it uses the shared fiber network.
The revenue relating to FTTH is therefore spread over the duration of the contract.

Moreover, as of December 31, 2021:
- No significant financing component was identified through the analysis of contracts and different categories of income.
- the analysis carried out on the various contracts concluded that the Group was as a principal for these contracts.

4.5 Government grants (IAS 20)

Government grants are recognized when there is a reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant.

Grants related to assets (investment grants) are shown as a reduction in the carrying value of the asset and amortized over its useful life by a reduction in the depreciation charge.

Operating grants are credited to profit or loss in the periods associated with the related costs.

4.6 Leases (IFRS 16)

The Group recognize most of their leases as an asset (tangible asset) with an associated financial debt. The lease is thus presented as a purchase of fixed assets on credit.

This presentation concerns all contracts which meet the criteria of being a lease agreement in accordance with IFRS 16.
As of December 31, 2021, the identified contracts are as follows:

- The operating leases entered by the Group:
  - Commercial leases,
  - Agreements for the occupation of public property (AOPP),
  - Tertiary sites leases,
  - Exclusive contracts related to real estate parks
- Connection and capacity contracts,

Beyond the identification of contracts included in the scope of the IFRS 16 standard, the restatement on financial statements considers the following assumptions:

<u>1. Interest rate considered to calculate the restatement:</u>

- For leases corresponding to activities with contractual cycles of less than 10 years, the interest rate applied is the Group's incremental borrowing rate in force at the start of the lease,
- For leases corresponding to activities with contractual cycles higher than or equal to 10 years, the interest rate applied is the shareholder loan rate beard by Tivana France Holdings SAS (sole shareholder of TDF Infrastructure Holding SAS since March 31, 2015), toward Tivana Midco S.à.r.l, and in force at the start of the lease.

<u>2. Economic duration of the contracts:</u>

Since IFRIC decision of November 26th 2019, the lease is now considered enforceable if the lessee, or the lessor, would have to incur a penalty that is more than insignificant in case of contract termination.
Concerning the Group, the existence or absence of operational constraints, in particular for sites which serve customer contracts that are secured on a long-term basis, allows to determine the economic duration of contracts.
When necessary, the renewal of customer contracts carried by leased assets will result in an increase of the enforceable period of the lease under IFRS 16.

4.7 Financial income and charges

Financial income consists of interest on investments, dividends received from non-consolidated entities, increases in the fair value of financial assets held at fair value through profit or loss, and gains on hedging instruments recognized in profit or loss.

Dividends are recognized when the shareholder's right to receive payment is established.

Financial charges consist of interest on borrowings, amortization of loan issue expenses, the unwinding of discounts on provisions, reductions in the fair value of financial assets held at fair value through profit or loss, impairment losses recognized on financial assets and losses on hedging instruments recognized in profit or loss.

Exchange gains and losses are recognized at their net amount.

4.8 Income tax

From April 1, 2015, a new tax consolidation group was created headed by Tivana France Holdings, sole shareholder of TDF Infrastructure Holding SAS, itself a shareholder of the Group. All French subsidiaries which are directly or indirectly owned at least 95% by Tivana France Holdings SAS are included in the tax consolidation group.

Income tax have been calculated in compliance with the tax consolidation convention, in which each entity of the tax consolidation group bears its own income tax charge and retains the benefit of its tax loss carried forward towards the tax consolidation group head company, as if the entity operated on a standalone basis from a tax point of view.

On this basis, income tax expense or income consists of current tax expense (income) and deferred tax expense (income). Current and deferred tax is recognized in profit or loss except if it relates to a business combination or to items recognized directly in equity or in other items in the statement of comprehensive income.

Current tax is the estimated amount of tax payable (or receivable) on the taxable profit (or loss) of a period and of any adjustments to the amount of current tax in respect of previous periods.

Deferred tax is recognized using the liability method for all temporary differences between the carrying value of assets and liabilities and their tax bases. Temporary differences linked to the Group's holdings in its subsidiaries do not give rise to recognition of deferred tax, to the extent that these differences will not be reversed in the foreseeable future.

The measurement of deferred tax assets and liabilities depends on when the Group expects them to be reversed, using the tax rates in effect or announced at the reporting date.

Deferred tax assets are recognized only to the extent that the Group expects to have future profits to which they may be applied.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

The Group considers the CVAE as income tax. In accordance with IAS 12, this classification requires the Group to recognize the related deferred tax, notably on depreciable non-current assets. As at December 31, 2021 the deferred tax liability related to the CVAE amounts to €2.3m.

IFRIC 23 - Uncertainty over Income Tax Treatments
IFRIC 23 clarifies the application of the standard IAS 12 "Income Taxes" regarding recognition and assessment, when there is uncertainty about the treatment of income taxes.
This standard involves an entity identifying whether it is likely that a relevant tax authority will accept each tax treatment or set of tax treatments it has used or intends to use in its tax return.
Thus, it must determine taxable profit, tax values, unused tax losses, unused tax credits or tax rates using either the most probable amount or the expected value method.

4.9 Property, plant and equipment

Recognition and measurement

Excluding for goodwill allocation purpose (IFRS 3), property, plant and equipment is recorded at cost, less accumulated depreciation and impairment. Cost includes expenses directly attributable to the transfer of the asset to the place where it is to be used, and to prepare it for use.

Where applicable it also includes costs relating to the dismantling and removal of assets and to restoring sites to their original states where the Group is obliged to do so, without being subject to subsequent revaluation.

The total cost of an asset is broken down between its various components each of which is accounted for separately. Such is the case where different components of an asset have different useful lives.

Current maintenance and upkeep costs are expensed as incurred.

Depreciation is recognized as an expense based on the straight-line method over the estimated useful life of each component of property, plant and equipment.

Land is not depreciated.

Items of property, plant and equipment to be scrapped are fully depreciated before being derecognized.

Useful lives in years:

Buildings	18 to 50 years
Pylons	10 to 40 years
Transmitters	8 to 40 years
Microwave links	8 to 15 years
Office furniture, office and computer equipment	3 to 10 years
Other	4 to 24 years

The fair value of property, plant and equipment recognized following a business combination is based on market values and/or replacement cost where appropriate.

Leased assets

Leases recognized under IFRS 16 are presented as non-current assets under the right of use. They correspond to the present value of the minimal lease payments and is depreciated over the term of the agreement. The corresponding liability is shown under financial liabilities as lease liability.

Safety inventories

The major safety and spare part inventories that are essential to maintain property, plant and equipment and to ensure its continuous use, that have no other use and that the Group intends to use over a period longer than 12 months are recognized as property, plant and equipment and depreciated over the same period as the principal asset to which they are related.
Spare parts for which use (consumption, capitalization or sale) is not specifically identifiable are recognized under inventories.

4.10 Intangible assets

Goodwill

Goodwill represents the difference between the purchase price of the investment in the consolidated companies and the fair value of their identifiable net assets at the date of transfer of control to the Group. At the acquisition date the fair value of the assets and liabilities of the acquired entity are determined by reference to market values or, failing that, by using generally accepted methods such as those based on costs and revenues.

Costs incurred by the Group in relation to the acquisition are expensed as incurred and recognized in other operating expenses, except costs related to acquisition of non-controlling interests which are recognized in equity.

Except at the time of a business combination, assets and liabilities acquired are not revalued.

Negative goodwill arising from an acquisition is recognized immediately in profit or loss within operating income, under the heading "Impairment of goodwill".

Goodwill recognized on associates is shown under "Shares in associates" on the balance sheet. Impairment of goodwill recognized on associates is shown in the statement of comprehensive income under "Share of net profits (losses) of associates".

Acquisitions of non-controlling interests are recognized as transactions with shareholders and do not give rise to goodwill.

In accordance with IFRS 3 "Business combinations", goodwill is not amortized and is subject to an impairment test at least once a year and whenever an indicator of loss of value occurs (see note 4.11).

Research and development costs

All research costs are recognized as expenses in the period in which they are incurred.
Development costs deriving from the application of the results produced by research are capitalized only to the extent that the Group can demonstrate that:

- It has the intention and ability to complete the project;
- The probability is that future economic benefits will accrue to the Group;
- Costs can be determined in a reliable manner.

On average, development costs are amortized over 5 to 10 years. Amortization is calculated under the straight-line method.
Other development and similar costs not meeting the above criteria are recognized as expenses in the period in which they are incurred.

Other intangible assets

Other intangible assets are comprised of:

- intangible assets recognized at the time that acquisition consideration is allocated: mainly order backlog, customer relationships, patents, technology and the benefits accruing from leases and trademarks. Except for trademarks, these assets are amortized, where appropriate, on a straight-line basis over the economic life of the asset in question (primarily the average term of the contracts: see note 9.2).
- other intangible assets, mainly software and patents, are amortized using the straight-line method over a ten-year period for patents and technologies and a five-year period for software.
- Optical fiber networks deployed and operated under service concession, which are analyzed in accordance with IFRIC 12 (see below)

Intangible assets to be scrapped are fully amortized before being derecognized.

Subsequent expenditures

Subsequent expenditures relating to intangible assets are capitalized only to the extent that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance. All other expenditures are expensed in the period in which they are incurred.

Measurement of intangible assets arising from a business combination

Fair value is defined as the price at which an asset could be expected to be exchanged between knowledgeable, willing parties in an arm's length transaction.

The Group uses a revenue-based approach to estimate the fair value of intangible assets recognized following a business combination. This approach determines the value of an asset by reference to the present value of the future revenues attributable to it or of the cost savings achieved from owning the asset.

The two revenue-based methods are:

- The royalty method

This method consists of discounting the present value of future revenues that could be obtained by licensing the asset to a third party. The revenues that would be generated are estimated by applying a royalty rate appropriate to the total revenues generated from using the asset.

- The super-profits method

This method measures assets by reference to the discounted present value of the future super-profits to be made from use of the asset. It consists in discounting, over a sufficiently long period and at an appropriate rate, the super-profit generated by the asset, after deducting a fair return for the other assets and liabilities used to generate these cash flows.

The life of an asset is determined by taking the period during which the asset contributes directly or indirectly to the Group's future cash flows.

Service concession arrangements applied to public initiative networks

The Group deploys, operates and markets public initiative networks to support the ultra-high-speed broadband roll-out in sparsely populated areas. These networks are deployed and operated under service concession and are analyzed in accordance with IFRIC 12 "Service Concession Arrangements".

When building a network, the Group holds a right to charge users of the public service. As a result, this right is recognized as an intangible asset. This asset is measured at the infrastructure fair value and amortized over the agreement period.

4.11 Impairment

Financial assets

A financial asset is subject to impairment whenever there is an objective indication that an adverse event has occurred after its initial recognition and that this event has a negative impact on the future cash flows of the asset that can be reliably estimated.

Non-financial assets

Carrying values of the Group's non-financial assets are reviewed at each reporting date in order to assess whether there is any indication that an asset is impaired. If there is such an indication, the recoverable amount of the asset is estimated, and if necessary, an impairment expense is recognized to reduce the carrying value of the asset to its recoverable value, as described below.

For goodwill and intangible assets with an indefinite life, the recoverable amount is estimated on an annual basis during the last quarter of the fiscal year or during the year if an indicator of loss of value arises. For other non-current tangible and intangible assets, the recoverable amount is estimated if there is any indication that an asset has suffered impairment.

Estimation of the recoverable amount

The recoverable amount of an asset or group of assets is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset or group of assets in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. This estimate is determined by using available market information. Fair value is estimated based on projected cash flows discounted to present value, using assumptions that any market player would make. In particular, consideration is given to any restructuring or expansionary investment that would normally be envisaged by any market player.

The fair value determined is further corroborated by observing the EBITDA multiples resulting from recent transactions and comparable listed companies.

Value in use as generally used by the Group corresponds to the present value of the future cash flows expected to be derived from an asset or group of assets based on assumptions made by the Group's management regarding economic, regulatory and forecast operating conditions. These cash flows correspond to those generated by the assets in their current operating state.

In all cases, discounted cash flows are determined as follows:

- Cash flows are obtained from:
    - five to ten-year business plans as this period corresponds to the time needed for activities such as digital television to reach maturation,
    - twenty five-year business plans, specifically concerning service concessions operated for the ultra-high-speed broadband roll-out in sparsely populated areas.
- Beyond this horizon, cash flows are extrapolated using a growth rate to perpetuity that reflects the market's expected long-term growth rate;
- Cash flows are discounted to present value using rates that reflect the risks inherent to the activities and countries concerned. (see the note 9.11 on the assumptions underlying the impairment tests)

Definition of Cash Generating Units

The Cash Generating Unit (CGU) is the smallest identifiable group of assets generating largely independent cash inflows.

Goodwill impairment tests are carried out at the level of CGU groups of CGUs corresponding to the level at which the monitoring of returns on investment is carried out, for internal management purposes, considering the expected synergies between the CGUs.

As of December 31, 2021, in accordance with the operating segments presented (see note 6) 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.

Tangible and intangible assets which do not generate independent cash flows are tested at the level of the CGUs to which they belong. These assets may nonetheless be subject to individual tests in cases where their fair value can be determined, or it can be established that there is no reason why their value in use should exceed their fair value.

Recognition of impairment

If the carrying value of a CGU or a group of CGUs exceeds its recoverable value, an impairment loss is recognized, without any offset with other CGUs or groups of CGUs for which the carrying value is less than their recoverable value. Impairment losses are recognized as other operating expenses. An impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the CGU or group of CGUs tested, and then against the carrying value of the CGU or group of CGUs' other assets.

An impairment loss recognized against goodwill cannot be reversed in a subsequent period. For assets other than goodwill, the Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased, and if such is the case, the increased carrying value of the asset attributable to a reversal of an impairment loss may not exceed the carrying value that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years.

4.12 Financial instruments

The Group initially recognizes loans, receivables and deposits on the date on which they are generated. All other financial assets are initially measured on the date on which the Group becomes a party to the contractual terms attaching to the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity.

Financial assets and liabilities are netted and shown for the net balance if, and only if, the Group has the legal right to offset them.

Group financial instruments are detailed hereinafter:

Financial assets recognized at fair value

Financial assets recognized at fair value comprise of financial assets held for trading, namely financial assets held by the Group with the intention of selling in the short-term or which are part of a portfolio managed to generate short-term profits. Changes in the fair value of these items are recognized in profit or loss.

Loans and receivables

Loans and receivables include receivables relating to non-consolidated equity holdings, other loans and receivables and trade receivables.
Trade receivables are recognized initially at fair value.
If the recoverable amount becomes lower than the net carrying value, an impairment charge is recognized under operating income.

Cash and cash equivalents

Cash and cash equivalents is comprised of current account balances with banks as well as cash equivalents defined as short-term investments (the term of the investment is usually less or equal to 3 months) that are highly liquid (can be sold at any time without impact on their value), and readily convertible to known amounts of cash and

which are subject to an insignificant risk of loss in value (with historical data confirming the regularity of their growth in result).
For purposes of the cash flow statement, cash and cash equivalents are stated net of bank overdrafts.

Financial assets available for sale

Financial assets available for sale are mainly comprised of the Group's equity holdings in non-consolidated companies.
Available for sale assets are measured on the balance sheet at fair value, and changes in value are recognized directly in equity except where an impairment test leads to the recognition of an ongoing unrealized loss relative to historical cost, in which case the impairment is recognized through profit or loss.
Amounts recognized in equity are taken to profit or loss upon disposal of available for sale financial assets.
Fair value corresponds to the market price for listed securities or to estimated fair value for unlisted securities, determined in accordance with the financial criteria most appropriate to the circumstances of each investment.

Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: financial borrowings and debts, bank overdrafts, trade payables. After initial recognition at fair value less transaction costs, corresponding to the consideration received, these financial liabilities are measured at amortized cost under the effective interest method.

The effective interest rate is the rate in which the discounted estimated future cash outflows over the expected life of the financial liability equals the net carrying value upon initial recognition.

Purchase of own equity instruments

If the Group acquires its own equity instruments, the value of the consideration paid, including directly attributable costs, are recognized in equity, net of tax.

Derivative financial instruments and hedge accounting

For the year ended December 31, 2021 and 2020, the Group does not hold any derivative financial instruments.

5. Financial risk management

5.1 Credit risk

The total carrying value of the Group's financial assets represents 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 investment grade banking institutions, with an objective of generating a secure return. Cash is invested in euro-denominated money market UCITS and in term deposits with a maturity of under 3 months.

5.2 Market risk

A. Management of interest rate risk

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

	Dec 2021		Dec 2020	
In thousands euros	**Outstanding**	**% of the debt**	**Outstanding**	**% of the debt**
Fixed interest rate debt	3 247 783	93,2%	2 754 412	96,5%
Variable interest rate debt	235 357	6,8%	99 944	3,5%
Total before hedging	**3 483 140**	**100,0%**	**2 854 356**	**100,0%**
Fixed interest rate debt	3 247 783	93,2%	2 754 412	96,5%
Variable interest rate	235 357	6,8%	99 944	3,5%
Total after hedging	**3 483 140**	**100,0%**	**2 854 356**	**100,0%**

As at December 31, 2021 the Group has the following debt outstanding:
- €1 063.6m of shareholder debt with fixed interest rate with Tivana France Holding (indirect shareholders);
- €1 820.1m of bond debt with fixed rates (excluding loan issuance costs);
- €230m of bank debt;
- €259.4m related to lease liabilities (IFRS 16).

Sensitivity analysis of cash flows for variable rate instruments
No variable rate instrument is owned by the Group, neither at December 31, 2021 nor at December 31, 2020.

B. Exchange risk

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

5.3 Liquidity risk

To ensure sufficient liquidity, the Group has available resources of €548.2m (€229.4m on December 31, 2020):

- Cash and cash equivalents of €228.2m as of December 31, 2021 (€54.4m on December 31, 2020);
- 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.
  This line is not used as of December 31, 2021.
- 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 December 31, 2021, this line is used for an amount of €230.0m.

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

	Dec 2021		Maturities		
In thousands euros	**Book value**	**Cash flow**	**< 1 year**	**1 to 5 years**	**> 5 years**
Non-derivative financial instruments					
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	253 565	45 870	156 563	51 132
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**	**4 090 534**	**576 487**	**1 437 383**	**2 076 664**

	Dec 2020		Maturities		
In thousands euros	**Book value**	**Cash flow**	**< 1 year**	**1 to 5 years**	**> 5 years**
Non-derivative financial instruments					
Financial debts - Nominal	2 635 746	2 635 746	46 189	711 812	1 877 745
Loan issue expenses	(9 510)				
Financial interest	511 140	1 427 212	613 288	435 762	378 162
Lease liability (IFRS 16)	228 121	228 121	37 064	107 811	83 246
Financial interest on lease liability (IFRS 16)	1 180	89 267	10 067	36 026	43 173
Debts on external acquisitions (holdback)	-				
Trade payables	239 742	239 742	239 742		
Total financial liabilities	**3 606 419**	**4 620 089**	**946 351**	**1 291 411**	**2 382 326**

See the notes 5.4 and 10.2 which describe the split, the nature and the characteristics of financial debt.

As of December 31, 2021:

- the shareholder debt, held by Tivana France Holdings for €1 063.6m, 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, was partially repaid for €379.9m; this debt balance is €220.1m as of December 31, 2021;
- 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.

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

Maturities of financial debt (bank and bond debts) correspond to the contractual maturities of that debt, without assuming any early repayment.

For debts with variable interest rates, interest rates used are the forward rates prevailing at the reporting date.

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

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

Therefore, in the liquidity risk disclosure, assumptions taken are the following:

- interest is neither capitalized nor paid are disclosed with a maturity below one year,
- future interests are supposed paid every quarter over the loan length, without considering the deferred payments or capitalization mechanisms that are authorized by the loan contract.

5.4 Indebtedness

The Group has unsecured senior debt with bank lenders (" bank debt") and bondholders (" bond debt").

Bond debt

The characteristics of bond debt of the Group are as following:

In thousands euros	Nominal Amount	Market	Maturity	Fixed coupon	Periodicity payment	Repayment option	Other clauses
Term debt							
debt issued on October 19, 2015	220,1	Euronext Paris	October 19, 2022	2,875%	coupon annually paid on October 19	1,25% step up of the annual coupon in case the Group rating becomes lower than BBB- (ot rating equivalent to BBB-)	Option given to bondholders to call for an early repayment in case of a change of control (under some conditions)
debt issued on April 7, 2016	800,0	Euronext Paris	April 7, 2026	2,500%	coupon annually paid on April 7		
debt issued on December 1, 2021	800,0	Euronext Paris	December 1, 2029	1,750%	coupon annually paid on December 1	na	
Total bond debt	**1 820,1**						

On December 1, 2021, TDF Infrastructure announces the successful settlement of €800 million bonds, which notably contributed to finance the concurrent tender offer, carried out simultaneously on a part of the first bond due October 2022. As of December 31, 2021, the first bond debt balance is €220.1 million (see also note 1).

Bank debt

<u>Revolving credit facility</u>

Since December 5, 2018, the Group has a new revolving credit facility.
This credit line of €250m, negotiated under the "Credit Agreement" is not used at December 31, 2021 (it was used at December 31, 2020 up to €75m). Its main characteristics are the following:

In thousands euros	Initial amount	Amount due at December 2021	Depending in the group's rating			Margin applied to EURIBOR	Maturity
			Moody's	Fitch	S&P		
Revolving Facility	250,0	-	Baa2 or above	BBB	BBB or above	0,50%	5-déc.-25
			Baa3	BBB-	BBB-	0,55%	
			Below Baa3	Below BBB-	Below BBB-	0,90%	
TOTAL revolving debt	**250,0**	**-**					

- The contractual maturity is December 5, 2025;
- The facility is at floating rate, the interest rate provides for a Euribor floor of 0%, so that the overall interest rate (margin + Euribor) paid by TDF Infrastructure will never be lower than the applicable margin;
- In addition to the margin, a commission for use is provided in the event of a draw down on the credit line that varies from 0.075% to 0.30% per year depending on the amount of the line used;
- The contract provides for restrictive terms (subject to exceptions contained in the bank agreement) governing the possibility for Group companies to perform certain operations.

The revolving credit line can be used for general corporate purposes of the Group, including working capital requirements, investments, acquisitions or distribution to shareholders.

The bank agreement also 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,
- As of December 31, 2021, the covenant is respected.

<u>Capex facility</u>

On March 29, 2021, the TDF Infrastructure SAS Group announced that it has successfully signed a syndicated €300 million acquisition and capex facility
As at December 31, 2021, this capex facility is used for an amount of €230m. Its main characteristics are the following:

In thousands euros	**Initial amount**	**Amount due at December 2021**	**Depending in the group's rating**			Margin applied to EURIBOR	Maturity
			Moody's	**Fitch**	**S&P**		
Capex Facility			Baa2 or above	BBB	BBB or above	0,95%	
	300,0	230,0	Baa3	BBB-	BBB-	1,10%	26-march-2024
			Below Baa3	Below BBB-	Below BBB-	1,25%	
TOTAL capex debt	**300,0**	**230,0**					

- The contractual maturity is March 26, 2024 with extension options leading to a final maturity in March 2026;
- The availability period during which the Group can draw on this line extends until March 2023;
- The facility is at floating rate, the interest rate provides for a Euribor floor of 0%, so that the overall interest rate (margin + Euribor) paid by TDF Infrastructure will never be lower than the applicable margin;
- The facility agreement provides for restrictive terms (subject to exceptions) governing the possibility for Group companies to perform certain operations.

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 December 2021, the Group is compliant with the covenant.

This capex facility will be mainly used to the financing of Group's capital expenditures.

5.5 Operational risk

Compliance with Group policies is supported by a program of periodic reviews undertaken by Internal Audit. Conclusions are submitted to the Audit Committee and Group senior management.

The Group has taken out insurance policies to manage liabilities in respect of corporate officers, general third-party liabilities and those concerning vehicle lease contracts, material damages and loss of profits.

6. 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 4.11) 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.
It should be noted that the Fiber segment, whose activity was created by the Group in 2017, has financial indicators above the quantitative thresholds required by IFRS 8.

Under IFRS 8, the Group discloses revenue by business lines which are breaken 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 Shareholders loan, accrued interests and lease liability

	Towers		Fiber		Total			
In thousands euros	**December 2021 (12 months)**	**December 2020 (12 months)**	**December 2021 (12 months)**	**December 2020 (12 months)**	**December 2021 (12 months)**	**December 2020 (12 months)**	**Variation December 2021 / December 2020**	**in %**
Revenue	**695 978**	**667 794**	**35 716**	**19 720**	**731 694**	**687 514**	**44 180**	**6,4%**
EBITDA	442 577	427 258	21 649	9 325	464 226	436 583	27 643	6,3%
EBITDAaL	390 510	380 234	21 649	9 325	412 159	389 559	22 600	5,8%
Depreciation, amortisaton and impairment losses	(184 123)	(200 003)	(15 674)	(8 260)	(199 797)	(208 263)	8 467	-4,1%
Current Operating income	**258 455**	**227 255**	**5 975**	**1 065**	**264 430**	**228 320**	**36 109**	**15,8%**
Impairment of goodwill & intangible assets identified in business combinaisons	-	-	-	-	-	-	-	-
Other operating income and charges	(4 547)	(4 270)	-	-	(4 547)	(4 270)	(277)	6,5%
Operating Income	**253 908**	**222 985**	**5 975**	**1 065**	**259 883**	**224 050**	**35 832**	**16,0%**
Net cash from operating activities after operating leases (a)	332 598	366 722	45 570	(1 887)	378 168	364 835	13 333	3,7%
Net cash from operating capex and operating disposals (b)	(191 423)	(218 873)	(219 858)	(128 384)	(411 281)	(347 257)	(64 024)	18,4%
Operating cash available *after operating leases* (a) + (b)	**141 175**	**147 849**	**(174 288)**	**(130 271)**	**(33 113)**	**17 578**	**(50 691)**	**-288,4%**
Operating capex *excluding increase of Right of use asset*	**220 200**	**175 217**	**198 162**	**177 507**	**418 362**	**352 724**	**65 638**	**18,6%**
External net debt *excluding Shareholders loan, accrued interests and lease liability*	**1 835 532**	**1 453 969**	**96 417**	**54 377**	**1 931 949**	**1 508 346**	**423 603**	**28,1%**
Leverage	**4,70**	**3,82**	**4,45**	**5,83**	**4,69**	**3,87**	**0,82**	**21,1%**

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

7.1 Discontinued operations

At December 31, 2021, as at December 31, 2020, the Group does not have any discontinued operations in the meaning of IFRS 5.

7.2 Assets held for sale and disposed entities

At December 31, 2021, 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.
Its contribution (excluding intercompany transactions) are as follows:

- €2.1m of revenue (€1.6m as of December 31, 2020)
- €(0.2)m of Ebitda (€(0.5)m as of December 31, 2020)

Disposal of Tim Congo entity

On may 1, 2020, Tim Congo 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.
At December 31, 2021, its contribution (excluding intercompany transactions) are as follows :

- €0.3m of revenue
- €0.2m of Ebitda.

8. Notes to the statement of comprehensive income

General comments:

- Incomes and charges of SIT remain included in 2021 figures until their effective disposal date (November 30, 2021, see note 7.2);
- Incomes and charges of Tim Congo remain included in 2020 figures until their effective disposal date (May 1, 2020, see note 7.2).

8.1 Revenue

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Digital Television	169 112	173 775
Radio	111 461	112 082
Total Broadcasting Services	**280 573**	**285 857**
Telecom: site hosting	362 614	332 791
Telecom: other services	44 864	39 409
Total Telecoms & Services	**407 478**	**372 200**
Fiber (FTTH)	**36 301**	**20 169**
Others	7 342	9 288
Total revenue	**731 694**	**687 514**

8.2 Other income and expenses (in current operating income)

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Other income	**7 091**	**7 378**

Other income and expenses mainly comprise insurance compensation, income from penalties received and operating grants received.

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Business tax	(5 865)	(6 978)
Property tax	(5 625)	(9 693)
Other taxes	(3 780)	(3 513)
Provision on receivables - Prov. for risks and charges	(1 132)	1 310
Other operating expenses	(3 114)	(1 463)
Other expenses	**(19 516)**	**(20 337)**

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 provision for risks and charges correspond mainly to allocations for litigation provisions and reversals of provision for dismantling.

8.3 Consumed purchases

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Material purchases	(55 310)	(52 220)
Energy and fuels	(65 756)	(61 712)
Other purchases including change in inventory	(18 255)	(16 557)
Capitalized purchases	44 655	42 096
Consumed purchases	**(94 666)**	**(88 393)**

The growth in energy and fuels is explained by the increase of the infrastructure and rising electricity prices.

8.4 Personnel costs

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Salaries & wages	(104 270)	(102 025)
Social security contributions	(35 825)	(34 060)
Tax contributions on salaries & wages	(5 557)	(5 124)
Statutory employee profit sharing	(12 864)	(9 699)
Post-employment benefits : defined benefit plans	656	(1 929)
Post-employment benefits : defined contributions	(8 759)	(8 421)
Share based payments	(496)	(405)
Other personnel costs	(6 638)	(6 334)
Capitalized personnel costs	67 622	60 495
Total personnel costs	**(106 131)**	**(107 502)**

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 €(2.5)m (€(3.1)m in 2020) 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.

8.5 External expenses

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Real estate	(3 840)	(5 074)
Technical subcontracting	(187 628)	(150 249)
Administrative subcontracting	(9 578)	(11 776)
Expenses linked to personnel	(11 670)	(11 617)
Surveys & consulting fees	(10 425)	(9 549)
External & internal communication costs	(865)	(662)
Corporate fees	(5 069)	(5 420)
Insurance	(2 435)	(2 137)
Other capitalized charges	176 041	148 171
External expenses	**(55 469)**	**(48 313)**

The increase of technical subcontracting costs should be analyzed in comparison with the increase in other capitalized charges, reflecting the intensification of Group's infrastructure deployment, in particular optical fiber networks (FTTH).

8.6 Profit on disposal of non-current operation assets

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

8.7 Depreciation, amortization and impairment losses

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Amortisation of intangible assets	(42 282)	(39 988)
Depreciation of tangible assets	(124 503)	(131 837)
Depreciation of assets related to right of use (IFRS 16)	(37 869)	(40 739)
Write-back of investment subsidies	5 525	4 793
Impairment of intangible assets	-	-
Impairment of tangible assets	(667)	(492)
Depreciation, amortisation and impairment losses	**(199 797)**	**(208 263)**

8.8 Other operating income and charges

At December 31, 2021, as of December 31, 2020, other operating income and charges mainly include incomes and costs, which are significant and unusual, and are recognized in non-recurring operating income (below EBITDA, see note 2.1), notably:

- the effects and adjustments related to acquisitions and disposals of entities on the disclosed and previous periods (see notably the note 1);
- different changes on provisions for dismantling, for which the corresponding asset is fully depreciated, following the update of the best estimate of the outflow related to the future dismantling.

8.9 Net finance costs

Net finance costs can be broken down as follows:

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Revenues from available funds placed	6	10
Total financial revenue (a)	**6**	**10**
Finance expenses linked to debt : Bond	(37 473)	(37 250)
Finance expenses linked to debt : Bank debt revolving	(1 433)	(693)
Finance expenses linked to debt : Shareholder	(118 241)	(116 715)
Finance expenses linked to debt : Bank debt revolving	(1 630)	-
Finance expenses linked to debt : Financial lease	(925)	(1 032)
Finance interests linked to lease liability : IFRS 16	(17 920)	(14 770)
Finance expenses linked to debt : Other debts	(5 118)	(2 229)
Refinancing costs	(14 733)	(80)
Result on financial instruments measured at amortized cost (b)	**(197 473)**	**(172 769)**
Capitalisation & amortisation of loan issue expenses (c)	**2 845**	**(2 381)**
Profit (loss) related to derivatives (d)	**-**	**-**
Total finance expenses (e) = (b) + (c) + (d)	**(194 628)**	**(175 150)**
Net financial debt cost (a) + (e)	**(194 622)**	**(175 140)**

Concerning the shareholder loan of €1063.6m towards Tivana France Holdings (amount unchanged vs 2020, fixed interest rate of 7.7%)., quarterly interests on that debt can be:

- 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 2021 by:

- the non-recurring costs relating to the concurrent tender offer, for €8.2m, carried out on December 1, 2021 on a part of bond debt of €600 million with maturity on October 19, 2022 (see note 1),
- the signing of the new capex facility, generating new issuance costs for €1.9m, which have been capitalized in reduction of the debt,
- the new costs which have been activated for the third bond issuance of December 1, 2021, for €3.6m (excluding issue discount, directly recognized in financial debt),
- a one-shot amortization of €0.7m related to the repayment of the first bond debt for €379.9m, following the concurrent tender offer of December 1, 2021.

See notes 5.4 and 10.2 describing the change in financial debt and their characteristics.

At December 31, 2021, excluding shareholder debts and IFRS 16 lease liability, the average interest rate on financial debt is 2.61% (2.75% at December 31, 2020), including financing costs.

Other financial income and charges are as follows:

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Net discounting costs excluding net debt	(4 297)	(4 605)
Forex losses	(28)	1
Other financial expenses & Income	(347)	(430)
Other financial revenues / charges	**(4 672)**	**(5 034)**

Net discounting costs is mainly related to the discounting effect on provisions and deferred income.

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

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Currency translation differences for foreign operations	(46)	(67)
Finance income and expenses recognised in other comprehensive income	**(46)**	**(67)**

8.10 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). All French entities owned directly or indirectly at least 95% by Tivana France Holdings SAS are included in the tax group.

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 which it generates.

The income tax is summarized below:

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Current tax expense	(65 845)	(59 122)
Other income tax expense	(4 847)	(8 092)
Deferred tax expense	1 925	12 279
Total income tax	**(68 767)**	**(54 935)**

Note that of the €65.9m of current tax expense mentioned above (€59.1m as of December 31, 2020), that €65.5m relate to TDF SAS (€57.1m as of December 31, 2020), and are offset at the tax consolidation group level by losses generated by other companies, such as Tivana France Holdings SAS, TDF Infrastructure Holding SAS and TDF Infrastructure SAS (see below).

Income tax recognized in other comprehensive income is summarized below:

In thousands euros	Dec 2021 (12 months)			Dec 2020 (12 months)		
	Pre-tax	Tax (Expense) / Credit	**Net of tax**	Pre-tax	Tax (Expense) / Credit	**Net of tax**
Currency translation differences for foreign operations	(46)		(46)	(67)		(67)
Actuarial losses on defined benefit plan	(72)	21	(51)	(1 095)	351	(744)
Others	19	(1)	18	(1)		(1)
Total	**(99)**	**20**	**(79)**	**(1 163)**	**351**	**(812)**

The reconciliation between the theoretical income tax and the actual income tax recognized is provided below:

In thousands euros	Dec 2021 (12 months)		Dec 2020 (12 months)	
	Value	**Rate**	**Value**	**Rate**
Loss for the period	(7 668)		(10 540)	
Total income tax for the period	(68 767)		(54 935)	
Loss excluding income tax	61 099		44 395	
Theoretical income tax based on the French statutory income tax rate	**(17 358)**	**28,41%**	**(14 215)**	**32,02%**
Non-deductible interest	(10 784)	17,65%	(10 181)	22,27%
Other income tax expenses (CVAE, etc)	(3 275)	5,36%	(5 399)	-3,80%
Impact of disposals of entities, of goodwill impairment and non deductible provisions	(119)	0,19%	7 146	4,96%
Impairment of tax loss carried forward	(27 822)	45,54%	(29 024)	2,44%
Effect of difference in foreign tax rates (theoretical rate)	(3 128)	5,12%	(6 747)	0,00%
Deferred tax on "CVAE" (1)	467	-0,76%	819	
Other permanent differences	(3 515)	5,75%	(456)	0,61%
Effect of tax rate changes	(2 817)	4,61%	2 343	-0,17%
Others	(416)	0,68%	779	1,32%
Actual income tax	**(68 767)**	**112,55%**	**(54 935)**	**123,74%**

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

At December 31, 2021, the changes related to depreciation or non-recognition of tax loss carried forward assets are notably linked to TDF Infrastructure SAS (€29.8m vs €28.7m as of December 31, 2020).
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).

As of December 31, 2021:

- the “other income tax expenses” line is impacted by the reduction in the CVAE rate, enacted by the French finance law for the year 2021,
- the permanent difference effect on disposal of entities corresponds to the entities which have been disposed on the disclosed periods (as at December 31, 2020),
- the other permanent differences correspond mainly to transactions carried out within the Group, part of which is subject to taxation.

Effect of differences on French entities tax rate relies on the use over the period of applicable rates which are different from the theoretical rate, since each entity calculates its corporate tax charge standalone, without considering principles of tax group.

As a reminder, last French tax laws decided on a gradual decrease of the income tax rate between January 1, 2019 and January 1, 2022, changing the rate from 34.43% to a rate of 25.83%.

At December 31, 2021, deferred tax expenses and products have been calculated following the tax rates in force during the year, and deferred tax basis reversing after January 1, 2022 have been valued considering the gradual decrease of the income tax rate.

See also the note 10.6 relating to the valuation of deferred tax basis.

9. 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.

9.1 Goodwill

At December 31, 2021, the Group goodwill breaks down by CGU or group of GGUs as follows:

In thousands euros	Dec 2020	Change in consolidation scope :	Impairment losses	Dec 2021
Towers France	**1 695 583**	42 051	-	**1 737 634**
Total	**1 695 583**	**42 051**	**-**	**1 737 634**

The CGU Towers France goodwill increase concerns the acquisition of the entity TORM for €42.1m (see note 1).
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 is of €42.1m. It is under allocation as of December 31, 2021.

At December 31, 2020, Group goodwill breaks down by CGU or group of GGUs as follows:

In thousands euros	Dec 2019	Change in consolidation scope : acquisitions	Impairment losses	Dec 2020
TDF	**1 695 583**	-	-	**1 695 583**
Total	**1 695 583**	**-**	**-**	**1 695 583**

A. Impairment test at December 31, 2021

In compliance with IAS36, the Group has performed an impairment test of goodwill at 2021 closing date.

According to Group management, business plans of the various CGUs are annually revised and approved by the shareholders. To determine the recoverable amounts of each CGU used for the impairment test, the Group relied on the latest business plans approved by the shareholders on November 24, 2021.

In the specific context of the COVID-19 health crisis, the Group has updated its business activity forecasts, particularly with a view to potential uncertainties regarding this crisis evolution and the short and medium-term impacts on the economy, even if at this stage and with the accumulated experience, the effects of the health crisis on the Group have been marginal and controlled (see note 1).

However, the impairment tests carried out on the basis of updates made to its forecasts and which are currently planned for the Group's activity, did not lead to the recognition of impairment losses as of December 31, 2021.

B. Impairment test at December 31, 2020

In compliance with IAS36, the Group has performed an impairment test of goodwill at 2020 closing date.
According to Group management, business plans of the various CGUs are annually revised and approved by the shareholders. To determine the recoverable amounts of each CGU used for the impairment test, the Group relied on the latest business plans approved by the shareholders on December 2, 2020.
These impairment tests did not lead to the recognition of impairment losses as of December 31, 2020.

C. Assumptions underlying the impairment tests as of the reporting date

As of December 31, 2021, in accordance with the operating segments presented (see note 6) 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.

Dec 2021	Recoverable value based on	Projected periods	Discounting rates (WACC)	Long term growth rates
Towers France Fiber Levira PSN Infrastructura	Value in use based on discounted cash flows	10 years 10 years 5 years 5 years	7,0% 7,0% 11,5% 9,5%	1,75% 1,75% 1,75% 1,75%

Dec 2020	Recoverable value based on	Projected periods	Discounting rates (WACC)	Long term growth rates
TDF Levira PSN Infrastructura (Formely included in the CGU Arkena)	Value in use based on discounted cash flows	10 years 5 years 5 years	7,5% 11,5% 9,5%	1,75% 1,75% 1,75%

The discount rate corresponds to the weighted average cost of capital, determined based on observable market data, in particular a sample of comparable listed companies carrying on business as operators in the fields of satellites and telephone, radio or television infrastructures/networks. The rate is an after-tax rate applied to the after-tax cash flows.

D. Sensitivity analysis

Sensitivity analysis was carried out on the key assumptions (+ or – 0.5 pt. on discount rate, + or – 0.5 pt. on growth rate to infinity and + or – 1.0 pt. on the EBITDA margin terminal value) both individually and using a combination of scenarios.

At December 31, 2021, reasonable potential changes in key assumptions listed above would have no impairment impact on Towers France, Fiber, Levira and PSN Infrastruktura CGUs.

At December 31, 2020, reasonable potential changes in key assumptions listed above would have no impairment impact on TDF, Levira and PSN Infrastruktura CGUs.

Otherwise, scenarios based on updated business plans of the Group, in particular those related to hypothesis and factors resulting from COVID-19 health crisis evolution, including with assumptions of artificially pessimistic growth scenarios, do not generate any significant sensitivity on the impairment tests as of December 31, 2021.

9.2 Intangible assets

Intangible assets are analyzed below:

In thousands euros	Capitalized development expenditure & Patents	Backlog	Customer relationship	Others	**Total**
Gross value at December 31, 2019	**98 627**	**14 200**	**325 200**	**441 158**	**879 185**
Acquisitions	280	-	-	154 476	**154 756**
Disposals	(65 074)	-	-	(40)	**(65 114)**
Reclassifications	1 778	-	-	6 861	**8 639**
Other changes in consolidation scope	-	-	-	(5)	**(5)**
Currency translation adjustments	-	-	-	(7)	**(7)**
Gross value at December 31, 2020	**35 611**	**14 200**	**325 200**	**602 443**	**977 454**
Acquisitions	954	-	-	180 171	**181 125**
Disposals	(171)	-	-	(199)	**(370)**
Reclassifications	(169)	-	-	651	**482**
Changes in consolidation scope	(521)	-	-	426	**(95)**
Currency translation adjustments	-	-	-	(5)	**(5)**
Gross value at December 31, 2021	**35 705**	**14 200**	**325 200**	**783 487**	**1 158 589**

As of December 31, 2021, and 2020, 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 December 2020, disposals flows of the period mainly concern €60.1m of IFRS intangible assets, related to patents, which were recognized following the constitution of TDF infrastructures SAS 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.

Order backlog and customer relationships

As part of the purchase price allocation process, the Group recorded an order backlog and customer relationships, which are amortized over periods ranging from 3 to 7 years and 20 to 26 years, respectively.

"Others"

As of December 31,2021, it includes:
- €181.9m of software (€171.5m at December 31, 2020),
- €28.8m of TDF trademark with an indefinite life (same as at December 31, 2020),
- €34.7m concerning a technology recognized during purchase price allocation (unchanged since December 31, 2020),
- intangible assets relating to completed or in progress roll-out of fiber optic networks in sparsely populated areas, in accordance with IFRIC 12.

Intangible assets accumulated amortization and impairment are broken down as follows:

In thousands euros	Capitalized development expenditure & Patents	Backlog	Customer relationship	Others	**Total**
Amortization at December 31, 2019	**(84 991)**	**(9 113)**	**(138 238)**	**(173 474)**	**(405 816)**
Charge of the period	(5 105)	(2 840)	(10 982)	(21 062)	**(39 989)**
Disposals	65 074	-	-	41	**65 115**
Reclassifications	(586)	-	-	184	**(402)**
Other changes in consolidation scope	-	-	-	(0)	**(0)**
Currency translation adjustments	-	-	-	6	**6**
Amortization at December 31, 2020	**(25 608)**	**(11 953)**	**(149 220)**	**(194 305)**	**(381 086)**
Charge of the period	(3 351)	(2 247)	(10 983)	(25 702)	**(42 283)**
Disposals	171	-	-	199	**370**
Reclassifications	(27)	-	-	-	**(27)**
Changes in consolidation scope	521	-	-	(397)	**124**
Currency translation adjustments	-	-	-	5	**5**
Amortization at December 31, 2021	**(28 294)**	**(14 200)**	**(160 203)**	**(220 201)**	**(422 898)**

	Capitalized development expenditure & Patents	Backlog	Customer relationship	Others	Total
Impairment losses at December 31, 2019	**-**	**-**	**(100 398)**	**(5 858)**	**(106 256)**
Charge of the period	-	-	-	-	**-**
Changes in consolidation scope	-	-	-	-	**-**
Currency translation adjustments	-	-	-	-	
Impairment losses at December 31, 2020	**-**	**-**	**(100 398)**	**(5 858)**	**(106 256)**
Charge of the period	-	-	-	-	**-**
Disposals					**-**
Changes in consolidation scope	-	-	-	-	**-**
Currency translation adjustments	-	-	-	-	**-**
Impairment losses at December 31, 2021	**-**	**-**	**(100 398)**	**(5 858)**	**(106 256)**
Carrying amount at December 31, 2020	**10 003**	**2 247**	**75 582**	**402 280**	**490 112**
Carrying amount at December 31, 2021	**7 411**	**-**	**64 599**	**557 429**	**629 439**

Impairment of intangible assets

TDF's trademark, which has an indefinite life, is subject to an annual impairment test.

The following were the main assumptions used as of December 31, 2021:

	France
Recoverable value based on	Fair value
Valuation Method	Royalties
Projected periods	10 years
Discount rates	7,00%
Long term growth rates	1,75%
Royalty rate on the revenues	0,30%

The net book value of the TDFs trademark amounts to €23.0m. Sensitivity analysis carried out showed that any deterioration in the key criteria would not lead to further impairment.

<u>December 31, 2021</u>

In 2021, impairment tests did not lead to the recognition of any impairment on intangible assets.
In particular, based on business plans updated in 2021 and with a view on the specific context of COVID-19 health crisis, the Group has not observed any impairment indicator which require a specific impairment test on intangible assets.
The different scenarios and sensitivities used do not generate any impact calling into question the impairment tests.

<u>December 31, 2020</u>

In 2020, impairment tests did not lead to the recognition of any impairment on intangible assets.

9.3 Property, plant and equipment

Property, plant and equipment are summarized below:

In thousands euros	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	**Total**
Gross value at December 31, 2019	**960 061**	**1 875 042**	**41 379**	**608 601**	**3 485 083**
Acquisitions	131 610	58 856	7 807	61 400	**259 673**
Disposals	(20 781)	(32 362)	(410)	(22 324)	**(75 877)**
Reclassifications	16 371	2 317	22	(13 925)	**4 785**
Other changes in consolidation scope	(0)	(2 054)	0	(94)	**(2 148)**
Currency translation adjustments	(33)	(93)	(6)	(50)	**(182)**
Gross value at December 31, 2020	**1 087 228**	**1 901 706**	**48 792**	**633 608**	**3 671 334**
Acquisitions	128 064	70 778	6 425	93 679	**298 945**
Disposals	(19 361)	(34 978)	(548)	(20 005)	**(74 893)**
Reclassifications	19 354	4 854	950	(38 685)	**(13 526)**
Other changes in consolidation scope	13 790	17 228	878	(15 262)	**16 634**
Currency translation adjustments	(23)	(66)	(5)	(36)	**(130)**
Gross value at December 31, 2021	**1 229 052**	**1 959 520**	**56 493**	**653 300**	**3 898 366**

In thousands euros	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	**Total**
Amortization at December 31, 2019	**(279 951)**	**(1 035 987)**	**(30 693)**	**(340 578)**	**(1 687 209)**
Charge of the period	(55 649)	(75 217)	(2 880)	(34 144)	**(167 890)**
Disposals	17 944	32 365	407	22 177	**72 893**
Reclassifications	3 692	10 549	1	(13 600)	**642**
Other changes in consolidation scope	0	188	(0)	1	**189**
Currency translation adjustments	32	78	6	35	**151**
					-
Amortization at December 31, 2020	**(313 932)**	**(1 068 024)**	**(33 159)**	**(366 109)**	**(1 781 224)**
Charge of the period	(56 947)	(63 562)	(3 421)	(33 501)	**(157 431)**
Disposals	18 864	34 187	505	19 953	**73 510**
Reclassifications	5 602	1 337	-	(2 408)	**4 531**
Other changes in consolidation scope	64	(9 590)	(610)	9 995	**(141)**
Currency translation adjustments	22	55	4	25	**106**
Amortization at December 31, 2021	**(346 327)**	**(1 105 596)**	**(36 681)**	**(372 045)**	**(1 860 650)**

	Land & buildings	Broadcasting network	Office furniture, office and computer equipment	Others	**Total**
					-
Impairment losses at December 31, 2019	**(6 297)**	**(38 339)**	**(8)**	**(4 557)**	**(49 201)**
Charge of the period	(452)	-	-	(40)	**(492)**
Disposals	452	3	2	4	**461**
Reclassifications	-	1 281	-	588	**1 869**
Other changes in consolidation scope	0	0	-	0	**0**
Currency translation adjustments	0	5	-	3	**7**
Impairment losses at December 31, 2020	**(6 297)**	**(37 050)**	**(6)**	**(4 002)**	**(47 355)**
Charge of the period	(31)	-	-	(636)	**(667)**
Disposals	31	4	-	342	**377**
Reclassifications	-	-	-	-	**-**
Other changes in consolidation scope	0	0	-	(0)	**0**
Currency translation adjustments	0	2	-	6	**8**
Impairment losses at December 31, 2021	**(6 297)**	**(37 045)**	**(6)**	**(4 290)**	**(47 638)**

Carrying amount at December 31, 2019	**673 813**	**800 716**	**10 678**	**263 465**	**1 748 673**
Carrying amount at December 31, 2020	**766 999**	**796 632**	**15 627**	**263 497**	**1 842 755**
Carrying amount at December 31, 2021	**876 427**	**816 879**	**19 807**	**276 964**	**1 990 077**

Broadcasting networks comprise of pylons, antennas, transmitters, microwave links and site fixtures, satellite equipment (terrestrial stations), pre-broadcasting equipment for master control rooms.

“Other” includes especially:
- assets related to completed or in progress roll-out of fiber optic networks in sparsely populated areas, which don’t meet terms of IFRIC 12 standard,
- vehicles, equipped vehicles and assets in progress.

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

December 31, 2021
As of December 31, 2021, changes in consolidation scope corresponds to TORM acquisition (€19.1m of gross value, €1.7m of amortization) and the disposal of SIT tangible assets, following the sale on November 30, 2021 (see the note 1).

December 31, 2020
Change in consolidation scope of the period corresponds to the disposal of Tim Congo tangible assets, following the sale on May 1, 2020 (see the note 1).

9.4 Financial assets available for sale

In thousands euros	Dec 2021	Dec 2020
Gross value at opening	**71**	**71**
Acquisitions	12	
Disposals	-	
Changes in consolidation scope	-	
Gross value at closing (A)	**83**	**71**
Impairment at opening	**-**	**-**
Reversal	-	-
Changes in consolidation scope	-	-
Impairment at closing (B)	**-**	**-**
Net carrying amount at closing	**83**	**71**

9.5 Inventories

In thousands euros	Dec 2021 Gross	Dec 2021 Depreciation	Dec 2021 Net	Dec 2020 Gross	Dec 2020 Depreciation	Dec 2020 Net
Inventories,including items in progress	19 649	(3 452)	16 197	20 317	(3 205)	17 112
Total inventories	**19 649**	**(3 452)**	**16 197**	**20 317**	**(3 205)**	**17 112**

Inventories are composed of spare parts for which use (consumption, capitalization or sale) is not specifically identifiable.
Inventories are measured at their weighted average unit purchase cost. Where the future use of an inventory item is uncertain, it is subject to an impairment adjustment, if necessary, to reduce its carrying value to its recoverable amount.
Assets that qualify as safety inventories are accounted for as property, plant and equipment.

9.6 Trade receivables and other current and non-current assets

In thousands euros	Dec 2021 Gross	Dec 2021 Depreciation	Dec 2021 Net	Dec 2020 Gross	Dec 2020 Depreciation	Dec 2020 Net
Trade accounts receivables	119 658	(4 429)	115 229	88 708	(4 955)	83 753
Trade receivables on disposal of assets	729	-	729	4 742	-	4 742
Total trade accounts receivables	**120 387**	**(4 429)**	**115 958**	**93 450**	**(4 955)**	**88 495**

Trade receivables impairment is based on the probability of bad debt occurrence.

The breakdown of past due amounts on trade receivables are as follows:

	Dec 2021 Net	Dec 2020 Net
Not yet due	102 026	71 888
Less than 3 months past due	8 587	10 461
More than 3 months and less than 1 year past due	3 490	4 852
More than one year and less than 3 years past due	990	536
More than 3 years past due	865	758
Net trade account receivables	**115 958**	**88 495**

Other current and non-current assets are as follows:

In thousands euros	Dec 2021			Dec 2020		
	Gross	Depreciation	Net	Gross	Depreciation	Net
Credit notes not yet received	8	-	8	29	-	29
Advance payment - corporate income tax	4 233	-	4 233	7 510	-	7 510
Tax and social security receivables	72 604	-	72 604	98 967	(97)	98 870
Prepaid expenses	1 708	-	1 708	2 380	-	2 380
Escrow account	-	-	-	-	-	-
Other receivables	9 945	(1 130)	8 815	15 351	(692)	14 659
Total other current assets	**88 498**	**(1 130)**	**87 368**	**124 237**	**(789)**	**123 448**
Non-current receivables	2 353	-	2 353	1 783	-	1 783
Loans, security deposit, guaranty	6 059	(77)	5 982	6 242	(76)	6 166
Total other non current assets	**8 412**	**(77)**	**8 335**	**8 025**	**(76)**	**7 949**

9.7 Cash and cash equivalents

The Group's cash is largely denominated in euros.

In thousands euros	Dec 2021	Dec 2020
Cash and cash equivalents	228 224	54 292
Bank overdrafts used for cash management purposes	-	-
Cash of continued activities	**228 224**	**54 292**

10. 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.

10.1 Share capital and reserves

TDF Infrastructure SAS has a share capital of €300,000 thousand, divided into 10.000.000 shares, entirely owned by TDF Infrastructure Holding SAS.

TDF Infrastructure Holding SAS is wholly owned by French entity Tivana France Holdings. At December 31, 2021 as at December 31, 2020, Tivana France Holdings has a share capital of €9.392.243 divided into 9.392.243 shares with a nominal value of 1€ each, fully paid and divided into two categories of shares:

- 9.254.243 ordinary shares, with voting rights and dividend rights, all held by Tivana Midco S.à.r.l., itself indirectly owned at 45% by Brookfield Infrastructure Group, 22.5% by Public Sector Pension Investment Board (PSP Investments), 22.5% by APG Asset Management N.V., and 10% by Prévoyance Dialogue du Crédit Agricole – Predica SA

- 138.000 preference shares of category M, governed specifically by Articles L.228-11 and seq of the French Commercial Code and the stipulations of Tivana France Holdings' articles of association, with no voting right, no dividend right, but that have a liquidation bonus calculated by comparison between the Group's value (based on its value in use, or on its purchase price in case of a disposal of the Group) and a minimum expected return.

Consolidated reserves are composed as follows:

A. Currency translation reserve

The currency translation reserve comprises of the total accumulated exchange differences arising from the translation of the financial statements of the Group's foreign operations and of financial liabilities designated as hedges of net investments in foreign operations.

B. Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative portion of gains and losses on cash flow hedging instruments that have been deemed effective.

C. Other reserves

Other reserves include:
- a reserve for actuarial differences;
- changes in consolidation scope relating to changes in minority interests.

10.2 Financial debt

As of December 31, 2021, the main part of financial debt consists of unsecured senior external debt held by bondholders (bond debt), a bank debt, as well as a shareholder loan. Overall, the Group's financial debt is analyzed and has varied as described below:

In thousands euros	**Dec 2020**	Increase	Decrease	Others	**Dec 2021**
Bond	1 391 238	793 338	(376 875)	-	1 807 701
including term debt	1 400 000	*800 000*	*(379 900)*	-	*1 820 100*
including loan issuance costs	(8 762)	*(6 662)*	*3 025*	-	*(12 399)*
Bank debt	74 252	512 089	(359 336)	-	227 005
including loan issuance costs	(748)	*(2 911)*	*664*	-	*(2 995)*
including revolving debt	75 000	*285 000*	*(360 000)*	-	-
including capex facility debt	-	*230 000*	-		*230 000*
Shareholders' debt	1 063 599	-	-	-	1 063 599
Finance lease debt	7 124	2 401	(3 703)	60	5 883
Operational investments debts	18 818	-	(1 479)	-	17 339
Lease liability (IFRS 16)	228 121	61 358	(36 991)	6 866	259 354
Other financial debts	71 205	47 100	(20 501)	4 456	102 259
Financial debt	**2 854 357**	**1 416 286**	**(798 885)**	**11 382**	**3 483 140**

In thousands of euros	**Dec 2019**	Increase	Decrease	Others	**Dec 2020**
Bond	1 388 947	-	2 291	-	1 391 238
including term debt	1 400 000	-	-		*1 400 000*
including loan issuance costs	(11 053)	-	*2 291*		(8 762)
Bank debt	(838)	189 921	(114 831)	-	74 252
including loan issuance costs	(838)	*(79)*	*169*		*(748)*
including revolving debt	-	*190 000*	*(115 000)*	-	*75 000*
Shareholders' debt	1 063 599	-	-	-	1 063 599
Finance lease debt	9 983	985	(3 844)	-	7 124
Operational investments debts	19 541	-	(723)	-	18 818
Lease liability (IFRS 16)	216 058	54 946	(36 631)	(6 252)	228 121
Other financial debts	87 854	27 000	(45 195)	1 546	71 205
Financial debt	**2 785 144**	**272 852**	**(198 933)**	**(4 706)**	**2 854 357**

Bond debt

TDF Infrastructure SAS has issued a bond for €600m on October 19, 2015, and a second one for €800m on April 7, 2016 and a third one for €800m on December 1, 2021 (see characteristics disclosed in the note 5.4).
The third issue was made simultaneously with the concurrent tender offer on a part of the bond debt issued in 2015, which was repaid for €379.9m. The nominal amount of this debt is therefore €220.1m as of December 31, 2021.
The bond issue expenses (including issue discount) disclosed as a deduction from the debt balance (according to effective interest rate IFRS method) amount to €12.4m as of December 31, 2021 (€8.8m as of December 31, 2020).

Bank debt

Revolving credit line

At December 31, 2021, revolving line is not used. This maturity of this line is December 5th, 2025.

Capex facility

On March 29, 2021, the TDF Infrastructure SAS Group announced that it has successfully signed a syndicated €300 million acquisition and capex facility.
As of December 31, 2021, this line is used for an amount of €230m. The contractual maturity is March 26, 2024 with extension options until March 2026 (see characteristics presented in note 5.4)
The bond issue expenses (including issue discount) disclosed as a deduction from the debt balance (according to effective interest rate IFRS method) amount to €1.4m as of December 31, 2021.

Shareholders loan

The Group concluded a loan with Tivana France Holdings (sole shareholder of TDF Infrastructure Holding SAS) for €1 063.6m (fixed rate of 7.7%, maturity of March 2030). Interests on this loan are disclosed on the line accrued interests at the bottom of the balance sheet.

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 debts, 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 December 31, 2021 is of €17.3m.

Lease liability (IFRS 16)

In accordance with the application of IFRS 16, a financial debt is 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 8.9).

Other financial debts

At of December 31, 2021, as of December 31,2020, other financial debts consist mainly of:

- current accounts with Tivana France Holdings and TDF Infrastructure Holding for a total amount of €4.5m (€24.7m as of December 31, 2020);
- shareholder loans granted, for an amount of €97.5m (€46m as of December 31, 2020) to the entities Val d'Oise Fibre, Val de Loire Fibre and Anjou Fibre by Banque des Territoires following an equity investment of 30%.

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

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**

In thousands euros	Dec 2020	< 1 year	1 to 5 years	> 5 years
Bond debt	1 391 238	-	597 887	793 351
Bank debt	74 252	-	74 252	-
Shareholders' debt	1 063 599	-	-	1 063 599
Finance lease debt	7 124	4 260	2 844	20
Operational investments debts	18 818	1 109	3 583	14 126
Lease liability (IFRS 16)	228 121	37 064	107 811	83 246
Other financial debts	71 205	40 820	30 385	-
Financial debt	**2 854 357**	**83 253**	**816 762**	**1 954 342**

As of December 31, 2021:

- 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 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.

10.3 Characteristics of derivative instruments

At December 31, 2021 (as at December 31, 2020) no derivative instruments are in place.

10.4 Employee benefits

Employee benefits are provided through both defined contribution and defined benefit plans. Under a defined contribution plan, the Group is only obliged to pay contributions. Contributions paid in respect of these plans are recognized in profit or loss when incurred.

Post-employment benefit plans

Defined benefit plans are subject to actuarial measurement using the projected unit credit method. Under the projected unit credit method, each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to calculate a liability, which is then discounted.

These actuarial calculations include demographic assumptions (retirement date, rate of increase in salaries, rate of employee turnover) and financial assumptions (discount rate, rate of inflation) defined at the level of each entity considering the local macroeconomic environment.

All actuarial gains and losses are recognized in other comprehensive income.

Termination benefits

Where applicable, benefits arising from the termination of an employment contract are measured and provided for to the extent of the resulting liability. Where termination benefits fall due more than 12 months after the reporting date, they are discounted to their present value.

Short-term employee benefits

Short-term obligations are not discounted and are recognized when the corresponding service is rendered.

Share-based payments

If payment results in the delivery of equity instruments, the fair value of share-based payments at the grant date is recognized as a personnel expense, with a corresponding increase in equity, over the period during which the equity instruments vest in favor of the employee.

If payment results in a cash settlement, the fair value of amounts due to employees is recognized as personnel expense, with a corresponding increase in financial liabilities over the period in which the rights vest. The fair value of this liability is revalued each year.

A. Post-employment benefits

The amounts shown in the balance sheet which relate to the provision of retirement indemnities are as follows:

In thousands euros	Dec 2021	Dec 2020
Present value of the defined benefit obligation	37 322	41 003
Fair value of plan assets	(5 268)	(8 197)
Provision recognised for defined benefit obligations	**32 054**	**32 806**

The maturity profile of the expected discounted cash flows on these provisions is as follows:

In thousands euros	Dec 2021	< 1 year	1 to 5 years	> 5 years
France	32 044		-	32 044
Others	10	-	-	10
Provision recognised for defined benefit obligations	**32 054**	**-**	**-**	**32 054**

The main employee benefit plans concern retirement benefits in France.

Retirement benefits are valued based on a collective workforce agreement or a company agreement and the legal age of retirement is assumed to be 65 years.
TDF SAS, which represents 95% of the benefit obligations in France as of December 31, 2021, applies an adapted agreement of the National Telecommunication Collective Agreement. The retirement benefit paid out depends on employee's length of service and last salary prior to retirement:

- 2% of gross annual salary after 9 years length of service (after the employee entered the company),
- 20% of gross annual salary after 10 years length of service,
- 25% of gross annual salary after 15 years length of service,
- 40% of gross annual salary after 20 years length of service,
- 50% of gross annual salary after 25 years length of service,
- 60% of gross annual salary after 30 years length of service,
- 70% of gross annual salary after 40 years length of service.

The change in the present value of the defined benefit obligation is summarized below:

In thousands euros	**Dec 2021**	**Dec 2020**
Present value of the defined benefit obligation at opening	41 003	41 093
Service cost	(641)	1 935
Delivered services	(3 097)	(3 388)
Discounting (interest cost)	193	268
Actuarial gains and losses recognised in the statement of comprehensive inco	72	1 095
Changes in consolidation scope	(208)	-
Others	-	-
Present value of the defined benefit obligation at closing	**37 322**	**41 003**
Fair value of plan assets at opening	8 197	11 317
Contribution paid into the plan		
Benefits paid	(3 087)	(3 381)
Expected return on plan assets	157	261
Actuarial gains and losses (by net equity)	-	-
Changes in consolidation scope	-	-
Fair value of plan assets at closing	**5 268**	**8 197**

In thousands euros	**Dec 2021**	**Dec 2020**
Personnel costs (service cost)	652	(1 925)
Discounting (interest cost)	(193)	(268)
Expected return on plan assets	157	261
Others (restructuring provision, others...)	-	-
Expense in the year	**616**	**(1 932)**

Actuarial gains (losses) recognized in other comprehensive income before tax are as follows:

In thousands euros	**Dec 2021**	**Dec 2020**
Cumulative amount at 1st january	15 501	14 406
Experience adjustment arising on plan liabilities	1 223	541
Experience adjustment arising on plan assets	-	-
Adjustement from changes in assumptions	(1 151)	554
Cumulative amount at closing date	**15 573**	**15 501**

The main actuarial assumptions for this obligation liability are as follows:

	Dec 2021	Dec 2020
Discount rate	0,80%	0,50%
Expected rates of salary increases	1,00% - 2,00%	1,00% - 2,00%
Expected rate of return on plan assets	0,80%	0,50%

The sensitivity of actuarial calculations to the discount rate and the expected rate of return on plan assets at December 31, 2021 is presented below:

		In M€
Discount rate	-0,25 pt	32,9
		32,1
	+0,25 pt	31,0

The sensitivity of actuarial calculations to the discount rate and the expected rate of return on plan assets at December 31, 2020 is presented below:

		In M€
Discount rate	-0,25 pt	34,0
		32,8
	+0,25 pt	31,8

The underlying assets of employee benefit plans in France amount to €5.3m as of December 31, 2021 (€8.2m as of December 31, 2020), and correspond to a group insurance contract with a private insurer. The average expected return is the same as the insurer's return on its "Actif Général Retraite" (General Retirement Asset).

B. Share-based plan

On December 12, 2016, a share-based plan was implemented for some employees, regarding their services rendered to the Group:

- This plan relates to the 138 000 preference shares of the company Tivana France Holdings, which have been issued and granted in 2017;
- These preference shares have no voting right, no dividend right, but have a liquidation bonus calculated by comparison between the Group's value (based on its value in use, or on its purchase price in case of a disposal of the Group) and a minimum expected return;
- This plan is qualified as equity settled based on the meaning under IFRS 2, notably because the liquidity clauses on these shares are assumed by Tivana Midco S.à.r.l., shareholder of the Group (see note 10.1);
- Beneficiaries acquire the right to dispose of their shares gradually from December 12, 2016 to March 31, 2025 ("vesting period"), by tranche at each anniversary date, if they are still working for the Group;
- The fair value of this plan is estimated at €3.2m; in compliance with IFRS 2, this fair value will be recognized as expense in the profit & loss over the vesting period, on a nonlinear basis. The IFRS 2 expense recognized in 2021 is €0.2m, (€0.3m in 2020).

On December, 9, 2020, following the departure of some plan beneficiaries' employees, 19 952 preference shares above have been reassigned to others Group's employees:

- The characteristics of the plan remain unchanged;
- New beneficiaries acquire the right to dispose of their shares gradually from December 9, 2020 to March 31, 2025 ("vesting period"), by tranche at each anniversary date, if they are still working for the Group;
- The fair value of this reassignment is estimated at €1.0m; in compliance with IFRS 2, this fair value will be recognized as expense in the profit & loss over the vesting period, on a nonlinear basis. The IFRS 2 expense recognized in 2021 is €0.3m.

10.5 Provisions

In thousands euros	Dec 2020	Provisions additions	Provisions utilisations	Provisions unused	Discounting	Currency translation adjustment	Others	Dec 2021
Prov. for post-employment benefits (pension, retirement benefit)	32 806	1 993		(2 645)	35		(135)	32 054
Prov. for employee-related measures	688		(688)					-
Provision for claims and disputes	2 125	3 895	(45)	(1 050)				4 925
Provision for dismantling, decommissioning and restoring sites	79 235	-	(1 273)	(1 306)	287		2 713	79 656
Prov for bringing into compliance of sites	1 694		(139)					1 554
Other provisions	3 556	1 608	(614)	(133)			(5)	4 411
Total provisions	**120 104**	**7 496**	**(2 759)**	**(5 134)**	**322**	**-**	**2 573**	**122 600**
Presented as current	**12 957**							**13 020**
Presented as non-current	**107 147**							**109 580**

In thousands euros	Dec 2019	Provisions additions	Provisions utilisations	Provisions unused	Discounting	Currency translation adjustment	Others	Dec 2020
Prov. for post-employment benefits (pension, retirement benefit)	29 776	1 928			9		1 093	32 806
Prov. for employee-related measures	7 478		(6 841)		51			688
Provision for claims and disputes	1 864	833	(28)	(544)				2 125
Provision for dismantling, decommissioning and restoring sites	64 026	1 250	(956)	(2 639)	625		16 929	79 235
Prov for bringing into compliance of sites	2 626		(169)	(763)				1 694
Other provisions	18 444	754	(14 740)	(902)				3 556
Total provisions	**124 214**	**4 765**	**(22 734)**	**(4 848)**	**685**	**-**	**18 022**	**120 104**
Presented as current	**43 629**							**12 957**
Presented as non-current	**80 585**							**107 147**

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 in order 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 15.1).

Claims and disputes, other provisions
Claims and disputes mainly arise from litigation facing the Group.
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, notably regarding TDF SAS' 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

10.6 Deferred taxes

Deferred taxes recognized in the balance sheet are detailed below:

In thousands euros	**Dec 2021**	**Dec 2020**
Deferred tax assets	9 248	5 841
Deferred tax liabilities	230 205	228 776
Net position - liability	**220 957**	**222 935**

The tax rates applicable for Group entities are as follows: 26,5% to 28,41% for French entities and 19% for Poland. Deferred tax positions have been netted by tax jurisdiction.

As disclosed in note 8.10, last French tax laws decided on a gradual decrease of the income tax rate between January 1, 2019 and January 1, 2022, changing the rate of 34.43% to a rate of 25.83%.
Deferred taxes basis reversing after January 1, 2022 have been evaluated with this gradual decrease of the rate.

Breakdown by type of deferred taxes is as follows:

In thousands euros	Dec 2021	Variation	Dec 2020
Tax losses to carry forward	8 809	3 293	5 516
Intangible fixed assets	(44 778)	2 067	(46 845)
Tangible fixed assets	(100 678)	(2 284)	(98 394)
Financial assets		-	-
Inventories	866	47	819
Trade receivables	(1 164)	(1 071)	(93)
Other receivables	3 787	1 379	2 408
Tax provisions	(192 224)	(6 695)	(185 529)
Provisions	12 221	(76)	12 297
Financial debt	69 689	5 456	64 233
Trade payables	1 902	(323)	2 225
Other payables	20 613	185	20 428
Deferred tax assets (liabilities)	**(220 957)**	**1 978**	**(222 935)**

Unrecognized or impaired material deferred tax assets on tax losses carried forward as of December 31, 2021 concern:

- Tax losses carried forward of TDF Infrastructure SAS (included in the tax consolidation group of Tivana France Holdings, indirect shareholder of the Group, see the note 8.10) representing €567.5m of deferred tax assets at 25,83% (€538.5.m at 25,83% as of December 31, 2020);
- Other entities: €1.3m of unrecognized deferred tax assets.

10.7 Other current and non-current liabilities

Other liabilities are summarized below:

In thousands euros	Dec 2021	Dec 2020
Trade payables	183 242	186 360
Trade payables on fixed assets aquisitions	50 459	53 382
Corporate income tax liabilities	21 455	8 871
Tax and social liabilities	136 419	133 530
Other current liabilities	96 420	92 863
Current liabilities	**487 995**	**475 006**
Other non-current liabilities	**129 705**	**90 657**
Total liabilities	**617 700**	**565 663**

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

Other current and non-current liabilities include deferred income of €196.1m (€161.3m as of December 31, 2020) of which €115.8m is maturing after one year (€87.4m after December 31, 2020).

11. Summary of financial assets and liabilities

In thousands euros	December 2021		December 2020	
	Book value	Fair value	Book value	Fair value
Available for sale financial assets	83	83	71	71
Assets held for sale - IFRS 5	-	-	-	-
Financial assets at fair value through P&L	-	-	-	-
Interest rate swaps used for hedging	-	-	-	-
Forward exchange contracts used for hedging	-	-	-	-
Assets carried at fair value	**83**	**83**	**71**	**71**
Loans and receivables	211 661		219 892	-
Cash and cash equivalents	228 224	228 224	54 292	54 292
Assets carried at amortised cost	**439 885**	**228 224**	**274 184**	**54 292**
Liabilities held for sale - IFRS 5 - net from the anticipated disposal result booked in the accounts	-	-	-	-
Interest rate swap for hedging purposes	-	-	-	-
Forward exchange contracts for hedging purposes	-	-	-	-
Liabilities carried at fair value	**-**	**-**	**-**	**-**
Financial debt	3 477 257	3 477 257	2 847 233	2 847 233
Financial lease obligations	5 883	5 883	7 124	7 124
Trade payable and other liabilities	617 700	617 700	565 662	565 662
Bank overdrafts	-	-	-	-
Accrued interest on financial debt and current accounts	429 029	429 029	511 140	511 140
Liabilities carried at amortised cost	**4 529 869**	**4 529 869**	**3 931 159**	**3 931 159**

The methodology used to determine fair value is described in note 4.12.

The following table gives an analysis by valuation method for the financial instruments recorded at fair value. The various levels are defined as follows:

- Level 1: fair value measurements are those derived from actual quoted prices in active markets.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques that are not based on observable market data.

In thousands euros	December 2021				December 2020			
	Level 1	*Level 2*	*Level 3*	Total	*Level 1*	*Level 2*	*Level 3*	Total
Available for sale financial assets	-	-	83	83	-		71	71
Net assets held for sale - IFRS 5	-	-	-	-	-	-	-	-
Financial assets at fair value through P&L	-	-	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	-	-	-
	-	-	83	83	-	-	71	71
Derivative financial liabilities	-	-	-	**-**	-	-	-	**-**
	-	**-**	**83**	**83**	**-**	**-**	**71**	**71**

Available for sale financial assets correspond to shares in non-consolidated entities.

12. Cash flow

General comments:

- cash flows of SIT remain included in net cash from operating activities, and net cash used in financing or investing activities for all the periods disclosed until their disposal date (November 30, 2021 – see note 7.2);
- cash flows of Tim Congo remain included in net cash from operating activities, and net cash used in financing or investing activities for all the periods disclosed until their disposal date (May 1, 2020 – see note 7.2).

12.1 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.

12.2 Changes in working capital

In thousands euros	Dec 2021	Dec 2020
Changes in inventories	1 810	(3 219)
Changes in trade receivables	(30 900)	19 095
Changes in trade payables	(5 336)	47 949
Changes in prepaid income	31 486	9 056
Changes in other working capital	14 303	8 421
Changes in working capital	**11 363**	**81 302**

12.3 Net cash used in investing activities

At December 31, 2021:

- The line acquisition of non-current operating asset reflects the intensification of Group's infrastructure deployment, in particular optical fiber networks and telecom infrastructures,
- The line acquisition of controlling interests mainly corresponds to the acquisition of TORM at May, 31 2021 (see the note 1).

At December 31, 2020, the line « Net proceeds from disposals of subsidiaries » of €(11.2)m mainly corresponds to the effects of disposals of Cognacq Jay Image and Tim Congo.

12.4 Net cash used in financing activities

At December 31, 2021:

- drawdowns and repayment of debts are principally composed of:
    - drawdonws related of the third bond debt issued for €800m, which was realized simultaneously with the concurrent tender offer on a part of the first bond debt generating a repayment of €379.9m,
    - drawdowns related to the use of revolving credit facilities for €285m, which generated a repayment of €(360)m over the period,
    - drawdowns related to the use of capex facility for €230m over the period,
    - a €47.1m 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 concerning the current account with Tivana France Holdings and TDF Infrastructure Holding (direct and indirect shareholder of the Group) for €(20.2)m,
    - Cash outflows for rents of €(36.9)m presented as repayment of lease liability.
- the line « Financial interests » mainly corresponds to:
    - the €(37.5)m payment related to the fixed-rate bond debt of the Group
    - the €(200)m payment of interests on shareholder's debt with Tivana France Holdings (TDF Infrastructure Holding shareholder, direct shareholder of the Group, see note 5.4).

  - cash outflows for rent of €(17.9)m presented as interests' expenses, in accordance with the application of IFRS 16.
- The refinancing cost of €(16.4)m mainly corresponds to:
  - Cash outflows of costs and issue premium of the bond debt carried out on December 1, 2021 for €(6.3)m,
  - new issuance costs related to the finalization of the new Capex Facility for €(1.9)m,
  - the payment of €(8.0)m related to the concurrent tender offer of December 1, 2021 on the first bond debt (see note 1).
- the line « Changes of interest in controlled entities » of €2.1m corresponds to an equity investment from Banque des Territoires in Fiber entities.

At December 31, 2020:
- drawdowns and repayment of debts are principally composed of:
  - drawdowns related to the use of revolving credit facilities for €190.0m, which were followed by repayments of €(115.0)m over the period,
  - a €27m 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 concerning the current account with Tivana France Holdings and TDF Infrastructure Holding (direct and indirect shareholder of the Group) for €(44.7)m,
  - Cash outflows for rents of €(36.6)m presented as repayment of lease liability.
- the line « Financial interests » mainly corresponds to:
  - the €(37.3)m payment related to the fixed-rate bond debt of the Group
  - the €(34.0)m payment of interests on shareholder's debt with Tivana France Holdings (TDF Infrastructure Holding shareholder, direct shareholder of the Group, see note 5.4).
  - cash outflows for rent of €(14.8)m presented as interests expenses, in accordance with the application of IFRS 16.
- the line « Changes of interest in controlled entities » of €2.5m corresponds to an equity investment from Banque des Territoires in Fiber entities.

Concerning the table of changes in financial liabilities disclosed in note 10.2:

- At December 31, 2021 :
  - increase in lease liability following IFRS 16 application over the period (€61.4m), have no cash impact, the counterpart being the recognition of a fixed asset under right of use of assets rent,
  - the amortization of bond issuance costs (€5.9m) and the increase in finance lease debts (€2.4m) have no cash impact,
  - thus, after restatement of these items, changes in financial debts disclosed in note 10.2 represent a net cash impact of (€559.5m)

- At December 31, 2020 :
  - increase in lease liability following IFRS 16 application over the period (€54.9m), have no cash impact, the counterpart being the recognition of a fixed asset under right of use of assets rent,
  - the amortization of bond issuance costs (€2.5m) and the increase in finance lease debts (€1.0m) have no cash impact,
  - thus, after restatement of these items, changes in financial debts disclosed in note 10.2 represent a net cash impact of (€15.6m)

13. Workforce

Total Group headcount is as follows:

	Dec 2021	Dec 2020
France	1 803	1 856
International	114	109
Total workforce at closing	**1 917**	**1 965**

14. Auditor's fees

	Ernst & Young		FINEXSI and Others		TOTAL	
In thousand of euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Audit	566	366	235	137	801	503
Other services	10	12	-	-	10	12
TOTAL	**576**	**378**	**235**	**137**	**811**	**515**

15. Contingent liabilities and off-balance sheet commitments

15.1 Contingent liabilities (assets)

Contingent liabilities relate to:
- Possible obligations arising from past events whose existence will only be confirmed by the occurrence of uncertain future events that are beyond the Group's control; or
- Present obligations arising from past events, which are not recognized because itis 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.

Contingent liabilities as of December 31, 2021

In June 2018, the French Competition Authority initiated a procedure against the Group.
Early 2020, the French Competition Authority decided to discontinue this procedure. Following this decision, a plea was filed.
No other significant change since December 31, 2021.

15.2 Firm commitments

A. Operating lease commitments – Group as lessee

At December 31, 2021, 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 10.2).

B. Firm purchase commitments

Firm purchase commitments made by the Group are as follows:

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**

In thousands euros	Dec 2020	< 1 year	1 to 5 years	> 5 years
Commitment of capex	208 815	203 834	4 898	83
Commitment others	39 530	23 801	13 696	2 033
Total	**248 345**	**227 635**	**18 594**	**2 116**

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	Dec 2021 Actual	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**
Fiber (FTTH)	**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**

In thousands euros	Dec 2020 Actual	Projection	< 1 year	1 to 5 years	> 5 years
Digital Television	173 775	297 101	123 402	173 623	76
Radio	112 082	298 529	100 780	185 704	12 045
Total Broadcasting Services	**285 857**	**595 630**	**224 182**	**359 327**	**12 121**
Telecom: site hosting	332 791	2 280 880	287 929	977 643	1 015 308
Telecom: other services	39 409	53 252	9 989	17 443	25 820
Total Telecoms & Services	**372 200**	**2 334 132**	**297 918**	**995 086**	**1 041 128**
Fiber (FTTH)	**20 169**	**328 162**	**16 017**	**56 295**	**255 850**
Others	9 288	1 082	1 040	42	-
Total revenue / future contractual revenue	**687 514**	**3 259 006**	**539 157**	**1 410 750**	**1 309 099**

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

15.3 Contingent commitments

Guarantees given

The Group has given guarantees totaling €85.6m as of December 31, 2021 (€83.8m at December 31, 2020), of which:

- €52.7m of a build guarantee issued in connection with the deployment of an optical fiber network in low populated areas, against €50.2m as of december 31,2020.
- €24.6m of guarantees for exploitation issued in connection with the operation of the fiber optical network in sparsely populated areas, amount unchanged from December 31, 2020.
- €7.8m related to the first demand guarantee issued following the renewal of the agreement for the occupation of the Eiffel Tower in 2018.

Guarantees received

The Group has received bank guarantees amounting to €10.5m, amount unchanged compared to December 31, 2020. These is concerned bank guarantees to replace holdback guarantees for deployments of fiber optical networks in sparsely populated areas.

Guarantees given concerning optical fiber PIN under Public Service Delegation

As part of the deployment of the Val d'Oise, Val de Loire and Maine-et-Loire PIN, the Group signed Public Service Delegation contracts. These contracts for the construction and operation of the network last until 2042, 2043 and 2045.
The Group is committed to deploy networks with specific deadlines, and to remain compliant with the investment amounts planned in the business plan.

Guarantees given concerning AMEI Yvelines optical fiber network

The Group is committed to complete the financial commitments related to the agreement (including investments planned the business plan) and is committed to a deployment time schedule.

16. Shares in associates

Monaco Media Diffusion is accounted for under the equity method.

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Revenue	**3 418**	**3 696**
EBITDA	**1 573**	**1 706**
OPERATING INCOME (LOSS)	**1 319**	**1 405**
Financial income and expenses	13	(42)
Income tax	(289)	(304)
NET INCOME	**1 043**	**1 059**

17. Related party disclosures

17.1 Control

The Group parent company is TDF Infrastructure SAS, which is controlled at 100% by TDF Infrastructure Holding SAS (formerly Tyrol Acquisition 1 SAS, see note 10.1), controlled since March 31, 2015 by French entity Tivana France Holdings which owned 100% of its shares.

17.2 Compensation of key management personnel

Disclosure of the remuneration of the Group's key management is limited to people having the authority and responsibility for managing and controlling the Group's business.

In thousands euros	Dec 2021 (12 months)	Dec 2020 (12 months)
Employee benefits, including termination payments	(2 252)	(2 258)
Post-employment benefits	-	-
Share-based payments	(281)	(164)
Total expense	**(2 533)**	**(2 422)**
Provision for retirement indemnities	-	-
Debt related to equity instruments	-	-
Acquisition of equity instruments (cash out)	-	-
Cash outflows and liabilities	**-**	**-**

Concerning the share-based plan implemented on December 12, 2016 (see note 10.4), the part which relates to key management personnel is €1.8m in excess of the fair value of the plan, which €0.3m have been recognized as expense in 2021 (against €0.2 in 2020).

17.3 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 (see also previous note).

The main transactions with related parties were as follows:

- Interest charges invoiced to the Group by Tivana France Holdings amounting over the period €118.2m and related to the shareholder loan of €1 063.6m; accrued interests on this loan are of €408.9m at the end of the period (€490.8m as of December 31, 2020), and are disclosed as current liabilities by prudence (see also the note 5.3);
- Interest payment on this loan amounting over the period €200m (the payment may be deferred, see note 5.3), which is to link to the fall in the stock of accrued interest on the shareholder loan (see above),
- A dividend paid to TDF Infrastructure Holding SAS for an amount of €100m;
- net receipts of €23.5m from shareholders current accounts (with Tivana France Holdings and TDF Infrastructure Holding), see also the note 10.2;

- €0.2m of income and €4.3m 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.

17.4 Transactions with associates and jointly controlled entities

During the period no significant transactions with associates or jointly controlled entities has occurred.

18. Significant subsequent events

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 new capex facility was signed in March 2021 (see note 1 and 5.4)

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

On February 17th, 2022, Group announced the entry of Banque des Territoires into the capital of TDF Fibre, a company previously wholly-owned by TDF (see note 19).
TDF and Banque des Territoires 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 non-recourse financing has a 7-year maturity and benefits from the "Social Loan" label.

19. Consolidation scope

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.

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 rate applied is 100%.

SIT entity was sold on November 30th , 2021.

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