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Aéroports de la Côte d'Azur S.A.

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022
Aéroports de la Côte d'Azur S.A.
Rue Costes et Bellonte - 06206 Nice
This report contains 5 pages

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

Aéroports de la Côte d'Azur S.A.

Registered office: Rue Costes et Bellonte - 06206 Nice

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2022

To the annual general meeting of Aéroports de la Côte d'Azur S.A.,,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Aéroports de la Côte d'Azur S.A. for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with independence requirements of the french Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors' rules applicable to us, for the period from January 1st, 2022 to the date of our report.

Justification of Assessments

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

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.

- *Accounting principles and methods :*

Notes 3.4, 3.5 and 3.17 to the consolidated financial statements present the accounting policies and methods for goodwill, intangible assets, property, plant and equipment and deferred tax.

As part of our assessment of the accounting policies and methods adopted by your Company, we assessed the appropriateness of the accounting policies listed above and the disclosures provided in the notes to the consolidated financial statements, and we ensured they were correctly applied.

- *Management's Estimates :*

Your Company recognizes employment benefits provisions, notably for retirement termination payments, based on the methods and assumptions described in Notes 3.16 and 15 to the consolidated financial statements.

Based on the information provided to us, our procedures consisted in assessing the reasonableness of the assumptions and data underlying these provisions, verifying the Company's calculations, examining the approval procedures for these Management estimates and the disclosures provided in the notes to the consolidated financial statements.

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 given in the Group's management report of the Board of Directors *("Directoire").*

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

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

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

The consolidated financial statements were approved by the Board of Directors _("Directoire")._

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

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

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

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

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

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

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

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

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

Marseille, March 7, 2023
The Statutory Auditors

French original signed by

KPMG SA	Mazars
John Evans *Partner*	Stéphane Marfisi *Partner*

Aéroports de la Côte d'Azur

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

AEROPORTS
DE LA COTE D'AZUR

CONSOLIDATED FINANCIAL STATEMENTS
AEROPORTS DE LA COTE D'AZUR GROUP
Financial year ending 31 December 2022

AEROPORT
NICE COTE D'AZUR

CONTENTS

BALANCE SHEET

Stated in €k

Assets	Notes	31/12/2022	31/12/2021
Intangible assets	7	18 870	18 469
Of which Goodwill		*12 349*	*12 349*
Property, plant and equipment	8	476 722	475 598
Long-term investments	9	4 429	3 205
Fixed assets		**500 021**	**497 272**
Inventories	10	1 735	1 640
Trade and other receivables	11	25 261	19 291
Other receivables and adjustment accounts	11	76 268	82 555
Cash and cash equivalents	12	107 285	138 408
Current assets		**210 549**	**241 894**
Total assets		**710 570**	**739 166**

Equity and liabilities	Notes	31/12/2022	31/12/2021
Capital	13	148	148
Share premiums		-	-
Consolidated reserves		103 140	149 767
Consolidated earnings		23 755	(6 626)
Investment grants		3 649	3 485
Equity		**130 692**	**146 774**
Non-controlling interests		**-**	**-**
Other equity	**14**	**138 299**	**127 300**
Provisions	**15**	**6 428**	**8 640**
Loans and various debt	16	299 610	346 209
Trade and other payables	17	19 535	15 169
Other payables and accruals	17	116 003	95 073
Payables		**435 149**	**456 452**
		-	
Total equity and liabilities		**710 570**	**739 166**

INCOME STATEMENT

Stated in €k

	Notes	31/12/2022	31/12/2021
Sales		264 049	170 695
Cost of purchasing goods sold		(12 222)	(5 899)
Cost of purchasing raw materials		(870)	(553)
Other external consumables		(96 604)	(71 932)
Employee expenses	22	(48 634)	(35 680)
Taxes and duties		(4 028)	(2 817)
Net depreciations and amortizations	20	(57 466)	(58 351)
Other operating income and expenditure		(6 371)	(4 895)
Operating profit before provisions for amort. of goodwill		**37 853**	**(9 432)**
Provisions for amortisation of goodwill		-	-
Operating profit after provisions for amort. of goodwill		**37 853**	**(9 432)**
Financial profit/loss	**18**	**(5 502)**	**(4 658)**
		-	
Income from consolidated companies		**32 351**	**(14 089)**
Extraordinary profit	**19**	**1 138**	**5 272**
Income tax	21	(8 557)	2 192
Net income from consolidated companies		**24 931**	**(6 626)**
Profit/loss from non-controlling interests		(1 176)	-
Net profit/loss (Group Share)		**23 755**	**(6 626)**
Number of shares before dilution		148 000	148 000
Net earnings per share (in euros)		160,51	(44,77)
Diluted net earnings per share (in euros)		160,51	(44,77)
EBITDA		**95 320**	**48 920**

EBITDA corresponds to «Operating profit before provisions for amort. of goodwill» adjusted for «Net depreciations and amortizations».

STATEMENT OF CHANGES IN EQUITY

Stated in €k

	Number of Shares	Capital	Consolidated reserves	Profit/loss for financial year	Investment grants	Total group share	Non-controlling interests	TOTAL EQUITY
Situation as of 31 December 2020	**148 000**	**148**	**192 432**	**(33 551)**	**2 866**	**161 895**	**-**	**161 895**
Change in accounting method	-	-	987	-	-	**987**	-	**987**
Situation as of 01 January 2021	**148 000**	**148**	**193 419**	**(33 551)**	**2 866**	**162 882**	**-**	**162 882**
Allocation of dividends	-	-	(10 001)	-	-	**(10 001)**	-	**(10 001)**
Distribution of profit	-	-	(33 551)	33 551	-	**-**	-	**-**
Profit/loss for financial year	-	-	-	(6 626)	-	**(6 626)**	-	**(6 626)**
Other variations	-	-	(100)	-	619	**520**	-	**520**
Situation as of 31 December 2021	**148 000**	**148**	**149 767**	**(6 626)**	**3 485**	**146 774**	**-**	**146 774**
Allocation of dividends	-	-	(40 002)	-	-	**(40 002)**	**-**	**(40 002)**
Distribution of profit	-	-	(6 626)	6 626	-	**-**	**-**	**-**
Profit/loss for financial year	-	-	-	23 755	-	**23 755**	**-**	**23 755**
Other variations	-	-	-	-	164	**164**	**-**	**164**
Situation as of 31 December 2022	**148 000**	**148**	**103 140**	**23 755**	**3 649**	**130 692**	**-**	**130 692**

The change in accounting method line of €987k corresponds to the impact calculated following the update of ANC 2013-02 recommendation of November 7th, 2013 which is related to the rules of measuring and recognizing pension and similar benefits obligations for the annual financial statements and consolidated financial statements prepared in accordance with French accounting standards.

CASH FLOWS STATEMENT

Stated in €k

		31/12/2022	31/12/2021
Consolidated net income		23 755	(6 626)
Cancellation of profit/loss from non-controlling interests		1 176	
Amortisation/depreciation		57 252	58 562
Variation in deferred taxes	21	1 271	7 833
Capital gains or losses from sale of assets		434	(2 763)
Self-financing gross margin for consolidated companies		**83 888**	**57 006**
Change in stock	10	(94)	(162)
Change in trade receivables	11	(5 970)	(6 485)
Change in other receivables	11	6 037	(31 670)
Change in trade payables	17	4 367	3 459
Change in other payables	17	15 393	10 393
Effect of change in working capital requirement linked to activity		**19 733**	**(24 465)**
Net cash flow generated by activity		**103 621**	**32 541**
Acquisition of intangible assets	7	(1 598)	(2 277)
Acquisition of property, plant and equipment	8	(49 221)	(43 393)
Acquisition of long-term investments (excluding consolidated securities)	9	(224)	(128)
Debts on acquisition of property, plant and equipment	17	4 622	4 321
Disposal of fixed assets (excluding consolidated securities)	7,8,9	15	38
Impact related to consolidation's scope variation		(2 185)	4 372
Net cash flows linked to investment transactions		**(48 591)**	**(37 067)**
Dividends paid to parent company shareholders		(40 187)	(10 001)
Loans	16	42 285	91 417
Investment grants received		634	3 610
Loans refunds	16	(88 884)	(20 159)
Net cash flows linked to financing transactions		**(86 152)**	**64 867**
Change in cash flow		**(31 123)**	**60 341**
Cash on opening	12	138 408	78 067
Cash on closing	12	107 285	138 408
Change in cash flow by balances		**(31 123)**	**60 341**

NOTES RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. General information

Aéroport Nice Côte d'Azur ("ACA") is a French public company (*société anonyme par actions*) created on 28 December 2006 with headquarters at 17 rue Costes et Bellonte, BP 3331, 06206 NICE CEDEX 3 (France).

The main activity of the Company and its subsidiaries ("the Group") is airport infrastructure management.

ACA manages the Nice Côte d'Azur and Cannes airports after signing a concession contract with the French State, which will end on 31 December 2044.

The company ACA, the parent company of the ACA group, is owned 64% by the company Azurra Aeroporti, 25% by the Nice Côte d'Azur Chamber of Commerce and Industry, 8% by Caisse des Dépôts et Consignations, 1% by the Alpes Côte d'Azur Region, 1% by the Alpes Maritimes Department and 1% by the Nice Côte d'Azur Metropole.

The current shareholding structure of the company Azurra Aeroporti is as follows: Atlantia Spa 52.51%, Principality of Monaco 12.5%, Aeroporti di Roma 10% and EDF Invest 24.99%.

Since the 2016 financial year, the ACA group has been consolidated within the financial statements of the group Atlantia S.p.A. - 20 rue Antonio Nibby - 00161 Rome in accordance with international financial reporting standards (IFRS).

The ACA group voluntarily decided to produce consolidated financial statements in accordance with French GAAP for the 2022 financial year.

The Group's consolidated financial statements were approved by the Executive Board on 10 February 2023.

Note 2. Basis of preparation of financial statements

The Group establish its consolidated financial statements in accordance with French legal and regulatory provisions (ANC regulation 2020-01).

Generally accepted accounting principles were applied in accordance with the precautionary principle and basic assumptions: going concern, consistency of accounting methods from one financial year to the next, and the independence of financial years in accordance with general rules for preparing and presenting financial statements.

The method chosen to assess the elements included in the financial statements is the historical cost method.

Unless otherwise indicated, figures are stated in thousands of euros.

The consolidating company's year-end is 31 December. The same applies to all other companies within the consolidation scope.

The financial statements of the consolidating company and consolidated entities correspond to the 2022 calendar year.

The consolidated financial statements are prepared in accordance with French GAAP, which is based on the assumptions and estimates determined by Management, affecting the total assets and liabilities on the balance sheet closing date and the financial year's income and expenditure.

Note 3. Accounting principles and methods

3.1. Consolidation methods

Companies are consolidated if they are controlled by the Group. Subsidiaries are fully consolidated from the date when effective control is transferred to the Group, regardless of the operation's legal arrangements. They are deconsolidated on the date when this control ends.

Entities over which the parent company has significant influence are consolidated following the equity method.

The equity method involves replacing the carrying amount of securities held with the share in equity, including the profit or loss from the financial year determined based on consolidation rules.

The Group's share, if any, in the associate's profit or loss is recorded in the income statement under "Income from equity associates".

3.2. Internal operations

All reciprocal operations between consolidated companies are eliminated.

Allowances and write-backs of provisions for the impairment of securities and receivables for consolidated companies are eliminated from the profit or loss, as they duplicate the profit or loss of the companies in question.

The profit or loss from the sale of assets between Group companies is eliminated from the profit or loss. Depreciation on depreciable assets subject to intra-group sale is removed.

3.3. Foreign currency translation

All Group entities establish their financial statements in euros, which is also their operating currency.

3.4. Goodwill

Goodwill is the difference between the cost of purchasing securities and the total value of assets and liabilities identified on the acquisition date. The cost of acquisition of securities is equivalent to the payment made to the seller, plus costs directly attributable to the acquisition (net of tax) and potential price adjustments measured reliably and which are likely to be paid.

Goodwill can result in a restatement within one year following the acquisition date.

As of 1st January 2016, goodwill was defined as having an undefined duration of use. Therefore it is no longer amortised.

The determined net value can result in additional impairment when recoverable values fall below the net carrying amount (see note 3.6).

3.5. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are initially valued at their cost of acquisition (purchase price and incidentals, excluding acquisition fees) or at their production cost. Borrowing costs linked to investment are recorded under expenditure.

- **Specific information relating to concession assets**

This asset category covers companies subject to a concession scheme.

It includes:

- fixed assets granted as a concession by the licensor:

Fixed assets include land and airports and various existing buildings when granting the concession or granted as a concession by the licensor during the concession period.

The granting of a concession for these fixed assets creates a "licensor's right" (with a total equivalent to the fixed assets in question) recorded under the balance sheet's liabilities.

These fixed assets and the licensor's right are subject to impairment each year with no effect on the income statement, calculated on a straight-line basis for all "depreciable" assets depending on the planned period of use (ignoring the concession end date). Currently all depreciable assets granted as a concession by the licensor are fully depreciated.

- fixed assets granted as a concession by the concession holder:

These fixed assets, excluding assets financed by the airport tax, receive different accounting treatment depending on whether they are renewable and whether their renewal takes place before the end of the concession. It should be noted that, in accordance with the specifications of the concession, they will be returned to the grantor free of charge at the end of the concession:

ã Non-renewable assets before the end of the concession

These are non-renewable assets due to their nature (e.g. land) or whose period of use exceeds the remaining concession period.

These assets are subject to:

- Financial depreciation in the income statement which allows the concession holder to recover the finance granted. This depreciation is calculated, on a straight-line basis, for the concession's remaining period. This depreciation is recorded in the income statement under net depreciations and amortizations.

- Impairment corresponding to depreciation for wear and tear with no effect on the income statement, but used to determine the net value of the asset in the balance sheet's assets and whose consideration is the licensor's right.

ã Renewable assets before the end of the concession

These are assets whose life span is lower than the remaining concession period and which must be renewed before the end of the concession.

These assets are subject to:

- Depreciation for wear and tear based on the period of use of these assets;
- Financial depreciation "on the first asset" with an effect on the income statement, calculated for the remaining concession period and intended to anticipate the obsolescence expense during the last asset renewal before the end of the concession.

This financial depreciation for renewable assets with a commissioning date on or after 01/01/2007 applies to:

- buildings, networks, infrastructure;
- special equipment, complex facilities with a duration exceeding 10 years;

Assets financed by the airport tax are only subject to depreciation for wear and tear for the asset's period of use as they will be returned at their net book value at the end of the concession.

- **Duration of use for group assets (under concession or not under concession)**

Type of assets	Duration
Intangible assets : IT software/studies	1 to 3 years
Buildings and construction	
- Structural work	40 to 50 years
- Roofing	20 to 30 years
- Sub-trades	10 to 20 years
- Technical work	7 to 15 years
Runways, paths and aircraft parking areas	
- Foundation	40 to 50 years
- Top layer, surfacing, signs	3 to 15 years
Roads and Car parks	
- Multi-storey and underground car parks	40 to 50 years
- Covered, open-air car parks and roads and utilities	15 to 20 years
- Organisation	10 years
Technical facilities, equipment and industrial tools	5 to 10 years
Other property, plant and equipment	5 to 10 years

3.6 Loss of value of property, plant and equipment and intangible assets

An impairment test is performed annually on goodwill. For other intangible assets and property, plant and equipment, an impairment test is performed if there is any indication of a loss of value.

The test involves comparing the carrying amount of an asset or group of assets to their recoverable value.

An asset's carrying amount is impaired if it exceeds its recoverable value. The recoverable value is the higher of the asset (or group of assets)'s fair value net of disposal costs or its value in use.

The value in use is determined by adding the updated cash flow values expected from using the asset (or group of assets) and the terminal value. The provisional cash flows used are consistent with the provisional business plans established by Group management.

Where applicable, impairment is recorded under extraordinary expenses.

3.7. Non-consolidated holdings, other fixed investments

The gross value of non-consolidated holdings is entered on the balance sheet at the cost of acquisition.

If their value in use, notably assessed based on future profit/loss perspectives or the reference value at year-end, is lower than the net carrying amount, a provision for impairment is created.

3.8. Finance lease contracts

Significant lease and finance lease contracts are restated. Assets financed through these contracts are recorded under assets, with borrowing corresponding to the liability.

Capitalised assets subject to finance lease contracts are amortised over the period of use of the corresponding asset.

The Group does not have any contracts which require this type of restatement.

3.9. Inventories

Stocks of goods and supplies are valued at the average weighted cost including purchase incidental expenses. A provision for impairment is created depending on item age and turnover.

3.10. Receivables and payables

Receivables and payables are recorded at their nominal value. Where appropriate, they are impaired to acknowledge the risk of non-recovery.

The "Other receivables" heading is mainly made up of social security and tax liabilities.

3.11. Cash equivalents

The company considers securities maturing within 3 months and no significant interest rate risk as cash equivalents.

Consequently, these securities are recorded under "cash and cash equivalents".

Transferable securities are entered into the balance sheet at their cost of acquisition.

Where applicable, they are subject to impairment calculated for each line of securities of the same type, in order to reduce their value to the average stock market price in the previous month, or their probable negotiation value for unlisted securities.

3.12. Investment grants

Investment grants are recorded under equity. They are reported as income for the period of use of the financed asset.

If the grants finance non-renewable assets, they are recorded under licensor's right in the item "Licensor's right - grants for non-renewable assets". These grants are not reported in results as an annual carryover, but reduce the depreciable amount for non-renewable assets.

3.13. Other equity

Other equity includes the licensor’s right. This right includes consideration:

- For assets donated by the licensor at no cost;
- For financial depreciation on non-renewable assets (see note 3.5);
- For provisions for financial depreciation on renewable assets (see note 3.5).
- For grants financing non-renewable assets (see note 3.12).

3.14. Financial liabilities

Loan issue costs are recognized as deferred charges over several years. They are amortized on a linear basis over the duration of the subscribed corresponding loan.

3.15. Derivatives

Hedging instruments were put in place to reduce the effect of interest rate variations.

These instruments are not recorded in the balance sheet.

As of 31 December 2022, the fair value of these derivatives totalled €1,031k (vs. -€1,412k at the end of 2021).

3.16. Provisions for liabilities and charges

Provisions for liabilities and charges are recorded when there is a current obligation to a third party due to a past event, which is probable or certain to result in an outflow of resources embodying economic benefits to the third party without equivalent consideration and the amount of which can be estimated reliably.

- **Pension liabilities and other employee benefits**

The total liabilities in terms of pensions, retirement supplements, allowances and allocations due to employee retirement are subject to an actuarial calculation. These liabilities mainly cover retirement allowances.

The resulting provision is recorded in provisions.

The hedging assets were deducted from the provision amount, where applicable.

Actuarial gains and losses are directly recorded to profit/loss.

These liabilities are calculated following the retrospective actuarial method in which the distribution of acquired rights is made starting from the date from which each year of service counts for the acquisition of benefit rights (method 1, b of recommendation 2013-02).

- **Other provisions for liabilities and charges**

The Group records a provision for litigation with a third party as soon as a pre-closing event is identified, particularly in the event of a summons, which is probable or certain to result in an outflow of resources embodying economic benefits to the third party without equivalent consideration and the amount of which can be estimated reliably.

If a favourable ruling is issued, the provisions are retained until the initial appeal or final appeal period ends. They may, where appropriate, be adjusted to take into account the most likely outflow of resources required to settle the obligation.

3.17. Taxes

- **Deferred taxation**

The “Income tax” item in the income statement includes tax due and the deferred tax expense or income.

Deferred taxes are recorded using the variable carry-forward method for temporary differences at year-end between the tax base of the assets and liabilities and their carrying amount. No deferred tax liability is recorded in goodwill arising from the acquisition of subsidiaries or companies over which the Group exercises significant influence.

A deferred tax asset is recorded for tax losses and unused tax credits if it is probable that the Group will have future taxable profits against which these tax losses and tax credits could be offset.

Deferred tax assets and liabilities are valued at the tax rate which is expected to be applied in the financial year during which the asset is realised or the liability settled, based on the tax rates which were adopted or essentially adopted on the closing date. The group's average rate in France is that of the company ACA (25.83%).

Following the adoption of law no. 2020-1721 of 29 December 2020 regarding finances for 2020, including a measure to underline the reduction of corporation tax, tax debt is calculated by applying the rates of 27.37% (for 2021) and 25.83% (from 2022). These tax rates include the impact of the additional 3.3% contribution which the Group must pay.

Deferred taxes are calculated on an entity by entity basis. They are offset when taxes are levied by the same tax authority and they relate to the same tax entity.

- **Tax consolidation**

From the 2016 financial year, the company Aéroports de la Côte d'Azur established a tax consolidation group as outlined by article 233 A of the French general taxation code, with subsidiaries in which it holds more than 95% capital.

In 2022 the tax consolidation group includes the companies ACA, AGST and ACA HOLDING.

3.18. Extraordinary items

Extraordinary income and expenditure comprise significant elements which, due to their nature, unusual character and non-recurrence, cannot be considered inherent to the Group's operational activity.

This notably includes capital gains or losses from disposals, restructuring expenses, extraordinary amortisation/ depreciation, asset impairment and debt write-offs.

3.19. Earnings per share

The net earnings per share before dilution is calculated by dividing net earnings by the average weighted number of shares in circulation.

The net earnings per share after dilution is calculated by dividing the net earnings by the average weighted number of shares in circulation, considering the number of shares which would result from exercising warrants.

On closing, the group had not issued any warrants.

3.20. Industry information

The Group mainly operates in two industries: managing airport infrastructure and general aviation ground handling services. As the latter is not significant to date, it is not relevant to present industry information.

Moreover, there is no monitoring by geographic location as nearly all clients and assets and liabilities are located in France.

Note 4. Scope of consolidation

The list of consolidated companies as of 31 December 2022 is as follows:

Companies	Headquarters	SIRET	% holding		Consolidation Method	
			2 022	2 021	2 022	2 021
Aéroports de la Côte d'Azur (ACA)	Rue Costes et Bellonte BP 3331 06206 NICE CEDEX 3 France	49347948900020	Parent Company	Parent Company	FC	FC
Aéroport Golfe de Saint-Tropez (AGST)	31 route du Canadel 83310 La Mole France	59718047000010	99,94%	99,94%	FC	FC
SCI La Ratonnière	BP 3331 06206 NICE CEDEX 3 France	47903280700030	100%	100%	FC	FC
ACA Holding	BP 3331 06206 NICE CEDEX 3 France	81030098800013	100%	100%	FC	FC
Sky Valet Spain	C/Alfonso XII, 8 – bajo dcha ., 28014 Madrid ESPANA	N/A	100%	100%	FC	FC
Sky Valet Portugal	Aerodromo Municipal de Cascais, 2785-632 Sao Domingos de Rans	N/A	100%	100%	FC	FC
UrbanV S.p.A	Via Pier Paolo Racchetti n.1 - 00054 FIUMICINO (RM) –Italy	N/A	15%	N/A	EM	N/A
Airport One	69 boulevard Malesherbes 75008 Paris	83960659700012	49%	49%	EM	EM

FC: Full consolidation
N/A: Not applicable
EM: Equity method

AGST was considered owned 100%.

Entry into the scope of consolidation in 2022 of the company UrbanV (company created in 2022) dedicated to the promotion and development of the new urban air mobility of tomorrow. This company, 15% owned by ACA, is consolidated using the equity method given the exercise of significant influence through representation on the board of directors, participation in strategic decisions and providing technical information for feasibility studies.
This is an equity investment that is part of ACA's strategy to be the laboratory of the airport of tomorrow and to promote innovations.

Note 5. Significant events

The year 2022 was marked by the reopening of Terminal 1 in Nice on March 27th, 2022, necessary to support the recovery in traffic over the period.

As of December 31st, 2022, commercial aviation recorded 12.1 million passengers, representing an increase of 85.3% compared to 2021, i.e. 5.6 million additional passengers.

Business aviation achieved an increase in activity compared to that of 2021 with an increase in aircraft movements of 9.9% in Nice (40,744 movements) and 11.8% in Cannes (14,448 movements).

The main consequences of this resumption of activity were an increase in turnover in line with that of traffic and of fees, and an increase in operating expenses, part of which is linked to the reopening of Terminal 1. In addition, this level of activity led to an important decrease in the use of partial unemployment in the first half of 2022 and the end of the use of this measure from July 1st, 2022.

In 2022, the group carried out an investment program of €50.8 million.

In the same way as for the 2020 and 2021 financial years, an advance of €13.4 million was paid by Agence France Trésor (AFT) in June 2022 to ACA. The purpose of this advance is to finance the expenses incurred within the framework of the sovereign safety and security missions provided by the company on behalf of the State. This advance is repayable in 7 annual instalments from 2026 to 2032.

In terms of financing, ACA repaid all of its PGEs of €67m between May and July 2022. In addition, the company mobilized €40m in long-term bank debt out of the €60m contracted in 2021. The remaining €20 million can be mobilized until September 2023.

Finally, regarding the Russian-Ukrainian conflict, the group analysed the impact of this conflict on its financial situation for the year 2022, and has come to the conclusion that there is no significant impacts to communicate.

Note 6. Subsequent events

None.

Note 7. Intangible assets

The change in intangible assets is analysed as follows:

	Development costs	Concessions, patents and similar rights	GOODWILL	Total
Gross values on opening	**5 865**	**45 518**	**13 050**	**64 433**
Acquisitions	-	1 575	-	**1 575**
Disposals	(27)	(3 964)	-	**(3 991)**
Other variations	-	1 423	-	**1 423**
Gross values on closing	**5 838**	**44 552**	**13 050**	**63 440**
Total amortizations & depreciations on opening	**(5 719)**	**(39 544)**	**(701)**	**(45 964)**
Amortizations & depreciations	(12)	(2 585)	0	**(2 597)**
Disposals	27	3 964	0	**3 991**
Total Total amortizations & depreciations on closing	**(5 705)**	**(38 166)**	**(701)**	**(44 571)**
Net values on opening	**146**	**5 973**	**12 349**	**18 469**
Net values on closing	**133**	**6 387**	**12 350**	**18 870**

Development expenses correspond to general studies conducted as part of the development of infrastructure or the development of platform zones.

Concessions, patents and similar rights mainly corresponds to software, particularly airport operation software.

Goodwill corresponds to the acquisition of the following companies in 2013, 2015 and 2016:

Entities	Gross	Amortisation /depreciation and impairment	Net 31/12/2022	Net 31/12/2021
SA Aéroport Golfe de Saint-Tropez (AGST)	2 854	357	2 497	2 497
SCI La Ratonnière	356	45	311	311
Sky Valet Spain	8 979	299	8 680	8 680
Sky Valet Portugal	861	-	861	890
TOTAL	**13 050**	**701**	**12 349**	**12 377**

Note 8. Property, plant and equipment

Property, plant and equipment are as follows:

	Land	Buildings	Technical facilities and industrial tools	Current property, plant and equipment	Other property, plant and equipment	Total
Gross values on opening	**82 747**	**1 050 778**	**84 141**	**40 044**	**41 493**	**1 299 203**
Acquisitions	251	10 450	1 670	34 893	1 957	**49 221**
Disposals	(751)	(29 042)	(2 983)	-	(6 303)	**(39 079)**
Other variations	67	17 406	2 465	(21 633)	164	**(1 531)**
Gross values on closing	**82 313**	**1 049 592**	**85 293**	**53 304**	**37 310**	**1 307 813**
Total amortizations & depreciations on opening	**-**	**(728 114)**	**(61 468)**	**-**	**(34 021)**	**(823 605)**
Amortizations & depreciations	-	(39 809)	(4 024)	0	(2 293)	**(46 126)**
Disposals	-	29 405	2 940	-	6 292	**38 637**
Total amortizations & depreciations on closing	**-**	**(738 518)**	**(62 552)**	**0**	**(30 022)**	**(831 094)**
Net values on opening	**82 747**	**322 664**	**22 674**	**40 045**	**7 471**	**475 598**
Net values on closing	**82 313**	**311 074**	**22 741**	**53 305**	**7 289**	**476 722**

Acquisitions during the year mainly concerned the start of work on terminal 2.3 in Nice, buoyage, aircraft stands and finally the acquisition and renewal of various materials, equipment and operating software.

Other variations correspond to commissioning which is mainly related to gateways, guide rods, electrical networks and various materials and equipment.

The main decreases are related to old walkways, signage, networks and various materials and equipment renewed.

Note 9. Long-term investments

All long-term investments are payable after more than one year.

	Non-consolidated holdings	Loans, deposits and guarantees	Total
Gross values on opening	**120**	**3 085**	**3 205**
Acquisitions	-	224	**224**
Disposals	-	(8)	**(8)**
Changes in scope	225	-	**225**
Other variations	783	-	**783**
Gross values on closing	**1 128**	**3 301**	**4 429**
Total amortizations & depreciations on opening	**-**	**-**	**-**
Amortizations & depreciations	-	-	**-**
Disposals	-	-	**-**
Changes in scope	-	-	**-**
Total amortizations & depreciations on closing	**-**	**-**	**-**
Net values on opening	**120**	**3 085**	**3 205**
Net values on closing	**1 128**	**3 301**	**4 429**

Note 10. Inventories

	31/12/2022			31/12/2021
	Gross value	**Total impairment**	**Net value**	**Net value**
Stock of raw materials, supplies and other procurement	1 525	(45)	1 479	1 470
Stock of goods	255	-	255	169
Total	**1 780**	**(45)**	**1 735**	**1 640**

Note 11. Trade and other receivables

	31/12/2022	Impairment	Net value	31/12/2021	Total change	Change during the period	Reclass.
Trade and other receivables - Gross	26 468	(1 207)	25 261	20 621	5 847	5 848	-
Impairment of trade receivables	(1 207)	-	-	(1 330)	123	123	-
Trade and other receivables - Net	**25 261**	**-**	**25 261**	**19 291**	**5 971**	**5 971**	**-**
Other operating receivables	245	-	245	201	44	44	-
Tax and employment-related liabilities	64 652	-	64 652	69 774	(5 122)	(5 122)	-
Current accounts	7 189	-	7 189	8 187	(998)	(998)	-
Other miscellaneous receivables	1 013	-	1 013	944	69	69	-
Redemption premium	923	-	923	998	(76)	(76)	-
Deferred tax assets	183	-	183	295	(113)	(119)	7
Deferred expenses	1 033	-	1 033	1 097	(63)	(63)	-
Prepaid expenses	1 030	-	1 030	1 059	(29)	(29)	-
Total other receivables	**76 268**	**-**	**76 268**	**82 555**	**(6 287)**	**(6 294)**	**7**
Total	**101 529**	**(1 207)**	**101 529**	**101 846**	**(317)**	**(324)**	**7**

Prepaid expenses mainly correspond to commercial lease contracts, IT maintenance and other operating expenses.

Group receivables mature within one year.

- **Deferred tax assets breakdown :**

	31/12/2022	31/12/2021
On securities acquisition costs	182	181
On tax loss carry-forwards	-	114
On obsolescence	-	-
On temporary differences	-	-
On social security liabilities and other provisions	-	-
Deferred tax assets	**182**	**295**

- **Deferred tax assets from tax losses**

	Net total on opening	Capitalised tax losses	Tax losses used	Tax losses not used	Net total on closing
Aéroport Côte d'Azur	7 124	-	(7 124)	-	-
Sky Valet Spain	367	-	(367)	-	-
Sky Valet Portugal	105	-	(105)	-	-
TOTAL	**7 596**	**-**	**(7 596)**	**-**	**0**
Corresponding deferred tax asset (current rate)	**2 064**	**-**	**(2 064)**	**-**	**0**
Corresponding deferred tax asset (future corporation tax rate)	**1 954**	**-**	**(1 954)**	**-**	**0**

Note 12. Cash and cash equivalents

Cash components	31/12/2022	31/12/2021
Short-term investments	-	-
Cash and cash equivalents	107 285	138 408
Cash in balance sheet assets	**107 285**	**138 408**
Bank overdrafts and equivalent	-	-
Net cash	**107 285**	**138 408**

The "cash and cash equivalents" includes €82 million of cash investments as of December 31st, 2022. These investments are made entirely on term accounts with guaranteed capital for the duration of the contract and with the possibility of exiting at any time within a maximum period of 32 days.

Note 13. Capital

As of 31 December 2022, share capital totalled €148,000. It is comprised of 148,000 ordinary shares with a par value of €1 each.

Note 14. Other equity

The company ACA manages airport activity granted as a concession by the French state. The concession contract notably includes the return of assets at the end of the concession for €0. This provision results in the recording of financial depreciation (see note 3.5 on concession assets) in the income statement, and whose consideration is recorded in the balance sheet liabilities under "licensor's right". Moreover, assets donated for free by the licensor at the start or during the concession are recorded under assets as consideration for the "licensor's right".

As of 31 December 2022, the "licensor's right" heading is broken down as follows:

	Total as of 31/12/2021	Increase in 2022	Decrease in 2022	Total as of 31/12/2022
Licensor's right excl. VAT	19 987	-	-	19 987
Amort. Licensor's right	(7 226)	-	-	(7 226)
Licensor right VAT	1 185	-	-	1 185
Share of amort. Financial dep. assets technique	(12 467)	(1 980)	-	(14 447)
Financial depreciation of non-renewable assets	43 540	2 989	-	46 529
Financial depreciation of renewable assets	70 344	10 371	281	80 433
Licensor's right BNR grant	11 937	-	100	11 837
TOTAL	**127 300**	**11 380**	**381**	**138 299**

Financial depreciation on non-renewable assets corresponds to the obsolescence, on the one hand, of the land provided by the concession holder and on the other hand, the structural work and earthmoving for infrastructure in recent years, whose period of depreciation for wear and tear exceeds the concession period.

Pursuant to the provisions applicable to concession assets, when a grant finances a non-renewable asset, it is recorded under liabilities as the licensor's right instead of being recorded under "investment grants".

Note 15. Provisions for liabilities and charges

- **Change**

	Provisions for liabilities and charges	Pension provisions and similar liabilities	Total
Values as of 31/12/2021	**1 495**	**7 145**	**8 640**
Allowances	263	-	**263**
Write-backs used	-	(1 416)	**(1 416)**
Write-backs not used	(1 058)	0	**(1 059)**
Values as of 31/12/2022	**700**	**5 729**	**6 428**

- **Provision for liabilities and charges**

The reversals of not used provisions are related in particular to the statue of limitation for a tax adjustment on the 2019 property tax (€0.4 million) and a sanitation fee supplement (€0.2 million). In addition, following an agreement in regards of the renewal of Saint-Tropez land leasing, the sums provisioned as of 31st December 2021 have been fully reversed over the financial year 2022 (€0.4 million).

- **Provision for pension liabilities**

The impact of €-1,416k is related to the increase of discount rates as of 31st December 2022.

Pension liabilities are subject to a provision in each of the group entities when they have an obligation covered by the accounting criteria of this liability (see note 3.16). Only the assumptions for the company ACA are presented below, as the provision represents nearly all the group's liabilities.

	31/12/2022	31/12/2021
Update rate (Iboxx rate)	3,77%	0,99%
Retirement age EXECUTIVES and CLERICAL, TECHNICAL AND SUPERVISORY STAFF	64 years	64 years
Retirement age EMPLOYEES	62 years	62 years
Wage progression rate	2,79%	2,52%
Mortality table	INSEE F 2016-2018	INSEE F 2016-2018

The annual update rate corresponds to the IBOXX AA+ 10 year rate.

Turnover is assessed by age group and socioprofessional category based on statistics from the past five years.

Note 16. Loans and various debt

	Bank loans	Bond loans	Other financial liabilities	Total
Values as of 31/12/2021	**250 426**	**90 000**	**5 784**	**346 209**
Increase	40 000	-	2 285	**42 285**
Decrease	(87 190)	-	(1 694)	**(88 884)**
Values as of 31/12/2022	**203 236**	**90 000**	**6 375**	**299 610**

Bond loans contain two bond loans repayable in bullets in 20233 and 2036.

The decrease in bank loans includes the repayment of €67m of PGE contracted in 2020.

Other financial liabilities mainly include collateral deposits received and interest accrued but not paid on borrowings.

- **Schedule**

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Bank loans	22 364	76 861	104 011	203 236
Bond loans	-	-	*90 000*	*90 000*
Other financial liabilities	1 437	4 938	-	6 375
Total	**23 801**	**81 799**	**194 011**	**299 610**

The borrowing below is hedged mainly as a swap to limit interest rate risk:

	Notional < 1 year	1 year < Not < 5 years	Notional > 5 years	Total
Fixed payer/Variable payee	3 390	12 194	3 693	19 277
Other	653	2 524	0	3 177
Total	**4 043**	**14 718**	**3 693**	**22 454**

Note 17. Non-financial liabilities

The "Tax and employment-related liabilities" item includes in particular three cash advances made by AFT for a total amount of €47 million as of December 31st, 2022. The agreements provide for repayment over a maximum period of 10 years, taking into account a grace period of 3 years. The annual repayment amount is equal to the amount of the advance divided by the number of years of repayment.

“Other liabilities" includes in particular the tax on noise pollution. These are funds collected by ACA from the State in order to compensate local residents who suffer from noise pollution due to the proximity of the airport. These funds are held in a specific bank account and amount €4.5 M as of 31/12/2022.

	31/12/2022	31/12/2021	Total change	Change during the period	Reclass.	Debt on fixed assets
Trade and other payables	**19 535**	**15 169**	**4 366**	**4 367**	**-**	**-**
Tax and employment-related liabilities	77 335	56 458	20 877	20 877	-	-
Debts on acquisition of fixed assets	24 761	20 198	4 563	-	(59)	4 622
Dividends payable	-	186	(186)	(186)	-	-
Other liabilities	8 563	14 400	(5 837)	(5 839)	-	-
Deferred tax liabilities	4 636	3 477	1 159	1 152	7	-
Deferred income	708	354	354	354	-	-
Total other liabilities and accruals	**116 003**	**95 073**	**20 930**	**16 360**	**(52)**	**4 622**
Total non-financial liabilities	**135 538**	**110 242**	**25 296**	**20 727**	**(52)**	**4 622**

- **Deferred tax liabilities :**

The deferred tax assets and liabilities are offset when they cover the same tax entity, which is notably the case for tax consolidation at ACA level.

	31/12/2022	31/12/2021
On securities acquisition costs	170	180
On tax loss carry-forwards	-	(1 840)
On obsolescence	6 233	7 202
On temporary differences	(296)	(13)
On social security liabilities and other provisions	(1 471)	(2 052)
Deferred tax liabilities	**4 636**	**3 477**

The deferred tax liability on obsolescence relates to financial depreciation as of 1 January 2008 recorded as equity and reintegrated for tax purposes in line with the depreciation for wear and tear of related assets (article 19 of the law of April 2005).

Note 18. Financial profit/loss

The group's financial profit/loss is analysed as follows:

	31/12/2022	31/12/2021
Income from holdings and transferable securities	167	10
Interest received and similar income	255	221
Interest paid and similar expenses	(5 848)	(4 850)
Net exchange rate profit/loss	-	(3)
Net provisions and amorizations	(76)	(36)
Financial profit/loss	**(5 502)**	**(4 658)**

Note 19. Extraordinary profit

	31/12/2022	31/12/2021
Extraordinary income from management transactions	1 697	2 504
Extraordinary expenses from management transactions	(39)	(40)
Extraordinary income and expenses from capital transactions	(433)	2 823
Net provisions	(202)	(15)
Costs transfer	115	-
Extraordinary profit	**1 138**	**5 272**

Note 20. Net depreciations and amortizations

			Net Amount	
	Allowance	**Write-backs**	**31/12/2022**	**31/12/2021**
Technical amortizations on assets	(46 744)	-	(46 744)	(47 508)
Financial depreciation of non-renewable assets	(2 989)	-	(2 989)	(2 941)
Financial depreciation of renewable assets	(10 371)	281	(10 090)	(9 495)
Amortization of deferred expenses	(87)	-	(87)	(40)
Provision for liabilities and charges	(110)	1 058	948	455
Provision for pension liabilities	-	1 416	1 416	507
Trade and other receivables depreciation	(678)	755	78	672
Net amortizations, depreciations and provisions	**(60 977)**	**3 511**	**(57 466)**	**(58 351)**

Note 21. Income tax

Income tax rates used to calculate tax due are as follows:

Tax rate	2022	2021
France	25,83%	27,37%
Portugal	21,00%	21,00%
Spain	25,00%	25,00%

- **Tax expenditure for the financial year**

	31/12/2022	31/12/2021
Tax payable	(7 286)	10 024
Deferred taxes	(1 271)	(7 832)
Total	**(8 557)**	**2 192**

- **Rationalisation of tax expenditure**

	31/12/2022	31/12/2021
Net income from consolidated companies	23 755	(6 626)
Tax expenditure	(8 557)	2 192
Consolidated profit/loss before tax	**32 312**	**(8 818)**
Common law rate	25,83%	27,37%
Theoretical tax expenditure	**(8 346)**	**2 413**
Effect on permanent differences	(240)	55
Financial year DTA not recognised	(114)	-
Rate difference	54	(471)
Tax credits	117	62
Other	(27)	133
Actual tax expenditure	**(8 557)**	**2 192**

Following the adoption of law no. 2020-1721 of 29 December 2020 regarding finances for 2020, including a measure to underline the reduction of corporation tax, tax debt is calculated by applying the rates of 27.37% (for 2021) and 25.83% (from 2022). These tax rates include the impact of the additional 3.3% contribution which the Group must pay.

Note 22. Employees

As of 31 December 2022, the total average workforce (TAW) was 676 people (vs. 648 at the end of 2021).

	31/12/2022	31/12/2021
Salaries and incentive schemes	(33 361)	(24 311)
Profit-sharing	(845)	-
Social security contributions	(14 428)	(11 368)
Total	**(48 634)**	**(35 680)**

Compensations received in connection with the application of the partial unemployment measure is recorded under "Salaries and incentive schemes".

Note 23. Off-balance sheet commitments

- **Commitments received**

Bank guarantees

Guarantees Received from Clients	**€13,615k**
Guarantees Received from Fixed Asset Suppliers on Holdbacks	**€3,820k**

Liability guarantees

As part of the acquisition of AGST securities, the company Aéroports de la Côte d'Azur receives a guarantee from the seller covering specific risks identified during acquisition. This guarantee will take end by July 26th 2023.

- **Commitments given**

Bank guarantees

Crédit Coopératif security	**€208k**
Bank guarantee in favour of Atout France	**€30k**
Bank guarantee in favour of the Direction générale des Douanes (ACM)	**€150k**
Bank guarantee in favour of C.P.S.S.P.	**€61k**
Bank guarantee in favour of AENA	**€290k**
TARGO BANK security in favour of AENA	**€290k**

- **Reciprocal commitments**

Aéroports de la Côte d'Azur has a residual envelope of €20 million in long-term loans out of an initial envelope of €60 million. These sums can be mobilized until September 30, 2023

Note 24. Information about related parties

- **Payments made to members of the governing bodies and supervisory board**

The Chair of the Supervisory Board receives a payment of €12,000 per year. Regarding the Executive Board, all members received payment for their duties.

- **Relations with related parties**

There were no transactions completed with related parties which were not completed in market conditions.

Note 25. Statutory auditor fees

The fees for Statutory Auditors responsible for verifying the consolidated financial statements of the ACA Group and its subsidiaries totalled an amount of €214k (including travel expenses) for the 2021 financial year (vs. €184k in 2020).

Audit firm	2022 Audit - Statutory Financial Statement	2022 - Other missions	TOTAL
MAZARS	72	-	72
KPMG	89	3	92
Avvens Audit	15	-	15
Bové Montero y Asociados	11	-	11
Total	**187**	**3**	**190**